



rooted in
character
driven leadership

about the theme

This year's theme draws on the image of a mature tree system to reflect character-driven leadership and performance. Its expansive root system represents the values that anchor the organization - truthfulness, trustworthiness, humility, integrity, and striving in hardship - nourishing growth and enabling it to endure change. What stands visible above ground is a direct outcome of this foundation, symbolizing resilient performance supported by responsible disclosures and strong governance.

The theme is brought to life through four indigenous trees - Deodar, Sheesham, Peepal, and Neem - each featured across the Annual Reports of Engro. These trees reflect Engro's role in supporting the systems that sustain the nation. Together, they reinforce a simple truth; enduring performance is built from the ground up, rooted in strong values and shared transparently with investors, partners, and shareholders.



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**corporate
information**

company information

board of directors:

Mr. Hussain Dawood – Chairman & Non-Executive Director
 Ms. Sabrina Dawood – Non-Executive Director
 Mr. Muhammed Amin – Independent Director
 Mr. Isfandiyar Shaheen – Independent Director
 Mr. Ahmed Ebrahim Hasham – Independent Director
 Mr. Sohail Tai – Independent Director
 Mr. Abdul Samad Dawood – Chief Executive Officer and Executive Director

chief executive officer

Mr. Abdul Samad Dawood

chief financial officer

Mr. Farooq Barkat Ali

company secretary

Mr. Muhammad Amin

board audit & risk committee

Mr. Muhammed Amin – Chairman
 Mr. Isfandiyar Shaheen – Member
 Mr. Sohail Tai – Member

board people's committee

Mr. Isfandiyar Shaheen – Chairman
 Mr. Ahmed Ebrahim Hasham – Member
 Ms. Sabrina Dawood – Member

board investment committee

Mr. Abdul Samad Dawood – Chairman
 Mr. Muhammed Amin – Member
 Mr. Isfandiyar Shaheen – Member
 Mr. Sohail Tai – Member
 Mr. Ahmed Ebrahim Hasham – Member

auditors

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

registered office

19th Floor, The Harbor Front Building, HC-3,
 Marine Drive, Block- 4, Clifton Karachi.
 Tel # +92 (21) 35297501-10
 UAN # +92-21-111-211-211
 Fax # +92 (21) 35810663
 Email: investor.relations@engro.com
 Website: www.engro.com

bankers

Bank Alfalah Limited
 Bank Al-Habib Limited
 Habib Bank Limited
 MCB Bank Limited
 United Bank Limited
 Habib Metropolitan Bank Limited

shares registrar

FAMCO Share Registration Services (Pvt) Limited
 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S,
 Shakra-e-Faisal, Karachi.
 Tel: +92 (21) 34380101-5
 Email: info.shares@famcosrs.com

key figures

revenue
 includes discontinued operations
 (Rs. in millions) 2025

598,360

2024
 540,177

earnings per share
 (Rs. in millions) 2025

46.20

2024
 26.78

total assets
 includes discontinued operations
 (Rs. in millions) 2025

1,083,347

2024
 769,337

cash flow from operations
 (Rs. in millions) 2025

98,897

2024
 16,901

market capitalization
 (Rs. in millions) 2025

285,728

2024
 125,043

EBITDA
 includes discontinued operations
 (Rs. in millions) 2025

222,756

2024
 126,049

total equity
 (Rs. in millions) 2025

303,087

2024
 232,119

capital expenditure
 (Rs. in millions) 2025

33,773

2024
 26,673

dividend paid
 (Rs. in millions) 2025

26,295

2024
 58,425

vision

To be the leading investor and wealth-creator of value driven businesses.



mission

We will maximize profit by investing in businesses that share our vision and fulfill our investment criteria to achieve our growth and return aspirations on a consistent basis. We will create intrinsic value by incorporating efficiency and capability within our existing operations and through our investments.

core values

At Engro, culture is more than a set of values—it is the foundation of how we lead, collaborate, and grow. We foster an environment where open communication, trust, and respect guide our interactions, ensuring employee well-being, partner privacy, and a safe, inclusive workplace.

At the heart of our culture is Character and Good Manners (CGM)—our guiding framework shaped by Truthfulness, Trustworthiness, Humility, Integrity, and Striving in Hardship (TTHIS). These principles define how we make decisions, recognize contributions, and build high-performing teams. From talent acquisition and onboarding to development and leadership, CGM is embedded across the employee lifecycle, shaping a workplace where values translate into action.

At Engro, we never forget what we stand for— our people, our purpose, and our unwavering commitment to doing what is right.



accountability



commitment to excellence



diversity

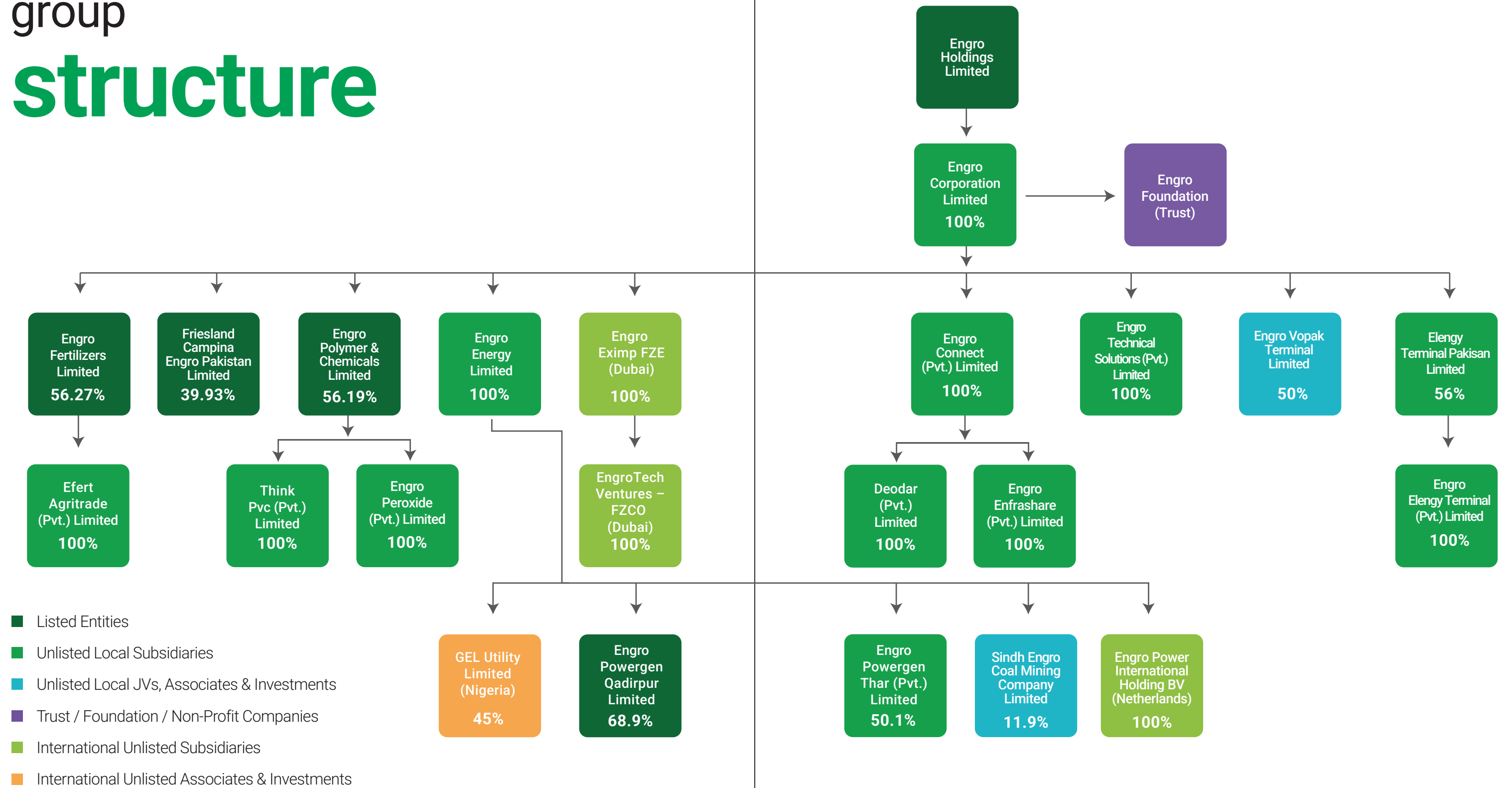


integrity



teamwork

group structure

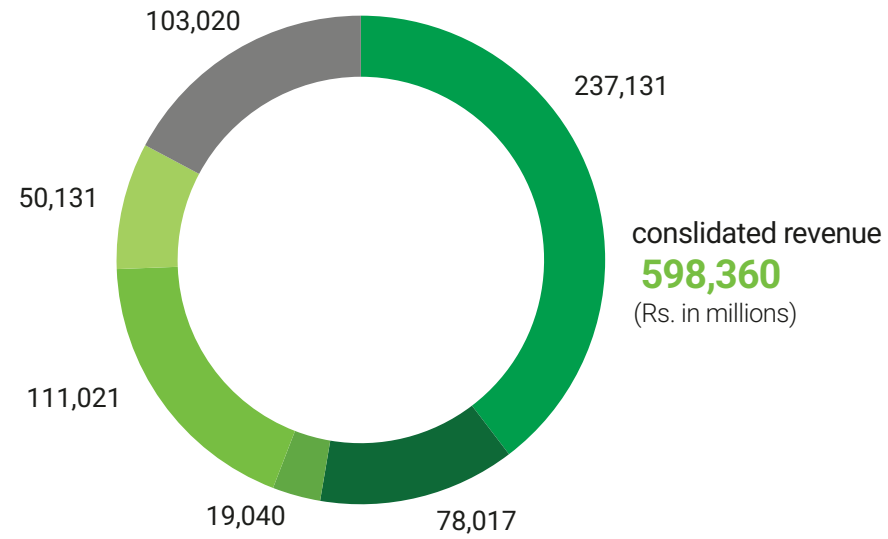


- Listed Entities
- Unlisted Local Subsidiaries
- Unlisted Local JVs, Associates & Investments
- Trust / Foundation / Non-Profit Companies
- International Unlisted Subsidiaries
- International Unlisted Associates & Investments

Note: The above companies include all the active business entities under Engro Holdings Limited for the year ended 31st December, 2025.

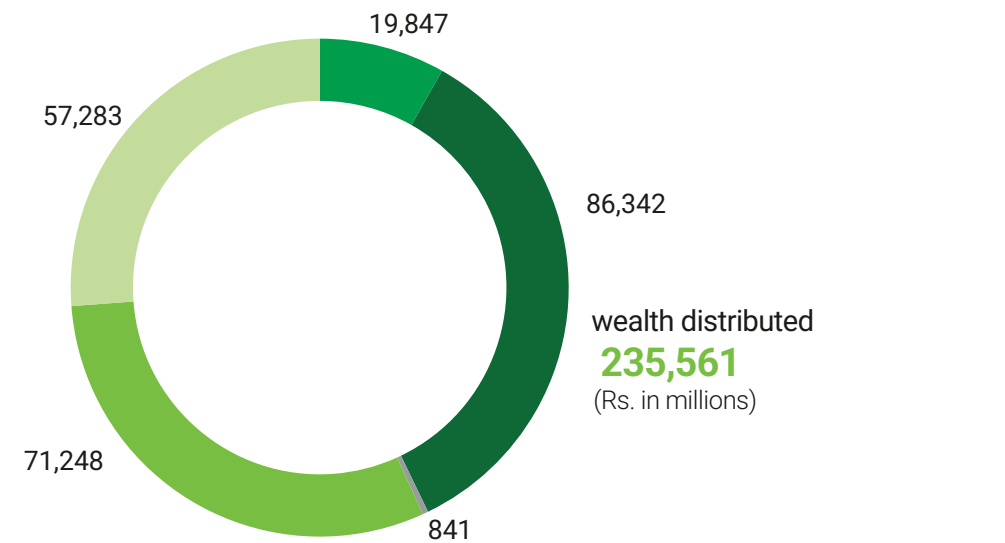
2025 at a glance

consolidated revenue



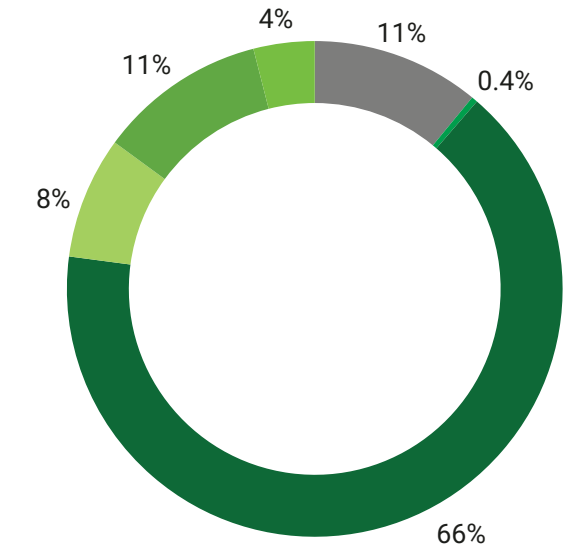
- Fertilizer
- Polymer
- Terminals
- Power and mining
- Connectivity and Telecom
- Others

wealth distributed



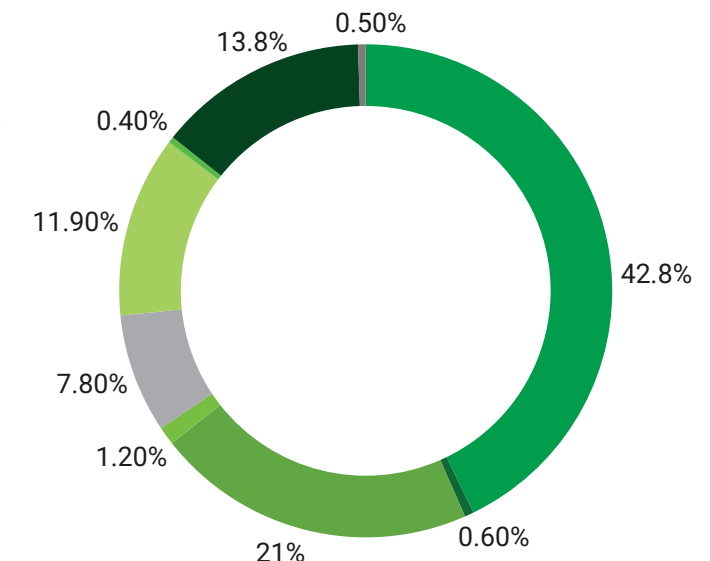
- To Employees
- To Government
- To Society
- To Providers of Capital
- Retained for reinvestment and future growth

social investment areas



- Livelihoods
- Education
- Health
- Infrastructure
- Environment
- Others

employees under management



- EFERT
- ETS
- EPCL
- Terminals
- EEL (Combined)
- ECORP
- EHL
- CONNECT
- FZE

(Engro Holdings and its subsidiaries)

2025

snapshot



Engro Holdings

Engro Holdings contributed USD 433 million in taxes to the national exchequer.

contributed
\$433mn
in taxes to
national exchequer



Engro Fertilizers

Engro Fertilizers saved USD 906 million in import substitution through sale of fertilizer products.

import substitution
\$906mn
for Pakistan



Engro Energy

Engro Energy illuminated more than ~20 million lives through its power generation projects.

illuminated
~20mn
lives



Engro Connect

Engro Connect enabled connectivity by operationalizing approximately ~15,000 telecom towers across Pakistan post acquisition of Deodar.

operationalized
~15,000
telecom towers



Engro Vopak Terminal

EVTL ensured energy security of ~2 million households across Pakistan through marine LPG supply.

energy security of
~2mn
households



Engro Elengy Terminal

EETL handled ~16% of overall natural gas supply in Pakistan during 2025.

handled
~16%
natural gas supply



Engro Polymer & Chemicals

EPCL contributed USD 99 million in import substitution.

contributed
\$99mn
in import substitution



Engro Eximp FZE

Engro Eximp FZE achieved exports worth approximately USD 5 million for Engro subsidiaries.

exports of
approximately
\$5mn
for subsidiaries



FrieslandCampina Engro

FrieslandCampina Engro Pakistan contributed to enhancing farmers livelihoods by disbursing USD 164 million in milk payments.

disbursing
\$164mn
in milk payments



**corporate
governance**

Hussain Dawood

Chairman and Non-Executive Director



Mr. Hussain Dawood is a philanthropist and entrepreneur who serves as the Chairman of Engro Holdings. Since 2002, he has stewarded Engro to invest in businesses that strive to solve meaningful problems across a variety of sectors.

Believing that institutions are defined by their values, he has championed high standards of corporate governance and a culture rooted in character-driven leadership across Engro. This frame of reference guides how Engro nurtures its people – by fostering a culture of truthfulness, trustworthiness, humility, integrity, and striving in hardship – and how Engro builds businesses, ensuring they operate with transparency and accountability. These efforts ultimately contribute to the growth and betterment of the company, community, and country.

Mr. Dawood applies the same focus on human development to education, which is fundamental to long-term progress. For this reason, he chairs the Board of the Karachi Education Initiative, a not-for-profit entity that sponsors KSBL, a business school striving to develop effective and ethical leaders. This belief is further perpetuated through The Dawood Foundation which has set up several educational projects to inspire social change (including Pakistan's first science museum, TDF MagnifiScience Center).

His complete list of directorships includes Engro Holdings, Engro Corporation, The Dawood Foundation, Karachi Education Initiative, and KSBL. He also has been a regular participant at the World Economic Forum's Annual Meeting in Davos for 30 years.

Mr. Dawood has been recognized for his contributions with a Hilal-i-Imtiaz (Crescent of Excellence) from the President of Pakistan and an Ufficiale Ordine al Merito della Repubblica Italiana (Order of Merit of the Italian Republic) Award. He holds an MBA from Kellogg School of Management, Northwestern University, USA and is a graduate in Metallurgy from Sheffield University, UK.

Abdul Samad Dawood

Chief Executive Officer and
Executive Director



As the CEO of Engro Holdings, Abdul Samad Dawood leads Engro's diverse investment portfolio, which includes interests in telecommunications infrastructure, petrochemicals, energy, trading, and food and agriculture. His responsibilities span oversight of major investments and supporting the long-term evolution of the group's portfolio.

Over the past 20 years, he has worked across mergers and acquisitions, partnerships, and capital investments tied to Engro's growth. His transaction work includes expanding Engro's telecom tower portfolio by 10,000+ towers, supporting Engro's joint venture with Royal FrieslandCampina in the dairy sector, and overseeing Engro's full investment cycle in The Hub Power Company. Beyond transaction-related responsibilities, Abdul Samad Dawood is engaged in governance roles across several organizations. These include:

- Serving as Chairman of FrieslandCampina Engro Pakistan, involved in steering the company's role within the national dairy industry.
- Contributing as a board member at Khaadi Corporation and as an advisor to Endeavor Pakistan, which supports high-growth entrepreneurship.
- Holding board positions at The Dawood Foundation, Karachi School of Business & Leadership, and the Pakistan Business Council, where he is involved in education, philanthropy, and policy-related initiatives.

He is also a member of the Young Presidents' Organization (YPO) and an alumnus of University College London. His roles across business, education, and social initiatives reflect an interest in how private sector institutions can align commercial outcomes with broader development objectives.

Sabrina Dawood

Non-Executive Director



Ms. Sabrina Dawood is committed to building interactive and inclusive learning spaces, a passion she brings to her role as Vice Chair of the Board of The Dawood Foundation (TDF), the Group's key philanthropic vehicle since 1960.

Sabrina plays a meaningful leadership role in TDF's various projects. Her vision has helped shape Dawood Public School (DPS) into a space that fosters diversity, tolerance, and character, while providing education to over 2,500 female students. Under her guidance, DPS has also set up the Dawood Development Unit (DDU) which is a dedicated unit that supports individuals with special needs and abilities, aiming to integrate them into mainstream education.

In addition to formal education, she has played a leading role in transforming TDF Ghar into a vibrant place where people can engage in discussions and activities while exploring Karachi's cultural heritage. More recently, she has led the development of TDF MagnifiScience Centre, a first-of-its-kind interactive science centre which promotes science literacy through experiential learning. These efforts are a culmination of the values advocated by Group Chairman, Hussain Dawood, who believes a strong code of values builds the foundation for effective problem-solving and human prosperity.

Beyond philanthropy, Sabrina brings her leadership to corporate governance, serving as a Director on the Boards of Engro Holdings, Dawood Lawrencepur Limited, the Hajiani Hanifabai Memorial Society, Karachi School of Business and Leadership, and the Karachi Education Initiative. She is a Trustee of Engro Foundation, the philanthropic vehicle for Engro and also a Member of the Board of WWF Pakistan.

With a Master's degree in Medical Anthropology from University College London and a Bachelor's degree in Anthropology and Law from London School of Economics, she brings a unique perspective to education, community development, and ethical leadership.

Sohail Tai

Independent Director



Sohail Tai is the CEO of Amin Tai Pvt. Ltd, a proprietary investment firm, where he has gained over 20 years of experience in capital allocation. A staunch believer in the principles of value investing, Sohail focuses on identifying businesses with strong fundamentals, sound financial health, and are led by competent, ethical management teams. His long-term investment philosophy drives his dedication to deep financial analysis and meaningful engagement with industry stakeholders.

Sohail earned his degree from Stern School of Business at New York University, graduating with double majors in Finance and International Business. Beyond his professional achievements, he is a passionate advocate for giving back to society and supports causes close to his heart. In his personal life, Sohail has a keen appreciation for sports and music, and finds joy in playing the piano during his leisure time.

Ahmed Ebrahim Hasham

Independent Director



Mr. Ahmed Ebrahim Hasham has been an Executive Director of the Hasham Group since 25 years. He serves as the CEO of Mehran Sugar Mills Limited and is a Board Member of Unicol Ltd, PMC Ltd, and MCB Islamic Bank Limited.

During his leadership at Mehran, the company was awarded one of the top 25 companies of the Pakistan Stock Exchange in 2020. Its associated company Unicol limited started a greenfield ethanol project and became one of the countries Top 100 exporters in 2019. He has played an instrumental role in the sale of an associated company, Unifoods Ltd, and in Unicol's acquisition of a sugar Mill in Punjab in 2022.

Ahmed is responsible for the Group's public equities and real estate portfolio which has a long term objective of compounding capital and wealth preservation.

He has previously served as the Chairman of the PSMA Sind Zone as well as on the Board of Adamjee Insurance and YPO Pakistan.

He is actively involved in the family CSR activities through his Board contribution at UIT. UIT specializes in Electric Engineering and Computer Sciences and has recently got its own University Charter. He serves on the Board of Usman Memorial Hospital where he was involved between 2018-2020 in the complete rebuilding of the Hospital into a 90 bed modernized secondary care hospital.

He is a graduate in International Relations and Economics from Tufts University and a certified PICG Director. In his quest for continual education he remains an avid reader and continues to attend international courses and conferences, with a focus on sugar, ethanol, and value investing.

Isfandiyar Shaheen

Independent Director



Isfandiyar Shaheen is Core Modeler at psxGPT, an AI assistant specifically engineered for the Pakistan Stock Exchange. In this role, he leads the development of sophisticated LLM workflows designed to synthesize complex financial datasets into actionable intelligence for investors and corporations.

Previously, Isfandiyar was the Founder & CEO at NetEquity Networks, where he pioneered innovative shared-infrastructure models to expand global internet access. His leadership extends to significant governance experience, having served on the Boards of Engro Foods, Engro Corporation, and Inbox Business Technologies, where he advised on large-scale digital transformation and capital allocation.

Isfandiyar is a graduate of Franklin and Marshall College and holds a degree in Economics and Mathematics, a foundation that informs his current work at the intersection of quantitative finance and generative AI.



Muhammed Amin

Independent Director

Muhammed Amin has a distinguished career in Pakistan's corporate sector, currently serving as Chairman of International Packaging Films Limited. With a career spanning over four decades, Muhammed Amin has held several prominent executive roles, including CEO of Sunridge Foods Private Limited, CEO of Mondelez Pakistan Limited (formerly Kraft Foods), and key leadership positions at The Gillette Company, USA. His early career includes experience with Bristol-Myers Squibb and A. F. Ferguson & Co., reflecting a strong foundation in both multinational and local business environments.

Beyond his executive responsibilities, Muhammed Amin has made significant contributions in non-executive and advisory capacities. He currently serves as a non-executive director at DH Partners Limited, Cyan Limited, Dawood Lawrencepur Limited and as an adviser to the Board of Shan Foods Private Limited. He also chairs the Audit Committee at Burque Corporation and the Strategy Committee at Spar. His previous board roles include directorships at Engro Foods Limited and Al Shaheer Corporation.

A strong advocate for governance, education, and industry development, Muhammed Amin has served on the Board of Governors at The British Overseas School, Karachi, and on executive committees of the Lasbela Chamber of Commerce and Industry and the American Business Council of Pakistan. He is also the current President of the Dhoraji Youth Services Foundation.

Throughout his career, Muhammed Amin has demonstrated a steadfast commitment to excellence, strategic growth, and community service. His leadership and advisory roles have been instrumental in shaping the direction of leading organizations within Pakistan's corporate landscape.



chairman's review

Dear shareholders,

It is my humble privilege to present the Annual Report of Engro Holdings for the year ended 31st December 2025.

The year that passed has underscored a simple truth: the landscape around us will keep evolving, often faster than forecasts can capture. Our task is to cultivate steadiness by learning consistently, strengthening our foundation, and responding with clarity and character. It is in this spirit that Engro has spent the past year deepening its own evolution – preparing the enterprise for future readiness through clearer mandates, a stronger portfolio, and a renewed focus on disciplined decision-making.

character-driven leadership as the starting point of our journey

At Engro, our commitment to character-driven leadership continues to guide how we shape our people and our organization. In 2024, we articulated Character and Good Manners (CGM) as the heart of our leadership philosophy believing that people develop holistically when we focus not just on their competencies but on their character. We continued this journey of holistic development in 2025 as colleagues across Engro engaged with CGM concepts through more than 20,000 hours of structured learning – in addition to reflection, dialogue, and the embedding of CGM in our performance management systems. These hours mark the first steps in a much longer path; we recognize that true character is developed through time and consistency.

A key strength of this journey has been our continued collaboration with KSBL whose academic foundation and conceptual clarity have shaped the CGM framework from its inception. KSBL provides the thought leadership and design behind the philosophy, while Engro serves as the real-world environment where these ideas are tested, refined, and lived at scale. This partnership ensures that our approach remains both principled and practical.

Our aspiration remains simple: to build an institution where decisions are grounded in truthfulness, trustworthiness, humility, integrity, and striving in hardship – the TTHIS principles at the core of CGM. At Engro, we view human development as holistic; we focus not only on competencies but on strengthening personal character as the foundation of leadership. These efforts mark the early steps of a longer journey, one in which we aim to live the TTHIS principles more consistently with each passing year.

the first year of the restructuring taking effect

In 2025 Engro Holdings came into its role as the capital allocator for the Group – setting direction, ensuring financial strength, and creating the right conditions for our businesses to move with speed and accountability. In 2025, we began living this mandate in earnest by sharpening our allocation discipline, strengthening balance-sheet resilience, and backing businesses with the capacity to perform through both highs and lows.

From a direction-setting perspective, the enterprise also worked to clarify mandates for all Engro companies. This empowerment goes beyond shifting approval levels; it reflects trust paired with accountability. To support this, our teams developed decision-rights and accountability matrices that anchor Engro more deeply in stewardship. In practice, this means clearer mandates that place decision-making closer to customers and operations, while the centre remains focused on governance, capital, and talent.

In 2025, our portfolio also went through a structural shift. For many years, one of our businesses served as the primary engine of the Group's earning, with other portfolio businesses supporting it. Last year, we completed the deal to bring Deodar (Jazz's telecom infrastructure portfolio) into Engro, adding a strong engine of

cashflows through a base of 10,000 additional towers. This development has introduced greater resilience into our portfolio, enabling us to steward shareholder capital with the highest level of responsibility. This is the direction we seek: a broader and steadier earnings base that reduces reliance on any single source and expands our strategic options.

I would also like to commend the management's pursuit of 100% Islamic financing for the US\$562 million towers transaction. For us, this was not only a financing choice; it was a choice of putting our values into practice. In achieving this figure, we supported Pakistan's national ambitions to transition fully to Shariah-compliant financing and successfully tested the sophistication and depth of Pakistan's Islamic fund markets. We will continue to prioritize financing forms that reflect our principles. We are grateful to our funding partners, particularly UBL and Meezan Bank, for their outstanding support in this endeavour.

human development update

Alongside CGM, the Shahzada Dawood Learning Circle (SDLC) continued to expose our colleagues to global thinking and future-facing perspectives. Building on last year's momentum, six SDLC sessions in 2025 deepened our collective understanding of leading with character amid emerging trends and reinforced the importance of learning as a strategic capability. Most notable among these sessions was Professor Edward Brooks of the Oxford Character Project, who discussed the qualities of character required for good leadership among sectors.

Engro's commitment to human development extended into the communities we serve through the Engro Foundation. In 2025, this translated into wide-ranging impact:

- 64,000+ patients received quality healthcare.
- 6,500+ students benefited from adopted schools, non-formal education and digital learning.
- Technical programs equipped more than 400 youth with employable skills.


In addition to this, clean drinking water access expanded through filtration and RO plants serving thousands of households, while environmental partnerships supported mangrove and forest conservation, circular plastics research, and protection of the Indus River Dolphin. Together, these efforts reflect our belief that human development is holistic – strengthening health, education, opportunity and the environment – and remains central to Engro's mission of enabling sustainable, inclusive growth across Pakistan.

gratitude

I extend my sincere appreciation to our Board for their counsel; to our management teams for their effort and honesty; and to every colleague at Engro who is trying – in small, daily ways – to build a culture rooted in character. We are grateful to our shareholders for entrusting us with your capital, to our regulators for their support, and to our partners for walking this path alongside us.

Engro's journey – toward stronger character, disciplined capital allocation, and a more diversified earnings base – remains ongoing. If we stay rooted in our values and open to learning, we believe the future, however uncertain, will meet us with possibility.

Sincerely,



Hussain Dawood
Chairman
Engro Holdings Limited



ceo's message

Dear shareholders,

When I reflect on 2025, I see a year in which we clarified our capital allocation priorities, strengthened our structure, and sharpened the operating choices required to improve the enterprise.

The world is being reshaped in real time. Industries are changing with technology, business cycles are compressing, and competitive advantage increasingly belongs to those who can learn and respond the fastest. In such an environment, large enterprises must allocate capital efficiently, embed technology where it enhances productivity, and empower teams closer to the action. In 2025, we formalized and reinforced the mandates across structure, portfolio, and leadership.

We began the year by operationalizing our enterprise architecture with Engro Holdings as the capital allocator for the group. This strengthens our ability to manage capital and risk with discipline.

On the capital allocation front, we made two major decisions. The first was our decision not to extend the transaction timeline for the thermal energy assets after the long stop date passed, as prevailing valuations did not reflect their long-term cash generation potential. These assets continued to deliver strong operational performance and cash generation, reinforcing their role as a stabilizing anchor within the portfolio.

The second was the US\$562 million Deodar transaction, the most consequential capital commitment Engro has made in the last decade. As a result, we now anchor a nationwide, open-access telecom infrastructure platform of more than 14,000 towers serving all mobile network operators. This platform lowers industry costs, expands coverage, and strengthens the digital infrastructure that supports education, enterprise, and inclusion.

The transaction was funded entirely through Islamic financing, reflecting our confidence in Pakistan's Islamic financial markets and our commitment to structuring capital in ways aligned with our values. I am grateful to our Chairman, Mr. Hussain Dawood, for encouraging us to pursue this path.

Engro is no longer defined by a single industrial identity. We are shaping a portfolio designed to balance cycles, absorb volatility, and participate in structural growth where it exists. Our governance and performance management systems are being aligned to support this direction.

building an owner's mindset

How we set expectations and measure results reinforces capital discipline. We evaluate each business through an owner's lens, not only on operating outcomes, but on competitive positioning, management depth, capital intensity, resilience across cycles, and long-term return potential. Capital within Engro must compete. Every rupee has an opportunity cost.

To strengthen this orientation, we are redesigning long-term incentive structures. Inspired by the spirit of Engro's management buy-out in the early 1990s, our objective is straightforward: deepen alignment with long-term value creation and build leadership benches capable of compounding returns over time. The aim is to empower management teams with clear mandates and accountability.

our performance

2025 was a challenging operating environment across several of our segments. Certain industries faced cyclical pressure, while regulatory and macroeconomic conditions remained fluid. In such

periods, the resilience of the portfolio and the quality of decision-making matter most.

Our diversification provided stability. The energy vertical delivered strong operational performance and cash generation, reinforcing liquidity and flexibility. The connectivity platform began to demonstrate operating momentum at scale as integration progressed and its economics took shape.

In fertilizers, rapid shifts in supply-demand dynamics underscored the need for greater commercial responsiveness. In hindsight, our response in certain periods should have been faster and more decisive. We are strengthening this capability and commercial discipline remains a priority in the year ahead.

As capital allocators, our responsibility is to ensure that no single cycle defines the enterprise. We will continue to evaluate the portfolio rigorously, redeploy capital toward structurally advantaged positions, and preserve balance sheet strength so we can act decisively when opportunities meet our return thresholds.

More details about Engro Holdings' performance can be found in the Director's Report section of this Annual Report.

recognition

I appreciate the continued support of our shareholders as we prioritize disciplined capital allocation and balance sheet strength to support long-term compounding over near-term distributions. The Board's guidance, strengthened by the addition of Independent Directors with capital allocation experience, has enhanced our ability to test assumptions and make disciplined decisions. We also acknowledge the continued engagement of regulators, partners, and employees.

I would also like to recognize Khaqan S. Khan, a colleague and friend we lost this year. He was pivotal to the towers transaction and remained committed to achieving the right outcome. He spoke the truth when it was uncomfortable. That is the standard we seek to build at Engro. Our thoughts remain with his family.

looking ahead

If 2025 clarified our architecture, the years ahead will test our discipline. We will continue to:

- Allocate capital selectively
- Prioritize structural advantage over short-term momentum
- Strengthen leadership benches and deepen accountability
- Embed technology where it improves productivity
- Preserve balance sheet strength

Our task is not to predict cycles. It is to build an enterprise that performs across them. With discipline and patience, we will continue to strengthen Engro for the long term.

Warm regards,



Abdul Samad Dawood
Chief Executive Officer
Engro Holdings Limited



welcoming deodar into engro

During the year, Engro took an important step toward strengthening Pakistan's digital backbone by welcoming Deodar (Private) Limited into the Engro enterprise. This addition reflects our long-standing belief that large-scale, future-focused infrastructure is essential for enabling growth, expanding opportunity, and improving the quality of connections across the country.

With over 10,000 telecom towers across Pakistan, Deodar brings a platform that serves millions of Pakistanis every day. As these assets and people join the Engro ecosystem, we see this not merely as a transaction, but as the start of a shared journey - one rooted in our purpose of solving some of Pakistan's most pressing challenges through scale, partnership, and innovation.

We aim to accelerate digital inclusion, improve connectivity, and support the country's rapidly growing data needs. Shared telecom infrastructure plays a vital role in expanding equitable access for all mobile network operators, enabling wider coverage and more efficient use of nationally-deployed resources. In doing so, it supports the kind of broad-based, sustainable progress that is at the heart of Engro's purpose.

With the addition of Deodar, Engro Connect has evolved into Pakistan's largest independent telecom tower platform, further strengthening Engro's portfolio while creating value for all stakeholders. This reflects Engro's continued growth, not only through expanding its footprint, but by enhancing its ability to enable connectivity and support millions across the country.



shahzada dawood learning circles (SDLC) in 2025

In 2025, the Shahzada Dawood Learning Circles (SDLC) continued to honour the late Vice Chairman Shahzada Dawood's enduring belief in the power of lifelong learning. Across numerous sessions held throughout the year, the platform brought world-class thinkers, leaders, and practitioners directly to our people, deepening intellectual curiosity, broadening perspectives, and reinforcing a culture of continuous growth.

Each session drew hundreds of participants from the Engro Group and subsidiaries, reflecting strong and sustained engagement across the organization. A defining feature of this year's program was its truly global reach. Speakers joined us from multiple countries including China, USA, Brazil, UK, Saudi Arabia, among others. Together, they brought diverse expertise across character-based leadership, geopolitics, digital wellbeing, sustainable business, investment trends, and personal purpose, equipping our people with the insights needed to navigate an increasingly complex world.

appendix

Month	Speaker	Title & Organization	Topic
September	Dr. Edward Brooks	Head of Oxford Character Project, Oxford University	Leading with Character
September	Pengcheng Qu	Head of Geopolitics and Agenda, Greater China, World Economic Forum	Understanding Complexities of Modern China
July	Dr. Justin Thomas	Head of Digital Wellbeing, Ithra, Saudi Aramco	Navigating Digital Wellbeing in the Era of Artificial Intelligence
May	Faheen Allibhoy	Managing Director, J.P. Morgan	Investment Trends: What Does the Global Flow of Capital Tell Us?
April	Mauricio Adade	President Royal DSM, Latin America	People. Planet. Purpose: The New Business Imperative
February	Adnan Hassan	President/Chair Board of Trustees, The BIG Ideas Foundation	The 7 Relationships of Life: Finding Your Purpose

awards & recognitions 2025

engro holdings

- PSX Top 25 Companies Awards 2024: 3rd Position.

engro corporation

- PSX Top 25 Companies Awards 2024: 1st Position.
- CFA Society Pakistan 22nd Annual Excellence Awards: Runner-Up for Recognizing Gender Diversity at Workplace.
- PBC-IFC Employer of Choice Gender Diversity Awards 2025: 9th Place.
- Best Place to Work Awards 2025: Second Runner-Up for Most Preferred Employer.
- OICCI's 7th Women Empowerment Awards: Second Runner-Up.

engro fertilizers

- PSX Top 25 Companies Awards 2024: 4th Position.
- Management Association of Pakistan (MAP) Awards: 1st Position in the overall Industrial Category.
- PBC-IFC Employer of Choice Gender Diversity Awards 2025: 1st Position Overall.
- British Safety Council International Safety Awards: Distinction.
- CEO Award: Finalist.
- International Fertilizer Association Protect and Sustain Certification.
- Effie Awards: 1st Position in Influencer Marketing and 2nd Position in Social Media for the Zabardast Urea campaign.
- CFA Society Pakistan 22nd Annual Excellence Awards: Runner-Up for Best Investor Relations.
- SAFA Best Presented Annual Report Awards: Certificate of Merit for Transparent Reporting in the Manufacturing Sector and SAARC Anniversary Award for Corporate Governance & Disclosures.
- ICMA & ICAP Best Corporate Report Awards: 2nd Position in the Chemical & Fertilizer category.
- Pakistan Digital Awards (PDA): 3 Awards for UGAI and 1 Award for Centralized Historian (AspenTech 1P21).
- Dragons of Asia Awards: Black Dragon Award for Zabardast Urea's social media campaign.

engro enfrashare

- IMS Certification 2025: ISO 45001 (Occupational Health & Safety), ISO 14001 (Environmental Management), and ISO 9001 (Quality Management).

engro vopak & elengy terminals

- PBC-IFC Employer of Choice Gender Diversity Awards 2025: Rising Star Award.
- OICCI Climate Excellence Awards: Special Recognition for Supporting Biodiversity.
- GDEIB Awards 2025: Winner in 6 categories.
- Pakistan Digital Awards 2025: Best Aerial & Underwater Robots Award and Best (IoT) Internet of Things Award.
- Vopak AME Sustainability Awards 2025: Vopak Sustainability Achievement Award.
- Vopak AME Service Awards: Asia & Middle East Service Award.

engro polymer & chemicals

- OICCI Women Empowerment Awards: Conducive Workplace Environment for Women.
- PBC-IFC Employer of Choice Gender Diversity Awards 2025: 2nd Position.
- EFP Women Empowerment & Gender Equality Awards 2025: Diamond Category.
- GDEIB Awards 2026: 4th Most Inclusive Organization in Pakistan.
- Pakistan Digital Awards 2025:
 - Best Wearable Innovation Award for Smart Glasses (RealWear)
 - Green Tech Solutions for Self-Optimization via Digital Twin Innovation (AspenTech)
 - EdTech of the Year for Technology-Enabled Integrated Capability Development (ICD)
 - Generative AI Visionary for Skunk Works
- ATD Awards: Excellence in Practice Award.
- ATD BEST Awards 2023: Ranked 40th Globally.
- ICMA & ICAP Best Corporate Report Awards: 3rd Position.
- MAP Amir S. Chinoy Excellence Awards: Certificate of Merit.
- British Safety Council Awards 2025: Finalist in the Employee Wellbeing Initiative category.
- OICCI Climate Excellence Awards: 2nd Position in Organizational Commitments to Supporting Biodiversity.
- NEPRA Power Generation Performance Report: 5th Position with a 97% score and achieving an "Outstanding" HSE Rating.

engro energy

- Global Diversity, Equity & Inclusion (GDEIB) Awards 2025: 7 Awards
 - Vision, Strategy & Business Impact
 - Leadership & Accountability
 - Recruitment
 - Job Design, Classification & Compensation
 - DEI Learning & Development
 - Connecting DEI & Sustainability
 - Community, Government Relations & Philanthropy

engro powergen qadirpur

- ICAP & ICMAP 2024: Merit Award in Best Corporate & Sustainability Report.
- SAFA Best Presented Annual Report Awards 2024: Silver Award in the Power & Energy Category.
- Best Corporate & Sustainability Report (BCSR) Awards 2024: Certificate of Merit in the Fuel & Energy Sector.
- NEPRA HSE Performance Report: 96% score and an “Outstanding” Rating.

engro powergen thar

- NEPRA Annual HSE Rating: 97% score and an “Outstanding” Rating.

sindh engro coal mining company

- Mining Technology Excellence Awards 2025: Pakistan’s first mining company to be honoured with 4 Awards
 - Safety – Critical Control Management
 - Innovation – Mine Digitization
 - Environmental – Wastewater
 - Business Expansion – Brownfield Expansion.
- Alliance for Water Stewardship (AWS): Gold Certification - first mining company globally.
- Pakistan Digital Awards 2025: Best Use of Creativity/Innovation.
- National Safety Council 2025: Corporate Hazard Recognition Award and 10 million man-hours.
- 17th Annual CSR Awards: Thar Foundation recognized in CSR Initiative and Education & Vocational Training.



memberships & associations

Pakistan Business Council



German Pakistan Trade and Investment



Pakistan Green Building Council



Pakistan German Business Forum



Overseas Investor Chamber of Commerce & Industry



Council on Foreign Relations



World Economic Forum



Management Association of Pakistan



memberships & associations

Karachi Chamber of Commerce



United Nations Global Compact



Pakistan Centre for
Philanthropy



notice of annual general meeting

Notice is hereby given that Fifty-Eighth Annual General Meeting (“AGM”) of the members of Engro Holdings Limited (the “Company”) will be held at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, Opp. Liaquat National Hospital, Karachi – 74800 on Tuesday, April 28, 2026, at 11:00 a.m. to transact the following businesses:

Members are encouraged to attend the AGM through a video conference facility managed by the Company (please see the notes section for details).

a) ordinary business

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the year ended December 31, 2025, together with the Auditors’ and Directors’ Reports thereon and the Review Report of the Chairman.

In accordance with Section 223(6) 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://www.engro.com/investor-relations/financial-reports/>



2. To appoint Auditors for the year 2026 and fix their remuneration. The Members are hereby notified that the Board Audit & Risk Committee and the Board of Directors have recommended the name of retiring Auditors M/s. A. F. Ferguson & Co., for re-appointment as Auditors of the Company.
3. To elect seven (07) Directors in accordance with section 159(1) of the Companies Act, 2017 (the “Act”) for a term of three years commencing from May 22, 2026. The names of the retiring directors are (1) Mr. Hussain Dawood, (2) Mr. Abdul Samad Dawood, (3) Ms. Sabrina Dawood, (4) Mr. Muhammed Amin, (5) Mr. Isfandiyar Shaheen, (6) Mr. Ahmed Ebrahim Hasham, and (7) Mr. Sohail Tai.

b) special business

4. To consider and if deemed fit, pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company:

“RESOLVED that, approval of the members of Engro Holdings Limited (“the Company”) be and is hereby accorded by way of special resolution in accordance with section 199 of the Companies Act, 2017 for the following acts by the Company:

- A. Approval for intercompany loan to its associated company, Dawood Lawrencepur Limited (“DLL”), an aggregate amount of up to PKR Seven billion (PKR 7,000,000,000) comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.) on an arm’s length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution.

FURTHER RESOLVED that, the Chief Executive Officer, Chief Financial Officer and/or Company Secretary of the Company be and are hereby authorized, any two jointly, to do all acts, deeds and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid resolutions.”

5. To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019 (as may be amended), for the purchase/buyback by the Company up to an aggregate number of 45,000,000 (Forty Five Million) issued ordinary shares of the Company, having face value of PKR 10/- (Pak Rupees Ten) each, through the securities exchange at the spot/current price acceptable to the Company prevailing during the purchase period, as recommended by the Board of Directors of the Company:

“RESOLVED THAT, subject to compliance with applicable laws, approval of the members of Engro Holdings Limited (the “Company”) be and is hereby accorded under Section 88 of the Companies Act, 2017 read with Listed Companies (Buy-Back of Shares) Regulations, 2019, for the following acts by the Company:

- (a) purchase/buy-back of up to an aggregate number of 45,000,000 (Forty Five Million) issued and paid-up ordinary shares of the Company, having paid-up/face value of PKR 10/- (Pak Rupees Ten Only) each, representing approximately 3.73% of the total issued and paid-up ordinary shares of the Company (the “Purchase”);

- (b) the Purchased shares to be cancelled by the Company;
- (c) the Purchase be commenced no later than 7 (seven) calendar days of the public announcement of the Purchase and to end no later than 180 (one hundred and eighty) days from the date of the special resolution, in each case in accordance with applicable law;
- (d) the Purchase to be conducted through the Pakistan Stock Exchange Limited in accordance with the applicable law, including the Listed Companies (Buy-Back of Shares) Regulations, 2019 (the “**Regulations**”);
- (e) that the Company maintains sufficient funds in the designated clearing bank account(s) from time to time during the Purchase period for the timely settlements of the daily purchases;
- (f) that the Authorized Person(s) (including the Manager to the Offer) as appointed by the Board of Directors of the Company take all necessary, ancillary and incidental steps and to do or cause to be done all such acts, deeds and things that may be required for the purpose of carrying out and giving effect to the aforementioned resolutions, and for the purpose of implementing, procuring, and completing the Purchase; and
- (g) the aforesaid resolutions, as deemed appropriate and necessary, may be revised by the Authorized Person(s) in accordance with any amendments in applicable law, or as directed in writing by any Competent Authority, which revision shall then be deemed to be part of the resolutions without the need for the shareholders/members of the Company to pass fresh resolutions.”

By Order of the Board

Dated: April 7, 2026
Karachi

Muhammad Amin
Company Secretary

notes

1. Prohibition on grant of gifts to Shareholders

The Securities and Exchange Commission of Pakistan (the “SECP”), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties. Hence, no gifts in any form will be distributed at the Meeting.

2. Participation in the AGM proceeding via video conferencing facility

Members are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company.

All Shareholders/Members interested in attending the AGM, either physically or through video-conferencing facility are requested to register their Name, Folio Number, Cell Number, CNIC/Passport number at <https://forms.office.com/r/sBaaCZBBVL>. Confirmation email for physical meeting or video link and login credentials will be shared with only those Shareholders whose registration are received at least 48 hours before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agm.ehl@engro.com.

3. Electronic transmission of Annual Report 2025

In compliance with section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2025 through email to Shareholders whose email addresses are available with the Company’s Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited. In those cases, where email addresses are not available with the Company’s Share Registrar, printed notices of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, the Company will provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.

Further, Shareholders are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company’s Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited if the member hold shares in physical form or, to the Member’s respective Participant/Investor Account Services, if shares are held in book entry form.

4. Closure of Share transfer Book

The Share Transfer Book of the Company will be closed from Tuesday, April 21, 2026 to Tuesday, April 28, 2026 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Block 6, P.E.C.H.S. Shahr-e-Faisal, Karachi, PABX No. (+92-21) 34380101-5 and email: info.shares@famcosrs.com by the close of business (05:00 p.m.) on Monday, April 20, 2026 will be treated in time for purpose of determining entitlement to attend and vote at the meeting.

5. Requirements for appointing Proxies

A Member entitled to attend and vote at the AGM shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have all such rights in respect of attending, speaking and voting at the AGM as available to a Member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy holder may not need to be a member of the Company.

- a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.
- b) The proxy form shall be witnessed by two male persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- c) Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- d) The proxy shall produce his/her valid original CNIC or original passport at the time of the AGM.
- e) In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Company along with the proxy form unless the same has been provided earlier.

6. Right to cast Vote and appointment of scrutinizer

Pursuant to Companies (Postal Ballot) Regulations, 2018 and read with Sections 143 and 144 of the Companies Act, 2017, Members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations. In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s BDO Ebrahim & CO. Chartered Accountants, a QCR rated audit firm, to act as the Scrutinizer of the Company for the election of directors and special businesses to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations. Details regarding the Scrutinizer's qualifications and experience are available on their website (<https://www.bdo.com.pk/en-gb/about/about-bdo-pakistan>).

7. Conversion of Physical Shares into CDC Account

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Act, which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.

Accordingly, all Shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages – safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares etc. The Shareholders of the Company may contact the Share Registrar and Transfer Agent of the Company, namely FAMCO Share Registration Services (Private) Limited for the conversion of physical shares into book-entry form.

statement of material facts under sections 166(3) of the companies act, 2017

This Statement sets out the material facts pertaining to the Ordinary Business as described in the Notice of the AGM of the Company.

Agenda Item 3

The current term of the Company's Board of Directors will expire on May 22, 2026. In accordance with SECP Circular No. 01 of 2026 dated January 08, 2026, companies are permitted to hold the election of directors at the AGM where the election becomes due within thirty (30) days after the AGM. Furthermore, as provided in Paragraph 4 of SECP Circular No. 7 of 2025 dated March 13, 2025, the effective date of appointment of the newly elected directors shall remain the actual due date, i.e., May 22, 2026.

Pursuant to Section 159(1) of the Act, the Board of Directors has fixed the number of directors to be elected at the AGM at seven (07), who shall hold office for a term of three (3) years commencing from May 22, 2026.

The independent directors have been selected on the basis of their experience, competencies, diversity, skills and knowledge in compliance with the requirements of Section 166 of the Companies Act, 2017 and the regulations issued thereunder.

In order to safeguard the interest of the minority shareholders, any member can send his / her nomination for contesting the election of directors.

Any person who seeks to contest the election of the office of director, whether they are a retiring director or otherwise, shall submit the following documents to the Company Secretary at the address 19th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton Karachi, not later than fourteen (14) days before the date of AGM:

1. Notice of his / her intention to offer himself / herself for the election of directors as per Section 159(3) of the Act, and consent to act as a director on Appendix to Form 9 as prescribed under the Act, and the Companies Regulations, 2024.
2. Any person contesting the election of directors must be a member of the Company at the time of filing his / her consent unless such person is representing a member which is not a natural person.

3. A signed declaration confirming that:
 - a) He / she is aware of his / her duties and powers under the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company and other relevant laws and regulations.
 - b) He / she is not ineligible to become a director of a listed company under the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other applicable laws / regulations.
4. A detailed profile along with his/her address for placement on the Company's website as required under SRO 1196 (I)/2019 dated October 03, 2019.
5. Details of other directorships held.
6. Copy of valid CNIC or Passport (in case of a foreign national) along with NTN and Folio Number / CDC Account or Sub Account number.
7. The following additional documents are required to be submitted by the candidates intending to contest the election as independent Director:
 - a) Declaration of independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
 - b) Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.
8. After the contestants file their notice / intention to stand for elections as an independent director, the Company shall ensure following criteria for choosing the appointee for appointment as independent director:
 - a) Inclusion of name of independent directors in the data bank maintained by Pakistan Institute of Corporate Governance (PICG) duly authorized by SECP.
 - b) Respective competencies, diversity, skill, knowledge and experience of the election contestants shall be assessed.
 - c) The company shall exercise due diligence before selecting a person from the data bank that the contestant meets the independence criteria as mentioned in Section 166(2) of the Companies Act, 2017.

The final list of candidates contesting the election will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of the Act. The website of the Company will be updated with the required information and Directors' profile.

statement of material facts under sections 134(3) of the companies act, 2017

This Statement sets out the material facts pertaining to the Special Business as described in the Notice of the AGM of the Company.

Agenda Item 4

To approve intercompany loan to the associated companies:

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is as follows:

(a) Disclosure regarding associated companies and/or associate companies.

(i) Name of associated companies:

S. No.	Name of Associated Companies
1	Dawood Lawrencepur Limited

(ii) Basis of relationship:

Name of Associate	Basis of Relationship	Effective Holding %
Dawood Lawrencepur Limited	Dawood Lawrencepur Limited holds 77,931,896 (6.47%) shares, of Engro Holdings Limited, and has three directors in common with Engro Holdings Limited.	6.47%

(iii) Basic Earnings Per Share for the last three years:

Basic Earnings Per Share	(Rupees)		
	2024	2023	2022
Dawood Lawrencepur Limited	51.26	15.46	(2.31)

(iv) Break-Up value per share, based on latest audited financial statements:

Break-Up Value Per Share	(Rupees)
	31 December 2024
Dawood Lawrencepur Limited	120

- (v) Financial position, including main items of the statement of financial position and profit and loss account, on the basis of its latest audited financial statements:

Financial year ended December 31, 2024, standalone audited accounts of Dawood Lawrencepur Limited:

(Amount in thousands)

Assets	
Property, plant and equipment	15,637
Biological Assets	1,604
Intangible assets	107
Long term investments	2,388,176
Long term Deposits	2,778
Deferred taxation	266,557
Stores and spares	892
Stock-in-trade	1,376
Loans to Subsidiaries	440,039
Loans and advances	1,833
Deposits, prepayments and Other Receivables	87,938
Interest Accrued	437,782
Short term investments	4,052,957
Cash and bank balances	151,453
Total Assets	7,849,129
Liabilities	
Retirement and other service benefit obligations	13,223
Trade and other payables	187,216
Unclaimed dividend	77,585
Unpaid dividend	3,284
Provisions	7,360
Taxation – provision less payments	438,814
Total Liabilities	727,482
Total Equity	7,121,647
Income Statement	
Dividend income	2,050,156
Royalty income	43,471
Profit before Tax	3,222,874
Profit after Tax	3,054,178

- (vi) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely: **None**

- (b) General disclosures

- (i) Maximum amount of investment to be made:

Name of Associated Company	Amount in PKR
Dawood Lawrencepur Limited	7 billion

- (ii) Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment:

This will enable the Company to lend to its associated companies when/if it has access to excess funds/banking lines/security, and the associated companies require the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders. The period of investment is one (1) year.

- (iii) Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds, (I) Justification of investment through borrowings from where loans or advances will be given (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis.

The Company intends to use excess liquidity/banking lines/security available to it to provide the requisite financing to the aforementioned associated companies. Additionally, if the Company has un-utilized overdraft lines, it may opt to avail such lines to provide the required financing. For this, the Company's responses to the queries raised are as follows:

- (a) Justification – the associated companies will pay a mark-up rate which is not lower than the borrowing cost of the Company;
- (b) Security - the Company secures its overdraft lines by providing a ranking charge over movable asset (excluding long term investments); and
- (c) Cost benefit analysis - the Company will charge the associated companies a mutually agreed markup rate, which will improve the profitability of the Company.
- (iv) Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment:

As detailed above, each financing facility will be provided on an arm's length basis.

- (v) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration:

The sponsors, majority shareholders and their relatives and directors of the Company have no interest in the matter. However, the following directors on the Board of Director of the Company are also the directors of the associated companies as on December 31, 2025:

Name of common Directors	No. of shares EHL	No. of shares DL
Mr. Abdul Samad Dawood	5,925,624	1,000
Ms. Sabrina Dawood	9,228,646	1,160,396
Mr. Muhammed Amin	100	1,000

(vi) In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs: **None**

(vii) Any other important details necessary for the members to understand the transaction: **None**

(c) In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided above are:

(i) Category-wise amount of investment: Financing limits for each associated company is as follows:

Name of Associated Company	Amount in PKR
Dawood Lawrencepur Limited	7 billion

(ii) Average borrowing cost of the investing company, the Karachi Interbank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period:

The average borrowing cost of the Company on its short-term borrowings is Nil. The KIBOR rates as of December 31, 2025 for one, three, and six months were 10.84%, 10.63%, and 10.65%, respectively. The Company also has invested in Shariah-compliant instruments, with a rate of return of 10.40%.

(iii) Rate of interest, mark up, profit, fees or commission etc. to be charged by the investing company:

The rate of interest, mark-up, profit, fees or commission to be charged by the Company will be higher than or equal to what the Company must pay if it borrows similar facilities. Where it has no such facilities, the associated companies will be charged rates which are greater than or equal to market rates of such facilities. Each financing facility will be provided on an arm's length basis.

(iv) Particulars of collateral or security to be obtained in relation to the proposed investment:

No security is obtained since the Company and its associated company are under common control. The Company and its associated company are confident that any financing arrangement will be repaid.

(v) If the investment carries conversion feature i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable: No conversion feature.

(vi) Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking:

Facility granted for a period of one (1) year. The other terms are mentioned above.

statement of material facts under sections 134(3) of the companies act, 2017

This Statement sets out the material facts pertaining to the Special Business as described in the Notice of the AGM of the Company.

Agenda Item 5

Purchase/Buy-back of its own shares by the Company

The Board of Directors of the Company, in its meeting held on March 27, 2026, had approved, and decided to recommend to the members of the Company for their approval by passing of special resolutions, the purchase/buy back by the Company up to an aggregate number of 45,000,000 (Forty Five Million) issued and paid up ordinary shares of the Company's shares, having paid-up/face value of PKR 10/- (Pak Rupees Ten Only) each, constituting approximately 3.73% of the current issued and paid up share capital of the Company, in accordance with Section 88 of the Companies Act, 2017 (the "**Act**") read with the Listed Companies (Buy-Back of Shares) Regulations, 2019 (the "**Regulations**"), at the spot/current price acceptable to the Company prevailing during the purchase period, through the securities exchange (i.e., Pakistan Stock Exchange Limited) (the "**Purchase**").

In accordance with the Act and the Regulations, the Purchase is subject to the approval of the members of the Company by way of passing of special resolutions.

The Directors have no personal interest in the proposed special business for the purchase/buyback of issued ordinary shares of the Company except to the extent of their existing respective beneficial shareholdings in the Company. However, in accordance with applicable law, no sponsor, director, officer, associated companies and undertakings of the Company can participate in the Purchase.

Following are the salient features as recommended by the Board of Directors for shareholders'/members' approval in connection with the Purchase:

Description	Board's Recommendation
Purpose of the purchase	Cancellation of Shares
Mode of the purchase	Through the Pakistan Stock Exchange Limited
Indicative (maximum) number of shares proposed to be purchased (buy-back)	Up to an aggregate of 45,000,000 (Forty Five Million) issued and paid-up ordinary shares of the Company having paid-up/face value of PKR 10/- (Pak Rupees Ten Only) each
Indicative (maximum) percentage of shares proposed to be purchased (buy-back)	Approx. 3.73% of the total outstanding shares of the Company
Purchase price	Spot/current rate (as per Reg. 8(2) of Listed Companies (Buy-back of Shares) Regulations, 2019)
Period within which the purchase shall be made	7th May 2026 to 25th October 2026 (both days inclusive) or till such date that purchase is complete, whichever is earlier
Source of funds	The purchase of shares shall be made in cash and shall be out of the distributable profits as required under Section 88(8) of the Companies Act, 2017.
Justification for the purchase / buyback and effect on the financial position of the Company	The purchase/buy-back of the Company's issued ordinary shares will improve the cashflow per share of the Company. Further, it will provide an exit opportunity to those members who wish to liquidate their investments.

Accordingly, the Board of Directors of the Company has recommended that the special resolution(s) as set out in the notice be passed at the Annual General Meeting with or without any modification(s), addition(s) or deletion(s).

In accordance with Regulation 3(1)(d) of the Regulations, the Board of Directors has undertaken that the funds specified/required for the Purchase (i.e., to the extent of the shares of the Company that will actually be purchased during the purchase period) are/shall be available with the Company, and after the Purchase, the Company shall be capable of meeting its obligations on time during the period up to the end of the immediately succeeding 12 (twelve) months. In accordance with Regulation 3(1)(e), it is confirmed that the Company is not on the defaulter counter of the PSX and that it has not defaulted on any debt instrument. Furthermore, the Company is compliant with its minimum capital requirements and financial ratios.

Procedure for the Purchase:

As required under Section 88 of the Act read with the Regulations, the following procedure shall be followed for the Purchase:

1. The Company shall make a public announcement for the purchase/buy-back through the securities exchange (i.e., Pakistan Stock Exchange Limited) within 2 (two) working days of passing of the special resolution, which shall also be published in 2 (two) daily newspapers (Business Recorder and Nawa-i-Waqt).
2. Except for those persons mentioned in Regulation 12(2), it is clarified that all those persons who validly hold shares of the Company during the purchase period and are eligible to participate in the purchase/buy-back may participate in the Purchase even if their names do not appear on members' register of the Company as on the book closure dates.
3. Members of the Company who are eligible and willing to sell the shares or part thereof held by them in the Company may sell such shares or part thereof to the securities broker through the securities exchange by placing a sale order through their securities broker.
4. The Purchase shall be made through the automated trading system of the securities exchange. All purchases shall be made at the spot/current share price at the time of purchase. No purchase shall be made through negotiated deals market.
5. The shares will be purchased by the Company through the securities exchange within the purchase period starting from 7th May 2026 to 25th October 2026 (both days inclusive) or till such date that the purchase is complete, whichever is earlier.
6. Necessary information and instruction regarding the procedure to sell the shares shall also be communicated to the members through public announcement, which shall also be made available on Company's website.

UN sustainable development goals (UN SDGs)

Engro strongly believes in contributing to socio-economic growth through its integrated business model that focuses on economic value generation for the business and its stakeholders, including society at large. Maintaining the trust of our stakeholders is of utmost importance, hence, we continue to do business with the highest standards of integrity.

In the pursuit to solve the most pressing issues of Pakistan, Engro views the challenges faced by the nation as opportunities to change the status quo and has been using the SDGs to integrate its business model and societal impact and guide its actions for development in all relevant areas. Introduced in 2015 by the United Nations and adopted by Pakistan in 2016, the Sustainable Development Goals (SDGs) serve as a guiding framework that calls for action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. We recognize that these 17 SDGs are integrated and thus action in one area may influence outcomes in others.

Engro's contribution to the SDGs is achieved through three avenues; its own business operations, its CSR arm Engro Foundation, and its CSR activities and contributions through Thar Foundation. Engro's efforts and projects towards the SDGs are presented below.

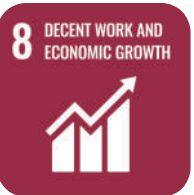
SDGs: 01 | 02 | 08

No Poverty | Zero Hunger | Decent Work & Economic Growth

business operations

Employment and job creation both play a crucial role in a country's economic growth and help meet poverty alleviation goals. Engro, through its investments and business growth, generates employment within its businesses and value chains. It is keenly focused on creating sustainable economic growth through its diligent investments, providing decent work conditions within its operational boundaries for all employees, and promoting an inclusive and sustainable economy for communities at large.

Engro continues to create a thriving work environment through its strong ethics and compliance practices and ensures adherence to all applicable laws and regulations such as labour laws, environmental protection regulations, and so on. Through implementation of its employment policies, the Company rallies for equality, diversity, and inclusion within its workforce at various levels; encourages training and development of employees, and enforces rigorous health and safety practices to ensure the well-being of all its employees. Engro works closely with universities and technical training institutes, for capacity building to develop marketable skills that in turn help to increase employability. Over the years, Engro has received several awards as a testament to its contribution to the country.



Our subsidiaries in the agriculture and food sector work closely in the agriculture value chains to enhance food security in Pakistan. Being one of the largest players in the fertilizer market, Engro Fertilizers Limited works closely with the farmers and educates them in innovative farming practices through workshops, seminars, farmer meetings, advisory forums, group discussions, and educational farm visits for advisory assistance in crop management, soil/water testing services through established labs, and 4R nutrient stewardship (right source, right dose, right time, and right method of application).

engro foundation

Micro-Enterprise Projects

To help empower the vulnerable community members and persons with disabilities, Engro Foundation regularly provides financial grants to individuals in Daharki. These grants allow them to set up sustainable micro-enterprises that are a means of socioeconomic independence for their households. In 2025, Engro Foundation supported one new livelihood initiative of a grocery shop. This was in addition to the existing 12 livelihood projects that were awarded to individuals in 2024, to help create independent earning opportunities.

Alternative Livelihood Initiative Under Indus River Dolphin Conservation Programme (IRDCP)

Under the IRDCP, WWF-Pakistan has incorporated an alternative livelihood program for local fisher communities:

- **Eco-Tourism:** WWF-Pakistan engaged local fisher community to help them develop ecotourism as an alternative livelihood. This year, two traditional fishing boats were converted and renovated into eco-tour boats for dolphin watching activities. These boats have attracted a large number of tourists, generating a steady source of income for the local fishing community, directly benefiting 10 local fishing families.
- **Women-led Aquaculture:** In 2024, WWF-Pakistan introduced women-led aquaculture as a pilot project in 1 fisher community. Fisherwomen were trained and supported to set up their aquaculture businesses. They were provided with 4,000 fish seeds, 2,000 kg of feed, technical training, and support. This initiative helped participants achieve an average income increase of around 30%. Based on this success, in 2025 the project was expanded to two additional fisher communities. WWF provided each group with 8,000 fish seeds, 4,000 kg of fish feed, inputs for pond fertilization and the required technical support. Several feedback sessions were held for participants to benefit from sharing insights and guidance.
- **Kitchen Gardening Initiative:** Under the IRDCP, in 2025 four additional households were included in this initiative benefiting 16 people. These households were provided with vegetable seeds, basic gardening tools, and hands-on training to support the establishment and maintenance of kitchen gardens. This allows participating families to have regular access to fresh homegrown vegetables for daily cooking and has reduced household food expenses by around PKR 1600–3000 per month, improving food security, dietary diversity, and economic empowerment.

thar foundation

Promoting Employment

Thar Foundation works diligently to promote inclusive economic growth and sustainable employment opportunities across Tharparkar.

- 29,500 people were provided employment through Khushhal Thar (KT), a local employment database managed by Thar Foundation, accounting for over 65% of total employment in the Thar project.
- 159 individuals, including 109 women, received small grants to establish microenterprises and sustainable livelihood sources.

Livestock Improvement Program

Under the livestock development initiative, a tri-party agreement was signed with the Agriculture University Tando Jam and the Livestock & Fisheries Department, Government of Sindh. Extensive animal health and capacity-building services were delivered, including:

- 20,553 animals vaccinated against ETV
- 24,115 animals vaccinated against PPR
- 43,347 animals dewormed
- 435 sick animals treated

To strengthen community capacity:

- 25 male and 25 female livestock farmer groups were formed.
- 40 youth from Block-II and Gorano were trained in Artificial Insemination at Tando Jam University.
- Four local veterinary doctors were engaged through an internship program.

Fish Breeding in Gorano Lake

This initiative was developed as a pilot community nutrition program. Under the project:

- 10 different fish species were bred in Gorano Lake.
- Approximately 70,000 kg of fish were distributed to local communities, improving nutrition and livelihoods.

This marks the first introduction of saline water fisheries in a desert region of Pakistan.

Bio-Saline Agriculture

Tharparkar contains 2.5 million acres of saline land with sandy soil. Thar Foundation initiated a pilot Bio-Saline Agriculture Project to develop a sustainable business model for crop cultivation using saline water.

Under this project:

- Cash crops, fruits, vegetables, and fodder were successfully grown, including apple berry orchards, aloe vera, and livestock fodder.
- Drip irrigation systems were installed at all bio-saline project sites.

To further expand the initiative:

- An MoU with Pakistan Agricultural Research Council (PARC) was signed to establish a 20-acre BioSaline Fruit Orchard.
- MoUs with Karachi University and Xinxiang University were signed for cultivating Panicum fodder under bio-saline conditions.

SDG: 03

Good Health & Well-Being

Aligned with Sustainable Development Goal 3 (Good Health and Well-Being), Engro places the protection of human life and the promotion of health and well-being at the core of its operations. We strive to create a safe, healthy, and inclusive workplace through strong occupational health and safety governance, employee well-being initiatives, and preventive health practices. Extending beyond our workforce, Engro contributes to improving health outcomes in the communities in which it operates in through targeted social investments and partnerships that support long-term societal well-being.



business operations

Employee Occupational Health and Safety

Engro upholds world-class Health and Safety standards across its operations by continuously strengthening and upgrading its Health and Safety management systems in alignment with global best practices. This is underpinned by robust governance, continuous performance monitoring, and targeted capability building that collectively promotes a strong Health and Safety culture across the corporate sector. Engro's HSE management approach provides comprehensive coverage of occupational health, industrial hygiene, behavioral safety, and process safety—safeguarding people, protecting the environment, and supporting the communities in which it operates.

At Engro, safety is a core value. We are guided by the principle that every individual must return home safe and unharmed every day, and that communities located around our facilities are not adversely impacted by our operations – a commitment that is actively demonstrated by leadership at all levels and firmly embedded in our organizational culture. This is achieved through active engagement and periodic awareness sessions conducted with targeted stakeholders.

Operating in compliance with global best practices, as documented in our corporate HSE Standards and stringent regulatory requirements, Engro continuously monitors,

measures, and enhances its HSE performance. Through systematic risk assessments, proactive hazard identification, and clearly defined safety protocols, we prevent and mitigate operational risks and reduce potential harm to As Low As Reasonably Practicable (ALARP) levels.

Personnel safety is reinforced through a comprehensive and integrated Operations Discipline Management System encompassing both HSE and Operations. This framework integrates policies, standards, processes, and best practices, ensuring consistent application of internal requirements alongside external and regulatory obligations.

Over the years, in collaboration with internationally recognized HSE experts, Engro has strengthened a proactive and resilient safety culture across its businesses. By aligning with globally recognized HSE standards, Engro enables its operations to achieve best-in-class performance—ensuring that safety remains central to decision-making and operational excellence.

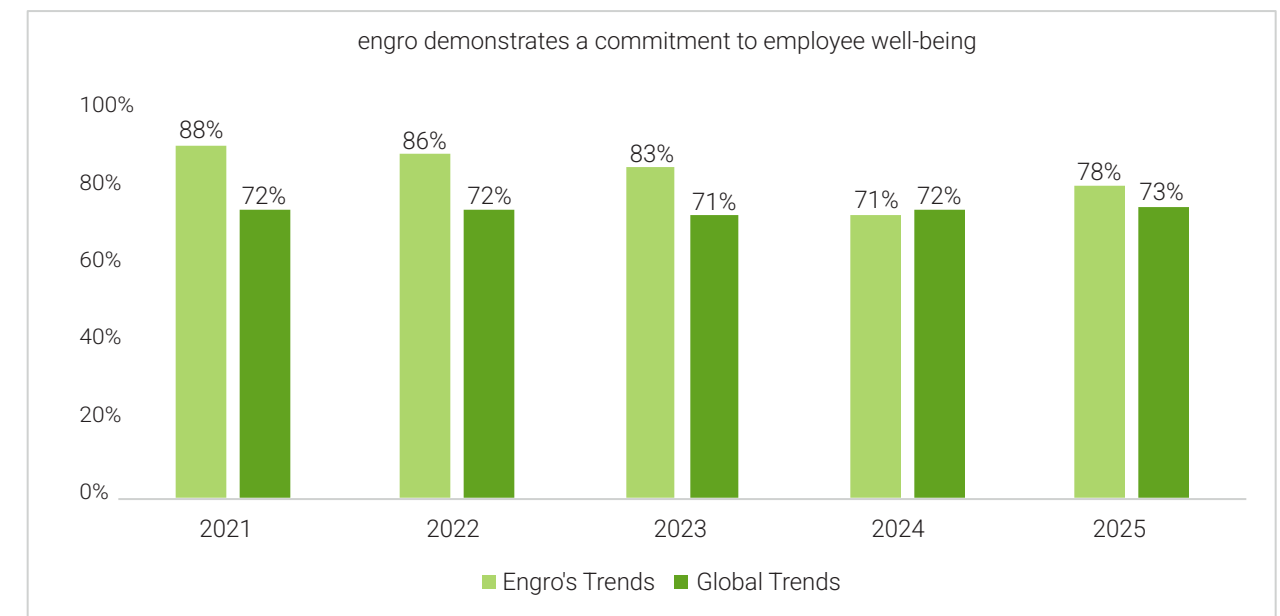
Employees Health and Well-Being

Employees are provided with benefits pertaining to health and well-being including medical insurance, on-site clinics, expert services on nutrition, mental well-being sessions, and physical fitness programs. Engro prioritizes nutritional, emotional, and physical wellness initiatives, some of which are shown below, to promote wellness amongst employees.

Dimensions	Initiatives
Emotional	<ul style="list-style-type: none"> One-on-one counselling sessions for employees and their families Workshops (in-person & online)
Physical	<ul style="list-style-type: none"> 41-Day Fitness Challenge Yoga & Zumba High Intensity Interval Training (HIIT) In-house physiotherapy sessions
Nutritional	<ul style="list-style-type: none"> One-on-one sessions for employees and their families Workshops (in-person & online)

As part of Engro's commitment to employee wellbeing, a wellbeing score is measured against global trends. In 2025, Engro achieved a wellbeing score of 78%, surpassing the global average of 73% (source: Butterfly.ai 2025 Employee Trends Report).

This improvement reflects the positive impact of our ongoing wellness initiatives and reinforces our dedication to creating a supportive and thriving work environment for all employees.



*(Source for 2025 Global Average: Butterfly.ai 2025 Employee Trends Report)
Year-on-year trend of employee wellbeing in Engro with its comparison with global trends.

engro foundation

Community Health Programs

Beyond our employees, we strive to uplift society through our social investments dedicated to healthcare. A total of 64,000+ patients were treated in 2025 across all healthcare facilities including 11,900+ patients at specialized health facilities. Engro Foundation has created considerable impact through its following investments:

OPD Clinics and Camps:

- Sahara Clinic in Daharki Ghotki: 8,520 patients treated, including 46% females
- Engro Clinic (Sehat Markaz) in Qadirpur Ghotki: 7,517 patients treated, including 76% females
- Sina Clinic in Gaghar Phatak, Karachi: 31,993 patients treated, including 44% females
- Mental Health Camps (with Sina Clinic) in Karachi: 3,995 consultations done, including 53% females

Specialized Facilities:

- Free Snake-bite treatment: 5,996 patients treated.
- Free Dog-bite / Rabies Centre: 5,225 patients.
- Artificial Limbs Clinic: 384 patients.
- Sahara Eye Clinic: 347 patients.

thar foundation

Thar Foundation Health Programs

Thar Foundation provides access to quality healthcare for vulnerable communities through its flagship facilities: Thar Foundation Hospital (Islamkot), Marvi Clinic (Block-II), and Gorano Clinic.

The 120-bed, state-of-the-art Thar Foundation Hospital is fully operational, supported by regular health camps and vaccination drives.

community health programs

Health Clinics

- **Total OPD Flow:** 96,146 patients received outpatient services.
- **Additional Health Services:** Ultrasound, ECG, EPI, laboratory services, computerized pulmonology tests, nutrition services, digital X-ray, antenatal and postnatal care, and free pharmacy services.
- **Specialist Consultant Clinics:** Weekly specialist clinics in collaboration with the Indus Hospital Karachi and Badin, providing free services from gynecologists, pediatricians, surgeons, and physicians.
- **Nutrition Program:** 11,000 children (6 months–5 years) screened for malnutrition; children with Severe Acute Malnutrition (SAM) received free nutritional support.
- **Dengue Outbreak Response:** Active support provided during dengue outbreaks in Taluka Islamkot.

Health Camps and Vaccinations

- **Eye Care:** 165 cataract surgeries performed, 2,200 patients received free eye consultations, glasses, and medicines.
- **School Medical Screening:** 2,600 children screened in Thar Foundation schools.
- **Free Medical Camps:** Organized in collaboration with LUMHS and Indus Hospital.
- **Community Outreach:** 1,600 patients served in Thar Nabi Sar, Gorano, and Block-II.
- **HPV Vaccination Drive:** 83% coverage achieved among targeted adolescent girls in Taluka Islamkot.
- **Dengue Response Camps:** Conducted in Village Meghe Jo Tar.
- **Polio Eradication:** Block-II and Gorano areas remain polio-free with 100% vaccination coverage, 3,600 children vaccinated during polio rounds.

Health Services

- **Emergency & Ambulance Services:** Timely response to emergencies and road traffic accidents.
- **Support to Government Facilities:** Civil works undertaken at the Block-II Government Dispensary.
- **Mobile Health Services:** Mobile health van served 43 villages in Taluka Islamkot.
- **Women's Health Empowerment:** Four Lady Health Workers (LHWs) supported with clinical setups.
- **Capacity Building:** 100 community members trained in Basic Life Support (BLS) in collaboration with Rescue 1122.
- **Health Awareness:** World Immunization Week seminar organized with district leadership.
- **Gynecological Health Workshop:** Conducted for 50 final-year female students at Midwifery School, Mithi.

Partnerships

- Agreement with Indus Hospital & Health Network (IHHN) for TF Hospital Phase-II (50-bed).
- Partnership with Shahid Afridi Foundation to launch two new mobile clinics.
- Collaboration with Rescue 1122 for BLS training.
- Collaboration with PPHI for continuity of the Nutrition AAP Project.
- Continuation of the Global Fund–supported Malaria Program with IHHN.

SDG: 04 Quality Education

business operations

Engro strongly believes in the constant upskilling and development of its workforce to not only enhance productivity but also develop employees to become front-runners in a constantly evolving world.



Character-Driven Leadership

At Engro, we believe lasting impact is created when capability and character grow together. This means nurturing both the inner character and the outward conduct of our people, ensuring that technical excellence is anchored in values.

Character-driven Leadership shapes how we show up every day, guiding our practices and decisions so we build trust, act responsibly, and create sustainable long-term growth. Rooted in our Leadership Competency Model (LCM), the Character and Good Manners (CGM) framework translates Engro's principles of Truth, Trust, Humility, Integrity, and Strive in Hardship (TTHIS), into clear, everyday behaviors.

In 2025, CGM was launched and cascade sessions were conducted through in-person trainings for all employees group-wide, achieving a remarkable 100% organizational coverage, ensuring consistent culture-building and behavior adoption. This initiative contributed 20,080 learning hours, reinforcing a safe, inclusive, and ethical workplace which advances our sustainability agenda.

Employee Training & Capability Development

LEAP (Learn, Empower, Adapt & Progress), Engro's capability development program, stands as an umbrella brand dedicated to advancing Group-wide upskilling through a unified platform. Its core aim is to build a comprehensive framework comprising of 3 vital elements; Onboarding, Functional/Technical Training, and Leadership Development. This framework is tailored to address capability development needs which are crucial for ongoing success and sustainability.

The capability strategy is designed to align with employee preferences by offering a variety of options through a structured calendar for personal and professional development, empowering individuals to customize their learning pathways.

- **Functional/technical offerings:** Engro has developed training programs on engineering excellence skills that focus on role-specific capability building. Programs such as PVC Process & Quality Control Fundamentals, Consumer Centricity, Water Chemistry by Buckman, and Layer of Protection Analysis, build industry-relevant technical proficiency among employees, enabling them to fulfill operational requirements and sustain best-in-class engineering standards.
- **Leadership development offerings:** Leadership Development is linked with our Leadership Capability Model (LCM), nurturing leadership and management skills across all tiers. In 2025, our learning strategy embraced diverse and impactful initiatives, including self-paced digital programs, in-person sessions, and blended formats tailored to various employee cadres.

Overall, LEAP brings together an integrated portfolio of learning resources, offering a wide range of courses across multiple platforms, both in-person and digital, that collectively support continuous growth and capability development. In 2025, these efforts resulted in over 130,000 learning hours across the organization, with over 23,000 hours being contributed via digital learning.

Talent Development Program

This is Engro's flagship program which aims to nurture high-performing & high potential talent within our workforce. This initiative targets individuals selected on merit, offering them a platform for accelerated growth through tailored and targeted capability building interventions. In collaboration with renowned global and local partners, this program curates customized interventions focused on leadership, strategic thinking, and personal growth.

engro foundation

Education for Communities

At Engro, we believe education has the power to transform lives. Over the years, we have strived to increase access to quality education across communities. Engro Foundation's education programs aim to do so in the underserved areas of Sindh.

Formal and Non-Formal Schools:

6,600+ students are benefitting through Engro Foundation:

- School Adoption Programs in Daharki and Qadirpur - 12 schools with 3,066 students enrolled, 38% girls.
- Katcha Schools Program in Ghotki - 14 schools with 1,667 students enrolled, including 30% girls.
- Sahara Community School in Daharki - 594 students enrolled, including 49% girls.
- Schools with TCF - 4 units built and supported in Karachi with a total of 757 students enrolled, including 50% girls.
- 2 Digital micro-schools in Karachi – 166 students enrolled, including 49% girls. This ed-tech solution for out-of-school children is being managed in partnership with Teach the World Foundation (TTWF).
- Engro Foundation and Sindh Education Foundation partnered for a school in Kacha, Ghotki – 152 students enrolled, including 43% girls.
- Engro Foundation and Sindh Education Foundation (non-formal education centres) – 3 centres with 210 students enrolled, including 41% girls.

Engro Foundation and Teach the World Foundation (TTWF) - partnership to educate out-of-school children:

With education forming a crucial part of our community investments, Engro Foundation has partnered with Teach the World Foundation (TTWF) for out-of-school children.

The 5-Year program is an innovative twist on fighting literacy in underserved communities through TTWF micro-schools. Funded by Engro Polymers & Chemicals Limited, 2 micro-schools with TTWF operate in Moosa Goth in Razzakabad and in Railway Colony, Karachi. TTWF aims to equip out-of-school children to reach Grade 5 literacy levels in 2 years through individually paced applications and learn via English, Urdu, and Mathematics game applications.

Technical Education

410+ individuals are benefiting from Engro foundation's contributions to Technical Education Programs.

Technical Training College in Daharki

- Engro Foundation supports a Diploma in Associate Engineering (DAE) program with Technical Training College (TTC) in Daharki. Total enrolment stands at 412 students, which includes 16 girls.
- Under EPQL's Hunar Program, 15 girls are fully sponsored for the Diploma of Associated Engineering (DAE) at Technical Training College (TTC) at Daharki. The girls are currently in the last year of the diploma programs.
- 145 students including 5 girls graduated in the last session.

thar foundation

Formal Education

- 5,061+ students (41% girls) benefited from Thar Foundation education programs.
- 31 school units with IT labs operational, 207 female teachers employed.
- 100% primary enrollment was achieved in all Block-II villages.
- Scholarships are provided to students at IBA Sukkur, GPI Mithi, and other institutions.
- MOUs signed with MUET Jamshoro, SSB-UTECH, TANG China, Saddiq Faqeer Music Academy, and Cricket Academy.
- Taleemi Basta initiative introduced (50% syllabus through activity-based learning).
- 100% pass rate achieved by Thar Foundation School's matric batch.
- IT lab was established at NSD Block 2 in collaboration with SZABTECH.

Technical Education

- Three-year DAE program implemented with GPI Mithi.
- 18 high-performing students selected for final year DAE at Pingdingshan University, China under a dual-diploma program.
- Industrial-grade stitching program launched for 40 male and female students in collaboration with Shahid Afridi Foundation.

SDGs: 05 Gender Equality

SDGs: 10 Reduced Inequalities

Engro holds Diversity, Equity, and Inclusion (DE&I) as a key strategic dimension that complements our existing efforts for a more diversified, inclusive, and future-ready workforce.

business operations

Our people strategy, initiatives and employment practices ensure that our employees are provided with equal opportunity and fair representation from various aspects, are treated equitably, and have the freedom to thrive professionally and grow to their full potential. Starting with the recruitment process, we endeavour to give equal opportunities to all candidates, irrespective of their gender, religion, or background.

We have multiple programs to ensure diversity at our workplace and to help us achieve our goal to encourage, enable and empower women in our workplace, marketplace, and communities. Engro enables women employees by offering various women-friendly policies and practices such as commute facilities, a day-care centre, ease of travel for women employees along with children up to a certain age (applicable to all permanent women employees and trainees) and more. To create a safe and respectful workplace environment, we also have an Anti-Harassment Committee for reporting any harassment cases.

Promoting gender diversity throughout Engro is a priority, exemplified by our consistent strive to bring about balanced distribution across the Organization. The Board comprises of one accomplished female member.

On the operational side, Engro subsidiaries drive gender diversity by encouraging women from various socio-economic backgrounds to work in unconventional roles such as Trade Apprentices, Graduate Trainee Engineers (GTEs), Workshop Supervisors, Warehouse In-Charge(s), and other field-oriented roles.

Engro remains steadfast in its commitment to empowering professionals and fostering a workplace where diverse perspectives thrive. A few of our key initiatives to promote DE&I are detailed ahead:

Diversity, Equity & Inclusion Leaders Program

Our commitment to fostering a diverse and inclusive culture remains strong. To further this cause, we believe that continuous reinforcement is essential. To this end, we have designed an in-house customized DE&I Leaders Program. It consists of the following four modules:



- Module 1 & 2: 'Awareness and Acceptance' focuses on intersecting identities, understanding, and leveraging privilege, difference between equality, equity, justice, and biases.
- Module 3: 'Advocacy' involves understanding courageous conversations and their guidelines.
- Module 4: 'Anti-Harassment' includes types of harassment and how to identify them.

This course forms an integral part of the onboarding process for new employees, enabling them to learn at their own pace and convenience. Furthermore, to ensure that all our employees have access to go over it on a periodic basis, this module is available on our online Learning Management System.

This approach reinforces our dedication to embedding diversity, equity, and inclusion into the fabric of our organization, ensuring that every employee has the required awareness and sensitization for sustaining an inclusive workplace.

Break Ke Baad

Break Ke Baad (BKB) is Engro's flagship returnship initiative aimed at promoting gender diversity and inclusive workforce participation. The 12-month structured program supports women seeking to re-enter the workforce after mid-career breaks by enhancing employability and providing meaningful work opportunities across the Group.

The program is built on a flexible employment framework, offering full-time roles, part-time engagements, and flexible working hours to accommodate varying personal and caregiving responsibilities. Since its inception in 2022, BKB has been progressively scaled across Engro's businesses. In 2025, the fourth cohort of BKB Associates was onboarded into diverse business functions across the Group. In line with Engro's commitment to employee well-being and inclusive workplace practices, all BKB Associates are eligible for access to the in-house daycare facility. This provision supports childcare needs and enables a smoother transition back into the corporate workforce, contributing to improved retention, productivity, and long-term career continuity for women.

Khudi

Khudi was introduced towards the end of 2023 as a one-year contractual training program designed to empower and nurture People with Disabilities (PWDs). Through exposure to diverse roles across Engro, the initiative instilled pride, identity, and purpose among its participants. In 2025, 6 Khudi Associates successfully graduated from the program, marking a significant milestone in their professional journeys. By creating pathways for growth, skill development, and meaningful contributions, Khudi actively addresses the barriers faced by PWDs in accessing sustainable and meaningful employment. Through this initiative, Engro continues to foster long-term career impact for PWDs while strengthening an inclusive and diverse workplace culture.

Uraan

Uraan, a one-year technical training program was launched by EVTL for women residents around Port Qasim, Karachi. This comprehensive program covers essential terminal aspects such as Processes, Electrical, Instrumentation, Warehouse, HSE, Digitalization, and Administration.

This initiative not only addresses the scarcity of women in unconventional roles but also helps include employability of women in these underrepresented communities.

RISE Series

Building on the success of the RISE Series, we introduced RISE Above in 2025 as a more intentional and transformative platform for women across the organization. Designed to enable women to rise above self-doubt and traditional limitations, the series focuses on cultivating confidence, courage, and self-advocacy.

RISE Above features curated conversations led by senior leaders across the industry, centered on themes such as breaking the glass ceiling, fighting imposter syndrome, and owning one’s narrative at work. The series provides a safe and inclusive space for women to engage in meaningful dialogue, learn from lived experiences, and build cross-entity networks, strengthening both individual growth and collective capability across the Group.

Gender Pay Gap

At Engro, we are committed to fostering an inclusive and equitable workplace where all employees have equal opportunities to grow and succeed. Our compensation philosophy is built on fairness, transparency, and meritocracy, ensuring that pay is determined by an individual’s competence, experience, and performance. We believe in rewarding employees for their contributions and the value they bring to our organization. To uphold our commitment to fairness, we regularly review our compensation structures to ensure alignment with industry standards and internal equity.

Engro Holdings has a workforce of fewer than 15 employees. The reported gender pay ratio is influenced by the very small sample size and experience differentials within comparable roles, where the male incumbent has four times the experience of the female incumbents.

Grade	Mean Ratio
Average	0.62

We remain dedicated to continuously monitoring and improving pay equity, ensuring that all employees—regardless of gender—are recognized and rewarded equitably for their contributions.

engro foundation

Gender Participation in CSR Activities

Engro not only strives for gender equality within its workforce but also supports it within surrounding communities. Engro Foundation contributes towards education and employability of women through various programs. Some of these include:

1. Schools in Katcha area, set up by Engro Foundation, have helped change the lives of young girls in that area by providing secondary and higher education and reducing early childhood marriages.

2. Under EPQL’s Hunar Program, 15 girls are fully sponsored for the Diploma of Associated Engineering (DAE) at Technical Training College (TTC) of Daharki. The girls are currently in the last year of the diploma program.

thar foundation

Thar Foundation has helped promote gender equality through its various programs and initiatives resulting in following achievements:

- 70+ women trained as dump truck drivers.
- 2 women trained as rickshaw drivers for school transport.
- 41% female student enrollment, 207 female teachers employed.
- 163 female entrepreneurs supported through livelihood grants.
- Women trained as solar operators, RO plant operators, and health workers.

SDGs: 06

Clean Water & Sanitation

Engro recognizes the importance of water as a key shared resource for survival of life on earth. Our operations rely heavily on its availability and therefore, we put in significant efforts to efficiently manage our consumption, withdrawal, and discharge of water to minimize any negative impacts to our communities, environment, and operations.



business operations

Our group companies mostly operate industrial plants that use water in various processes. Hence, ensuring judicious consumption of water and proper discharge is important. Minimizing water consumption through technological improvement initiatives plays an integral part in our sustainability drive. All our sites comply with applicable local regulations and internal environmental standards for disposal of water. They focus on reusing and recycling the water used in our processes to maximize water conservation.

Some of our business initiatives related to optimal consumption and discharge of water are detailed below.

- EPCL has made significant investments in water stewardship, focusing on conservation, recycling, and community resilience. The upgraded Effluent Treatment Plant (2025) can enable recycling of up to 70% of treated effluent at peak capacity, reducing freshwater abstraction and environmental discharge risks.
- Engro Fertilizers Limited (EFERT) continues to strengthen its commitment to responsible water stewardship. In 2025, the Daharki manufacturing site successfully maintained its Alliance for Water Stewardship (AWS) Core Certification through a surveillance audit, reaffirming effective water governance, risk-based water management, and active stakeholder engagement within the shared catchment. During the year, EFERT implemented and advanced multiple water efficiency and quality improvement initiatives, including HSU steam optimization, utility media

replacement, reverse osmosis membrane upgrades, and micron filter design enhancements, resulting in measurable reductions in water consumption, improved demineralization performance, and reduced chemical usage.

- Engro Powergen Thar Limited (EPTL) undertook Water Optimization Initiative in which they installed water optimizing nozzles at EPTL plant and colony. This is expected to result in annual savings of approximately 2952 m³ (779836 gallons) of water. Additionally, treated and recycled water from its plant site is being utilized for plantation and horticulture through drip irrigation systems, including for on-site vegetable cultivation.
- Engro Powergen Qadirpur Limited (EPQL) focuses on minimizing its water footprint by maximizing reuse and recycling through a state-of-the-art plant design. Steam and cooling water systems operate in closed-loop circulation with multiple treatment stages, significantly reducing total water consumption and dependence on freshwater sources. A water conservation pit was commissioned which collects water from reverse osmosis filter washing, then recycled for reuse as fresh water. This saves 100,000 liters/day of water during current operation.
- Engro Vopak Terminal Limited (EVTL) executed the approved water conservation roadmap in 2025 and implemented innovative water conservation initiatives, demonstrating leadership in sustainable water management. Flowmeter installations enabled precise monitoring and rapid leak detection, while a sewage system revamp minimized water losses resulting in 30% of water being re-used. Vaporizer de-icing condensate water and discharge from air-conditioning units is collected, and reused for landscape irrigation, saving approximately 10.8 cubic meters of purchased water per month. Automatic sensor-based taps reduced unnecessary consumption, and systematic maintenance of key water-related areas ensured ongoing efficiency and prevented wastage. Despite a 4% increase in product throughput compared to last year, EVTL achieved a 30.6% reduction in water consumption.

engro foundation

Engro Foundation and Engro Polymers & Chemicals (EPCL), in partnership with The Water Foundation (TWF), has installed 4 water filtration plants including 1 Reverse Osmosis (RO) unit in Karachi. These plants serve clean drinking water to the underprivileged community in Gaghar Phatak, around our business operations. Some of the impact numbers are mentioned below:

- Over 9+ million liters of clean drinking water processed and provided in 2025.
- Approximately 180,000 members of the community benefited from the water filtration plants.
- An average of 20,000 liters of clean water is provided per day to the communities.

Moreover, to ensure the uninterrupted supply of clean water in CAER villages, Daharki city, and Ghotki Railway Station, a total of 11 RO plants have been installed by Engro Fertilizers Limited, running on renewable solar energy. These RO plants have provided approximately 15 million liters of water to 4,000+ households and to the daily train passengers this year.

Engro Foundation also facilitated drainage system upgrades in EFERT CAER Villages; Kotlo Mirza, Jung Colony, and Juma Laghari.

thar foundation

Thar Foundation contributes to Clean Water and Sanitation through the following initiatives:

- 33 RO plants provide clean drinking water to 35,000+ people.
- Community-based RO management committees formed in Block-II and Gorano.

SDGs: 07

Affordable & Clean Energy

business operations

Engro believes in conducting sustainable operations with a focus on resource optimization and energy efficiency to manage its environmental footprint and generate alternate energy sources within its community work.



A few of our energy efficiency and clean energy projects are detailed below:

- Engro Fertilizers Limited (EFERT) is committed to supporting UN Sustainable Development Goal - Affordable & Clean Energy by continuously improving energy efficiency, optimizing fuel use, and enhancing energy reliability across its manufacturing operations. Recognizing energy as a critical input to fertilizer production, EFERT integrates energy management into its operational excellence and sustainability agenda to reduce costs, lower environmental impact, and strengthen long-term competitiveness. During 2025, EFERT has advanced multiple energy optimization initiatives aimed at improving energy intensity and reducing inherent losses. Key projects included hydrogen recovery optimization through prism unit enhancements, oxygen-enriched waste gas utilization to improve secondary reformer efficiency, and AI-based in-house gas turbine load optimization to maximize power generation efficiency. Additional initiatives, such as shifting base gas turbines to uncompressed fuel networks, steam system optimization through steam rerouting, and high-efficiency tray installation in process condensate systems, further strengthened site-wide energy performance.
- Engro Polymer & Chemicals Limited (EPCL) has demonstrated strong performance in energy efficiency and energy transition through targeted operational improvements and strategic capital investments. Major energy optimization initiatives included restoration of gas turbine performance, delivering efficiency gains of 1.1% at Gas Turbine-A and 1.26% at Gas Turbine-B, resulting in fuel savings of approximately 172,000 MMBTU per annum. Steam system optimization through insulation improvements and steam trap rectification increased low pressure steam generation by 1.7 TPH and delivered combined savings of 41,400 MMBTU annually, along with PKR 6.3 million per year in cost savings.

Utility optimization measures, such as shutdown of excess cooling water pumps at Cooling

Tower-II (1 MW) and Cooling Tower-IV (400 kW), further reduced electricity consumption. EPCL has also approved a 2 MW on-site solar power project, representing a key step toward renewable energy integration and long-term energy resilience.

- Engro Powergen Qadirpur Limited (EPQL) contributes to affordable and clean energy by utilizing permeate gas—a low-BTU byproduct that was previously flared—as its primary fuel source, thereby converting waste into a valuable energy resource. This fuel and technology choice significantly lowers the plant’s life-cycle emissions intensity compared to conventional thermal power options. EPQL continuously improves plant efficiency through optimized operational controls, including monitored start-up and shutdown procedures to reduce auxiliary power consumption. The plant operates under ISO-certified Environmental Management Systems (ISO 14001) and Occupational Health & Safety Management Systems (ISO 45001), ensuring continuous emissions monitoring through CEMS and monthly third-party verification, with consistent compliance with SEPA and NEQS standards. These measures support reliable, lower-cost, and environmentally responsible power generation, reinforcing company’s role in Pakistan’s clean energy transition.
- 50% of Engro Enfrashare’s telecommunications towers are powered by solar energy.
- SECMC has installed a 5 MW solar plant for auxiliary load.
- A 158 KW solar plant is installed at Engro Vopak and Engro Elengy Terminals, catering to ~20% of the terminals’ energy needs.

engro foundation

Beyond our operational sites, we have implemented projects within communities to provide clean and affordable energy.

- Engro Fertilizers Limited installed 40 solar lights in public places in Daharki and Ghotki.
- Engro Polymer & Chemicals Limited has facilitated the installation of solar power for its CSR activities. The clinic which hosts Sina and Karwan-e-Hayat’s teams is fully operated by solar power at Ghaggar Phattak. All The Citizens Foundation (TCF) schools and Teach the World Foundation (TTWF) schools operate using solar powered facilities, as well as water filtration plants. This not only improves our environmental impact but also ensures that all our services remain uninterrupted for community residents throughout the year.

thar foundation

- 100% solarization was achieved in Block-II.
- 600 Solar Home Systems installed in Gorano, improving household electrification.

SDGs: 09

Industry, Innovation & Infrastructure

business operations

As AI continues to redefine industries worldwide, Engro remains steadfast in its commitment to embrace the intelligent age and evolve into a digitally enabled and AI-powered intelligent enterprise.



Building on a strong foundation of digital transformation—marked by SAP modernization, cloud adoption, IT-OT convergence, and the establishment of a data lake—Engro is now accelerating its AI transformation journey toward next-generation AI platforms and intelligent automation.

In 2025, Engro achieved key milestones in its digital and AI journey, including the rollout of Microsoft Copilot across the group, in-house development of AI-powered solutions, a comprehensive revamp of the Engro’s customer-facing Humsafar and Salesforce applications, and the successful migration and integration of Deodar’s system into Engro’s digital landscape. These advancements were reinforced 63 | journey to building character engro corporation limited annual report 2024 journey to building character | 64 by a strong focus on risk mitigation and operational security, underscoring Engro’s commitment to resilience, innovation, and sustainable growth in the age of AI.

A few notable projects include:

Digitally enabled & AI-powered business operations

- **Deodar’s Transition from Jazz to Engro**

This transition brings Deodar’s financial information into Engro’s centralized SAP system, unifying Finance, Asset Management, Lease In & Out, Project Budgeting, Procurement, and Inventory under one platform. With standardized processes, streamlined workflows, and real-time insights, the system strengthens governance and operational efficiency.

A key milestone is the introduction of SAP RE-FX (Real Estate & Lease Management), implemented for the first time at Engro, enabling management of 10,000+ lease contracts, IFRS 16 compliance, simplified invoicing, and revenue recognition.

In parallel, the IT team successfully led the operational integration of Deodar into Engro’s environment, completing user onboarding within planned timelines and ensuring uninterrupted business operations. User email services were seamlessly migrated to Engro’s domain, while secure network and remote connectivity were enabled across all locations to support day-one readiness.

End-to-end Head Office IT services for Deodar were established, ensuring the availability of a smooth, reliable, and robust technology environment to support daily operations. A comprehensive cybersecurity stack implementation was also carried out across Deodar’s IT assets, aligning operations with Engro’s enterprise security standards.

As a result, Deodar operations were fully integrated into the Engro ecosystem, and centralized IT support framework, enhancing consistency in service delivery, governance, and license management. All activities were executed in accordance with Engro IT service standards, resulting in a secure, stable, and scalable operational setup from day one.

This achievement reflects Engro's commitment to scalable digital transformation and a centralized technology landscape that drives efficiency and collaboration across subsidiaries.

- **Democratizing AI at Engro**

Engro accelerated its AI transformation journey by rolling out Microsoft 365 Copilot across the organization, embedding AI capabilities into everyday business processes. This initiative introduced advanced AI tools to automate routine tasks, generate content, and analyse data, all while ensuring secure and compliant usage. By democratizing AI and integrating Copilot into core operations, Engro empowered employees to enhance productivity and make faster, data-driven decisions, fostering innovation and reinforcing its commitment to operational excellence and sustainable growth.

- **AI-powered Application development**

To accelerate in-house application development, Engro implemented AI-powered development and quality assurance processes, enhancing efficiency, consistency, and quality. By leveraging AI, development and QA timelines were significantly reduced, boosting productivity and improving overall application quality.

- **Engro Central - Ideas Bank**

To foster innovation and accelerate growth, Engro launched a digital platform to collect and steward new ideas. The platform enables employees to submit ideas through a structured, user-friendly interface, with each submission automatically routed to the relevant team via predefined workflows. Real-time dashboards provide full visibility into idea submissions and progress, driving productivity gains, improved collaboration, and enhanced transparency across the organization.

Digitally enabled & AI-powered HR operations

- **AI-powered HR Operations**

To enhance employee experience and streamline access to HR information, Engro introduced an AI powered HR chatbot that provides instant responses to queries related to HR policies, benefits, and procedures. This solution eliminates the need for manual searches or email follow-ups, saving significant time and improving efficiency. By offering accurate, real-time information, the chatbot empowers employees to make informed decisions and strengthens overall engagement.

Alongside the HR Chatbot, Engro introduced Joule, an AI-powered digital assistant embedded within SAP SuccessFactors, enabling conversational HR interactions and intelligent recommendations. Joule delivers real-time, contextual insights and automates routine HR tasks such as reporting, data analysis, and insights generation, significantly reducing manual

effort and administrative time. By democratizing access to HR system, Joule makes SuccessFactors more intuitive and empowers HR teams and managers to make faster, insight-driven decisions.

- **HR Analytics**

To strengthen data-driven decision-making, Engro implemented SuccessFactors Story Analytics Reporting, empowering HR teams with advanced, real-time analytics and intuitive data visualization tools. This implementation delivered measurable cost savings by enabling in-house reporting, reducing reliance on third-party tools and consultants, and improving decision-making efficiency through real-time insights. Decision-makers now have a centralized view of workforce trends, enhancing forecasting, compliance monitoring, planning accuracy, and transparency across the group.

- **Recruitment Marketing**

To enhance its talent attraction strategy, Engro introduced recruitment marketing by building and managing a centralized career site featuring employer branding, candidate engagement, and pipeline analytics. Recruitment marketing strengthens Engro's employer brand, reduces reliance on external recruiters, and enables data-driven hiring while providing a unified digital gateway for applicants.

- **Flexible Benefits Program**

To support talent retention and employee well-being, Engro introduced Faida Flex, a configurable digital benefits marketplace that allows employees to choose benefits based on personal preferences within a pre-approved spending envelope. Faida Flex is a first-of-its-kind solution in Pakistan, designed with an entrepreneurial mindset to address local tax, payroll, and employee-centric needs.

Digitally enabled & AI-powered Finance operations

- **Digital Funds management**

To strengthen control over operating expenses, the project integrated all SAP modules and aligned them with cost centers and GL budgeting. Key deliverables included budget validation and control at the cost center level for OPEX expenses. Initially deployed at EPCL in 2024, the solution was extended to Engro Vopak Terminal, Engro Elengy Terminal, and Engro Corporation in 2025 for enhanced budget control across all operational cost elements, monitoring fund movements against available budgets, preventing budget overruns, providing real-time alerts for insufficient funds, ensuring transparent budget utilization, and enabling seamless integration with other SAP modules for comprehensive budgetary control and reporting.

Digitally enabled & AI-powered Commercial & Supply Chain operations

- **Humsafar**

Engro upgraded its Humsafar platform, modernizing a legacy architecture that had begun to limit agility, scalability, and security. The upgraded platform now offers a modular and future ready design, enabling faster enhancements, improved system reliability, and stronger security and authorization controls, while ensuring uninterrupted business operations.

The new architecture also supports seamless SAP integration with comprehensive end-to-end data trails, strengthening transaction visibility, auditability, and issue resolution. This modernization has accelerated digital adoption across the dealer ecosystem, with online dealer payments exceeding PKR 500 billion and cumulative digital orders crossing PKR 800 billion since 2019. These achievements underscore Humsafar's role as a strategic enabler of Engro's digital transformation and operational excellence.

- **Strengthening Market Reach Through Digital B2C Engagement**

As Engro Fertilizers advances its transition from a traditional B2B operating model toward a more integrated B2B2C approach, 2025 marked a significant year of progress in strengthening direct engagement with farmers and enhancing last-mile delivery across the agricultural value chain. Engro Fertilizers scaled Markaz, its network of digitally enabled retail centers strategically located in Sindh and Punjab provinces. These centers gained strong traction in 2025 by facilitating direct product purchases, offering agronomic guidance, and enabling transparent, efficient transactions for farmers.

In parallel, to further enhance B2C engagement, Engro initiated the development of UgAi 2.0, an upgraded platform featuring a modern interface, improved navigation, and advanced capabilities designed to elevate the farmer experience. Together, these initiatives underscore Engro Fertilizers' continued progress in evolving from a dealer-centric model to one that engages directly with farmers—advancing the company's long-term ambition of building a more connected, empowered, and digitally enabled farming community.

- **Digital Customer Relationship Management**

To further enhance the experience of EPCL customers, Engro updated and enhanced its Salesforce Application. Key advancements included KYC implementation, golden profiling of customers, UI enhancements, robust dashboards, and system integrations that delivered significant cost savings and operational efficiencies. The online payment gateway witnessed significant increase reflecting the success of the customer-centric approach. These efforts strengthened governance, elevated customer experience, and reinforced Engro's commitment to innovation and agility.

- **Digital Supply Chain Financing**

The MBL Digital Financing Project introduced complete end-to-end digital supply chain financing for EPCL's customers in partnership with Meezan Bank Ltd. (MBL). The solution connects MBL's loan management system with the Salesforce platform, enabling a fully digital, secure, and seamless financing experience.

With this system, customers can now apply for Murabaha-based financing directly at the time of purchase, receive automated approvals, and track their financing status instantly. This has replaced manual steps, greatly reduced processing time, improved transparency, while remaining Shariah compliant.

From a business impact perspective, the initiative has made financing more accessible for customers, supported increased sales, and provided clearer visibility into finance-driven transactions. It has also improved overall efficiency through automation and enhanced customer satisfaction due to faster and simpler processes.

- **Manzil**

To enhance operational efficiency and elevate customer experience, Engro Vopak Terminal launched Manzil, a digital solution that streamlined the entire tanker handling process and provided real-time visibility to customers. The system enabled data capture through tablets, automated workflows, and minimized reliance on manual interventions. Seamless integration with existing control systems ensured end-to-end communication and visibility, resulting in a significant reduction in Tanker Turnaround Time (TAT) and boosting terminal productivity and throughput capacity.

Digitally enabled and AI-powered commercial & supply chain operations

- **AI-powered Process Optimization**

To address challenges such as process fluctuations, reduced throughput, energy inefficiencies, variations in VCM quality, and delays in troubleshooting caused by the lack of real-time data, Engro implemented a state-of-the-art AI-powered suite of solutions by AspenTech at EPCL, with all solutions successfully going live in 2025.

This comprehensive deployment includes Adaptive Advanced Process Control with a closed-loop architecture powered by Aspen DMC3 technology for continuous process optimization. It also incorporates a digital twin of the plant, enabling plant-wide simulation and real-time performance monitoring of process assets. Additionally, a multivariate process analytics tool, ProMV, provides proactive anomaly detection through predictive alarms, supported by an advanced dashboard for KPI visualization.

- **AI-powered Safety Management**

To strengthen safety and enable quick access to critical HSE information, Engro developed an in-house AI-powered solution for EFERT and EPCL. This innovation empowers employees to ask HSE-related questions and receive instant responses from the company's safety documentation, eliminating manual searches, saving significant man-hours, and fostering a stronger safety culture while boosting overall productivity.

- **AI-powered Machine Spectrum Analysis**

To empower frontline teams, Engro deployed an in-house AI-powered solution at the EPCL site to detect early fault indicators and minimize unplanned downtime. The solution analyses machine spectrum data, identifies probable faults, and generates actionable recommendations, enabling maintenance teams to quickly address potential issues and ensure operational continuity.

- **AI-powered Leadership Density Analysis**

To strengthen safety at EPCL's manufacturing site, Engro introduced an in-house industrial AI solution—Leadership Density Monitoring. Utilizing computer vision technology, this innovation provides real-time visibility of leadership presence in operational areas, enhancing supervision and reducing the risk of incidents during critical field activities.

Future Proof Foundation

• Cloud Computing

Engro continues to advance its cloud-first, multi-cloud strategy, leveraging leading platforms such as AWS and Azure to enhance resilience, scalability, and innovation. Core enterprise capabilities, including the Enterprise Data Platform and IT services continuity, are now securely delivered through the cloud, strengthening operational reliability and business resilience.

Several workloads have already been successfully migrated to AWS, with a standardized AWS technology stack enabled to support faster innovation, improved business agility, and optimized costs. Looking ahead through 2026, Engro will continue modernizing applications and data platforms, enabling quicker delivery of digital solutions and establishing a centralized cloud Data Lake to support enterprise-wide analytics and future AI-driven insights.

• Platforms Modernization

In pursuit of future-proofing its technology landscape, Engro upgraded and enhanced core platforms, including Enterprise Resource Planning, Enterprise Service Management, Enterprise Content Management, Robotic Process Automation, API Gateways, DevOps platforms, and Data Lake. These advancements position Engro to seamlessly leverage cutting-edge, AI-powered solutions across all businesses and value streams.

SDGs: 11 Sustainable Cities & Communities

business operations

thar foundation

- 172 households relocated to New Senhri Dars, a model resettlement village.
- 16 households resettled in Allah Dino Hajjam village (Gorano).
- 6 households resettled in Shafi Ji Dhani.
- 320 low-cost pit latrines were constructed.
- 2,096 solar systems were installed across Block-II and Gorano.
- Pilot solarization of 1,735 units completed, benefiting 2,700+ households.



SDGs: 12 Responsible Consumption & Production

business operations

As a responsible corporate entity, Engro is committed to generating positive environmental and social outcomes through the responsible use of natural resources and efficient, safe production practices.

This is achieved through continuous process optimization, increased automation, enhanced digitization, and adherence to all applicable environmental, health, and safety regulations, supported by robust internal governance frameworks. As part of our digital transformation



agenda, we have deployed closed-loop digital twin solutions with cyber-secure IT–OT architecture to model, simulate, and optimize production processes—enabling smarter decision-making and improved operational efficiency. In addition, the implementation of Advanced Process Control (APC) ensures safe, predictable, and reliable plant operations through real-time monitoring and automated control strategies.

To further strengthen our technological capability, we are actively advancing work on artificial intelligence platforms, enabling alignment with the world’s rapidly evolving technological landscape. These efforts ensure that our operations, systems, and performance continue to reflect global best practices and deliver sustainable, high-quality outcomes.

To drive consistency and excellence in HSE performance across the Group, Engro Corporation introduced HSE Standards in 2023, aligned with international standards and best practices. During 2025, these standards were further strengthened through the introduction of additional requirements. This enhancement reflects Engro’s proactive response to evolving operational risks, regulatory expectations, and industry challenges, while ensuring adaptability across diverse business operations.

Engro’s HSE Management Information System (MIS), powered by the VelocityEHS platform, continued to mature following its digital transformation. Building on the foundational rollout, 2025 efforts focused on stabilizing system performance, strengthening user capability, and embedding digital HSE workflows into routine operations. Automated dashboards and analytics provide teams with improved visibility, enabling timely decision-making and stronger stewardship of HSE performance.

As part of our continued journey towards a Risk-Based HSE Management System (RBHSE MS), 2025 marked a year of tangible progress. Group companies advanced risk-based practices through structured hazard identification and risk assessment exercises, including HAZOPs, bowtie development, and the strengthening of risk registers. Importantly, recommendations emerging from completed risk assessments are actively being taken forward and stewarded through appropriate governance forums. Collectively, these efforts reinforce Engro’s commitment to proactively managing high-consequence risks, ensuring that critical hazards are effectively controlled and that risk remains firmly within tolerable limits.

In parallel, Engro further strengthened its HSE assurance framework. During 2025, HSE audits were conducted across group companies with a focus extending beyond risk containment to overall system effectiveness. This approach strengthens engagement, builds mutual trust, and reinforces continuous alignment between corporate teams and operational sites—supporting a culture of transparency, collaboration, and shared accountability.

EFERT

During 2025, Engro Fertilizers Limited has strengthened its responsible consumption agenda through systematic improvements in material efficiency, waste management, and process optimization. A major milestone achieved during the year was the completion of a site-wide waste segregation and mapping analysis, providing a clear baseline of waste streams across

manufacturing operations. Building on this foundation, EFERT developed and approved a five-year Waste Reduction Roadmap, establishing a structured pathway to improve segregation at source, increase recycling and recovery, and progressively reduce waste sent to landfill in alignment with international best practices.

EPCL

Engro Polymers & Chemicals Limited has demonstrated responsible business consumption through various projects including energy efficiency such as restoration of gas turbine performance and steam system optimization. They have adopted a Waste Reduction Roadmap that targets hazardous and non-hazardous waste streams through elimination, reuse, and circular solutions. A key achievement includes the elimination of approximately 5,000 tons of hazardous "heavies" waste by using it as fuel, reducing landfill disposal, incineration emissions, and ash generation.

EPQL

Engro Powergen Qadirpur Limited continues to undertake initiatives to promote innovation and responsible business practices. It demonstrated operational excellence and maintained system reliability through ensuring plant availability and remaining compliant with international standards in safety and environment providing reliable and affordable energy. Engro Powergen Qadirpur Limited remained amongst the top IPPs in Power Regulator Merit Order Ranking in 2025 ranging from 9th till 13th position, which means that it is amongst the top power plants in Pakistan with respect to generating affordable electricity. The company provides affordable and reliable electricity to consumers through the national grid.

Engro Enfrashare

As part of sustainability initiative in 2025, the organization attained ISO 14001:2015 Environmental Management System certification for whole network design, construction, operation, and maintenance of telecom infrastructure. This certification embeds environmental and climate governance across the infrastructure lifecycle, enabling systematic management of energy use, emissions, waste, and environmental risks. ISO 14001 driven controls support improved energy efficiency, responsible material and hazardous waste management, and optimized logistics, contributing to reduced Scope 1 and Scope 2 emissions.

Engro Powergen Thar Limited

EPTL has undertaken several initiatives including water consumption optimization through installation of water optimizing nozzles, utilization of recycled water for horticulture and plantation through drip irrigation, development of a waste reduction roadmap resulting in 11% annual reduction in paper, plastic and biodegradable waste on site, and building industry-academia collaboration to explore ash-utilization projects. A comprehensive feasibility study on the potential of power plant ash dumping into the mine pit is underway.

Engro Vopak Terminal Limited

EVTL strives to achieve energy efficiency through various initiatives such as replacement of diesel-based intra-terminal transport with electric golf carts, efficient LPG combustor operation, diesel-based pump testing frequency optimization, and installation of energy efficient lighting systems. To conserve water, EVTL has installed flowmeters, revamped

sewage system, and collected vaporizer deicing condensate water and discharge from air conditioners for reuse in landscape irrigation. EVTL has been recognized as a zero effluent site by SEPA in 2004.

SDGs: 13 | 15

Climate Action | Life on Land

Pakistan, being one of the most vulnerable countries to climate change, requires an integrated approach where the government, businesses, and society work together to take appropriate actions that can help build resilience against impending climate change. Engro, as a responsible corporation, has developed and implemented multiple interventions to manage its environmental impact. Engro businesses have contributed to climate action and life on land through energy efficiency projects, water conservation, waste reduction and tree plantations.



business operations

Climate action

Over the years, our group companies have made significant investments in energy efficiency (as detailed under SDG 7). Climate adaptation is equally important to address the climate change issue, given Pakistan's vulnerability to it. In 2022, Engro developed a preliminary roadmap that aims to identify climate change risks to the business and develop action plans to tackle the impacts on an ongoing basis.

Celebrating World Environment Day

To increase awareness of environmental impacts on our health and on the planet, various awareness sessions and activities were held across Engro to mark the World Environment Day. Various activities such as digital campaigns and tree plantation drives were conducted to help translate knowledge into action to reduce our personal ecological footprint.

Tree Plantations

Engro Fertilizers Limited conducted tree plantation campaigns across district Ghotki in collaboration with SEPA and Sindh Government Education and Literacy Department. During these drives, over 10,000 fruit-bearing and all-season plants were planted.

Engro Powergen Thar Limited has planted 10,837 plants and 1,570 trees onsite while Engro Powergen Qadirpur Limited carried out plantation of more than 2,000 trees over the last year.

engro foundation

Beyond our operational efficiencies, several initiatives to combat climate change and improve environmental impact on land have been adopted by Engro Foundation.

Restoration of the Mangrove Ecosystem Project

A collaboration between Engro Foundation, Engro Vopak Terminal Limited, and International Union for Conservation of Nature (IUCN) Pakistan since 2015, this stands as a pivotal effort towards conserving Pakistan's coastal habitats. Focused on the Port Qasim area, the project

aimed to restore and sustain 500 hectares of mangroves, achieving successful plantation and maintenance at Wango Creek and Tor Island, PQA. While the major focus of this collaboration is on the restoration of mangroves ecosystem along the Karachi coast, it also involves extensive community engagement and awareness-raising so that ownership of this ecosystem is created, and sustainability is ensured. The project has contributed to improving the livelihoods of coastal communities by improving fish catch because of thriving mangroves forests. This has also led to increased avian population and has significantly contributed to improving biodiversity and ecotourism. The initiative has supported the livelihoods of over 2000 members of the fishing community living in surrounding villages.

The impact resonated beyond mere planting, evident in the National Coordinating Body meetings chaired by the Secretary of the Ministry of Climate Change, building collaboration among Sindh and Balochistan's Forest Departments and Coastal Development Authorities.

Afforestation & Ecosystem Restoration Project

Engro Foundation, with the support of Engro Polymer & Chemicals Limited has partnered with WWF Pakistan to plant and conserve forests. We have planted trees on 740+ hectares (1,828 acres) across different parts of the country. The project has significant outcomes in the form of ecosystem and biodiversity conservation. These plantations have been conducted with the support of farmers. Formal agreement with 84 farmers has been signed to facilitate plantation activity. These farmers have been provided with solar water pumps, and fodder seeds for livestock. The current project area, Jhelum district, being part of the Potohar Region, constitutes as the key habitat of Punjab Urial, an endemic species (vulnerable species as per IUCN) and migratory waterfowls around river Jhelum and seasonal streams. By restoring vegetation cover, raising awareness, and mobilizing local communities, the project will improve habitats of wildlife species, thus supporting conservation activities.

Circular Economy

In an endeavour to promote circularity, Engro Foundation, with the support of Engro Polymer & Chemicals Limited, has partnered with Karachi School of Business and Leadership (KSBL) to establish the Circular Plastics Institute (CPI). The aim is to bridge the knowledge gap around waste management and recycling. Since inception, it has led to multiple studies on a variety of topics related to waste management and life cycle assessments. CPI is also collaborating with the CoRe Alliance to assess and examine plastic waste in Pakistan and to map the waste management landscape.

In a short time span, CPI has achieved substantial progress, conducting pioneering research and successfully securing international funding. Some examples of studies conducted or being conducted include:

- Baseline of Transition to Scale: Waste for Value, Pakistan in collaboration with Akhtar Hameed Khan Foundation (AHKF)
- Plastic Waste Imports: Mapping Pakistan's PVC Supply Chain and Understanding Factors Impacting the Basel Convention's Implementation.
- Mapping Open Burning: Identifying Plastic Burning and Pollution Impact in Karachi and Lahore.

- Life Cycle Assessment (LCA) of 4 Major PVC Products: Analysing PVC product life cycle for Better Environmental Performance and Stakeholder Decision Making.
- Mapping Waste Pickers: Study Waste Pickers in 3 cities to Understand Challenges and Contributions to Pakistan's Circularity.
- Marine Pollution Study: Studying Waste Sources and Types Found at Multiple Karachi Coastal Sites.
- Circular Economy Potential: Advising the Board of Investment on Circular Economy Potential.

thar foundation

Tree Plantations

Sindh Engro Coal Mining Company (SECMC)'s Thar Million Trees Program successfully planted a million trees in Thar. The IUCN has conducted a Carbon Stock Assessment study and confirmed that over the course of the execution of this project, about 319,000 tons of carbon were sequestered and 24 different species were planted, indicating a rich biodiversity aspect too. The project promotes biodiversity due to its positive impact on bird populations. IUCN experts confirmed the presence of 22 bird species belonging to 14 different bird families. The study also confirmed the presence of 2 birds that are of special concern from a conservation point of view, i.e., Tawny Eagle and Egyptian Vulture, which have been declared vulnerable and endangered respectively in the IUCN Red List of Threatened Species.

The Thar Green Land Project (TGLP) aims to plant trees in Tharparkar for over 3 years (2024-2027), starting with 15,072 trees in Mithi and Islamkot. Thar Foundation will provide plants, technical support, and organize awareness campaigns, and ensure space, watering, and protection. The project focuses on community engagement, environmental sustainability, and combating Tharparkar's harsh climate.

Vulture Conservation through Community Nest Protection

Sindh Engro Coal Mining Company and Thar Foundation launched the "Partnerships for Biodiversity Conservation in Thar" project in collaboration with IUCN in 2018. It focused on vulture conservation in Thar and attempted to address the steep decline in vulture population in the region. While the project included several conservation activities that directly and indirectly helped conserve endangered vultures in Thar, a key activity was nest protection via community engagement. This has been quite instrumental in supporting the cause as it helps identify trees with vulture nests and engages the local community in protecting them from any sort of damage. This allows vulture nests to remain protected and helps contribute to the smooth growth of their nestlings. About 350+ trees with vulture nests were brought under community protection on an on-going basis. Engaging community helps create ownership and through the successful performance of this activity, Thari communities have shown responsibility towards their own environment.

Baseline Ecological Study of Flora and Fauna

A baseline ecological study of flora and fauna was undertaken with IUCN by Sindh Engro Coal Mining Company and Thar Foundation. This partnership focused on biodiversity conservation in Thar. The study is the first ever to cover Thar's flora and fauna in both textual and pictorial forms

to help undertake future biodiversity conservation initiatives. Under this initiative, Thar Foundation successfully completed a groundbreaking biodiversity study in Tharparkar, in collaboration with IUCN and documented the following:

- 149 plant species
- 187 bird species
- 26 mammals
- 3 amphibians
- 20 reptiles
- 106 invertebrate species

Documentary on 'Ecological Treasures of Thar'

A documentary titled "Ecological Treasures of Thar" has been developed by IUCN Pakistan, in collaboration with Thar Foundation and Sindh Engro Coal Mining Company, that explores the rich and diverse natural and cultural heritage of the Thar Desert. It captures the ecological diversity of 3 different ecosystems - the Thar Desert, the Karoonjhar Mountains, and the Rann of Kuchh wetland, which is home to a variety of flora and fauna. The documentary also shows that Thar has a rich culture and history.

Flora Conservation & Biodiversity Facility

Flora Conservation Station, the first of its kind in Pakistan's desert region, was established in the Thar Coal Block-II in partnership with IUCN and Baanh Belli to protect indigenous plant species and restore degraded rangelands.

SDGs: 14

Life Below Water

Engro, as a responsible corporation, strives to protect and conserve biodiversity under water by designing interventions that sustainably use the seas and marine resources for sustainable development.



engro foundation

indus river dolphins conservation project

Engro Foundation, in collaboration with Engro Fertilizers Limited, has partnered with WWF-Pakistan to conserve the endangered Indus River Dolphin under a five-year agreement initiated in 2022. The Indus River Dolphin (*Platanista minor*) is a flagship species listed as endangered on the IUCN Red List with a current population of about 2,000. It is 1 of the 6 species of freshwater dolphins endemic to the Indus River and its tributaries only in Pakistan. Its conservation is challenging due to pressures including diversion of freshwater for agriculture, pollution, water infrastructure, stranding in irrigation canals and seasonal lakes, unsustainable and illegal fishing practices, inadequate protected area management, rising poverty, and limited livelihood options. The project strengthens conservation efforts across the core habitat between the Taunsa and Sukkur barrages.

During 2025, the project focused on the following activities:

- **Development of Indus Dolphin Conservation Strategy** – A two-day consultative workshop was held in Islamabad on December 3–4, 2025, to develop a new Indus River Dolphin Conservation Action Plan. WWF-Pakistan convened the workshop in collaboration with the Engro Foundation, relevant federal and provincial departments, and conservation partners. The workshop reviewed progress made since the 2011 National Action Plan and focused on drafting a comprehensive five-year strategy to secure the future of the endangered Indus River dolphin. The Action Plan remains under consultation and is being developed jointly with stakeholders from Punjab, Sindh, and Khyber Pakhtunkhwa.
- **Conservation Assured | River Dolphin Standards (CAIRDS)** - This is a unified tool developed by WWF's River Dolphin Initiative to measure and improve the effectiveness of river dolphin conservation efforts across 15 range countries in Asia and South America.
- **Spatial Monitoring and Reporting Tool (SMART)** – SMART is a digital application that supports field staff in collecting data and providing reports and analysis to improve conservation efforts. Using this application, river guards and wildlife watchers successfully conducted 326 patrols during the year across the Indus Dolphin Reserve to gather actionable insights. 10 river guards and wildlife watchers were trained to use the app and were equipped with necessary equipment to collect SMART data.
- **Rescue and Translocation of Stranded Dolphins** – A total of 6 Indus Dolphins were rescued and released safely in their innate habitat during the reporting period.
- **Pinger trials** - Trials of pingers to deter the dolphins from coming closer to the fishing gears at Guddu Barrage and Taunsa Barrage were commenced in Nov 2025 and are expected to be completed by Feb 2026. Previous trials from in Sindh during 2024-2025 and in Punjab during 2025 concluded with experiment results being documented.
- **Engaging Communities and Schools with Citizen Science for River Health Assessment (RHA)** – WWF-Pakistan, working with the University of Maryland, is carrying out a River Health Assessment for the Indus River Basin. This has led to the identification of 53 indicators across seven key areas for RHA. To refine and score these indicators, WWF Pakistan held a follow-up workshop on May 29, 2025, in Karachi bringing together key stakeholders from government departments, academia, and partner organizations. Through discussion and consultation, the indicators were finalized and rated, marking an important step toward putting the River Health Assessment.
- **Celebration and Awareness:**
 - During 2025, under the IRDCP, WWF-Pakistan celebrated World Wetlands Day 2025 by organizing awareness events in schools and fisher communities.
 - World Water Day 2025 was observed at Taunsa Information Centre in partnership with Environmental Protection Agency and Punjab Wildlife and Fisheries Department.

- World River Dolphin Day 2025 was celebrated in Taunsa and Sukkur raising awareness about the Indus River Dolphin and freshwater biodiversity amongst 150 event participants.
- **Revamping Education Centres** – The information centre at Taunsa was given a comprehensive upgrade to improve educational value and visitor experience. New display boards have been put up and the briefing hall converted into a 3D hall to provide effective presentation on Indus River Dolphins and the biodiversity of Taunsa Wildlife Sanctuary.
- **Eco-clubs** - A total of 20 eco-clubs have been established in schools, including 3 Engro adopted Katcha schools, across Districts Ghotki and Kashmore in Sindh, as well as in Muzaffargarh, and DG Khan in Punjab to foster environmental awareness and promote sustainable practices amongst students. As part of the eco-club, these children are trained as river guards for monitoring river health and recording dolphin sightings.
- **Schools and Community Outreach Awareness Sessions** – The Dolphin Rescue Ambulance, was used for community outreach awareness sessions with fisher communities and schools to highlight the importance of the Indus River Dolphin and its conservation.
- **Other Activities:**
 - On February 16, 2025, the Spanish Ambassador to Pakistan, His Excellency Mr. Jose A. de Ory, along with his delegation, including Ms. Olympia, Ms. Mariano, and Mr. Gonzalo, visited the Indus Dolphin Reserve.
 - An Indus Dolphin–watching boat safari was organized for a high-level UN delegation led by Mr. Mohamed Yahya, United Nations Resident and Humanitarian Coordinator for Pakistan, along with Ms. Catherine Weibel, Country Director of the United Nations Information Center.
- **Community Support** - In collaboration with the Suraj Development Organization, four wheelchairs were provided to four handicapped fishers to support their mobility and improve their quality of life. A former Bhulan Dost volunteer had lost a leg due to high blood sugar. The Engro LIMBS Facility Center in Daharki (a collaboration with Engro and NRSP), provided and fitted him with an artificial leg, enabling him to walk again and continue to contribute to Indus River Dolphin and support his family.

thar foundation

Gorano Lake

Thar Foundation introduced a pilot program in which 10 different kinds of fish bred in Gorano Lake were used to provide means of livelihood to local communities, thus promoting life under water. Gorano has also been declared a unique wetland by the IUCN.

SDGs: 16 Peace, Justice & Strong Institutions

business operations

Engro has strong governance structures and internal control systems that ensure our businesses are run in an effective, accountable, and transparent manner. Our governance structures are strengthened by clearly defined roles and responsibilities from the highest governing body to the bottom. We have a dedicated Ethics and Compliance (E&C) department within the Corporate Audit Department (CAD) that ensures all employees conduct themselves based on high principles and ethics, with zero tolerance for corruption and disregard for the law. Given the importance of the subject, E&C conducts periodic awareness roadshows covering Engro's Code of Conduct and related policies; Anti-corruption Policy, Conflicts of Interest Policy, Gifts Policy, and Whistleblower Policy.



At the heart of our culture is Character and Good Manners (CGM) - our guiding framework shaped by Truth, Trust, Humility, Integrity, and Striving in Hardship (TTHIS). These principles define how we make decisions, recognize contributions, and build high-performing teams.

The Company's values and commitment to ethical practices are reflected in our Statement of Ethics and Business Practices:

Integrity is a vital part of Engro's core values and how we conduct business. Our reputation is built on our values as a company, the values of our employees and our collective commitment to acting with integrity throughout our organization.

The Company ensures that its business is conducted in compliance with the highest ethical standards of business practice and in compliance with all relevant legal principles. Where the law allows flexibility, we commit to upholding the highest standards of integrity.

These values are ingrained into our identity as a company and guide the way we interact with each other, customers, business partners and other stakeholders. We are committed to fostering a strong ethical culture that upholds these principles in every aspect of our business.

This above statement is in accordance with the other stated policies of Engro Corporation Limited.

We have adopted several policies related to good corporate governance which reflect the high standard of ethical and responsible conduct which we pledge ourselves to as an organization. This has always been our core strength and is reinforced through reporting of irregularities, periodic reviews and audits of business practices, and our external reporting.

Engro's Code of Conduct outlines the Group's position on an array of topics and highlights the key commitments and principles of our compliance program and applies to all Engro employees, whether full-time, part-time, permanent, or temporary, and to the members of the Board of Directors. It is reviewed periodically and is available on our website.

At Engro, we have a robust whistle-blowing mechanism which helps us identify risk, and conduct due processes for risks assessed, based on which appropriate actions are taken. The whistle blowing platform is available for both internal and external stakeholders. Facilitating dialogue, providing channels for reporting breaches of the Code and policies, and communicating critical concerns are important elements of our stakeholder management process.

The Company expects employees, suppliers, and contractors at Engro and its subsidiaries to abide by our standards. In case any of our stakeholders have or wish to report any concerns regarding business ethics, safety and environment, human rights violations, or other possible breaches of compliance, they may do so using our speak out platform, which is an independent email address that can be used to report anonymously. The speak out platform is managed by our Ethics and Compliance Department. The email details are publicly available on our website. To seek advice on internal ethical and lawful practices, or address compliance queries, employees can contact the E&C team directly via email on compliance@engro.com

All complaints, whether reported through speak out, audits and reviews, or identified otherwise, are investigated through the internal investigation procedure laid down in the compliance manual whereby the E&C team investigates cases confidentially. The investigations result in corrective, remedial, and/or disciplinary action along with intimation to the complainant at the time of case closure.

SDGs: 17 Partnerships for the Goals

Partnerships and associations can be a major source of strength to help drive the SDGs agenda. With partnerships, resources can be mobilized, capacity building and knowledge-sharing can be attained, and institutional strengths can be leveraged for policy advocacy, awareness-building and effective implementation of programs geared towards meeting the SDGs.



business operations

Engro is part of various industry associations and forums, reflective of our commitment to long-term sustainable value creation and global cooperation.

We are members or signatories to the following:

- Pakistan Business Council (PBC)
- Overseas Investor Chamber of Commerce & Industry (OICCI)
- Pakistan Institute of Corporate Governance (PICG)

engro foundation

For our philanthropic activities, Engro Foundation works in collaboration with multiple civil society organizations, some of which include:

- Worldwide Fund for Nature, WWF Pakistan
- International Union for Conservation of Nature (IUNC)
- The Citizens Foundation (TCF)
- Teach the World Foundation (TTWF)
- Sindh Education Foundation (SEF)
- SINA Health, Education & Welfare Trust
- Indus Resource Centre (IRC)
- Sahara Welfare Society (SWS)
- Karawan-e-Hayat (KeH)
- The Water Foundation (TWF)
- HANDS Foundation

thar foundation

Thar Foundation often works in partnership with local and international organizations such as:

- International Union for Conservation of Nature (IUCN)
- Indus Hospital & Health Network
- Shahid Afridi Foundation
- The Citizen Foundation
- Government of Sindh



**directors' report and
financial statements**

directors' report

The Directors of Engro Holdings Limited (the "Company") are pleased to present their report for the year ended December 31, 2025.

year at a glance

The global economic landscape in 2025 remained relatively stable, although growth momentum slowed amid elevated policy uncertainty and ongoing geopolitical tensions. Advanced economies recorded moderate expansion, while heightened U.S. tariff measures and renewed trade barriers weighed on global trade and investment sentiment. These factors, alongside easing inflationary pressures, contributed to softer commodity prices and a more cautious investment environment across key markets.

Domestically, Pakistan's economy showed early signs of stabilization, though overall growth remained modest, reflecting the impact of external shocks, including severe flooding, and persistent structural constraints. Inflation moderated compared with prior periods, supporting gradual monetary easing by the State Bank of Pakistan. However, underlying risks remained, including fiscal constraints, a narrow tax base, and the need for sustained structural reforms to support investment and long-term economic resilience.

For Engro Holdings, 2025 was a year of structural alignment across the portfolio. The consolidation of Engro Corporation as a wholly owned subsidiary simplified the Group's ownership structure and strengthened capital allocation flexibility. Thermal energy assets were retained within the portfolio following the termination of divestment agreements, restoring an important source of operating cashflows.

The acquisition of Deodar represents a significant capital deployment and increases the Group's exposure to telecom infrastructure. The current priority is the disciplined integration of these assets, with focus on improving utilization, strengthening commercial execution, and enhancing cash generation over time.

During the year, Engro Corporation, Engro Holdings, and Engro Fertilizers were recognized among the top companies on the Pakistan Stock Exchange. While such recognition reflects sustained operational and governance discipline, the Group remains focused on execution, capital stewardship, and strengthening long-term cashflow generation.

our central goal

Engro Holdings upholds a strong commitment to disciplined stewardship of shareholder capital, guided by a clear mandate to generate sustainable long-term value. This commitment centres on delivering sustainable and compounding cashflows per share and transparent governance and reporting practices, ensuring that stakeholders are fully informed of the Group's progress and value-creation outcomes.

financial performance

For the year ended December 31, 2025, the Company posted a consolidated profit after tax (PAT) of PKR 107,031 million (of which PKR 55,633 million was attributable to Engro shareholders), with an EPS of PKR 46.20 this year versus PKR 26.78 last year. Much of the increase arises from reversal of previously recognized impairment during 2023 and 2024, linked to our thermal energy assets, which were previously classified as "held for sale." Excluding this one-off impact, consolidated PAT attributable to shareholders stood at PKR 29,059 million, reflecting core earnings.

On a standalone basis, the Company posted a PAT of PKR 253 million compared with PKR 9,854 million last year, translating into an EPS of PKR 0.21 versus PKR 20.48. As noted earlier, the numbers do not reflect a decline in the underlying health of the business. The drop is primarily due to the transfer of income-generating investments to DH Partners under the Scheme of Arrangement that became effective on January 1, 2025, coupled with reduction in dividends from Engro Corp as it retains its earnings to fund its commitments under the Deodar transaction.

note on major accounting impacts

As highlighted earlier, performance during this period was influenced by following three major factors. For shareholders, it is important to note that movements in reported EPS and PAT largely stem from structural changes and a one-time impairment reversal.

- 1. restructuring of engro holdings:** Effective January 1, 2025, Engro Corporation became a wholly owned subsidiary of the Company. As a result, profit attributable to owners now reflects 100% versus 39.97% last year. In addition, 723 million new shares were issued. This expanded base impacts EPS comparisons.
- 2. thermal energy assets:** Engro Energy's divestment agreements of its thermal assets were terminated, leading to their reclassification as continuing operations under IFRS 5. This resulted in the reversal of previously recognized impairment and other related adjustments amounting to PKR 53,757 million (Owners' share: PKR 26,573 million) in the consolidated financial statements.
- 3. consolidation of deodar towers:** Consolidation of Deodar Towers: On June 3, 2025, the Group consolidated Deodar (~10,600 towers) following completion of the transaction with Pakistan Mobile Communication Limited (PMCL). The assets and liabilities have been recorded at provisional fair values of PKR 217,168 million and PKR 176,844 million respectively, with Deodar's results included in the consolidated financial statements from that date onwards.

our assets

fertilizers

The fertilizer industry experienced a challenging operating environment during much of the year, reflecting pressure on farm economics, elevated input costs, and structurally higher industry supply. This environment required greater commercial discipline across the sector, with increased focus on volume management, channel efficiency, and working capital control.

While operating performance remained stable, a key learning during the year was that we needed a more effective commercial strategy in a long-supply market, without over-reliance on market interventions. Management has prioritized strengthening customer engagement, and enhancing demand visibility to support more efficient inventory and pricing management.

This year also marked a key milestone for the business with the approval of enhanced gas allocation to the Base Plant from the Habib Rahi Limestone (HRL) reservoir. This includes increased volumes and a firm allocation of the business's total gas requirement at competitive rates. In addition, Mari Energies Limited will backfill any depletion from the Ghazij/Shawal reservoir, ensuring supply continuity.

Looking ahead, management's priorities include maintaining high plant reliability, improving energy efficiency and most importantly strengthening commercial capabilities, and ensuring input cost competitiveness. These measures are expected to support sustained operating performance and cashflow generation over time.

polymers

The global petrochemical industry and Pakistan's energy landscape continued to undergo significant structural shifts during the year. Within this context, Engro's polymer business (EPCL) operated in the most challenging environment across the Group's portfolio, facing multiple headwinds including a historically low core delta, rising gas prices, and the impact of tariff rationalization. On the energy front, domestic power and gas costs remained structurally elevated, with the levy on captive gas adding further volatility and uncertainty to the cost base.

In response, management focused on operational efficiency, cost control, and preserving financial resilience. Key priorities include reducing delivered energy costs, maintaining high plant reliability, and managing working capital prudently. These measures are intended to protect cashflows and maintain operational stability while the industry adjusts to structurally higher input costs.

telecom infrastructure (towers)

Following the acquisition of Deodar, the primary focus has shifted to integration, operational alignment, and strengthening commercial execution across the tower portfolio. Priority areas include improving tenancy ratios, optimizing energy costs, and enhancing operating efficiency to improve cash generation from the existing asset base.

Given the scale of capital deployed, disciplined capital management remains critical. Management is focused on improving asset utilization, strengthening customer relationships, and ensuring that future capital expenditure is aligned with demonstrated demand and return thresholds.

Over time, tenancy growth, operational efficiency, and disciplined capital allocation will be key drivers of cashflow generation and return on invested capital.

energy

Engro's energy businesses remained stable and resilient during the year. EPTL continued to operate as one of the lowest-cost thermal baseload plants in the system, providing reliable operations and steady cash generation for the Group. Equity ownership in EPQL has been reduced from 68.89% to 50.36%, maintaining management control of the business. SECMC's Phase III expansion continued to progress, enhancing both the durability of returns and Pakistan's long-term energy security.

Management's priority remains the preservation of operating reliability, cost discipline, and protection of cashflows within a changing regulatory and energy market environment.

terminals

Terminal operations continued to provide stable cashflows and remain an important component of Pakistan's gas and chemical infrastructure. Operational performance remained stable during the year. However, recent changes in the tax regime have increased financial pressure on the sector.

Organizational priorities remain centred on ensuring stability in the business, including the timely renewal of the Implementation Agreement. For Engro, this platform strategically positions the Group to pursue international opportunities by leveraging its strong network and deep understanding of infrastructure development. It enables the Group to capitalize on the anticipated growth in marine and LNG markets over the coming years.

trading

Engro Eximp FZE, the Company's international trading subsidiary, continued to demonstrate growth during the period, delivering a strong topline performance driven by enhanced 3P trading activity and higher volumes. Beyond its financial contribution, the business provides the Group with a strategic international presence, thereby diversifying the portfolio and enhancing exposure to global markets.

The long-term objective is to establish the trading business as a player of relevance across the Global South, recognizing that this is a multi-year journey requiring sustained commitment and disciplined execution. Given the inherently cyclical and competitive nature of trading, the priority remains on maintaining prudent risk controls, capital discipline, and sustainable profitability.

foods

The foods business demonstrated resilience despite a difficult operating environment. The imposition of sales tax on the formal dairy sector, combined with weak legislation, has distorted the market in favour of the informal sector. This reduces the ability to scale, limits investment in productivity, and ultimately constrains the sector's contribution to both national growth and shareholder returns. Against these headwinds, management has responded with operational improvements and cost discipline, ensuring performance remains stable.

We remain confident in the long-term opportunity as sector formalisation unlocks demand, improves yields, and positions Pakistan for export potential.

Overall, our performance has demonstrated the upside of a diverse portfolio and we look forward to building a more resilient anti-fragile portfolio of investments which enables us to generate sustained cashflows. A major challenge that still exists, however, the removal of Inter-Corporate Dividend (ICD) tax relief which has negatively impacted capital allocation efficiency and shareholder returns. Engro is actively engaging with policymakers and business forums to address this anomaly, emphasizing global best practices and the long-term benefits for investment and corporatization in Pakistan.

dividend policy

Your Board has elected not to declare a final dividend for 2025, reflecting a measured and deliberate approach to capital deployment aimed at maximizing long-term shareholder value.

The immediate priority remains the funding of outstanding obligations related to the towers transaction, which the Board continues to regard as a strategically significant investment in the history of the Group. This transaction is expected to generate stable and enduring cash flows over the coming years. Accordingly, the retention of earnings to support this investment is considered to be the most prudent course of action to create sustainable value for shareholders.

economic outlook

As we look forward, Pakistan's economy shows signs of cautious optimism, supported by ongoing macroeconomic stabilization efforts, fiscal discipline, and continued engagement with multilateral partners. Easing inflation and a prospective easing of monetary conditions are likely to support a gradual recovery in domestic demand and private sector activity. Improvements in external account stability and foreign exchange availability are expected to enhance business confidence and ease input cost pressures.

Despite this progress, structural challenges remain significant. In particular, Pakistan's tax system continues to constrain the business environment, with a narrow tax base, complex regulations, weak enforcement, and inequitable burdens on certain sectors. These challenges, compounded by persistent losses from state-owned enterprises requiring comprehensive restructuring, underline the importance of consistent policy implementation and progress on structural reforms—particularly in taxation, the energy sector, and state-owned enterprises.

While near-term growth is expected to remain moderate, medium-term prospects are underpinned by Pakistan's favourable demographics, and reform-led productivity gains, positioning the economy for a more sustainable and inclusive growth trajectory.

Leveraging evolving macroeconomic trends and reform-driven productivity gains, Engro Holdings is well-positioned to capitalize on emerging opportunities. With its new structure fully operational, we expect improved capital productivity over the medium to long term, delivering meaningful benefits to the shareholders.

corporate social responsibility

Corporate Social Responsibility (CSR) is a fundamental aspect of the Company's ethics and policy, pursued consistently and with dedication. The Company has consistently led the way in voluntary CSR activities over the years which are largely centred on human development and environmental responsibility. As such, we have made targeted interventions in areas of education, healthcare, skills development, livelihood, environment, and sustainability.

To further institutionalize these efforts, we have developed an effective policy for sustainability and corporate social responsibility, in line with the SECP's CSR guidelines of 2013 and the Companies Act of 2017.

For further details on Engro's environmental and social initiatives, please refer to our Integrated and Sustainability Reports.

environmental impact

As a responsible corporate entity, Engro is committed to generating positive environmental and social outcomes through the responsible use of natural resources and efficient, safe production practices. We continuously monitor our emission levels and their carbon footprint and regularly make investments in environmental protection through programs such as tree and mangrove plantations, water conservation, Indus River Dolphin Conservation Program, etc.

Environmental management systems across our businesses encompass detailed technical standards, real-time monitoring, risk assessments, and data-driven controls for emissions, effluents, air quality, water and waste management.

human capital

At Engro, employee health and well-being are central to building a resilient and future-ready workforce. We promote holistic wellness through comprehensive medical coverage, on-site clinics, mental well-being support, fitness programs, and nutritional guidance. These initiatives address employees' physical, emotional, and nutritional needs, fostering a supportive work environment that enables individuals to perform at their best. In 2025, Engro achieved a wellbeing score of 78%, surpassing the global average of 73%, reflecting the positive impact of our sustained wellness efforts and our commitment to creating a thriving workplace.

Character-Driven Leadership sits at the core of Engro's culture, ensuring that capability is anchored in values. This is manifested through the Character and Good Manners (CGM) framework, based on values of Truthfulness, Trustworthiness, Humility, Integrity, and Striving in Times of Hardships (Sabr), translating principles into everyday behaviors. In 2025, CGM cascade sessions were conducted through in-person trainings across the Group, achieving 100% organizational coverage and contributing over 20,000 learning hours, reinforcing consistent culture-building, ethical conduct, and leadership accountability.

Capability development and inclusive growth remain key pillars of our people strategy. Through LEAP, our Group-wide learning platform, we delivered over 130,000 learning hours in 2025 across onboarding, functional excellence, and leadership development.

We also advance Diversity, Equity, and Inclusion through equitable hiring practices, anti-harassment governance, and targeted programs such as Break Ke Baad for women returning to work, Khudi for persons with disabilities, Uraan for technical upskilling of women in underserved communities, and the RISE Above series to strengthen women's leadership confidence. Together, these initiatives reflect Engro's commitment to equal opportunity, continuous learning, and empowering diverse talent to thrive and contribute meaningfully to sustainable long-term growth.

risk management

Engro has adopted the Enterprise Risk Management (ERM) framework, aligning with globally acclaimed standards to proactively assess and manage risks. Engro's policy enshrines risk management as a cornerstone of creating, safeguarding, and amplifying shareholder value.

Engro's diverse portfolio operates within a dynamic and complex business environment, necessitating a thorough evaluation of each subsidiary's strategic direction and the level of risk it is prepared to accept. Responsibilities are clearly delineated across the organization to ensure robust risk management. Each subsidiary systematically assesses the likelihood and impact of its risks, assigning scores at various levels—inherent, residual, and target. These scores form the basis for prioritizing risks and assigning ownership to the respective leadership for ongoing management.

Risks are identified across the organization and ranked based on their impact and probability. Once identified, tailored mitigation strategies are developed to minimize their effect, while simultaneously aligning these strategies with the Risk Appetite Statements (RAS) to define the appropriate approach. This process is actively monitored and reviewed by the Management Committee and the Board, ensuring alignment with corporate goals and continuous oversight.

At Engro, fostering the right culture for risk management is a fundamental priority. For this purpose, Engro has a dedicated Governance, Risk and Control (GRC) function across the group as a second line of defence. They ensure that the first line of defence, i.e. management teams, not only comprehend the principles of risk management but also seamlessly integrate them into daily operations. To this end, regular training sessions are conducted with consistent reinforcement of key messages. This commitment strengthens awareness, embeds accountability, and promotes a proactive approach to managing risks across the organization.

key risks and mitigation strategies

- Strategic Risk: Engro's exposure to strategic risks spans energy concerns, dependency on imported raw materials, and a range of ventures, from offshore trading to tech-based infrastructure. These risks are closely monitored and managed to ensure alignment with long-term objectives.
- Safety and Operational Risk: Risks related to plant operations, information and cybersecurity, fraud, and workforce safety are continually assessed. Engro proactively implements measures to safeguard disaster recovery and ensure business continuity, reflecting a commitment to operational excellence.

- Legal and Compliance Risk: Through sustained efforts and constructive dialogues with policymakers, Engro navigates regulatory complexities and economic challenges, ensuring compliance across its business landscape.
- Financial and Reporting Risk: Engro's diverse portfolio subjects the Company to risks such as complex taxation structures, foreign exchange volatility, credit, and liquidity challenges. A holistic view of the portfolio ensures that robust and adequate mitigation strategies are in place to address these risks effectively.

sustainability-related risks

Sustainability-related risks include climate change, depletion of non-renewable resources and environmental degradation in general. By embracing green operational practices, adopting renewable energy policies, and green initiatives, the Company aims to contribute to a sustainable future. The management is developing measurable ESG targets that align with the Company's strategic objectives to achieve greater sustainable resilience and positive social impact. Our broader sustainability vision is anchored in environmental stewardship, positive societal impact, and responsible business practices, all of which are detailed in Engro's Sustainability Report.

internal control framework:

responsibility

The Board of Directors is ultimately responsible for Engro's system of internal control and for reviewing its effectiveness. Such a system is designed to reduce the risk of failure to achieve business objectives and can provide reasonable assurance against material misstatement or loss. The Board, whilst maintaining its overall responsibility, has delegated the detailed design and operation of the system of internal controls to the Chief Executive Officer.

framework

The Company maintains an established control framework comprising of clear governance structures, authority limits and accountabilities, policies, procedures, and a budgeting process.

review

The Board meets quarterly to consider financial performance, financial and operating budgets, business growth and developmental plans, capital expenditure proposals, and other key performance indicators. The Board Audit and Risk Committee receives reports on the system of internal financial controls from external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

adequacy of internal financial controls

The Board of Directors has employed an well-defined paradigm of internal financial controls, promoting a culture of ethical conduct and obligation within the Company's systems and processes.

corporate governance

Engro Holdings remains committed to high standards of corporate governance, conducting its business in line with best practices of the Code of Corporate Governance and the Listing Regulations of the PSX, which specify the roles and responsibilities of the Board of Directors and Engro Holdings' management. For further details, please refer to the Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations 2019.

board of directors

The Board of Directors reviews all significant matters of the Company. These include its strategic direction, annual business plans and targets, and decision on long-term investments and borrowings. It is committed to maintaining high standards of Corporate Governance. The existing Board was elected on May 22, 2023. As at December 31, 2025, it comprises 7 directors, including the Chief Executive Officer, and possesses a diverse mix of gender, knowledge, and expertise to enhance its effectiveness.

The Board consists of 1 female director and 6 male directors, categorized as follows:

- 4 Independent male directors
- 1 Non-Executive male director
- 1 Non-Executive female director
- 1 Executive director

Following are the names of the personnel who, at any time during 2025, were Directors on the Board of the Company:

- Mr. Hussain Dawood
- Ms. Sabrina Dawood
- Mr. Muhammed Amin
- Mr. Isfandiyar Shaheen
- Mr. Ahmed Ebrahim Hasham****
- Mr. Sohail Tai****
- Mr. Abdul Samad Dawood
- Mr. Muhammad Bilal Ahmed*
- Mr. Zamin Zaidi**
- Mr. Mohammad Shamoony Chaudry (CEO)***

*resigned on January 01, 2025

**resigned on February 19, 2025

***resigned on January 03, 2025

****appointed on February 19, 2025

board meetings

In 2025, the Board held 5 meetings to cover its complete cycle of activities. It has established 3 committees to assist it in carrying out fiduciary duties. These committees, along with their membership details, are as follows:

Board Audit & Risk Committee	Board Investment Committee	Board People Committee
4 meetings held in 2025	3 meetings held in 2025	1 meeting held in 2025
Mr. Muhammed Amin	Mr. Abdul Samad Dawood	Mr. Isfandiyar Shaheen
Mr. Sohail Tai	Mr. Ahmed Ebrahim Hasham	Mr. Ahmed Ebrahim Hasham
Mr. Isfandiyar Shaheen	Mr. Sohail Tai	Ms. Sabrina Dawood
	Mr. Muhammed Amin	
	Mr. Isfandiyar Shaheen	

directors' remuneration

Engro Holdings has a formal and transparent policy for the remuneration of the directors in accordance with the Articles of Association of the Company and the Companies Act 2017. The remuneration, including the directors' fee for attending the Board or Board Committee Meeting, paid to the Directors and CEO, is disclosed on Note 21 to the Unconsolidated Financial Statements.

statement of directors responsibility

The Directors confirm compliance with the Corporate and Financial Reporting Framework as per the Listing Regulations of the PSX as follows:

- The financial statements prepared by the management of Engro Holdings present the state of affairs fairly, the result of operations, cash flows and change in equity.
- Proper books of accounts of Engro Holdings 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 the preparation of these 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 Engro Holdings' ability to continue as a going concern.
- Key operating and financial data for the last six years in summarized form are annexed to the report

remuneration policy for non-executive and independent directors

The Board of Directors has approved a 'Remuneration Policy for Non-Executive and Independent Directors,' the salient features of which are:

- The remuneration shall be appropriate and commensurate with the level of responsibility and expertise of the directors, aimed at attracting and retaining the directors needed to govern the Company successfully and encourage value addition.
- The remuneration shall not compromise nor influence, in any way, the independence of the directors.
- The Board, if deemed appropriate, may engage an independent consultant to determine the appropriate level of remuneration for its directors.
- No remuneration shall be paid to an Executive Director or any Non-Executive Directors who are employees in other Engro entities, for attending meetings of the Board and its committees.
- All travelling and lodging costs are reimbursed or arranged for at actual for business-related travel.

related parties

The Company maintains a comprehensive list of all related parties. All such parties with whom the Company has entered into transactions during the year, along with the nature of the relationship and percentage holdings, have been appropriately disclosed in Note 53 of the consolidated financial statements.

In compliance with the Code of Corporate Governance and applicable laws, every quarter, a comprehensive list of all related party transactions is placed before the Board Audit and Risk Committee for review and based on its recommendations, is subsequently approved by the Board.

entity rating

During 2025, PACRA reaffirmed Engro Holdings' short-term and long-term credit rating of A1+ and AA, respectively, in its annual review.

auditors

The present auditors, A.F. Ferguson & Co., Chartered Accountants are retiring at the conclusion of the forthcoming annual general meeting and are offering themselves for reappointment. The Audit Committee has recommended the re-appointment of A.F. Ferguson & Co., Chartered Accountants as auditors of Engro Holdings for the year ending 31 December 2026, and the Board has endorsed this recommendation.

pattern of shareholding

The pattern of shareholding of Engro Holdings as at 31 December 2025, together with other necessary information, will be made available in the annual report along with the proxy form.

material changes due to subsequent events

Subsequent to the financial year-end, 18.53% of the equity interest in EPQL was divested through a share sale executed on the Negotiated Deal Market. Consequently, the Company's effective shareholding in EPQL decreased from 68.89% to 50.36%, while management control over the business has been retained.

No other material changes or commitments affecting our financial position have occurred between the end of the financial year and the date of this report.

closing

We strive to report with clarity and honesty, understanding that trust is earned through transparent and responsible disclosure. The Board extends its appreciation to our shareholders for their continued trust, our colleagues for their dedication, our regulators and government partners for their support, and our customers for their confidence. Together, these stakeholders enable Engro to remain disciplined, diversified, and focused on creating sustainable long-term value.



Hussain Dawood
Chairman



Abdul Samad Dawood
Chief Executive Officer

independent auditor's review report

To the members of Engro Holdings 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 Engro Holdings Limited for the year ended December 31, 2025 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, 2025.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: April 7, 2026

UDIN: CR202510059v0IRPYaip

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

■ KARACHI ■ LAHORE ■ ISLAMABAD

engro holdings limited statement of compliance with listed companies (code of corporate governance) regulations, 2019

for the year ended december 31, 2025

Engro Holdings Limited (hereinafter referred to as the "Company") Year ended December 31, 2025

The Company has complied with the requirements of the Regulations in the following manner:

- The total number of directors are seven (07) as per the following:
 - Male: Six (6)
 - Female: One (1)
- The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Muhammed Amin
	Mr. Isfandiyar Shaheen
	Mr. Ahmed Ebrahim Hasham
	Mr. Sohail Tai
Non-Executive Director	Mr. Hussain Dawood- Chairman
Non-Executive Director - Female	Ms. Sabrina Dawood
Executive Director	Mr. Abdul Samad Dawood - CEO

- The Directors have confirmed that none of them are serving as a director on more than seven (7) listed companies, including this Company;
- 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;
- 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;
- 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 these 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 meetings of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Company is compliant in respect of certification of directors under the Director's Training Program. During the year, Mr. Sohail Tai completed the Directors Training Program. Furthermore, the Board also arranged Directors Training Program during the year for Mr. Muhammad Amin, Company Secretary, and who was also head of Board Secretariat and Compliance;
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 financial statements (unconsolidated and consolidated) before approval of the Board;
12. The Board has formed committees comprising of members given below:

a) Board Audit & Risk Committee:

Mr. Muhammed Amin	Chairman
Mr. Isfandiyar Shaheen	Member
Mr. Sohail Tai	Member

b) Board People Committee i.e. HR & Remuneration Committee:

Mr. Isfandiyar Shaheen	Chairman
Mr. Ahmed Ebrahim Hasham	Member
Ms. Sabrina Dawood	Member

c) Board Investment Committee:

Mr. Abdul Samad Dawood	Chairman
Mr. Muhammed Amin	Member
Mr. Isfandiyar Shaheen	Member
Mr. Ahmed Ebrahim Hasham	Member
Mr. Sohail Tai	Member

13. The terms of reference of the aforementioned 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 & Risk Committee – 4 meetings held during the year;
 - b) Board People Committee – 1 meeting held during the year; and
 - c) Board Investment Committee – 3 meetings held during the year.
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 close relatives (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or directors 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; and
18. We confirm that all requirements of Regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

a) Nomination, Risk Management and Sustainability Committee (Regulations 10A, 29 and 30)

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

b) Directors Training (Regulation 19)

The Company does not have any female executives, hence, no training of female executives was conducted under the program.



Mr. Hussain Dawood
Chairman



Mr. Abdul Samad Dawood
Chief Executive Officer

categories of shareholding as at december 31, 2025

Sr. #	Category of Shareholders	No. of Shareholders	No. of shares	Percentage
01	Directors, Chief Executive Officer, and their spouse and minor children	12	91,352,832	7.59%
02	Associated Companies, Undertakings and related Parties	18	183,961,282	15.28%
03	NIT and ICP	-	-	-
04	Banks, Development Financial Institutions, Non-Banking Financial Institutions	27	19,536,958	1.62%
05	Insurance Companies	27	114,653,330	9.52%
06	Modarabas and Mutual Funds	83	88,487,765	7.35%
07	Share holders holding 10%	-	-	-
	General Public:			
08	Local	32,758	307,289,994	25.52%
09	Foreign	-	-	-
10	Foreign Companies	50	244,249,317	20.28 %
11	Others	441	154,700,516	12.85%
Total (excluding : shareholders holding 10%) or more		33,416	1,204,231,994	100.00%

pattern of shareholding

as at december 31, 2025

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
10,702	1	100	388,276
7,855	101	500	2,203,017
3,259	501	1,000	2,578,511
6,504	1,001	5,000	15,634,118
1,645	5,001	10,000	11,994,186
776	10,001	15,000	9,625,955
474	15,001	20,000	8,231,513
381	20,001	25,000	8,702,720
226	25,001	30,000	6,283,934
175	30,001	35,000	5,716,793
107	35,001	40,000	4,038,431
126	40,001	45,000	5,383,842
120	45,001	50,000	5,796,872
53	50,001	55,000	2,795,953
81	55,001	60,000	4,665,524
49	60,001	65,000	3,070,090
62	65,001	70,000	4,200,504
35	70,001	75,000	2,550,677
41	75,001	80,000	3,196,170
32	80,001	85,000	2,642,077
27	85,001	90,000	2,378,831
29	90,001	95,000	2,687,772
48	95,001	100,000	4,742,671
19	100,001	105,000	1,944,228
11	105,001	110,000	1,177,592
28	110,001	115,000	3,140,821
24	115,001	120,000	2,829,218

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
35	120,001	125,000	4,293,751
8	125,001	130,000	1,022,796
20	130,001	135,000	2,659,743
9	135,001	140,000	1,246,861
11	140,001	145,000	1,571,812
14	145,001	150,000	2,074,383
13	150,001	155,000	1,971,042
14	155,001	160,000	2,213,609
6	160,001	165,000	972,750
9	165,001	170,000	1,508,474
6	170,001	175,000	1,039,733
5	175,001	180,000	885,620
11	180,001	185,000	2,001,887
4	185,001	190,000	751,610
3	190,001	195,000	579,717
17	195,001	200,000	3,388,124
6	200,001	205,000	1,216,949
7	205,001	210,000	1,459,195
11	210,001	215,000	2,341,857
2	215,001	220,000	435,099
13	220,001	225,000	2,898,663
6	225,001	230,000	1,366,785
1	230,001	235,000	233,413
3	235,001	240,000	708,702
7	240,001	245,000	1,692,956
4	245,001	250,000	994,160
3	250,001	255,000	753,776
7	255,001	260,000	1,804,735
5	260,001	265,000	1,312,022
3	265,001	270,000	801,789

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
4	275,001	280,000	1,113,709
4	280,001	285,000	1,134,857
1	285,001	290,000	286,750
3	290,001	295,000	876,760
3	295,001	300,000	897,064
4	300,001	305,000	1,207,303
4	305,001	310,000	1,234,745
1	310,001	315,000	312,500
1	315,001	320,000	318,000
4	320,001	325,000	1,290,589
3	325,001	330,000	981,865
3	330,001	335,000	994,794
6	335,001	340,000	2,023,973
3	345,001	350,000	1,044,664
3	350,001	355,000	1,059,959
1	355,001	360,000	355,715
2	360,001	365,000	726,611
1	365,001	370,000	369,682
2	370,001	375,000	743,444
4	375,001	380,000	1,509,611
1	380,001	385,000	383,261
1	385,001	390,000	388,000
3	390,001	395,000	1,181,075
6	395,001	400,000	2,400,000
3	400,001	405,000	1,212,659
2	405,001	410,000	817,300
2	410,001	415,000	826,848
2	415,001	420,000	833,697
5	420,001	425,000	2,117,321
4	425,001	430,000	1,711,977

No. of Shareholders	From	To	Total Shares
3	430,001	435,000	1,299,370
1	435,001	440,000	437,042
1	450,001	455,000	453,136
3	455,001	460,000	1,376,920
3	465,001	470,000	1,405,074
1	470,001	475,000	471,256
1	480,001	485,000	480,772
1	495,001	500,000	499,637
1	500,001	505,000	500,517
1	515,001	520,000	515,340
1	520,001	525,000	520,491
1	525,001	530,000	530,000
2	530,001	535,000	1,067,545
2	535,001	540,000	1,076,206
2	545,001	550,000	1,100,000
1	555,001	560,000	560,000
1	560,001	565,000	565,000
1	565,001	570,000	568,663
2	570,001	575,000	1,148,125
1	580,001	585,000	581,216
2	590,001	595,000	1,183,296
3	595,001	600,000	1,795,222
2	600,001	605,000	1,201,494
1	605,001	610,000	606,228
2	610,001	615,000	1,223,498
1	615,001	620,000	618,835
1	620,001	625,000	621,192
1	630,001	635,000	632,717
1	650,001	655,000	654,173
3	665,001	670,000	2,002,911

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
3	670,001	675,000	2,014,102
2	680,001	685,000	1,363,074
1	695,001	700,000	695,134
2	705,001	710,000	1,416,171
1	710,001	715,000	714,132
1	725,001	730,000	730,000
1	730,001	735,000	730,787
1	755,001	760,000	755,962
2	785,001	790,000	1,574,610
1	800,001	805,000	801,522
1	810,001	815,000	813,543
1	815,001	820,000	817,499
2	825,001	830,000	1,654,760
1	835,001	840,000	835,672
1	855,001	860,000	855,083
1	860,001	865,000	860,714
1	870,001	875,000	874,448
1	875,001	880,000	877,344
1	885,001	890,000	886,000
2	895,001	900,000	1,792,910
1	905,001	910,000	908,831
1	910,001	915,000	914,703
1	950,001	955,000	953,732
3	995,001	1,000,000	3,000,000
1	1,005,001	1,010,000	1,006,123
1	1,020,001	1,025,000	1,023,299
1	1,025,001	1,030,000	1,025,072
1	1,060,001	1,065,000	1,064,544
1	1,140,001	1,145,000	1,143,000
1	1,165,001	1,170,000	1,168,268

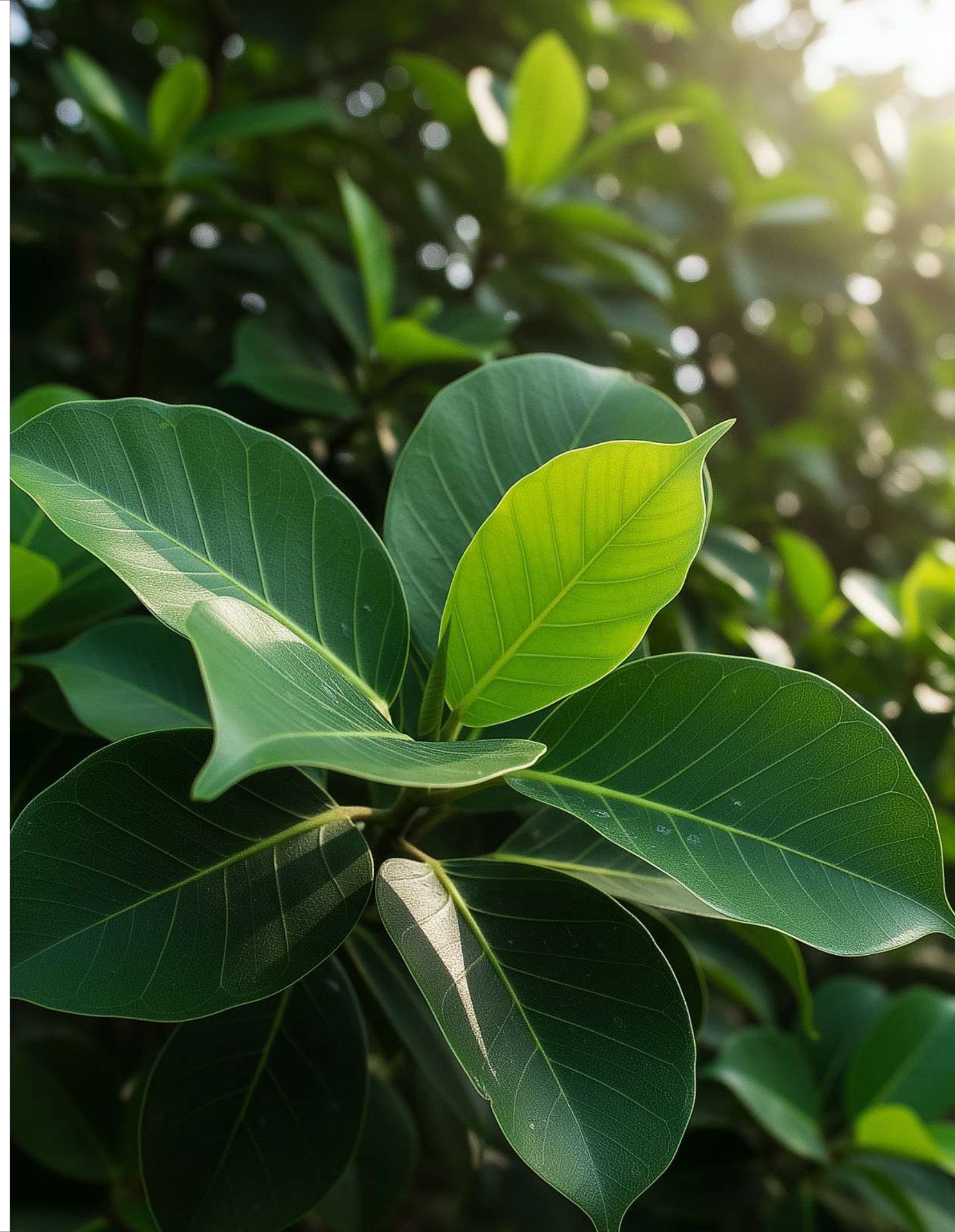
No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	1,170,001	1,175,000	1,171,350
1	1,200,001	1,205,000	1,201,759
1	1,215,001	1,220,000	1,216,604
1	1,245,001	1,250,000	1,249,390
1	1,255,001	1,260,000	1,257,383
1	1,295,001	1,300,000	1,297,886
1	1,300,001	1,305,000	1,304,662
2	1,305,001	1,310,000	2,615,856
1	1,315,001	1,320,000	1,319,486
1	1,365,001	1,370,000	1,365,139
1	1,375,001	1,380,000	1,378,957
2	1,445,001	1,450,000	2,895,662
1	1,475,001	1,480,000	1,475,489
1	1,500,001	1,505,000	1,503,532
1	1,505,001	1,510,000	1,507,750
1	1,530,001	1,535,000	1,532,541
3	1,540,001	1,545,000	4,625,960
1	1,560,001	1,565,000	1,560,776
1	1,635,001	1,640,000	1,637,685
1	1,640,001	1,645,000	1,643,332
1	1,720,001	1,725,000	1,725,000
1	1,750,001	1,755,000	1,751,918
1	1,820,001	1,825,000	1,825,000
1	1,970,001	1,975,000	1,971,222
1	1,995,001	2,000,000	2,000,000
1	2,055,001	2,060,000	2,058,642
1	2,190,001	2,195,000	2,190,713
1	2,220,001	2,225,000	2,220,100
1	2,275,001	2,280,000	2,279,461
1	2,280,001	2,285,000	2,284,472

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	2,295,001	2,300,000	2,300,000
1	2,345,001	2,350,000	2,350,000
1	2,375,001	2,380,000	2,379,755
1	2,380,001	2,385,000	2,381,944
1	2,450,001	2,455,000	2,453,938
1	2,585,001	2,590,000	2,589,945
1	2,595,001	2,600,000	2,600,000
1	2,695,001	2,700,000	2,697,507
1	2,915,001	2,920,000	2,915,161
1	2,995,001	3,000,000	3,000,000
1	3,035,001	3,040,000	3,039,364
1	3,215,001	3,220,000	3,219,594
1	3,315,001	3,320,000	3,318,375
1	3,385,001	3,390,000	3,385,187
1	3,500,001	3,505,000	3,502,361
1	3,515,001	3,520,000	3,515,541
1	3,610,001	3,615,000	3,614,090
1	3,815,001	3,820,000	3,819,330
1	3,865,001	3,870,000	3,865,462
1	3,930,001	3,935,000	3,934,399
1	3,995,001	4,000,000	4,000,000
1	4,060,001	4,065,000	4,061,363
1	4,135,001	4,140,000	4,139,876
1	4,190,001	4,195,000	4,190,181
1	4,250,001	4,255,000	4,252,174
1	4,305,001	4,310,000	4,306,879
1	4,385,001	4,390,000	4,389,445
1	4,495,001	4,500,000	4,499,265
1	4,995,001	5,000,000	5,000,000
1	5,190,001	5,195,000	5,191,661

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	5,385,001	5,390,000	5,385,788
1	5,895,001	5,900,000	5,898,402
1	5,925,001	5,930,000	5,925,624
1	6,580,001	6,585,000	6,583,970
1	7,200,001	7,205,000	7,203,779
1	7,710,001	7,715,000	7,711,305
1	8,540,001	8,545,000	8,542,598
1	9,225,001	9,230,000	9,228,646
1	9,250,001	9,255,000	9,250,134
1	9,265,001	9,270,000	9,266,103
1	9,680,001	9,685,000	9,684,971
1	13,510,001	13,515,000	13,512,964
1	15,665,001	15,670,000	15,667,542
1	19,025,001	19,030,000	19,027,350
1	19,085,001	19,090,000	19,085,927
1	19,970,001	19,975,000	19,971,463
1	20,775,001	20,780,000	20,779,704
2	36,240,001	36,245,000	72,481,592
1	37,995,001	38,000,000	38,000,000
2	38,375,001	38,380,000	76,752,016
1	43,280,001	43,285,000	43,281,216
1	45,970,001	45,975,000	45,971,483
1	65,545,001	65,550,000	65,546,910
1	73,435,001	73,440,000	73,436,130
1	77,930,001	77,935,000	77,931,896
1	94,995,001	95,000,000	95,000,000
33,416			1,204,231,994

details of purchase/sale of shares by directors, executives and their spouses/minor children during 2025

Executive Name	Date of Transaction	Transaction	No. of shares	Price in Rs. (Per Share)
Mr. Muhammad Bilal Ahmed	31.12.2025	Purchase	100,900	237.92
Ms. Sabrina Dawood	19.12.2025	Gift-In	10,000	-
Mrs. Kulsum Dawood (Spouse of Mr. Hussain Dawood)	19.12.2025	Gift-Out	10,000	-
Mr. Farooq Barkat Ali	25.11.2025	Purchase	3,000	210.99
Mr. Farooq Barkat Ali	20.11.2025	Purchase	2,000	212.46
Mr. Hussain Dawood	31.10.2025	Purchase	45,000	220.48
Mrs. Kulsum Dawood (Spouse of Mr. Hussain Dawood)	31.10.2025	Purchase	45,000	220.92
Mr. Abdul Samad Dawood	30.10.2025	Purchase	46,000	214.95
Mr. Abdul Samad Dawood	30.06.2025	Purchase	650,000	183.77
Mrs. Kulsum Dawood (Spouse of Mr. Hussain Dawood)	26.06.2025	Purchase	90,000	176.26
Mr. Abdul Samad Dawood	26.06.2025	Purchase	520,425	178.29
Mr. Abdul Samad Dawood	02.06.2025	Purchase	82,500	182.81
Mrs. Kulsum Dawood (Spouse of Mr. Hussain Dawood)	21.01.2025	Purchase	21,500	229.80
Ms. Sabrina Dawood	10.01.2025	Other (Scheme) - in	8,218,646	-
Mr. Hussain Dawood	10.01.2025	Other (Scheme) - in	39,926,483	-
Mrs. Kulsum Dawood (Spouse of Mr. Hussain Dawood)	10.01.2025	Other (Scheme) - in	17,633,204	-
Mr. Abdul Samad Dawood	10.01.2025	Other (Scheme) - in	2,836,383	-
Mrs. Ayesha Dawood (Spouse of Mr. Abdul Samad Dawood)	10.01.2025	Other (Scheme) - in	98	-



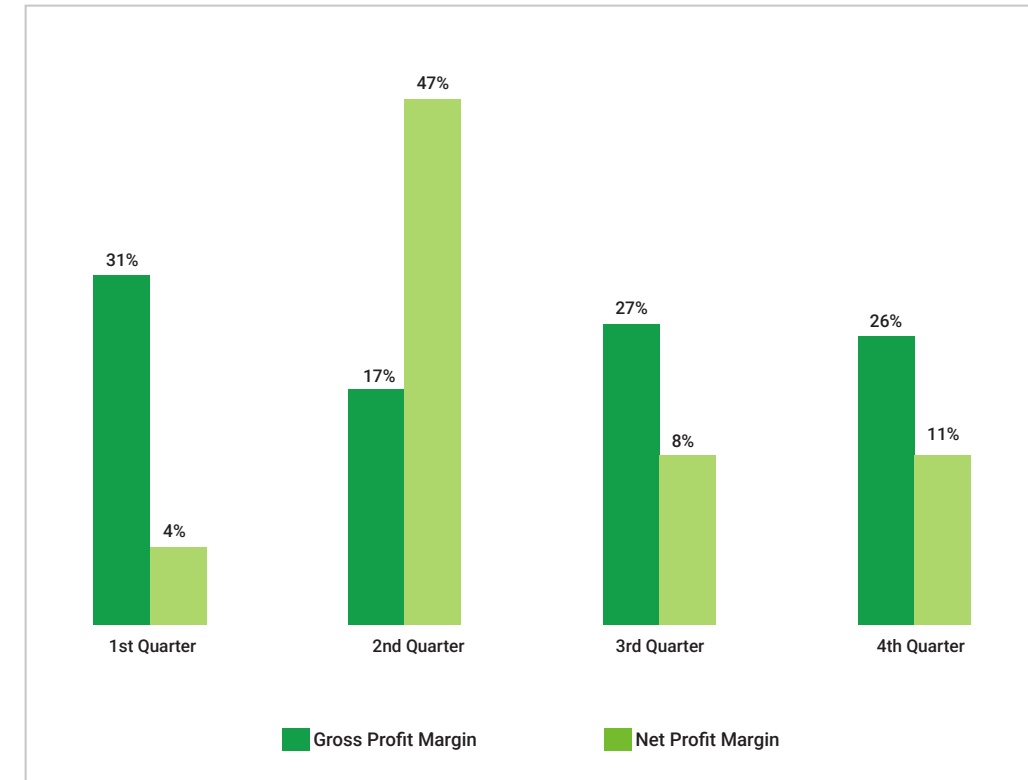
profit & loss

quarterly analysis

(Amount in Millions)

	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Annual
Sales	101,248	146,996	158,606	191,510	598,360
Cost of Sales	(69,601)	(122,111)	(116,514)	(142,444)	(450,670)
Gross Profit	31,647	24,885	42,092	49,066	147,690
Selling and distribution expenses	(3,357)	(2,499)	(4,736)	(7,039)	(17,631)
Administrative expenses	(3,472)	(9,740)	(3,592)	1,300	(15,504)
Other income	3,473	8,314	2,117	(1,896)	12,008
Other operating expenses	(1,004)	(2,107)	(1,037)	(7,305)	(11,453)
Finance Cost	(9,050)	(11,983)	(12,370)	(11,531)	(44,934)
Gain allowance on subsidy receivable from GoP	10	182	2	431	625
Adjustment in respect of carrying value of thermal assets	(8,130)	43,887	418	(416)	35,759
Remeasurement gain / (loss) on carrying value of thermal assets	-	24,099	-	-	24,099
Share of income from joint venture and associates	684	4,107	1,323	2,854	8,968
Minimum tax and final tax	(1,083)	(1,390)	(3,116)	(3,049)	(8,638)
Profit before Income tax	9,718	77,755	21,101	22,415	130,989
Income tax	(5,404)	(8,477)	(8,267)	(1,536)	(23,684)
Profit from continuing operations	4,314	69,278	12,834	20,879	107,305
Profit from discontinued operations (attributable to Owners of the Holding Company)	(274)	-	-	-	(274)
Profit for the year	4,040	69,278	12,834	20,879	107,031
Profit attributable to					
Owners of the Holding Company	1,827	33,748	6,442	13,616	55,633
Non-Controlling Interest	2,213	35,530	6,392	7,263	51,398
	4,040	69,278	12,834	20,879	107,031
Earning Per Share	1.52	28.02	5.35	11.31	46.20

Quarterly Gross & Net Profit Margin



horizontal analysis

balance sheet

(Amounts in millions)

	2025	25 Vs. 24	2024	24 Vs. 23	Restated	23 Vs. 22	Restated	22 Vs. 21	2021	21 Vs. 20	2020
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.
EQUITY AND LIABILITIES											
EQUITY											
Share capital	12,042	150.2	4,813	-	4,813	-	4,813	-	4,813	-	4,813
Share premium	136,220	100	-	-	-	-	-	-	-	-	-
Unappropriated profits	75,011	11.5	67,258	8.5	61,975	(4.6)	64,982	(0.7)	65,468	6.4	61,517
Reserves	(15,965)	(918.2)	1,951	24.0	1,574	27.5	1,234	11.8	1,104	13.5	972
Non-controlling interest	95,778	(39.4)	158,097	(5.1)	166,592	(7.0)	179,179	(1.9)	182,606	11.1	164,360
	303,087	30.6	232,119	(1.2)	234,954	(6.1)	250,208	(1.5)	253,990	9.6	231,662
NON-CURRENT LIABILITIES											
Borrowings	234,355	211.0	75,355	(53.5)	162,072	3.8	156,174	11.7	139,818	3.4	135,230
Long-term payable	3,942	-	-	-	-	-	-	-	-	-	-
Government grant	1,097	(28.3)	1,529	(24.3)	2,020	37.2	1,472	100	1,080	100.0	-
Deferred taxation	63,649	958.7	6,012	(64.6)	16,996	41.1	12,049	(26.0)	16,292	11.1	14,668
Lease liabilities	58,730	12.4	52,243	(21.8)	66,785	7.0	62,398	17.4	53,163	5.0	50,651
Others	6,763	50.5	4,495	1.8	4,416	(33.0)	6,593	(40.2)	11,025	(35.9)	17,206
	368,537	163.9	139,634	(44.7)	252,289	5.7	238,685	7.8	221,378	1.7	217,755
CURRENT LIABILITIES											
Trade and other payables	287,565	121.9	129,565	(42.3)	224,625	36.8	164,152	42.9	114,875	16.5	98,645
Accrued interest / mark up	4,322	38.9	3,111	10.8	2,808	(3.9)	2,922	106.3	1,416	(1.2)	1,434
Current portion of											
Borrowings	42,607	472.6	7,441	(74.0)	28,580	3.2	27,700	19.9	23,110	(23.0)	30,008
Government grant	406	(7.7)	440	(2.8)	452	28.1	353	92.4	184	100.0	-
Lease liabilities	17,296	57.1	11,010	3.5	10,637	17.4	9,062	47.8	6,132	23.8	4,955
Deferred liabilities	102	(77.5)	455	(27.5)	626	8.6	577	(21.7)	737	0.9	731
Short-term borrowings	55,169	62.8	33,895	7.1	31,640	(19.8)	39,472	32.6	29,765	138.0	12,505
Liabilities classified as held for sale	-	(100.0)	207,000	100	-	-	-	-	-	-	-
Others	4,255	(8.9)	4,668	(84.0)	29,181	(10.0)	32,406	191.6	11,115	223.5	3,435
	411,723	3.6	397,584	21.0	328,549	18.8	276,645	47.7	187,333	23.5	151,713
TOTAL EQUITY AND LIABILITIES	1,083,347	40.8	769,337	(5.7)	815,792	6.6	765,538	15.5	662,702	10.2	601,130
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	544,183	176.8	196,625	(42.1)	339,374	2.8	329,990	16.9	282,232	7.7	262,036
Right of use assets	26,181	219.6	8,191	(37.7)	13,142	(1.7)	13,369	36.0	9,831	39.4	7,054
Intangible assets	52,491	783.3	5,942	(9.0)	6,531	(3.6)	6,775	(2.3)	6,932	24.1	5,588
Long-term investments	48,202	58.4	30,423	(11.8)	34,485	(5.6)	36,521	6.7	34,217	5.8	32,350
Financial asset at amortised cost	5,221	22.3	4,268	305.9	1,052	(72.2)	3,783	5.3	3,593	(30.4)	5,161
Derivative financial instruments	-	(100.0)	226	(76.5)	963	30.6	737	694.5	93	100.0	-
Net investment in leases	38,629	(19.2)	47,783	(16.1)	56,961	9.2	52,160	15.4	45,204	1.5	44,557
Others	8,121	37.2	5,917	20.1	4,926	16.6	4,223	56.6	2,697	23.1	2,190
	723,028	141.5	299,375	(34.6)	457,434	2.2	447,559	16.3	384,797	7.2	358,936
CURRENT ASSETS											
Derivative financial instruments	17	100.0	-	-	-	-	-	-	-	-	-
Store, spares and loose tools	15,050	11.3	13,522	4.5	12,939	31.6	9,835	5.6	9,310	2.7	9,069
Stock-in-trade	38,133	(6.0)	40,567	20.2	33,737	11.6	30,243	(4.0)	31,513	75.7	17,938
Trade debts & contract assets	79,772	249.2	22,843	(75.3)	92,378	8.3	85,320	31.2	65,050	15.2	56,465
Loans, advances, deposits and prepayments	9,809	(6.5)	10,491	9.8	9,552	38.6	6,892	35.4	5,088	29.9	3,917
Other receivables	50,498	214.7	16,045	(70.6)	54,581	42.2	38,375	44.9	26,477	37.2	19,299
Current portion of net investment in leases	9,411	10.7	8,501	7.8	7,887	38.8	5,683	41.9	4,005	23.0	3,255
Taxes recoverable	11,383	-	-	-	-	-	-	-	-	-	-
Short-term investments	110,654	34.8	82,072	4.4	78,630	(18.6)	96,636	0.8	95,903	(10.7)	107,344
Cash and bank balances	35,593	172.5	13,061	(80.5)	67,129	49.2	44,995	10.9	40,559	63.3	24,838
Assets classified as held for sale	-	(100.0)	262,859	17,132.2	1,525	100	-	-	-	(100.0)	67
	360,319	(23.3)	469,962	31.1	358,358	12.7	317,979	14.4	277,905	14.7	242,193
TOTAL ASSETS	1,083,347	40.8	769,337	(5.7)	815,792	6.6	765,538	15.5	662,702	10.2	601,130

vertical analysis

balance sheet

(Amounts in millions)

	2025 Rs.	25 Vs. 24 %	2024 Rs.	24 Vs. 23 %	Restated		Restated		2021 Rs.	21 Vs. 20 %	2020 Rs.
					2023 Rs.	23 Vs. 22 %	2022 Rs.	22 Vs. 21 %			
EQUITY AND LIABILITIES											
EQUITY											
Share capital	12,042	1.1	4,813	0.6	4,813	0.6	4,813	0.6	4,813	0.7	4,813
Share premium	136,220	12.6	-	-	-	-	-	-	-	-	-
Unappropriated profits	75,011	6.9	67,258	8.7	61,975	7.6	64,982	8.5	65,468	9.9	61,517
Reserves	(15,965)	(1.5)	1,951	0.3	1,574	0.2	1,234	0.2	1,104	0.2	972
Non-controlling interest	95,778	8.8	158,097	20.5	166,592	20.4	179,179	23.4	182,606	27.6	164,360
	303,087	28.0	232,119	30.2	234,954	28.8	250,208	32.7	253,990	38.3	231,662
NON-CURRENT LIABILITIES											
Borrowings	234,355	21.6	75,355	9.8	162,072	19.9	156,174	20.4	139,818	21.1	135,230
Long-term payable	3,942	0.4	-	-	-	-	-	-	-	-	-
Government grant	1,097	0.1	1,529	0.2	2,020	0.2	1,472	0.2	1,080	0.2	-
Deferred taxation	63,649	5.9	6,012	0.8	16,996	2.1	12,049	1.6	16,292	2.5	14,668
Lease liabilities	58,730	5.4	52,243	6.8	66,785	8.2	62,398	8.2	53,163	8.0	50,651
Others	6,763	0.6	4,495	0.6	4,416	0.5	6,593	0.9	11,025	1.7	17,206
	368,537	34.0	139,634	18.1	252,289	30.9	238,685	31.2	221,378	33.4	217,755
CURRENT LIABILITIES											
Trade and other payables	287,565	26.5	129,565	16.8	224,625	27.5	164,152	21.4	114,875	17.3	98,645
Accrued Interest / mark up	4,322	0.4	3,111	0.4	2,808	0.3	2,922	0.4	1,416	0.2	1,434
Current portion of											
Borrowings	42,607	3.9	7,441	1.0	28,580	3.5	27,700	3.6	23,110	3.5	30,008
Government grant	406	0.0	440	0.1	452	0.1	353	0.0	184	0.0	-
Lease liabilities	17,296	1.6	11,010	1.4	10,637	1.3	9,062	1.2	6,132	0.9	4,955
Deferred liabilities	102	0.0	455	0.1	626	0.1	577	0.1	737	0.1	731
Short-term borrowings	55,169	5.1	33,895	4.4	31,640	3.9	39,472	5.2	29,765	4.5	12,505
Liabilities classified as held for sale	-	-	207,000	26.9	-	-	-	-	-	-	-
Others	4,255	0.4	4,668	0.6	29,181	3.6	32,406	4.2	11,115	1.7	3,435
	411,723	38.0	397,584	51.7	328,549	40.3	276,645	36.1	187,333	28.3	151,713
TOTAL EQUITY AND LIABILITIES	1,083,347	100.0	769,337	100.0	815,792	100.0	765,538	100.0	662,702	100.0	601,130
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	544,183	50.2	196,625	25.6	339,374	41.6	329,990	43.1	282,232	42.6	262,036
Right of use assets	26,181	2.4	8,191	1.1	13,142	1.6	13,369	1.7	9,831	1.5	7,054
Intangible assets	52,491	4.8	5,942	0.8	6,531	0.8	6,775	0.9	6,932	1.0	5,588
Long-term investments	48,202	4.4	30,423	4.0	34,485	4.2	36,521	4.8	34,217	5.2	32,350
Financial asset at amortised cost	5,221	0.5	4,268	0.6	1,052	0.1	3,783	0.5	3,593	0.5	5,161
Derivative financial instruments	-	-	226	0.0	963	0.1	737	0.1	93	0.0	-
Net investment in leases	38,629	3.6	47,783	6.2	56,961	7.0	52,160	6.8	45,204	6.8	44,557
Others	8,121	0.7	5,917	0.8	4,926	0.6	4,223	0.6	2,697	0.4	2,190
	723,028	66.7	299,375	38.9	457,434	56.1	447,559	58.5	384,797	58.1	358,936
CURRENT ASSETS											
Derivative financial instruments	17	0.0	-	-	-	-	-	-	-	-	-
Store, spares and loose tools	15,050	1.4	13,522	1.8	12,939	1.6	9,835	1.3	9,310	1.4	9,069
Stock-in-trade	38,133	3.5	40,567	5.3	33,737	4.1	30,243	4.0	31,513	4.8	17,93
Trade debts & contract assets	79,772	7.4	22,843	3.0	92,378	11.3	85,320	11.1	65,050	9.8	56,465
Advances, deposits and prepayments	9,809	0.9	10,491	1.4	9,552	1.2	6,892	0.9	5,088	0.8	3,917
Other receivables	50,498	4.7	16,045	2.1	54,581	6.7	38,375	5.0	26,477	4.0	19,299
Current portion of investment in leases	9,411	0.9	8,501	1.1	7,887	1.0	5,683	0.7	4,005	0.6	3,255
Taxes recoverable	11,383	1.1	-	-	-	-	-	-	-	-	-
Short-term investments	110,654	10.2	82,072	10.7	78,630	9.6	96,636	12.6	95,903	14.5	107,344
Cash and bank balances	35,593	3.3	13,061	1.7	67,129	8.2	44,995	5.9	40,559	6.1	24,838
Assets classified as held for sale	-	-	262,859	34.2	1,525	0.2	-	-	-	-	67
	360,319	33.3	469,962	61.1	358,358	43.9	317,979	41.5	277,905	41.9	242,193
TOTAL ASSETS	1,083,347	100.0	769,337	100.0	815,792	100.0	765,538	100.0	662,702	100.0	601,130

horizontal analysis

profit and loss account

(Amounts in millions)

	2025	25 Vs. 24	2024	24 Vs. 23	Restated		2022	22 Vs. 21	2021	21 Vs. 20	2020
	Rs.	%	Rs.	%	2023	23 Vs. 22	Rs.	%	Rs.	%	Rs.
Sales	598,360	10.77	540,171	12.87	478,558	34.18	356,643	14.39	311,781	25.27	248,883
Cost of sales	(450,670)	16.32	(387,433)	19.71	(323,654)	28.45	(251,961)	18.79	(212,112)	22.65	(172,940)
Gross profit	147,690	(3.30)	152,737	(1.40)	154,904	47.98	104,682	5.03	99,669	31.24	75,943
Selling and distribution expenses	(17,631)	10.00	(16,028)	39.36	(11,502)	23.33	(9,326)	19.27	(7,819)	(3.19)	(7,845)
Administrative expenses	(15,504)	4.59	(14,823)	(5.03)	(15,608)	20.37	(12,967)	29.74	(9,995)	7.88	(9,265)
Other expenses	(11,453)	43.61	(7,975)	(29.51)	(11,314)	4.14	(10,864)	7.89	(10,069)	52.11	(6,620)
Adjustment in respect of carrying value of thermal assets	35,759	(499.23)	(8,957)	(70.09)	(29,950)	100.00	-	-	-	-	-
Remeasurement gain / (loss) on carrying value of thermal assets	24,099	(200.00)	(24,099)	100.00	-	-	-	-	-	-	-
Other income	12,633	(55.74)	28,543	50.31	18,990	18.06	16,085	79.46	8,963	(43.28)	15,803
Operating profit	175,593	60.51	109,398	3.67	105,520	20.44	87,611	8.50	80,749	18.72	68,017
Finance costs	(44,934)	10.59	(40,630)	21.24	(33,511)	38.32	(24,228)	76.63	(13,717)	(23.59)	(17,951)
Share of income from joint venture and associates	8,968	164.31	3,393	(35.27)	5,242	63.03	3,215	(0.35)	3,227	15.39	2,796
Profit before income tax, minimum tax and final tax	139,626	93.49	72,161	(6.59)	77,251	16.00	66,598	(5.21)	70,259	32.91	52,862
Income tax, minimum tax and final tax	(32,322)	13.07	(28,585)	(29.83)	(40,739)	72.05	(23,678)	21.09	(19,554)	91.11	(10,232)
Profit from continuing operations	107,305	146.25	43,576	19.35	36,512	(14.93)	42,920	(15.35)	50,705	18.94	42,630
Profit / (loss) from discontinued operations	(274)	(17.35)	(331)	(461.20)	92	100.00	-	(99.76)	29	(110.48)	(279)
Profit for the year	107,031	147.50	43,245	18.14	36,604	(14.72)	42,920	(15.40)	50,735	19.80	42,351
Profit attributable to											
Owners of the Holding Company	55,633	331.58	12,890	(39.50)	21,305	263.19	5,866	(31.18)	8,524	12.41	7,583
Non-controlling interest	51,398	69.33	30,354	98.41	15,299	(58.71)	37,054	(12.22)	42,211	21.41	34,768
	107,031	147.50	43,245	18.14	36,604	(14.72)	42,920	(15.40)	50,735	19.80	42,351

vertical analysis

profit and loss account

(Amounts in millions)

					Restated						
	2025 Rs.	25 Vs. 24 %	2024 Rs.	24 Vs. 23 %	2023 Rs.	23 Vs. 22 %	2022 Rs.	22 Vs. 21 %	2021 Rs.	21 Vs. 20 %	2020 Rs.
Sales	598,360	100.00	540,171	100.00	478,558	100.00	356,643	100.00	311,781	100.00	248,883
Cost of sales	(450,670)	(75.32)	(387,433)	(71.72)	(323,654)	(67.63)	(251,961)	(70.65)	(212,112)	(68.03)	(172,940)
Gross profit	147,690	24.68	152,737	28.28	154,904	32.37	104,682	29.35	99,669	31.97	75,943
Selling and distribution expenses	(17,631)	(2.95)	(16,028)	(2.97)	(11,502)	(2.40)	(9,326)	(2.61)	(7,819)	(3.19)	(7,845)
Administrative expenses	(15,504)	(2.59)	(14,823)	(2.74)	(15,608)	(3.26)	(12,967)	(3.64)	(9,995)	(3.21)	(9,265)
Other expenses	(11,453)	(1.91)	(7,975)	(1.48)	(11,314)	35.83	82,389	23.10	81,855	-	58,833
Adjustment in respect of carrying value of thermal assets	35,759	5.98	(8,957)	(1.66)	-	-	-	-	-	-	-
Remeasurement gain / (loss) on carrying value of thermal assets	24,099	4.03	(24,099)	(4.46)	-	-	-	-	-	-	-
Other income	12,633	2.11	28,543	5.28	18,990	3.97	16,085	4.51	8,963	2.87	15,803
Operating profit	175,593	29.35	109,398	20.25	105,520	22.05	87,611	24.57	80,749	25.90	68,017
Finance costs	(44,934)	(7.51)	(40,630)	(7.52)	(33,511)	(7.00)	(24,228)	(6.79)	(13,717)	(4.40)	(17,951)
Share of income from joint venture and associates	8,968	1.50	3,393	0.63	5,242	1.10	3,215	0.90	3,227	1.03	2,796
Profit before income tax, minimum tax and final tax	139,626	23.33	72,161	13.36	77,251	16.14	66,598	18.67	70,259	22.53	52,862
Income tax, minimum tax and final tax	(32,322)	(5.40)	(28,585)	(5.29)	(40,739)	(8.51)	(23,678)	(6.64)	(19,554)	(6.27)	(10,232)
Profit from continuing operations	107,305	17.93	43,576	8.07	36,512	7.63	42,920	12.03	50,705	16.26	42,630
Profit / (loss) from discontinued operations	(274)	(0.05)	(331)	(0.06)	92	0.02	-	-	29	0.01	(279)
Profit for the year	107,031	17.89	43,245	8.01	36,604	7.65	42,920	12.03	50,735	16.27	42,351
Profit attributable to											
Owners of the holding company	55,633	9.30	12,890	2.39	21,305	4.45	5,866	1.64	8,524	2.73	7,583
Non-controlling interest	51,398	8.59	30,354	5.62	15,299	3.20	37,054	10.39	42,211	13.54	34,768
	107,031	17.89	43,245	8.01	36,604	7.65	42,920	12.03	50,735	16.27	42,351

six years summary

of financial statements

(Amount in Millions)

	2025 Rs.	2024 Rs.	2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.
Summary of Balance Sheet						
Shareholders' Funds / Equity	303,087	232,119	234,954	250,208	253,990	231,662
Long-term Borrowings	276,963	192,407	190,652	183,874	162,928	165,239
Lease Liabilities	76,027	63,253	77,422	71,460	59,295	55,606
Capital Employed	580,050	424,526	425,606	434,082	416,919	396,900
Property, Plant & Equipment	544,183	319,760	340,899	329,990	282,232	262,036
Net Current Assets / Working Capital	9,008	91,723	70,105	79,027	120,733	126,174
Summary of Profit and Loss						
Sales	598,360	540,177	482,489	356,643	311,781	248,891
Gross Profit	147,690	152,738	155,636	104,682	99,669	75,907
Earning before interest, tax & share of profit from JV & associates	175,565	109,068	106,004	87,611	80,774	67,736
Share of profit from JV & associates	8,968	3,393	5,242	3,215	3,227	2,796
Depreciation	33,785	11,804	18,536	14,645	11,912	13,165
Depreciation ROU	3,177	1,257	1,532	1,365	1,077	874
Amortization	1,261	527	439	420	246	181
EBITDA	222,756	126,049	131,752	107,257	97,235	84,753
Profit after tax	107,031	43,245	36,604	42,920	50,735	42,351
Summary of Cash Flows						
Net cash Flow from Operating Activities	98,897	16,901	104,420	74,816	46,328	59,672
Net Cash Flow from Investing Activities	(37,714)	9,864	12,392	(88,901)	31,222	(1,246)
Net Cash Flow from Financing Activities	(42,553)	(31,329)	(91,782)	(55,488)	(51,596)	(32,783)
Summary of Actual Production						
Urea	2,289,705	2,147,025	2,313,448	1,954,528	2,104,722	2,263,806
NPK	76,891	105,296	96,328	137,075	144,564	140,552
PVC Resin	230,000	212,000	230,000	239,000	243,000	153,000
EDC	97,000	100,000	100,000	102,000	94,000	79,000
Caustic Soda	93,000	95,000	96,000	97,000	92,000	77,000
Caustic Flakes	13,000	14,000	13,000	9,000	8,000	2,000
VCM	232,000	216,000	224,000	219,000	203,000	148,000
HPO	15,000	-	-	-	-	-
Power	4,567,471	4,440,226	4,493,475	4,454,669	5,076,123	4,582,932
Integrated Rice Processing Plant	-	-	12,995	87,856	148,839	132,115
Dairy based products	334,071	360,204	375,894	373,722	334,986	314,979
Frozen desserts	28,389	25,760	24,820	29,392	24,218	18,157

financial ratios of six years

2020 through 2025

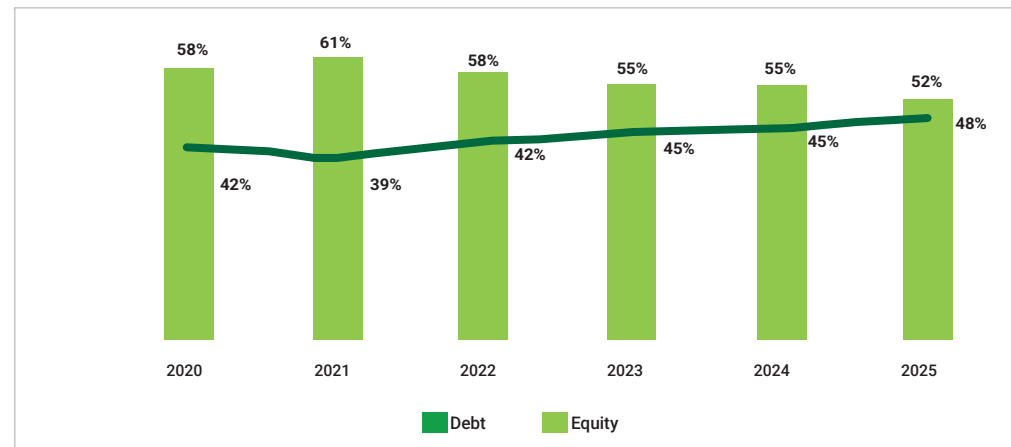
	2025	2024	2023	2022	2021	2020
Profitability Ratios:						
Gross Profit Margin	25%	28%	32%	29%	32%	30%
Net Profit Margin	18%	8%	8%	12%	16%	17%
EBITDA Margin to Sales	37%	23%	27%	30%	31%	34%
Operating Leverage Ratio	5.95	0.09	0.64	0.56	0.76	1.18
Return on Equity (after Tax)	40%	18%	31%	8%	12%	12%
Return on Equity (before Tax)	51%	30%	65%	13%	17%	14%
Return on Capital Employed	33%	24%	24%	20%	20%	18%
Return on Assets (before Tax)	13%	9%	9%	9%	11%	9%
Operating Margin	29%	20%	22%	25%	26%	27%
Liquidity Ratios:						
Current Ratio	0.88	1.18	1.09	1.15	1.48	1.60
Quick / Acid Test Ratio	0.75	1.04	0.95	1.00	1.27	1.42
Cash and bank balances and short term investments to Current Liabilities	0.36	0.32	0.44	0.51	0.73	0.87
Cash Flow from Operations to Sales	0.17	0.03	0.22	0.21	0.15	0.24
Activity / Turnover Ratios:						
Total Assets Turnover Ratio	0.65	0.68	0.61	0.50	0.49	0.42
Fixed Assets Turnover Ratio	1.39	1.64	1.44	1.17	1.15	0.97
No. of Days Inventory	32	36	36	45	43	40
No. of Days in Receivables	50	59	67	77	71	83
No. of Days in Payables	172	164	172	160	157	201
Operating cycle	(90)	(69)	(69)	(38)	(43)	(78)
Investment / Market Ratios:						
Earnings per Share	46.20	26.78	20.67	12.19	17.71	15.76
Price Earnings Ratio	5.14	9.70	5.21	7.75	5.39	7.71
Price to Book Ratio	0.94	0.54	0.22	0.18	0.18	0.25
Dividend Yield Ratio	0%	4%	17%	16%	10%	7%
Dividend Payout Ratio	0%	39%	87%	123%	54%	57%
Dividend Cover Ratio	-	2.55	1.15	0.81	1.86	1.75
Cash Dividend per Share	-	10.50	18.00	15.00	9.50	9.00
Market Value per Share at the end of the year; and	237.27	259.81	107.64	94.50	95.52	121.54
- High during the year	287.88	275.00	137.48	107.50	138.00	182.00
- Low during the year	139.00	106.70	90.05	88.11	94.00	92.06
Breakup value per share	251.68	482.29	488.18	519.87	527.73	481.34
Capital Structure Ratios:						
Financial Leverage Ratio	1.10	1.07	0.95	0.89	0.76	0.77
Weighted Average Cost of Debt	15%	17%	15%	12%	7%	10%
Debt to Equity Ratio - Book Value	0.91	0.83	0.81	0.73	0.64	0.71
Debt to Equity Ratio - Market Value	0.97	1.54	3.68	4.04	3.54	2.82
Interest Cover Ratio	4.11	2.77	3.26	3.75	6.12	3.93
Debt to Asset Ratio	0.26	0.25	0.23	0.24	0.25	0.27
Retention Ratio	100%	61%	13%	-23%	46%	43%
Sustainable Growth Rate	40%	11%	4%	-2%	6%	5%
Corporate social responsibility						
Donation as a percentage of PAT	1%	4%	4%	2%	3%	3%

financial analysis and graphical presentation of consolidated statement of financial position

Shareholders' Equity

Equity has increased by Rs. 70,968 million mainly on account of profit for the year amounting to Rs. 107,031 million offset by decrease due to dividend paid to NCI amounting to Rs. 25,947 million and demerger of Engro Holdings into DH Partners amounting to Rs. 10,063 million.

Debt / Equity



Non-Current Liabilities

Non-current liabilities majorly comprise of Long-Term borrowings from Financial Institutions, Deferred Taxation and Lease Liabilities.

Non-current liabilities have increased by 164% compared to last year mainly due to acquisition of deodar and reclassification of thermal energy liabilities from held for sale.

Considering the 6 years trend, borrowings have increased from Rs. 135,230 million to Rs. 234,355 million to fund business expansion in Energy, Connect and Polymer verticals. Deferred tax liability has increased from Rs. 14,668 million to Rs. 63,649 million mainly due to fair value adjustments on acquisition of Deodar amounting to Rs. 57,697 million in 2025. Remaining deferred tax liability as at December 31, 2025 is majorly represented by temporary differences due to accelerated depreciation allowance. Lease liability has increased from Rs. 50,651 million to Rs. 58,730 million mainly on account of acquisition of Deodar in 2025.

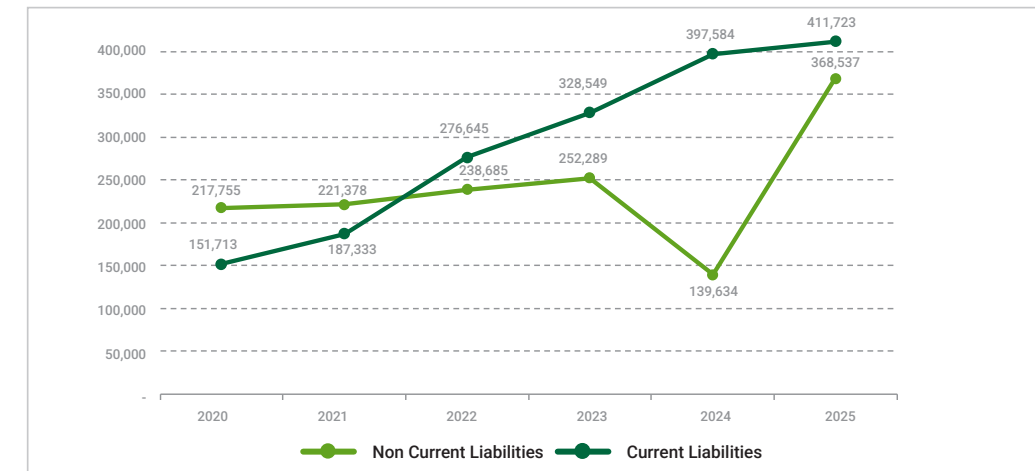
Current Liabilities

Current liabilities comprise of Trade and other payables, current portion of long-term borrowings and short-term borrowings.

Current liabilities have increased by 4% compared to last year.

Current liabilities have increased from Rs. 151,713 million to Rs. 411,723 million which includes increase in trade and other payables by Rs. 188,920 million. Trade and other payables as at December 31, 2025 mainly comprise of payable to PMCL on account of acquisition of Deodar. In 6 years, short term borrowings increased by Rs. 42,664 million (to provide liquidity to fertilizers, polymer and energy segments).

Non-Current & Current Liabilities (in millions)



Non-Current Assets

Non-current assets have increased by 142% compared to last year mainly due to acquisition of Deodar and reclassification of thermal energy assets from held for sale.

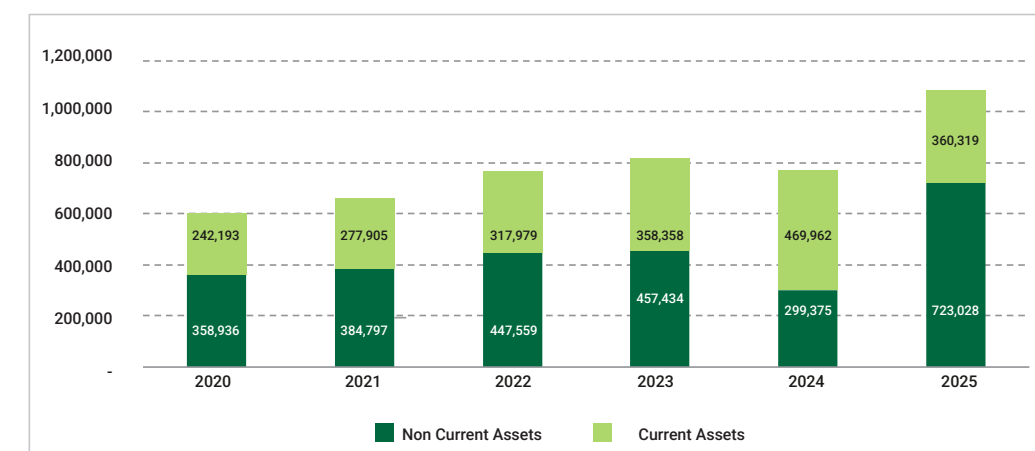
Non-current assets increased from Rs. 358,936 million to Rs. 723,028 million in last 6 years which consist of an increase in PPE by Rs. 282,147 million in which Rs.170,090 million acquired through business combinations.

Current Assets

Current assets decreased by 23% compared to last year mainly due to reclassification of thermal energy assets from held for sale.

Considering the 6 years trend, the increase in current assets from Rs. 242,193 million to Rs. 360,319 million is due to increase in Stock in trade by Rs. 20,195 million, trade debts by Rs. 23,307 million and other receivables by Rs. 31,199 million.

Current & Non Current Assets



financial analysis and graphical presentation of consolidated statement of profit or loss

Revenue

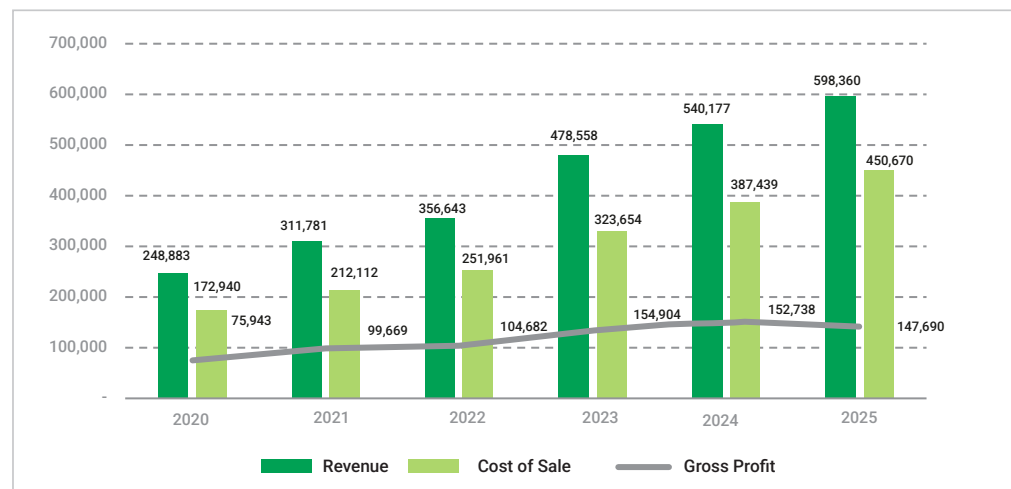
Revenue has increased by 11% (CY: Rs. 598,360 vs LY: Rs. 540,177). The main contributor in the increased revenue is Connectivity vertical attributable to increased number of operational sites in Enfrashare and acquisition of Deodar and Eximp FZE due to increased sales.

Considering the 6 years trend, the consolidated revenue has an increasing trend from 2020 and onward mainly contributed by Fertilizer, Polymers and Connectivity segments.

Cost of Sales

Cost of sales has increased by 16% (CY: Rs. 450,670 vs LY: Rs. 387,439). Cost trend of last 6 years is in line with the variation in revenue.

Gross Profit Analysis (Amount in Millions)

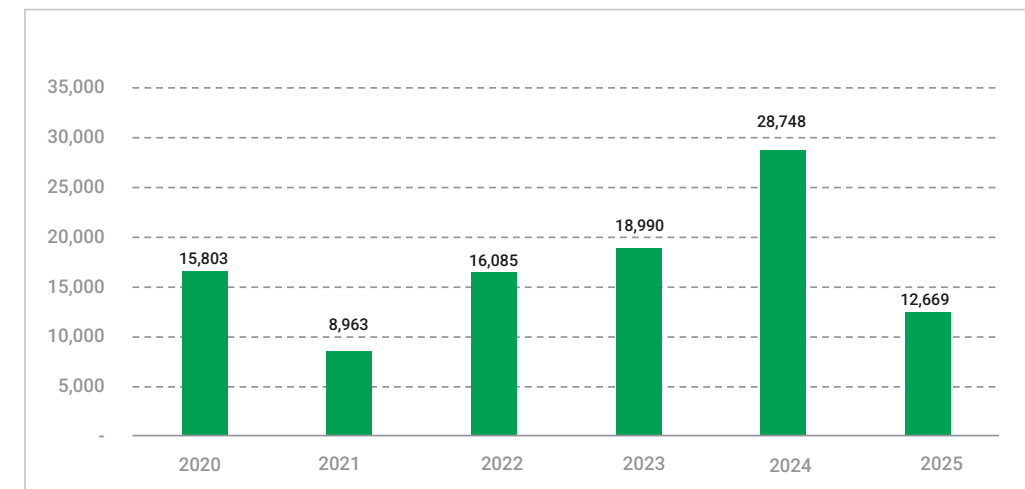


Other Income

Income has decreased by 56% (CY: Rs. 12,669 vs LY: Rs. 28,748) which is mainly due to decrease in income on deposits and other financial assets.

Over the period of 6 years, income has decreased mainly due to decrease in income on deposits and other financial assets and decline in interest rates and surplus funds.

Other Income

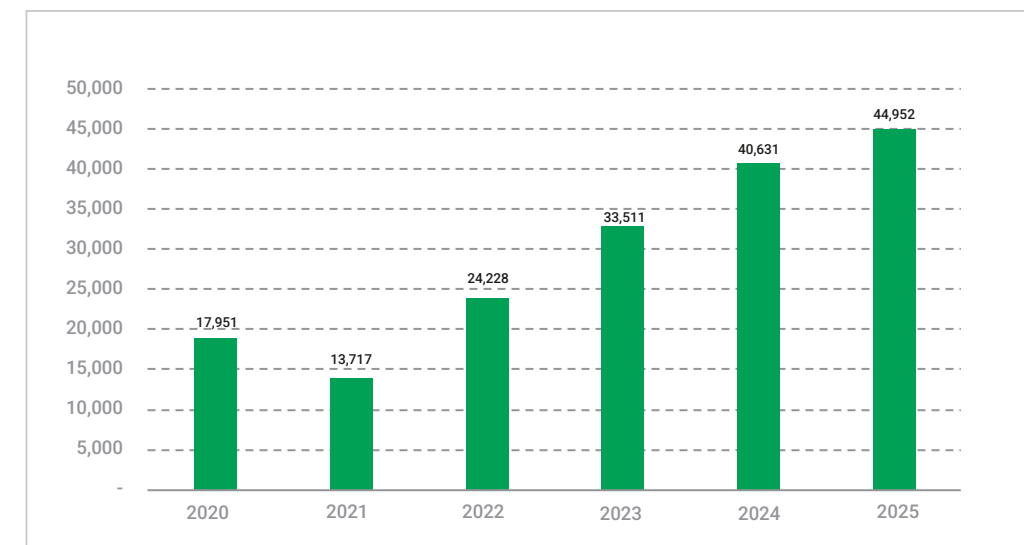


Finance Costs

Finance costs increased by 11% (CY: Rs. 44,952 vs LY: Rs. 40,631) which is mainly due to increase in interest expense on lease liabilities and unwinding of payable to PMCL.

Considering the 6 year trend, finance costs of the group increased significantly from 2020 due to increased borrowings in Polymer, Energy and Connectivity segments to fund new projects and expansion.

Finance Costs

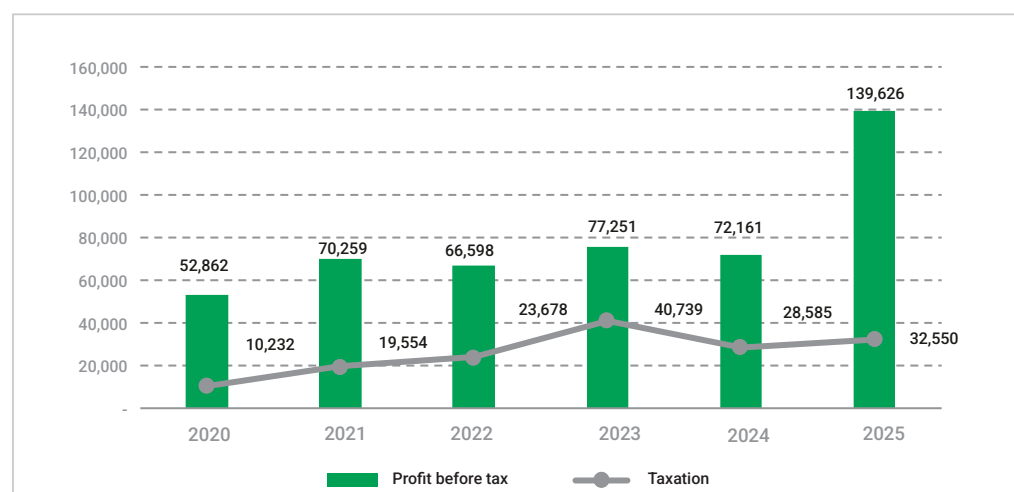


Taxation

Tax expense has increase by 14% (CY: Rs. 32,550 vs LY: Rs. 28,585) mainly due to increase in minimum tax.

6 years trend shows steady increase in tax due to increase in profitability of the group and increase in minimum tax and imposition of super tax under section 4c from 2021.

PBT vs Tax Expense

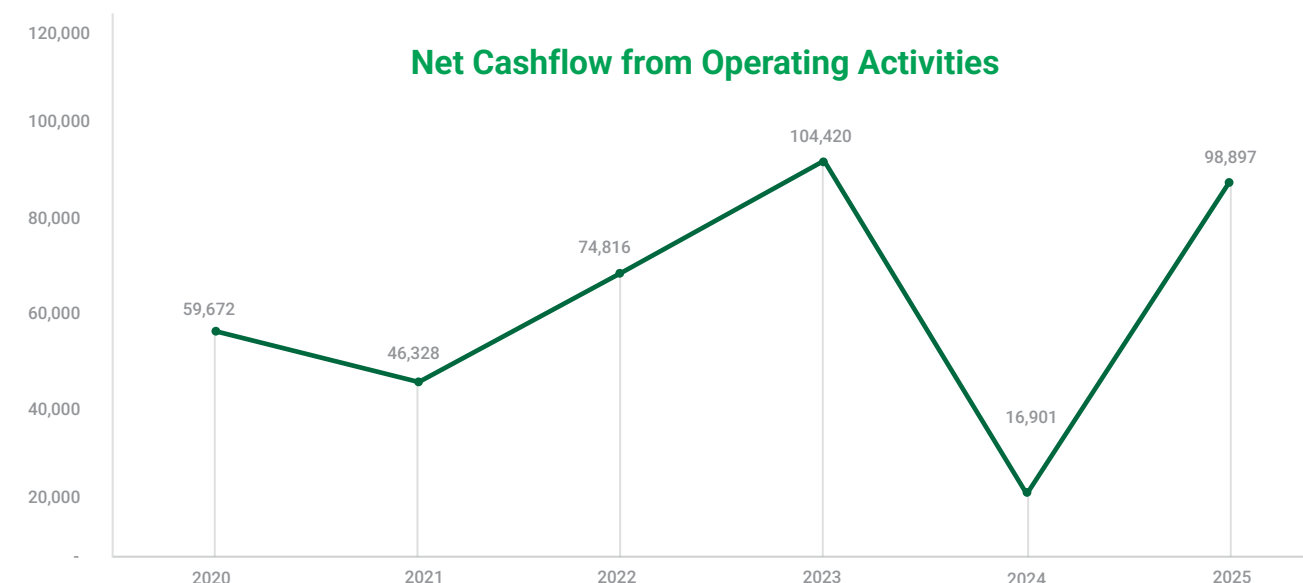


financial analysis and graphical presentation of consolidated statement of cashflow

Cash Flow from Operating Activities

Cash inflows from operations have increased by 485% (CY Rs. 98,897 million vs LY Rs. 16,901 million). This major increase was primarily driven by increase in working capital by Rs. 53,174 million (CY Rs. 27,216 million vs LY Rs. -25,958 million) and decrease in tax payments by Rs. 14,090 million.

Net Cashflow from Operating Activities



Cash Flow from Investing Activities

Net cash flow from investing activities have decreased by 482% (CY Rs. -37,714 million vs LY Rs. 9,864 million). This decrease was primarily driven by increase in investments made during the year by Rs. 25,886 million, increase in capital expenditure by Rs. 7,099 million indicating the Group's continued commitment to long-term strategic assets, and decrease in income on deposits / other financial assets by Rs. 16,487 million.

Over the last 6 years, the group has incurred significant capital expenditures in Fertilizers, Polymers and Telecom segments. Further, there is also an increase in short-term investments made.

Net Cash Flow from Investing Activities

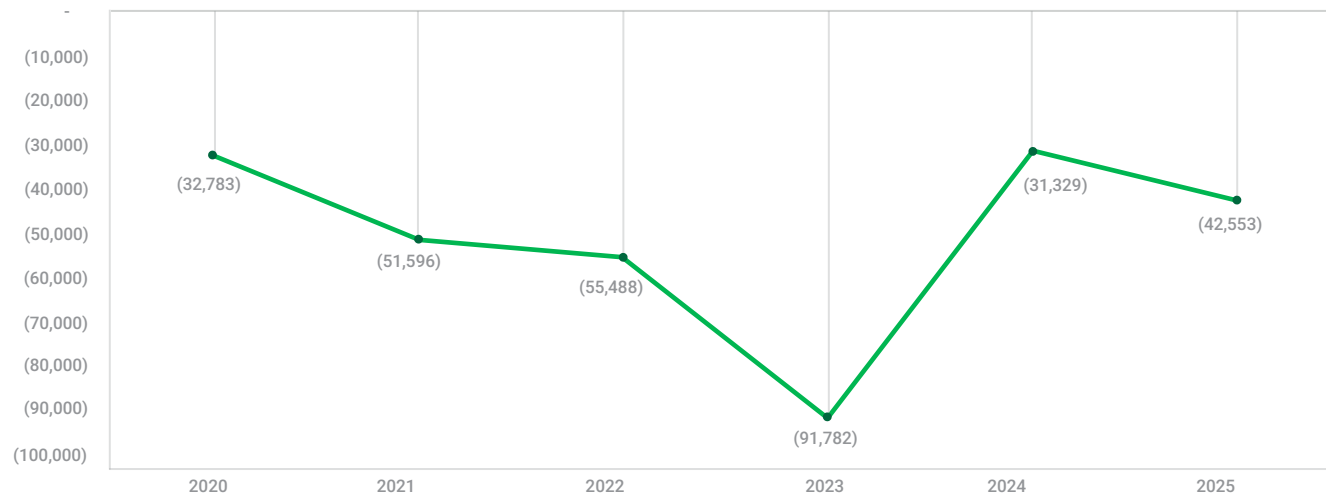


Cash Flow from Financing Activities

Net cash outflow from financing activities has decreased by 36% (CY:Rs.-42,553 million vs LY: Rs.-31,329 million). This movement was largely driven by a Rs. 39,886 million net decrease in borrowings, deferred liabilities & loan note paid to PMCL, alongside a Rs. 32,129 million reduction in dividend payments compared to last year to fund acquisition of Deodar.

Assessing the longer-term trend, the Group has significantly increased its financing activities between 2020 and 2025, primarily through borrowings undertaken to support new project development and ongoing operational requirements.

Net Cash Flow from Financing Activities



statement of value addition & distribution

Rs. in million

wealth generated

Total revenue inclusive of sales tax and other income
Bought-in-material and services

2025

2024

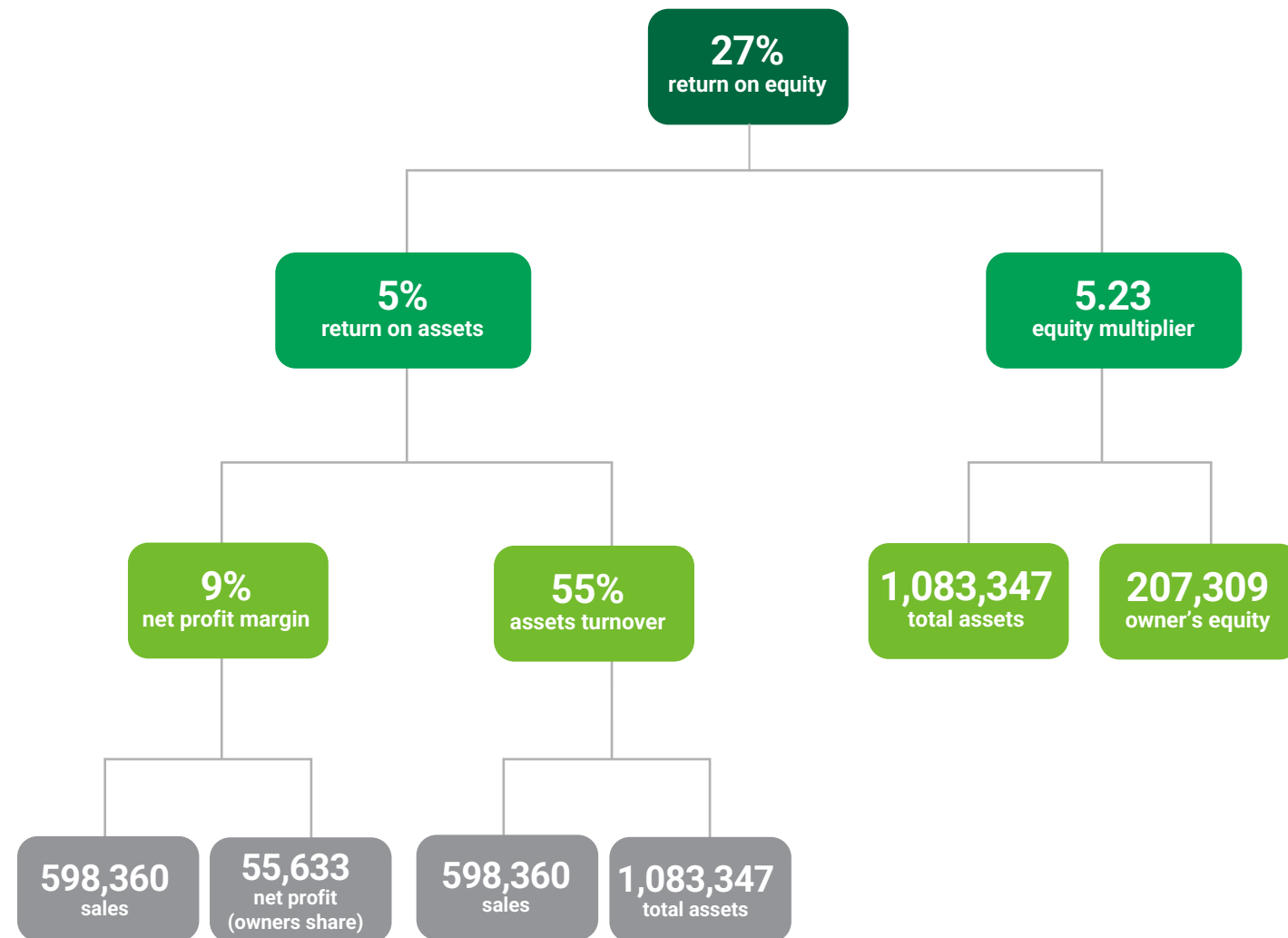
Total revenue inclusive of sales tax and other income	666,398		616,454	
Bought-in-material and services	(430,837)		(387,939)	
	<u>235,561</u>		<u>228,516</u>	
wealth distributed				
To Employees				
Salaries, benefits and other costs	19,847	8.43%	17,286	7.56%
To Government				
Taxes, duties and development surcharge	86,342	36.65%	90,647	39.67%
To Society				
Donation towards education, health, environment and natural disaster	841	0.36%	1,591	0.70%
To Providers of Capital				
Dividend to shareholders	26,295	11.16%	58,425	25.57%
Mark-up/interest expense on borrowed money	44,952	19.08%	40,631	17.78%
Retained for reinvestment and future growth				
Depreciation, amortization, adjustment in respect of thermal energy assets and retained profit	57,283	24.32%	19,936	8.72%
	<u>235,561</u>	<u>100.00%</u>	<u>228,516</u>	<u>100.00%</u>

Note:

Amounts for the year 2024 have been rearranged and reclassified for the purpose of comparison and better presentation.

dupont analysis

(Amount in Rs. in million)



investor relations

Trading Performance During the Financial Period		2025
Opening price		264.47
Closing price		237.27
Highest closing price		275.28
Lowest closing price		146.87
Turnover of shares - transaction volume per annum (million shares)		654.08
Turnover of shares - average daily volume traded (million shares)		2.62

Total Shareholder Return	
1 - year period (01 January 2025 to 31 December 2025)	-10.3%
3 - year period (01 January 2023 to 31 December 2025)	40.8%
5 - year period (01 January 2021 to 31 December 2025)	19.0%

financial calendar

Financial Year ended December 31, 2026	
Apr 27, 2026	Announcement of first quarter results
Aug 19, 2026	Announcement of second quarter results
Oct 28, 2026	Announcement of third quarter results
Feb 25, 2027	Announcement of fourth quarter results
Apr 28, 2027	59th Annual General Meeting

These are tentative dates. Actual dates will be announced as per required regulations.

corporate briefing sessions

Financial Period Covered	Date
Financial Year 2024	04 March - 25
Six months ended 30 June 2025	28 August - 25
Nine months ended 30 September 2025	30 Oct - 25

**standalone
financial statements**

independent auditor's report

To the members of Engro Holdings Limited

Report on the Audit of the Unconsolidated Financial Statements

opinion

We have audited the annexed unconsolidated financial statements of Engro Holdings Limited (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2025, 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, 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, 2025 and of the profit and other comprehensive income, 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 matters

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.

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

■ KARACHI ■ LAHORE ■ ISLAMABAD

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Scheme of Arrangement with Engro Corporation Limited (ECL) and DH Partners Limited (DHPL)</p> <p>(Refer notes 1.2 and 5 to the unconsolidated financial statements)</p> <p>In 2024, the Company entered into a Scheme of Arrangement with ECL and DHPL (the Scheme), which was sanctioned by the Islamabad High Court on July 18, 2024 and became effective from January 1, 2025. Under the Scheme, all assets, liabilities, and obligations of the Company (other than its investment in ECL) were demerged and vested into DHPL, while ECL became a wholly owned subsidiary of the Company through the vesting of shares held by ECL's shareholders other than the Company (the Transferred Shareholders) into the Company.</p> <p>This transaction was significant due to the complexity of accounting for the demerger and the recognition of the demerger reserve, the cancellation of the Company's investment in DHPL and recognition of 100% ownership in ECL and the issuance of new shares to the Transferred Shareholders and determination of the related share premium.</p> <p>Given the magnitude and complexity of this Scheme, and its impact on the Company's unconsolidated financial statements, we considered this to be a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - inspected the approved Scheme sanctioned by the Islamabad High Court to understand its terms and legal enforceability; - assessed whether appropriate accounting treatment has been applied to the Scheme related to the demerger and issuance of new shares to the Transferred Shareholders, in the unconsolidated financial statements in accordance with Company's accounting policy and the applicable accounting and financial reporting framework; - evaluated the appropriateness of recognition and measurement of the demerger reserve and share premium arising as a consequence of the Scheme; - verified the cancellation of DHPL shares and recognition of 100% ownership in ECL, including the valuation basis used for recognition of the investment; and - assessed the adequacy and appropriateness of the related disclosures in the unconsolidated financial statements relating to the Scheme to ensure compliance with the requirements of the applicable accounting and financial reporting framework.

Information Other than the Unconsolidated and Consolidated 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 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.

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);



A.F.FERGUSON & Co.

- (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) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: April 7, 2026

UDIN: AR202510059Qe8GzyLoq



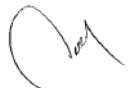
unconsolidated statement of financial position


as at december 31, 2025

(Amounts in thousand)

	Note	2025	....Rupees....	2024
ASSETS				
NON-CURRENT ASSETS				
Property and equipment		1,359		39,921
Right-of-use assets		-		5,735
Investment properties		-		48,268
Long-term investments	5	166,758,844		23,309,927
		166,760,203		23,403,851
CURRENT ASSETS				
Advances, deposits and prepayments	6	43,980		12,015
Other receivables	7	13,731		28,516
Taxation - net		1,100		-
Short-term investments	8	226,178		16,546,268
Cash and bank balances	9	4,708		260,773
		289,697		16,847,572
TOTAL ASSETS		167,049,900		40,251,423
EQUITY				
SHARE CAPITAL AND RESERVES				
Issued, subscribed and paid-up share capital	10	12,042,320		4,812,871
Reserves		154,909,014		28,559,335
TOTAL EQUITY		166,951,334		33,372,206
LIABILITIES				
NON-CURRENT LIABILITIES				
Defined benefit liabilities		-		7,633
Deferred taxation	11	-		2,012,564
		-		2,020,197
CURRENT LIABILITIES				
Current portion of lease liabilities		-		7,870
Trade and other payables	12	98,566		1,095,892
Unclaimed dividend		-		1,000,870
Taxation - net		-		2,754,388
		98,566		4,859,020
TOTAL LIABILITIES		98,566		6,879,217
TOTAL EQUITY AND LIABILITIES		167,049,900		40,251,423
CONTINGENCIES AND COMMITMENTS				
	13			

The annexed notes 1 to 30 form an integral part of these unconsolidated financial statements.


Chief Financial Officer
Farooq Barkat Ali


Abdul Samad Dawood
Chief Executive Officer


Muhammed Amin
Director

unconsolidated statement of profit or loss


for the year ended december 31, 2025

(Amounts in thousand except for earnings per share)

	Note	2025	....Rupees....	2024
Dividend Income	14	536,620		6,666,606
Other income	15	12,338		7,806,552
Total revenue		548,958		14,473,158
Administrative expenses	16	(268,606)		(254,451)
Gross profit		280,352		14,218,707
Other operating expense	17	(25,870)		(786,506)
Finance costs		(4)		(2,853)
Profit before taxation and levy		254,478		13,429,348
Levy	18	-		(337,237)
Profit before taxation		254,478		13,092,111
Taxation	19	(1,324)		(3,237,720)
Profit after taxation		253,154		9,854,391
Earnings per share – basic and diluted	20	0.21		20.48

The annexed notes 1 to 30 form an integral part of these unconsolidated financial statements.


Chief Financial Officer
Farooq Barkat Ali


Abdul Samad Dawood
Chief Executive Officer


Muhammed Amin
Director

unconsolidated statement of comprehensive income for the year ended december 31, 2025

(Amounts in thousand)

	2025	....Rupees....	2024
Profit after taxation	253,154		9,854,391
Other comprehensive income / (loss) for the year			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) relating to defined benefit liabilities	-		(1,836)
Total comprehensive income for the year	253,154		9,852,555

The annexed notes 1 to 30 form an integral part of these unconsolidated financial statements.

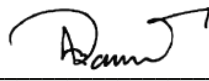
unconsolidated statement of changes in equity for the year ended december 31, 2025

(Amounts in thousand)

	Share Capital		Reserves				Sub-total	Total
	Issued, subscribed and paid-up capital	Ordinary shares	Capital reserves		Revenue reserves			
			Share premium - note 1.2.2	Demerger reserve - note 1.2.1	General reserve	Unappropriated profit		
	Rupees							
Balance as at January 1, 2024	4,812,871	-	-	700,000	23,060,295	23,760,295	28,573,166	
Total comprehensive income for the year								
Profit after taxation	-	-	-	-	9,854,391	9,854,391	9,854,391	
Other comprehensive loss	-	-	-	-	(1,836)	(1,836)	(1,836)	
					9,852,555	9,852,555	9,852,555	
Transactions with owners								
Interim cash dividends for the year ended December 31, 2024:								
- 1st Interim @ Rs. 5.00 per share	-	-	-	-	(2,406,436)	(2,406,436)	(2,406,436)	
- 2nd Interim @ Rs. 3.00 per share	-	-	-	-	(1,443,861)	(1,443,861)	(1,443,861)	
- 3rd Interim @ Rs. 2.50 per share	-	-	-	-	(1,203,218)	(1,203,218)	(1,203,218)	
	-	-	-	-	(5,053,515)	(5,053,515)	(5,053,515)	
Balance as at December 31, 2024	4,812,871	-	-	700,000	27,859,335	28,559,335	33,372,206	
Total comprehensive income for the year								
Profit after taxation	-	-	-	-	253,154	253,154	253,154	
Other comprehensive income	-	-	-	-	-	-	-	
	-	-	-	-	253,154	253,154	253,154	
Effect of Scheme of Arrangement (note 1.2)	7,229,449	136,220,468	(10,063,279)	-	-	126,157,189	133,386,638	
Shares issuance costs	-	-	-	-	(60,664)	(60,664)	(60,664)	
Balance as at December 31, 2025	12,042,320	136,220,468	(10,063,279)	700,000	28,051,825	154,909,014	166,951,334	

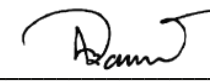
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Chief Financial Officer
Farooq Barkat Ali


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Chief Executive Officer


Muhammed Amin
Director


Chief Financial Officer
Farooq Barkat Ali


Abdul Samad Dawood
Chief Executive Officer


Muhammed Amin
Director

unconsolidated statement of cash flows


for the year ended december 31, 2025

(Amounts in thousand)

	Note	2025	....Rupees....	2024
Cash flows from operating activities				
Net cash utilized in operations	23	(253,017)		(132,158)
Taxes and levy paid		(2,424)		(1,072,771)
Defined benefit liabilities paid		-		(3,922)
Short-term investments - net		(223,010)		(297,862)
Dividends received	14	536,620		6,666,606
Income on bank deposits and other financial assets		9,170		31,857
Net cash generated from operating activities		67,339		5,191,750
cash flows from investing activities				
Purchases of property and equipment		(1,967)		(4,942)
Proceeds from disposal of property and equipment		-		670
Long-term investment made in DHPL		-		(1,000)
Net cash utilized in investing activities		(1,967)		(5,272)
cash flows from financing activities				
Lease rentals paid during the year		-		(22,376)
Shares issuance costs paid		(60,664)		-
Dividends paid		-		(4,954,459)
Net cash utilized in financing activities		(60,664)		(4,976,835)
Net increase in cash and cash equivalents		4,708		209,643
Cash and cash equivalents at the beginning of the year		260,773		51,130
Cash and bank balances transferred to DHPL under Scheme of Arrangement	1.2.1	(260,773)		-
Cash and cash equivalents at the end of the year	9	4,708		260,773

The annexed notes 1 to 30 form an integral part of these unconsolidated financial statements.


Chief Financial Officer
Farooq Barkat Ali


Abdul Samad Dawood
Chief Executive Officer


Muhammed Amin
Director

notes to and forming part of the unconsolidated financial statements

for the year ended december 31, 2025

(Amounts in thousand)

1. legal status and operations

1.1 Engro Holdings Limited (the Company) was incorporated in Pakistan on April 17, 1968 as a public limited company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange (PSX). The principal activity of the Company is to manage investments including in its subsidiaries. The registered office of the Company is situated at 19th Floor, The Harbour Front Building HC-3, Marine Drive, Block - 4, Clifton, Karachi.

1.2 In 2024, the Company, along with Engro Corporation Limited (ECL) and DH Partners Limited (DHPL) filed a petition in the Islamabad High Court (IHC) in respect of the Scheme of Arrangement (the Scheme) which was sanctioned on July 18, 2024. The Scheme became effective as of January 1, 2025 (the effective date) and accordingly:

i) all assets, liabilities and obligations of the Company other than its investment in shares of ECL (the Demerged Undertaking) was demerged and vested into DHPL against which DHPL issued its shares to the existing shareholders of the Company in the same proportion in which they held shares in the Company; and

ii) shares held by the shareholders of ECL other than the Company (the Transferred Shareholders), vested with and into the Company (i.e., ECL became a wholly owned subsidiary of the Company) in exchange whereof the Transferred Shareholders were issued shares by the Company in its share capital in such a proportion that the Transferred Shareholders hold their previously proportionate shareholding in ECL indirectly through the Company.

1.2.1 Following assets, liabilities and obligations, forming part of the Demerged Undertaking as at the effective date have been demerged from the Company under the Scheme:

	Amount (Rupees)
ASSETS	
Property and equipment	39,921
Right-of-use assets	5,735
Investment properties	48,268
Advances, deposits and prepayments	12,015
Other receivables	28,516
Short-term investments	16,546,268
Cash and bank balances	260,773
TOTAL ASSETS	16,941,496
LIABILITIES	
Defined benefit liabilities	7,633
Deferred taxation	2,012,564
Current portion of lease liabilities	7,870
Trade and other payables	1,095,892
Unclaimed dividend	1,000,870
Taxation - net	2,754,388
TOTAL LIABILITIES	6,879,217
Net assets of Demerged Undertaking	10,062,279
Long-term investment cancelled under the Scheme (note 5.1)	1,000
Demerger reserve under Scheme of Arrangement	10,063,279

(Amounts in thousand)

1.2.2 Premium on shares issued under the Scheme of Arrangement

This represents the difference between ex-price of Rs. 198.42 (calculated using the closing price per share of ECL on the day before effective date of the Scheme and the share swap ratio defined under the Scheme) and par value of Rs. 10 each on 722,944,878 new shares of the Company issued to the Transferred Shareholders under the Scheme.

1.3 These unconsolidated financial statements are the separate financial statements of the Company in which investments in subsidiary have been accounted for at cost less accumulated impairment losses, if any.

2. basis of preparation

2.1 These unconsolidated financial statements have been prepared under the historical cost convention, except for re-measurement of certain financial assets at fair value. The financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest thousands of rupees, unless otherwise stated.

2.2 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:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of, directives and notifications issued under the Act.

Where the provisions of, directives and notifications issued under the Act differ from the requirements of IFRS Accounting Standards, the provisions of, directives and notifications issued under the Act have been followed for the preparation and presentation of these unconsolidated financial statements.

2.3 The preparation of unconsolidated 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 Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these unconsolidated financial statements (note 4).

2.4 Initial application of a standard, amendment or an interpretation to an existing standard

a) Standards, amendments to published standards and interpretations that are effective during the period

There are certain amendments to approved accounting and reporting standards applicable to the Company for the financial year beginning on January 1, 2025, however these do not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated financial statements.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company

The following standard and amendments to approved accounting and reporting standards are not effective for the accounting periods beginning on or after January 1, 2025 and have not been early adopted by the Company:

(Amounts in thousand)

i) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective from January 1, 2026):

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value Through Other Comprehensive Income.

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence deRecognized. The previous practice of financial liabilities being derecognized upon issuance of cheque would need to be reconsidered.

ii) IFRS 18 - Presentation and Disclosure in Financial Statements (effective from January 1, 2027)

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Company's management at present is in the process of assessing the full impacts of these new standard and the amendments to IFRS 7 and IFRS 9, and is expecting to complete the assessment in due course.

Other than above there is a standard and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2025. The standard and amendments are not expected to have any material impact in the Company's financial reporting and, therefore, have not been presented in these unconsolidated financial statements.

3. material accounting policy information

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

3.1 Investment in subsidiary

Subsidiary is an entity 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, while evaluating control, the Company also considers whether:

(Amounts in thousand)

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

Investment in subsidiary companies are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense in the unconsolidated statement of profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. Reversal of impairment loss is recognized in the unconsolidated statement of profit or loss.

3.2 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the unconsolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.3 Financial instruments

3.3.1 Financial assets

3.3.1.2 Classification, initial recognition and measurement

Financial assets are classified as financial assets at amortized cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVPL). The management determines the classification of financial assets at initial recognition based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortized cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVPL if it is not measured at amortized cost or at FVOCI.

(Amounts in thousand)

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets at amortized cost are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognized in profit or loss. Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income / (loss). Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVPL are included in profit or loss in the period in which they arise.

3.3.1.3 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the 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 asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

3.3.1.4 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

The Company measures ECL of a financial instrument in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) the time value of money; and
- c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

3.3.2 Financial liabilities

3.3.2.1 Classification, initial recognition and measurement

The Company recognizes a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial liability at its fair value minus, in the case of a financial liability not at FVPL, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, financial liabilities are stated at amortized cost.

3.3.2.2 Derecognition

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 or 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.

(Amounts in thousand)

3.3.3 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.4 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of presentation in the unconsolidated statement of cash flows, cash and cash equivalents include cash in hand, balances with banks in current and savings account, other short-term highly liquid investments with original maturities of three months or less.

3.5 Retirement and other service benefit obligations

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are Recognized as an employee benefit expense in statement of profit or loss and other comprehensive income when they are due. Prepaid contributions are Recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company's subsidiary company - ECL, operates and maintains a defined contribution provident fund for the Company's permanent employees. Monthly contributions are made both by the Company and employees to the fund at the rate of 10% of basic salary.

Further, employees of the Company are also members of the defined contribution gratuity fund maintained and operated by the Company's subsidiary company - ECL. Monthly contributions are made by the Company to the fund at the rate of 8.33% of basic salary.

3.6 Provisions

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

3.7 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the unconsolidated financial statements in the period in which these are approved.

3.8 Levy

In accordance with Income Tax Ordinance, 2001 (Ordinance), 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 Institute of Chartered Accountants of Pakistan (ICAP), these fall within the scope of IFRIC 21 and accordingly have been classified as levy in these unconsolidated financial statements, except for taxes on dividends on the Company's investments in subsidiaries and associates which are specifically within the scope of IAS 12 and hence, these continue to be categorised as current income tax.

(Amounts in thousand)

3.9 Income tax

The tax expense for the year comprises current and deferred tax. Tax expense is recognized in the unconsolidated statement of profit or loss and unconsolidated statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case tax expense is also recognized in other comprehensive income or directly in equity, respectively.

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of tax laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of tax credits available.

Deferred

Deferred tax is recognized using the liability method on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary difference to the extent it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

3.9.1 Group taxation

The Company has opted for Group taxation under section 59AA of the Ordinance, with its subsidiary, ECL and (subsidiaries of ECL namely, Engro Energy Limited, Engro Technical Solutions (Private) Limited and Engro Connect (Private) Limited) (together 'the Group'). These companies are taxed as one fiscal unit under this scheme of taxation. The current and deferred income taxes have been estimated on income of each of the companies according to the applicable law and are recognized by each company separately within the Group, regardless of who has the legal liability for settlement or the legal right for recovery of the tax. Any adjustments arising solely due to Group taxation in respect of results of the Company or the subsidiaries is recognized in the respective financial statements of the Company or the subsidiaries and the amounts paid to or receivable from the Company or the subsidiaries are adjusted accordingly.

3.10 Revenue / income recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized on the following basis:

- dividend income from investments is recognized when the Company's right to receive the payment has been established;
- returns on bank deposits are accrued on a time proportion basis by reference to the outstanding principal amounts and the applicable rates of return;
- income on Market Treasury Bills and Term Deposit Receipts (TDRs) is accrued using the effective interest yield method;

(Amounts in thousand)

- gains and losses arising on disposal of investments are included in income in the year in which these are disposed of; and
- unrealised gains and losses arising on revaluation of securities classified as 'fair value through profit or loss' are included in the unconsolidated statement of profit or loss in the year in which these arise respectively.

3.11 Earnings per share

The Company presents basic and diluted earnings per share (EPS) in respect of 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.

4. critical accounting estimates and judgements

The preparation of these unconsolidated financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. The accounting estimates will by definition, seldom equal the related actual results. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements 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. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unconsolidated financial statements or 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:

4.1 Impairment of investment in subsidiary

In making estimates of future cash flows from investments in subsidiary the management considers future dividend stream and an estimate of the terminal value of these investments, which are subject to change.

5. long-term investments

	Note	2025	....Rupees....	2024
Investment in subsidiaries - at cost	5.1	166,758,844		23,309,927
Other investments - at fair value through profit or loss	5.2	-		-
		166,758,844		23,309,927

(Amounts in thousand)

	Note	2025	....Rupees....	2024
5.1 Investment in subsidiaries - at cost				
Engro Corporation Limited (ECL) - unquoted 536,626,468 (December 31, 2024: 214,469,810) ordinary shares of Rs. 10 each. Percentage of holding 100% (December 31, 2024: 39.97%)	5.3, 5.4 & 5.6	166,758,844		23,308,927
DH Partners Limited (DHPL) - unquoted Nil (December 31, 2024: 100,000) ordinary shares of Rs.10 each. Percentage of holding Nil (December 31, 2024: 100%)	5.5	-		1,000
		166,758,844		23,309,927

5.2 As at December 31, 2024, the Company carried fully impaired investment in e2e Business Enterprises (Private) Limited. As a result of the Scheme, this investment has been transferred to DHPL on the effective date (note 1.2).

5.3 The principal place of business of ECL is Karachi, Pakistan. The registered address is 19th floor, the Harbour Front Building, Plot Number HC # 3, Marine Drive, Block 4, Clifton.

	Note	2025	....Rupees....	2024
5.4 Movement				
Opening		23,308,927		23,308,927
Effect of the Scheme	1.2 & 5.4.1	143,449,917		-
Closing		166,758,844		23,308,927

5.4.1 This represents cost of 322,156,658 shares of ECL vested in the Company against issue of 722,944,878 new shares of the Company to the Transferred Shareholders at the ex-price calculated under the Scheme (note 1.2.2).

5.5 As a result of the Scheme, shares of DHPL held by the Company as at December 31, 2024, have been cancelled (note 1.2.1).

5.6 Investment in this subsidiary is shariah compliant investment of the Company.

6. advances, deposits and prepayments

	Note	2025	....Rupees....	2024
Considered good - unsecured				
Advances to:				
- employees		43,980		150
- related party	6.1	-		3,017
- suppliers		-		384
		43,980		3,551
Deposits		-		2,614
Prepayments		-		5,850
		43,980		12,015

(Amounts in thousand)

6.1 This represents amount due from The Dawood Foundation. The maximum amount due at the end of any month during the year was Nil (2024: Rs. 3,017).

7. other receivables	Note	2025	....Rupees....	2024
Receivables from related parties	7.1, 7.2 & 7.3	13,731		28,366
Receivable from Reon Energy Limited		-		80
Others		-		70
		13,731		28,516

7.1 The details of amount due from related parties are as follows:

DH Partners Limited	13,731	2,837
Dawood Corporation (Private) Limited	-	575
Dawood Lawrencepur Limited	-	2,450
Inbox Business Technologies (Private) Limited	-	2,411
Sach International (Private) Limited	-	621
Tenaga Generasi Limited	-	2,318
Engro Corporation Limited	-	11,537
Dawood Investments (Private) Limited	-	983
Cyan Limited	-	1,023
Others	-	3,611
	13,731	28,366

7.2 The ageing analysis of amounts due from related parties is as follows:

upto 30 days	13,731	20,953
31 to 180 days	-	3,750
181 to 365 days	-	2
more than 365 days	-	3,661
	13,731	28,366

7.3 The maximum aggregate amount of 'other receivables' due from related parties at the end of any month during the year was Rs. 13,731 (2024: Rs. 67,239). Receivables upto 30 days are not considered past due and none of these are impaired.

8. short-term investments	Note	2025	....Rupees....	2024
At fair value through profit or loss				
- Mutual funds units	8.1	226,178		-
- Quoted shares		-		16,546,268
		226,178		16,546,268

8.1 This includes investment in 2,138,871 units of Shariah Complaint mutual funds amounting to Rs. 225,791 (2024: Nil) having cost amounting to Rs. 223,760 (2024: Nil).

(Amounts in thousand)

9. cash and bank balances	Note	2025	....Rupees....	2024
Cash in hand		-		334
Cash at banks:				
- current accounts	9.2	226		20,548
- savings accounts	9.1 & 9.2	4,482		239,891
		4,708		260,439
		4,708		260,773

9.1 These carry markup at the rates ranging from 7.50% to 9.70% (2024: 10% to 13.50%) per annum.

9.2 These include shariah compliant bank balances amounting to Nil (2024: Rs. 126).

10. share capital

10.1 Authorised share capital

2025....Number of shares....	2024	2025	....Rupees....	2024
1,250,000,000	1,250,000,000	Ordinary shares of Rs.10 each	12,500,000	12,500,000

10.2 Issued, subscribed and paid-up share capital

2025....Number of shares....	2024	2025	....Rupees....	2024
13,900,000	13,900,000	Ordinary shares of Rs.10 each fully paid in cash	139,000	139,000
467,387,116	467,387,116	Ordinary shares of Rs.10 each issued as fully paid bonus shares	4,673,871	4,673,871
722,944,878	-	Shares issued under the Scheme (note 1.2) of Rs.10 each	7,229,449	-
1,204,231,994	481,287,116		12,042,320	4,812,871

10.3 These ordinary shares carry one vote per share and right to dividend.

(Amounts in thousand)

	Note	2025	....Rupees....	2024
11. deferred taxation				
Deferred tax liability arising on taxable temporary differences:				
Unrealised gain on fair value through profit or loss investments		-		2,012,564
12. trade and other payables				
Creditors		1,568		104
Accrued expenses	12.1	59,998		72,156
Security deposit		-		18,000
Withholding tax payable		32,517		-
Payable to Sindh Workers Welfare Fund		-		733,351
Levy payable		-		261,542
Other payable		4,483		10,739
		98,566		1,095,892
12.1	These include amount accrued in respect of the following related parties:			
The Dawood Foundation		-		517
Engro Corporation Limited		18,279		-
		18,279		517
13. contingencies and commitments				
As a result of the Scheme, all contingencies and commitments of the Company as at December 31, 2024 have been transferred to DHPL on the effective date (note 1.2). There are no contingencies and commitments as at the reporting date.				
14. dividend income	Note	2025	....Rupees....	2024
ECL - a subsidiary company		536,620		5,576,215
Other investments	14.1	-		1,090,391
		536,620		6,666,606

(Amounts in thousand)

		2025	....Rupees....	2024
14.1 Dividend income from other investments				
Meezan Bank Limited		-		116,241
United Bank Limited		-		718,671
Interloop Limited		-		800
Lucky Cement Limited		-		10,080
Oil & Gas Development Company Limited		-		103,292
Pakistan Petroleum Limited		-		73,337
Pakistan State Oil Company Limited		-		7,500
Systems Limited		-		15,351
Mari Energies Limited		-		44,797
MCB Cash Management Optimizer		-		39
Al-Hamra Cash Management Optimizer		-		266
Alhamra Islamic Income Fund		-		15
UBL Cash Fund		-		2
		-		1,090,391
14.2	These include dividend income earned on shariah compliant securities amounting to Nil (2024: Rs. 5,947,935).			
15. other income	Note	2025	....Rupees....	2024
Income on bank deposits	15.1	370		28,397
Income on Treasury Bills		-		3,036
Income on Term Deposit Receipts		-		3,460
Realized gain on mutual funds units		8,800		60,296
Loss on sale of quoted shares	15.2	-		(23,557)
Unrealised gain on mutual funds units		3,168		-
Unrealised gain on quoted shares	15.3	-		7,676,542
Rental income earned from investment properties		-		43,560
Gain on disposal of operating fixed assets		-		240
Others		-		14,578
		12,338		7,806,552
15.1	This includes profit earned from shariah compliant bank deposits and bank balances amounting to Nil (2024: Rs. 11).			
15.2	These include realised loss on shariah compliant securities amounting to Nil (2024: Rs. 29,145).			
15.3	These include unrealised gain earned on shariah compliant securities amounting to Nil (2024: Rs. 4,359,198).			

(Amounts in thousand)

16. administrative expenses	Note	2025	....Rupees....	2024
Salaries, wages and staff welfare	16.1	159,569		69,476
Rates and taxes		8,230		461
Insurance		72		4,767
Repairs and maintenance		-		8,074
Utilities		1,225		3,456
Communication, stationery and office supplies		4,652		11,047
Subscription and periodicals		-		63,076
Travelling and conveyance		6,086		9,611
Depreciation on property and equipment		608		9,076
Depreciation on right-of-use assets		-		17,203
Depreciation on investment property		-		2,412
Advertising, promotion and corporate branding		74,514		-
Director's fee		13,650		10,250
Other expenses		-		45,542
		268,606		254,451
16.1	This includes charge for the year amounting to Rs. 3,348 (2024: Rs. 4,616) and Rs. 4,019 (2024: Rs. 7,012) in respect of staff gratuity and recognized provident fund, respectively.			
17. other operating expenses	Note	2025	....Rupees....	2024
Legal and professional charges		19,491		28,077
Donations	17.1	-		572
Sindh Workers Welfare Fund		-		733,351
Auditor's remuneration	17.2	6,379		24,506
		25,870		786,506
17.1	These include donations made during the year to The Dawood Foundation (an associated undertaking) aggregating to Nil (2024: Rs. 460) in which the Company's directors Mr. Hussain Dawood, Mr. Abdul Samad Dawood and Ms. Sabrina Dawood are trustees.			
17.2 Auditor's remuneration				
Fee for:				
- audit of annual financial statements		1,750		1,296
- review of half yearly financial information		750		425
- certifications and taxation services		3,075		20,181
		5,575		21,902
Out of pocket expenses		804		2,604
		6,379		24,506

(Amounts in thousand)

18. levy	2025	....Rupees....	2024
This represents final taxes paid under section 5 of the Ordinance, representing levy in terms of requirements of IFRIC 21 and IAS 37.			
19. taxation	2025	....Rupees....	2024
Current	1,324		1,438,646
Deferred	-		1,799,074
	1,324		3,237,720
19.1 Relationship between tax expense and accounting profit			
Profit before taxation	254,478		13,092,111
Tax calculated at the rate of 29% (2024: 29%)	73,799		3,796,712
Tax effect of:			
- Levy being separately classified	-		97,799
- Dividend from ECL - under Group Taxation	(155,620)		-
- Income on which levy is charged	-		(302,511)
- Income taxed at reduced rate	(1,232)		(1,173,964)
- Super tax	-		573,550
- Others	84,377		246,134
	1,324		3,237,720
20. earnings per share			
Profit after taxation	253,154		9,854,391
Weighted average number of ordinary shares outstanding during the year	1,204,231,994		481,287,116
Earnings per share – basic and diluted	0.21		20.48
20.1 There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2025 and December 31, 2024.			

(Amounts in thousand)

21. remuneration of chief executive officer, directors and executives

The aggregate amount of remuneration, including all benefits to chief executive officer, directors and executives of the Company are given below:

	2025			2024		
	Directors			Directors		
	Chief Executive Officer	Others	Executives	Chief Executive Officer	Others	Executives
	(Rupees in '000')					
Managerial remuneration	79,887	-	41,192	8,118	-	18,128
Director Fee	-	13,650	-	-	10,250	-
Bonus	-	-	5,152	-	-	2,414
Staff retirement gratuity	-	-	5,015	1,530	-	1,510
Provident Fund	-	-	-	2,755	-	2,719
Housing and Utilities	-	-	-	10,103	-	9,970
Medical	-	-	-	1,530	-	1,510
Others	-	-	570	613	-	605
	79,887	13,650	51,929	24,649	10,250	36,856
Number of persons including those who worked part of the year	2	7	7	1	7	7

22. related party transactions and balances

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

22.2 Following are the details of subsidiaries, associated companies, related parties and associated undertakings with whom the Company had entered into transactions or had agreements and arrangements in place during the year:

S.No.	Name of Related Party	Percentage of shareholding in the Company	Basis of relationship
1	Engro Corporation Limited	100%	Subsidiary
2	Hussain Dawood	3.82%	Director
3	Abdul Samad Dawood	0.49%	Key Management Personnel / Director
4	Sabrina Dawood	0.77%	Director
5	Isfandiyar Shaheen	0.00%	Director
6	Muhammed Amin	0.00%	Director
7	Ahmed Ebrahim Hasham	0.01%	Director
8	Sohail Tai	0.01%	Director
9	Farooq Barkat Ali	0.00%	Key Management Personnel
10	Muhammad Bilal Ahmed	0.00%	Key Management Personnel
11	DH Partners Limited	N/A	Common Directorship

(Amounts in thousand)

22.3 Transactions with related parties are as follows:

	Note	2025	....Rupees....	2024
Subsidiaries				
Reimbursement to		199,397		3,663
Reimbursement from		1,000		42,557
Sharing of services		-		52,930
Dividend income	14	536,620		5,576,215
Investment made	5.1	-		1,000
Associated companies				
Reimbursement to		8,180		25,874
Reimbursement from		45,379		119,424
Dividend paid		-		1,516,000
Donations	17.1	-		460
Purchase of services		-		23,291
Late payment surcharge		-		4,873
Other related parties				
Contribution to staff retirement gratuity fund	16.1	3,348		4,616
Membership fee and other subscriptions		-		2,500
Contribution to staff provident fund	16.1	4,019		7,012
Key management personnel and their family members				
Salaries, directors' remuneration and other benefits		115,019		65,573
Sale of vehicle to KMP (net book value)		-		72
Post retirement benefits plans		3,456		5,481
Dividend paid		-		188,821
Director's Fee		13,650		10,250

22.4 Amounts due from and due to related parties, are disclosed in the relevant notes to these unconsolidated financial statements.

23. cash utilized in operations

	Note	2025	....Rupees....	2024
Profit before taxation		254,478		13,092,111
Adjustment for non-cash and other items:				
- Levy	19	-		337,237
- Depreciation on property and equipment	16	608		9,076
- Depreciation on right-of-use assets		-		17,203
- Depreciation on investment properties		-		2,412
- Mark-up on lease liabilities		-		2,374
- Dividend income	14	(536,620)		-
- Gain on disposal of property and equipment		-		(240)
- Income on bank deposits and other financial assets	15	(12,338)		(14,414,780)
- Charge in respect of defined benefit liabilities		-		4,616
		(548,350)		(14,042,102)
Working capital changes	23.1	40,855		817,833
Net cash utilized in operations		(253,017)		(132,158)

(Amounts in thousand)

23.1 Working capital changes

(Increase) / decrease in current assets:

-Advances, deposits and prepayments
-Other receivables

Increase in trade and other payables

	2025	....Rupees....	2024
	(43,980)		(714)
	(13,731)		73,456
	(57,711)		72,742
	98,566		745,091
	40,855		817,833

24. financial instruments by category

FINANCIAL ASSETS

At amortised cost

Advances and deposits
Other receivables
Cash and bank balances

	43,980	6,165
	13,731	28,516
	4,708	260,773
	62,419	295,454

At fair value through profit or loss

Short-term investments

	226,178	16,546,268
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FINANCIAL LIABILITIES

At amortised cost

Lease liabilities
Trade and other payables
Unclaimed dividend

	-	7,870
	66,049	100,999
	-	1,000,870
	66,049	1,109,739

25. shariah compliance disclosure

Note	2025			2024		
	Conventional	Shariah Compliance	Total	Conventional	Shariah Compliance	Total
Unconsolidated statement of financial position						
Long-term investments	5	-	166,758,844	1,000	23,308,927	23,309,927
Short-term investments	8	-	226,178	6,326,908	10,219,360	16,546,268
Cash and bank balances	9	4,708	-	260,647	126	260,773
Lease liabilities		-	-	7,870	-	7,870
Unconsolidated statement of profit or loss						
Dividend income	14	-	536,620	718,671	5,947,935	6,666,606
Other income	15	8,705	3,633	3,418,308	4,388,244	7,806,552
Finance cost		4	-	2,853	-	2,853

(Amounts in thousand)

26. financial risk management objectives and policies

26.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's Finance and Planning department under policies approved by the Company's Board of Directors.

The Company's risk management policies are established to identify and analyse 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.

26.2 Market risk

26.2.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is not exposed to currency risk primarily with respect to receivable and payable balances denominated in foreign currencies.

26.2.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on balances maintained with banks and government securities.

As at December 31, 2025, if interest rate on bank 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. 3.7 (2024: Rs. 349) the impact of which is insignificant.

26.2.3 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument 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 effecting all similar financial instruments traded in the market. The Company is exposed to price risk on its investment in units of mutual funds.

As at December 31, 2025, if net asset value had been 1% higher / lower with all other variables held constant, post tax profit for the year would have been higher / lower by Rs. 2,262 (2024: Rs. Nil).

26.2.4 Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

(Amounts in thousand)

Credit risk arises from deposits with banks and financial institutions, loans and advances, deposits and other receivables. The credit risk on liquid funds is limited because counter parties are financial institutions with a reasonably high credit rating. The Company maintains an internal policy to place funds with commercial banks having a minimum short term credit rating of A1 and management quality rating of AM3, respectively.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	2025	....Rupees....	2024
Advances and deposits	43,980		6,165
Other receivables	13,731		28,516
Cash and bank balances	4,708		260,439
	62,419		295,120

The credit quality of receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history. The credit quality of the bank balances and short term investments can be assessed with reference to external credit ratings as follows:

Bank / financial institution	Rating agency	Rating	
		Long Term	Short Term
Conventional			
Bank Alfalah Limited	PACRA	AAA	A1+
Bank Al Habib Limited	PACRA	AAA	A1+
Habib Bank Limited	VIS	AAA	A1+
Habib Metropolitan Bank Limited	PACRA	AA+	A1+
MCB Bank Limited	PACRA	AAA	A1+
United Bank Limited	VIS	AAA	A-1+
Shariah Compliant			
UBL Fund Managers Limited	VIS	AM1	-

26.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when due. Accordingly, the Company maintains sufficient cash and also ensures availability of funding through credit facilities.

(Amounts in thousand)

The analysis below summarises the Company's financial liabilities (based on contractual undiscounted cash flows) into relevant maturity group on the remaining period as at the reporting date:

	Contractual cashflows	Less than one year	Between one and five years
	(Rupees)		
2025			
Financial liabilities			
Trade and other payables	66,049	66,049	-
2024			
Financial liabilities			
Lease liabilities	8,005	8,005	-
Trade and other payables	100,999	100,999	-
Unclaimed dividend	1,000,870	1,000,870	-
	1,109,874	1,109,874	-

26.4 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying value and the fair value estimates.

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

Fair value hierarchy

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

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

	As at December 31, 2025			As at December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(Rupees)					
Financial assets 'at fair value through profit or loss'						
- Quoted shares	-	-	-	16,546,268	-	-
- Mutual funds units	-	226,178	-	-	-	-
	-	226,178	-	16,546,268	-	-

(Amounts in thousand)

26.4.1 Valuation techniques used in determination of fair values within level 1 and level 2.

Mutual funds units

The fair value of Company's investment in mutual funds units is determined using the prices / rates available on Mutual Funds Association of Pakistan (MUFAP).

Quoted shares

The fair value of the Company's short term investments carried at fair value is based on quoted price of shares at the PSX.

26.4.2 During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

26.4.3 The estimated fair value of other financial instruments is considered not significantly different from the book value due to the underlying short term / current nature.

27. capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

28. number of employees

The total and average number of employees during the year ended December 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Average number of employees during the year	8	19
Number of employees as at the end of the financial year	11	19

29. corresponding figures

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of better presentation and / or to comply with the requirements of accounting and reporting standards applicable on the Company and the effects of which are not material.

(Amounts in thousand)

30. date of authorization for issue

These unconsolidated financial statements have been authorized for issue on February 26, 2026 by the Board of Directors of the Company.

Chief Financial Officer
Farooq Barkat Ali

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

consolidated financial statements



independent auditor's report

To the members of Engro Holdings Limited

opinion

We have audited the annexed consolidated financial statements of Engro Holdings Limited (the Holding Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, 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, 2025, 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 matters

Key audit matters are those matters that, in our professional judgement, 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.

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

KARACHI LAHORE ISLAMABAD



Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p>Amalgamation of Deodar (Private) Limited</p> <p>(Refer note 1.4 to the consolidated financial statements)</p> <p>During the year, the Group acquired 100% controlling interest in Deodar (Private) Limited (DPL) pursuant to an arrangement with Pakistan Mobile Communications Limited (PMCL) (the Transaction). The amalgamation was completed on June 2, 2025, with the Group obtaining effective control from June 3, 2025 (effective date). As a result, DPL has been consolidated into the Group's consolidated financial statements from the effective date.</p> <p>This transaction involved significant judgments and complex valuation techniques used by the management in assessing control, determining provisional fair values, measurement of consideration including the ECORP Retained Payable and evaluating the impact of post-acquisition synergies.</p> <p>Given the complexity of the transaction, the significance of the amounts involved, and the judgmental nature of the accounting and disclosure requirements under IFRS Accounting Standards, we considered the acquisition and amalgamation of DPL as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - inspected minutes of the meeting of the Board of Directors and shareholders of the Company for the approval of the Transaction; - inspected the approved Scheme of Arrangement of amalgamation, sanction order of Islamabad High Court, and other relevant documents to obtain an understanding of the Transaction, establish transaction date and other key terms; - analyzed the financial impacts and the related accounting treatment of the Transaction in the consolidated financial statements; - assessed whether appropriate accounting treatment has been applied to the Transaction in the consolidated financial statements in accordance with Group's accounting policy and the applicable accounting and financial reporting framework; - evaluated the calculation and present-value measurement of the ECORP Retained Payable, including the discounting approach and foreign currency translation; - recomputed the goodwill Recognized and assessed whether disclosures complied with IFRS 3 requirements, including those relating to provisional amounts and the measurement period; - verified the consolidation entries and the recognition of revenue and profit post-acquisition for the period included in the consolidated financial statements; and - assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements for compliance with the requirement of the applicable financial reporting framework.

S. No. Key audit matters	How the matter was addressed in our audit
<p>2. Scheme of Arrangement with Engro Corporation Limited (ECL) and DH Partners Limited (DHPL)</p> <p>(Refer note 1.2 to the consolidated financial statements)</p> <p>In 2024, the Holding Company entered into a Scheme of Arrangement with ECL and DHPL (the Scheme), which was sanctioned by the Islamabad High Court on July 18, 2024 and became effective from January 1, 2025. Under the Scheme, all assets, liabilities, and obligations of the Holding Company (other than its investment in ECL) were demerged and vested into DHPL, while ECL became a wholly owned subsidiary of the Holding Company through the vesting of shares held by ECL's shareholders other than the Holding Company (the Transferred Shareholders) into the Holding Company.</p> <p>This transaction was significant due to the complexity of accounting for the demerger and the recognition of the demerger reserve, the cancellation of the Holding Company's investment in DHPL and recognition of 100% ownership in ECL and the issuance of new shares to the Transferred Shareholders and determination of the related share premium.</p> <p>Given the magnitude and complexity of this Scheme, and its impact on the Group's consolidated financial statements, we considered this to be a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - inspected the approved Scheme sanctioned by the Islamabad High Court to understand its terms and legal enforceability; - assessed whether appropriate accounting treatment has been applied to the Scheme related to the demerger and issuance of new shares to the Transferred Shareholders, in the consolidated financial statements in accordance with the Group's accounting policy and the applicable accounting and financial reporting framework; - evaluated the appropriateness of recognition and measurement of the demerger reserve and share premium arising as a consequence of the Scheme; - verified the cancellation of DHPL shares and recognition of 100% ownership in ECL, including the valuation basis used for recognition of the investment; and - assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements relating to the Scheme to ensure compliance with the requirements of the applicable accounting and financial reporting framework.

S. No. Key audit matters	How the matter was addressed in our audit
<p>3. Income tax and Sales tax provisions and contingencies</p> <p>(Refer notes 3(e), 3(i), 33 and 43 to the consolidated financial statements)</p> <p>The Group has Recognized provisions and has disclosed contingencies in respect of certain income tax and sales tax matters, which are pending adjudication before various appellate and legal forums.</p> <p>Provisions and contingencies require management of the Group to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Group for recognition and measurement of any provision and disclosure in respect of such provisions and contingencies.</p> <p>Due to inherent uncertainties associated with the outcome of the matters, legal forums at which these are currently pending and use of significant judgments and estimates to assess the same including related financial impacts, which may change over time as new facts emerge and the matters progress, we have considered income tax and sales tax provisions and contingencies as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - obtained and examined details of the documentation relating to pending tax matters and inquired the same with the Group's management; - circularised confirmations to the Group's external legal and tax advisors for their views on matters being handled by them; - checked correspondence of the Group with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved; - involved internal tax professionals to assess management's conclusions on complex contingent and uncertain tax matters; - checked the mathematical accuracy of the calculations underlying the provisions; and - assessed the adequacy of the related disclosures made in the consolidated financial statements with respect to the applicable accounting and reporting standards.

S. No. Key audit matters	How the matter was addressed in our audit
<p>4. Reclassification of Thermal Assets from Held for Sale</p> <p>(Refer note 1.3 to the consolidated financial statements)</p> <p>In 2024, Engro Energy Limited (EEL), entered into Share Purchase Agreements (SPAs) with Liberty Power Holding (Private) Limited and other parties acting in concert (Acquirers) for the sale of its entire shareholding in Engro Powergen Qadirpur Limited (EPQL), Engro Powergen Thar (Private) Limited (EPTL) and Sindh Engro Coal Mining Company Limited (SECMC) (the Transaction), subject to certain adjustments as per the terms of SPAs including receipt of corporate / regulatory approvals and lender consents.</p> <p>On April 2, 2025, EEL had received a notice of termination from the Acquirers purporting to terminate the SPAs with effect from March 30, 2025 ("Buyer Termination Letter"). Pursuant to the terms of the SPAs, the Parties were required to satisfy certain joint conditions precedent prior to the expiry of the long stop date, i.e. April 4, 2025. Due to non-fulfilment of these conditions including approvals that were not obtained by the long stop date, EEL had elected to terminate the SPAs with immediate effect from April 5, 2025 (the "Termination Date").</p> <p>As the criteria under IFRS 5 – 'Non-current assets held for sale and discontinued operations' were no longer met, the assets and liabilities were reclassified to their respective line items, and results re-presented as continuing operations in the consolidated financial statements. The Group also determined recoverable amounts and reversed previously recognized adjustments of Rs. 59,857,730 thousand. Given the significant management judgement and materiality of the amounts involved, we have considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> - inspected termination notice of SPAs and management's reassessment of IFRS 5 criteria; - inspected minutes of the meeting of Board of Directors and related correspondence to assess whether management's conclusion in relation to IFRS 5 is reasonable; - inspected management's cashflow projection, including key assumptions such as cash flow forecasts and discount rates, to assess the reasonableness of recoverable amounts and the reversal of previously recognized adjustments; and - assessed the adequacy of the related disclosures including classification made in the consolidated financial statements with respect to the applicable accounting and reporting standards.

Information Other than the Unconsolidated and Consolidated 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 unconsolidated and consolidated financial statements and our 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 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.
- 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 Farrukh Rehman.



A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: April 7, 2026

UDIN: AR20251005916pqe8jh2

consolidated statement of financial position

as at december 31, 2025

(Amounts in thousand)

ASSETS	Note	2025 ....Rupees....	2024
NON-CURRENT ASSETS			
Property, plant and equipment	4	544,183,262	196,624,590
Right-of-use assets	5	26,180,797	8,190,888
Intangible assets and Goodwill	6	52,490,603	5,942,405
Long term investments	7	48,202,409	30,422,677
Deferred taxation	25	1,534,786	-
Financial assets at amortized cost	8	5,220,538	4,268,249
Derivative financial instruments	9	-	226,087
Net investment in leases	10	38,629,208	47,783,306
Long-term loans, advances, deposits and other receivables	11	6,586,382	5,917,192
		723,027,985	299,375,394
CURRENT ASSETS			
Derivative financial instruments	9	16,859	-
Stores, spares and loose tools	12	15,049,658	13,521,629
Stock-in-trade	13	38,133,228	40,567,499
Trade debts	14	71,192,485	18,827,227
Loans, advances, deposits and prepayments	15	9,808,859	10,490,824
Other receivables	16	50,280,994	15,772,729
Accrued income		216,630	272,079
Contract assets	17	8,579,687	4,015,945
Current portion of net investment in leases	10	9,411,277	8,500,989
Taxes recoverable		11,383,179	-
Short-term investments	18	110,653,667	82,072,129
Cash and bank balances	19	35,592,668	13,061,440
		360,319,191	207,102,490
Assets classified as held for sale	20	-	262,859,218
TOTAL ASSETS		1,083,347,176	769,337,102

(Amounts in thousand)

EQUITY AND LIABILITIES

EQUITY

	Note	2025 ....Rupees....	2024
Share capital	21	12,042,320	4,812,871
Reserves			
Reserve arising as a consequence of Scheme of Arrangement		118,339,406	-
Revaluation reserve on business combination		1,665	1,665
Maintenance reserve	22	360,320	390,074
Exchange revaluation reserve		830,743	832,468
Hedging reserve		(162,743)	46,486
General reserve		700,000	700,000
Remeasurement of investments		223,816	36,812
Remeasurement of post-employment benefits		(37,886)	(56,263)
Unappropriated profit		75,011,114	67,258,071
		195,266,435	69,209,313
Non-controlling interest		207,308,755	74,022,184
		95,777,986	158,096,795
TOTAL EQUITY		303,086,741	232,118,979
LIABILITIES			
NON-CURRENT LIABILITIES			
Borrowings	23	234,355,320	75,355,002
Long-term payable	29	3,942,473	-
Government grant	24	1,097,127	1,529,277
Deferred taxation	25	63,649,273	6,012,113
Lease liabilities	26	58,730,321	52,243,044
Deferred liabilities	27	6,762,931	4,494,865
		368,537,445	139,634,301
CURRENT LIABILITIES			
Trade and other payables	30	259,598,264	102,012,425
Accrued interest / mark-up	31	4,321,709	3,111,408
Current portion of:			
-borrowings	23	42,607,440	7,440,812
-government grant	24	405,870	439,609
-lease liabilities	26	17,296,290	11,009,770
-deferred liabilities	27	102,437	454,513
Provisions	28	27,966,674	27,552,505
Minimum tax payable		3,594,672	1,606,742
Taxation - net		-	1,071,853
Short-term borrowings	32	55,169,480	33,895,245
Dividend payable		660,154	1,989,413
		411,722,990	190,584,295
Liabilities classified as held for sale	20	780,260,435	330,218,596
		-	206,999,527
TOTAL LIABILITIES		780,260,435	537,218,123
TOTAL EQUITY AND LIABILITIES		1,083,347,176	769,337,102
CONTINGENCIES AND COMMITMENTS			
	33		

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.

Chief Financial Officer
Farooq Barkat Ali

Abdul Samad Dawood
Chief Executive Officer

Muhammed Amin
Director

consolidated statement of profit or loss


for the year ended december 31, 2025

(Amounts in thousand except for earnings per share)

	Note	2025....Rupees....	2024
CONTINUING OPERATIONS			
Revenue	34	598,360,012	540,170,729
Cost of revenue	35	(450,669,999)	(387,433,311)
Gross profit		147,690,013	152,737,418
Selling and distribution expenses	36	(17,630,952)	(16,028,091)
Administrative expenses	37	(15,504,177)	(14,823,328)
Other income	38	12,007,888	27,339,502
Other operating expenses	39	(11,452,667)	(7,974,776)
Gain on subsidy receivable from GoP	16.1.1	624,715	1,203,088
Adjustments in respect of carrying value of thermal assets	1.3	35,758,730	(8,957,000)
Remeasurement gain / (loss) on carrying value of thermal assets	1.3	24,099,000	(24,099,000)
Operating profit		175,592,550	109,397,813
Finance costs	40	(44,934,455)	(40,629,765)
Share of income from joint venture and associates	41	8,968,038	3,393,050
Profit before income tax, minimum tax and final tax		139,626,133	72,161,098
Minimum and final tax	42	(8,637,862)	(4,189,320)
Profit before income tax		130,988,271	67,971,778
Income tax	43	(23,683,747)	(24,395,528)
Profit from continuing operations		107,304,524	43,576,250
DISCONTINUED OPERATIONS			
Loss from discontinued operations	20	(273,874)	(331,355)
Profit for the year		107,030,650	43,244,895
Profit attributable to:			
- Owners of the Holding Company		55,632,618	12,890,479
- Non-controlling interest		51,398,032	30,354,416
		107,030,650	43,244,895
Earnings per share - basic and diluted			
- Continuing operations		46.43	27.47
- Discontinued operations	44	(0.23)	(0.69)
		46.20	26.78

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.


Chief Financial Officer
Farooq Barkat Ali


Abdul Samad Dawood
Chief Executive Officer


Muhammed Amin
Director

consolidated statement of comprehensive income


for the year ended december 31, 2025

(Amounts in thousand)

	Note	2025....Rupees....	2024
Profit for the year		107,030,650	43,244,895
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Loss arising on hedging reserves		(209,229)	(737,120)
Exchange differences on translation of foreign operations		(1,725)	(56,150)
Gain on remeasurement of short-term investments classified at fair value through other comprehensive income - net of tax		182,754	1,385,040
		(28,200)	591,770
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of post employment benefits obligation	46.1.3	52,116	7,937
Tax relating to remeasurement of post employment benefits obligation		(20,035)	(3,812)
Gain on remeasurement of long-term investments classified at fair value through other comprehensive income	7.8	4,250	19,749
		36,331	23,874
Other comprehensive income for the year - net of tax		8,131	615,644
Total comprehensive income for the year		107,038,781	43,860,539
Total comprehensive income attributable to:			
- Owners of the Holding Company		55,627,045	13,136,529
- Non-controlling interest		51,411,736	30,724,010
		107,038,781	43,860,539
Total comprehensive income attributable to:			
- Continuing operations		107,312,655	44,191,894
- Discontinued operations	20.2.1	(273,874)	(331,355)
		107,038,781	43,860,539

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.


Chief Financial Officer
Farooq Barkat Ali


Abdul Samad Dawood
Chief Executive Officer


Muhammed Amin
Director

consolidated statement of changes in equity

for the year ended december 31, 2025

(Amounts in thousand)

	Attributable to Owners of the Holding Company											Total			
	Reserves										Non-controlling interests				
	Capital reserves														
Reserves arising as a consequence of Schemes of Arrangement											Revenue reserves				
Share capital	Share premium	Acquisition reserve (note 1.2.3)	Demerger reserve (note 1.2.1)	Against transfer of distributable reserves (note 1.4)	Revaluation reserve on business combination	Maintenance reserve (note 22)	Exchange revaluation reserve	Hedging reserve	Re measurement of investments	General reserve		Unappropriated profit	Re measurement of post employment benefits - Actuarial (loss) / income	Sub - total	
Balance as at January 1, 2024	4,812,871	-	-	-	1,665	258,607	854,909	341,086	(524,650)	700,000	61,974,905	(57,912)	63,548,630	166,592,488	234,953,989
Total comprehensive income for the year ended December 31, 2024											12,890,479	1,649	12,890,479	30,354,416	43,244,895
Profit for the year	-	-	-	-	-	-	(22,441)	(294,600)	561,442	-	-	1,649	246,050	369,594	615,644
Other comprehensive income	-	-	-	-	-	-	(22,441)	(294,600)	561,442	-	-	1,649	13,136,529	30,724,010	43,860,539
Adjustment for allocation of profit from Owners to NCI for preference dividend shares	-	-	-	-	-	-	-	-	-	-	(2,224,854)	-	(2,224,854)	2,224,854	-
Transactions with owners															
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(41,642,034)	(41,642,034)
Interim cash dividends for the year ended December 31, 2024:															
- 1st interim @ Rs. 5.00 per share	-	-	-	-	-	-	-	-	-	-	(2,406,436)	-	(2,406,436)	(2,406,436)	
- 2nd interim @ Rs. 3.00 per share	-	-	-	-	-	-	-	-	-	-	(1,443,861)	-	(1,443,861)	(1,443,861)	
- 3rd interim @ Rs. 2.50 per share	-	-	-	-	-	-	-	-	-	-	(1,203,218)	-	(1,203,218)	(1,203,218)	
Transfer from unappropriated profit to maintenance reserve (note 22.2)	-	-	-	-	-	131,467	-	-	-	-	(328,944)	(197,477)	(197,477)	(197,477)	
Balance as at December 31, 2024	4,812,871	-	-	-	1,665	390,074	832,468	46,486	36,812	700,000	67,258,071	(56,263)	69,209,313	158,096,795	232,118,979


consolidated statement of changes in equity


for the year ended december 31, 2025


(Amounts in thousand)

	Attributable to Owners of the Holding Company											Total			
	Reserves										Non-controlling interests				
	Capital reserves														
Reserves arising as a consequence of Schemes of Arrangement											Revenue reserves				
Share capital	Share premium	Acquisition reserve (note 1.2.3)	Demerger reserve (note 1.2.1)	Against transfer of distributable reserves (note 1.4)	Revaluation reserve on business combination	Maintenance reserve (note 22)	Exchange revaluation reserve	Hedging reserve	Re measurement of investments	General reserve		Unappropriated profit	Re measurement of post employment benefits	Sub - total	
Balance as at January 1, 2025	4,812,871	-	-	-	1,665	390,074	832,468	46,486	36,812	700,000	67,258,071	(56,263)	69,209,313	158,096,795	232,118,979
Effects of Schemes of Arrangement (notes 1.2 and 1.4)	7,229,449	136,220,468	(53,817,783)	(10,063,279)	46,000,000	-	-	-	-	-	(46,000,000)	-	72,339,406	(89,632,134)	(10,063,279)
Total comprehensive income for the year ended December 31, 2025															
Profit for the year	-	-	-	-	-	-	(1,725)	(209,229)	187,004	-	55,632,618	18,377	55,632,618	51,398,032	107,030,650
Other comprehensive income	-	-	-	-	-	-	(1,725)	(209,229)	187,004	-	(60,664)	18,377	(5,573)	13,704	8,131
Adjustment for allocation of profit from Owners to NCI for preference dividend shares	-	-	-	-	-	-	-	-	-	-	(30,910)	-	55,627,045	51,411,736	107,038,781
Transactions with owners															
Dividend by subsidiaries allocable to Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,848,665)	-
Transfer from unappropriated profit to maintenance reserve (note 22.2)	-	-	-	-	-	(29,754)	-	-	-	-	29,754	-	(25,947,076)	(25,947,076)	
Shares issuance costs	-	-	-	-	-	(29,754)	-	-	-	-	(60,664)	-	(60,664)	(60,664)	
Balance as at December 31, 2025	12,042,320	136,220,468	(53,817,783)	(10,063,279)	46,000,000	360,320	830,743	(162,743)	223,816	700,000	75,011,114	(37,886)	195,266,435	95,777,986	303,086,741

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.


Chief Financial Officer
Farooq Barkat Ali


Abdul Samad Dawood
Chief Executive Officer


Muhampad Amin
Director

consolidated statement of cash flows


for the year ended december 31, 2025

(Amounts in thousand)

	Note	2025	....Rupees....	2024
Cash flows from operating activities				
Cash generated from operations	47	168,792,499		96,288,620
Retirement and other service benefits paid - net		(825,349)		(564,580)
Proceeds from net investment in lease		8,591,581		7,793,597
Finance income received on net investment in lease		5,806,130		6,609,841
Deferred incentive		(343,471)		(152,518)
Financial charges paid		(41,049,165)		(41,775,905)
Minimum and final tax paid		(6,649,932)		(4,189,320)
Taxes paid		(32,687,856)		(46,778,006)
Bank balance held under lien		(3,104,189)		918,567
Long-term loans and advances - net		366,896		(1,249,573)
Net cash generated from operating activities		98,897,144		16,900,723
Cash flows from investing activities				
Capital expenditure incurred		(33,773,227)		(26,673,495)
Sale proceeds on disposal of property, plant and equipment		2,270,934		2,059,225
Sale proceeds on disposal of subsidiary		2,476,613		-
Investments (made) / redeemed during the year - net		(21,672,671)		4,213,917
Income on deposits / other financial assets		11,452,078		27,938,763
Dividends received		1,532,013		2,325,423
Net cash (utilized in) / generated from investing activities		(37,714,260)		9,863,833
Cash flows from financing activities				
Borrowings / deferred liabilities - net		88,962,756		42,916,910
Loan note paid to PMCL		(85,931,511)		-
Lease rentals paid		(11,678,309)		(9,731,601)
Finance cost paid on lease liability		(7,550,134)		(6,089,177)
Shares issuance costs paid during the year		(60,664)		-
Dividends paid		(26,295,355)		(58,424,737)
Net cash utilized in financing activities		(42,553,217)		(31,328,605)
Net increase / (decrease) in cash and cash equivalents		18,629,667		(4,564,049)
Cash and cash equivalents at beginning of the year		42,389,173		46,760,981
Effect of exchange rate changes on cash and cash equivalents		102,566		192,241
Cash and bank balances transferred to DHPL		(260,773)		-
Cash and bank balances acquired from DPL		2,046,794		-
Cash and cash equivalents at end of the year	48	62,907,427		42,389,173

The annexed notes from 1 to 64 form an integral part of these consolidated financial statements.


 Chief Financial Officer
 Farooq Barkat Ali


 Abdul Samad Dawood
 Chief Executive Officer


 Muhammed Amin
 Director

notes to the consolidated financial statements

for the year ended december 31, 2025

(Amounts in thousand)

1. legal status and operations

1.1 Engro Holdings Limited (the Holding Company) was incorporated in Pakistan on April 17, 1968 as a public limited company under the Companies Act, 1913, (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange (PSX). The principal activity of the Holding Company is to manage investments including in its subsidiaries and associated companies. The registered office of the Holding Company is situated at 19th Floor, The Harbour Front Building HC-3, Marine Drive, Block - 4, Clifton, Karachi.

1.2 In 2024, the Holding Company, 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 Scheme) under which it was envisaged that:

- all assets, liabilities and obligations of the Holding Company other than its investment in shares of ECL (the Demerged Undertaking) was demerged and vested into DHPL against which DHPL issued its shares to the existing shareholders of the Holding Company in the same proportion in which they held shares in the Holding Company; and
- shares held by the shareholders of ECL other than the Holding Company, (the Transferred Shareholders) vested with and into the Holding Company (i.e., ECL became a wholly owned subsidiary of the Holding Company) in exchange whereof the Transferred Shareholders were issued shares by the Holding Company in its share capital in such a proportion that the Transferred Shareholders hold their previously proportionate shareholding in ECL indirectly through the Holding Company.

1.2.1 Following assets, liabilities and obligations, forming part of the Demerged Undertaking as at effective date (i.e January 01, 2025) have been demerged from the Company under the Scheme:

	Amount (Rupees)
ASSETS	
Property, plant and equipment	39,921
Right-of-use assets	5,735
Investment properties	48,268
Loans, advances, deposits and prepayments	12,015
Other receivables	28,516
Short-term investments	16,546,268
Cash and bank balances	260,773
TOTAL ASSETS	16,941,496
LIABILITIES	
Deferred liabilities	7,633
Deferred taxation	2,012,564
Current portion of lease liabilities	7,870
Trade and other payables	1,095,892
Unclaimed dividend	1,000,870
Taxation - provision less payments	2,754,388
TOTAL LIABILITIES	6,879,217
Net assets of Demerged Undertaking	10,062,279
Net assets of DHPL derecognized as a consequence of the Scheme	1,000
Demerger reserve under Scheme of Arrangement	10,063,279

(Amounts in thousand)

1.2.2 Premium on shares issued under the Scheme of Arrangement

This represents the difference between ex-price of Rs. 198.42 (calculated using the closing price per share of ECL on the day before effective date of the Scheme and the share swap ratio defined under the Scheme) and par value of Rs. 10 each on 722,944,878 new shares of the Holding Company issued to the Transferred Shareholders under the Scheme.

1.2.3 Acquisition reserve under the Scheme of Arrangement

The acquisition reserve is the difference between: (i) the derecognition adjustment of Non-Controlling Interest (NCI) (calculated on the day before the effective date of the Scheme) of the Holding Company to the extent of ECL's NCI as a consequence of the Scheme; and (ii) the value of new shares of the Holding Company issued to the Transferred Shareholders at the ex-price of Rs. 198.42.

1.3 In 2024, Engro Energy Limited (EEL), entered into Share Purchase Agreements (SPAs) with Liberty Power Holding (Pvt.) Limited and other parties acting in concert (Acquirers) for the sale of its entire shareholding in Engro Powergen Qadirpur Limited (EPQL), Engro Powergen Thar (Private) Limited (EPTL) and Sindh Engro Coal Mining Company Limited (SECMC) (the Transaction) with a transaction value of Rs. 7,500,000, Rs. 21,040,000 and Rs. 6,210,000 respectively, subject to certain adjustments as per the terms of SPAs including receipt of corporate / regulatory approvals and lender consents.

On April 2, 2025, EEL had received a notice of termination from the Acquirers purporting to terminate the SPAs with effect from March 30, 2025 ("Buyer Termination Letter"). Pursuant to the terms of the SPAs, the Parties were required to satisfy certain joint conditions precedent prior to the expiry of the long stop date, i.e. April 4, 2025. Due to non-fulfillment of these conditions including approvals that were not obtained by the long stop date, EEL had elected to terminate the SPAs with immediate effect from April 5, 2025 (the "Termination Date").

As the termination of the SPAs occurred during the year, the Group reassessed the classification of the Thermal Assets Portfolio under International Financial Reporting Standards (IFRS) 5 - "Non-Current Assets Held for Sale and Discontinued Operations". Accordingly, the criteria under IFRS 5 are no longer met as at December 31, 2025 pursuant to which the assets and liabilities of thermal assets have been reclassified to their respective line items within these consolidated financial statements and therefore comparative figures presented in these consolidated statement of financial position are not comparable. Further, the profit or loss and other comprehensive income related to these thermal assets portfolio have been re-presented as part of 'continued operations' in the consolidated statement of profit or loss and consolidated statement of comprehensive income. Furthermore, EEL has determined the recoverable amount of said assets and reversed previously recognized adjustments / remeasurements aggregating to Rs. 59,857,730 in these consolidated financial statements (notes 4,7 and 20.3).

1.4 Business combination

In 2024, ECL entered into an Amalgamation Agreement with Pakistan Mobile Communications Limited (PMCL) relating to the Scheme of Arrangement (the Arrangement), which was duly sanctioned by the IHC on May 19, 2025, and became effective from June 3, 2025 (the amalgamation effective date). By way of the Arrangement, PMCL's demerged undertaking [investment in its wholly owned subsidiary Deodar (Private) Limited (DPL)] which owns and operates tower assets, was demerged and vested into Engro Connect (Private) Limited (ECPL), a wholly owned subsidiary of ECL, and the ECL's demerged undertaking, which comprised assets (including "ECORP Demerged Receivable", amounting to USD 187,700 subject to adjustments in accordance with the provisions of Amalgamation Agreement) along with related liabilities and obligations, and distributable reserves amounting to Rs. 46,000,000 being part of ECL, was demerged and vested into PMCL.

ECL will continue to own and operate its retained undertaking as per the Arrangement comprising all assets, liabilities [including "ECORP Retained Payable", a financial liability recorded by ECL equivalent to the amount of USD 187,700 plus adjustments calculated in accordance with the provisions of Amalgamation Agreement (equivalent to Pakistan Rupees) at its present value] and obligations of ECL, along with a reserve arising as a consequence of Scheme of Arrangement of Rs. 46,000,000, in these consolidated financial statements. As part of the Arrangement, ECL also guaranteed the repayment of DPL's debt to PMCL.

(Amounts in thousand)

1.4.1 Amalgamation of Deodar (Private) Limited

Investment in DPL represents 100% controlling interest obtained through the Arrangement between ECL and PMCL. The amalgamation was completed on June 2, 2025, granting ECPL effective control from the June 3, 2025. DPL was incorporated in Pakistan on August 15, 2016 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of DPL is located at Jazz DHQ-3 Building, F-8 Markaz, Islamabad.

These consolidated financial statements include revenue amounting to Rs. 29,431,628 and profit after tax amounting to Rs. 3,698,479 of DPL for the period from the amalgamation effective date to December 31, 2025. Due to the impact of post-acquisition synergies, it is impracticable to reliably determine the revenue and profit after tax attributable to the Group had the amalgamation been effective from the beginning of the year.

1.4.2 ECORP Retained Payable and contingent amounts

In accordance with the Arrangement between the ECL and PMCL, ECL has agreed to pay USD 187,700 plus adjustments (provisional) to PMCL as calculated in accordance with provisions of Amalgamation Agreement. This amount is payable in installments averaging USD 20,000 per month, commencing from March 2026. The provisional fair value of the 'ECORP Retained Payable' reflects the present value of the USD - denominated installment plan, discounted at a rate of 8%, and converted to Pakistan Rupees using the spot exchange rate as at the amalgamation completion date of June 2, 2025.

1.4.3 Identifiable assets obtained and liabilities assumed

In accordance with the requirements of IFRS 3 - "Business Combinations", all identified assets and liabilities merged in the business combination have been recognized at provisional fair values in the Group's consolidated statement of financial position. Any intangible assets separately identified as part of the amalgamation are also required to be recognized and carried at fair values.

The amalgamation of DPL has been accounted for using the purchase method in compliance with IFRS 3. As permitted under IFRS 3, the Group is allowed a maximum period of one year from the amalgamation effective date to finalise the determination of fair values of the amalgamated assets and liabilities, including any separately identifiable intangible assets. The fair values of identifiable assets obtained and liabilities assumed have been recognized at provisional fair values based on a provisional purchase price allocation exercise conducted as at June 2, 2025, as ascertained in Provisional Purchase Price Allocation report of DPL prepared by Independent Consultant / Valuer. These provisional fair values may change once the fair value assessment is completed within the allowed measurement period ending June 2, 2026. Any adjustments arising from this exercise will be incorporated retrospectively from the amalgamation effective date.

(Amounts in thousand)

Details of the provisional fair values of the assets obtained, liabilities assumed, and purchase consideration recognized are as follows:

DEODAR (PRIVATE) LIMITED

	Fair value recognized on amalgamation effective date
	----Rupees----
Non-current assets	
Property, plant and equipment	
- Towers	170,000,000
- Vehicles	90,009
- Right of use assets	7,823,937
- CWIP	2,628,286
Intangible assets	30,555,543
Long-term deposits	218,757
	211,316,532
Current assets	
Trade debts	1,863,725
Prepayments and other receivables	65,055
Income tax refundable	1,875,905
Other financial assets	-
Balances with banks	2,046,794
	5,851,479
TOTAL ASSETS	217,168,011
Non-current liabilities	
Lease liabilities	7,668,219
Long-term loans	-
Deferred liability	2,428,648
Deferred tax liability - net	57,696,752
	67,793,619
Current liabilities	
Payable to PMCL	96,404,155
Trade and other payables	8,787,633
Lease liabilities - current portion	3,858,250
	109,050,038
TOTAL LIABILITIES	176,843,657
FAIR VALUE OF NET ASSETS - PROVISIONAL	40,324,354

(Amounts in thousand)

1.4.4 Goodwill

The management has currently determined that the amalgamation of DPL has resulted in provisional goodwill, as the fair value of the 'ECORP Retained Payable' by ECL exceeds the provisional fair value of net assets as at the amalgamation effective date. Under IFRS 3, goodwill represents the future economic benefits arising from assets that are not individually identified and separately recognized. It is recognized as an asset in the Group's consolidated financial statements and is not amortized but tested annually for impairment. Goodwill is not tax deductible. The Group carries goodwill of Rs. 16,758,638 (2024: Nil) recognized during the year. Details of the calculations are as follows:

	Amount Rupees
Present value of ECORP Retained Payable	57,082,992
Fair value of identifiable net assets and liabilities assumed	<u>(40,324,354)</u>
	<u>16,758,638</u>

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

Business Unit	Geographical Location
Head / Registered offices	
- The Holding Company	19th Floor, The Harbour Front Building, Plot Number HC-3, Marine Drive, Block 4, Scheme Number 5, Clifton, Karachi.
- Engro Fertilizers Limited	6th floor, The Harbour Front Building, Plot Number HC-3, Marine Drive, Block 4, Scheme Number 5, Clifton, Karachi.
- Engro Polymer and Chemicals Limited	8th Floor, The Harbour Front Building, Plot Number HC-3, Marine Drive, Block 4, Scheme Number 5, Clifton, Karachi.
- Elengy Terminal Pakistan Limited	4th Floor, The Harbour Front Building, Plot Number HC-3, Marine Drive, Block 4, Scheme Number 5, Clifton, Karachi.
- Engro Energy Limited	16th Floor, The Harbour Front Building, Plot Number HC-3, Marine Drive, Block 4, Scheme Number 5, Clifton, Karachi.
- Engro Eximp FZE	BCW 11th Floor, Office No. 1123, Jebel Ali Free Zone, Dubai United Arab Emirates.
- Engro Engineering and Consulting LLC – S.P.C	Saffron Real Estate Management, Musaffah, 39.
- Tech Ventures - FZCO	DSO-IFZA, IFZA Properties, Dubai Silicon Oasis.
- Engro LNG FZE	JAFZA One, Tower A, 11th Floor, Jebel Ali Free Zone, Dubai, United Arab Emirates.
- Vantira Edge General Trading L.L.C	Office No. 39C King Ali Ahmed Muhammad Darwish -Hor Al Anz - Deira.
- Engro Ventures International FZE	Floor 4, Sheikh Rashid Tower, Dubai World Trade Centre.
- Engro Connect (Private) Limited	5th Floor, Plot # 16-E, IBC-3, Kohistan Road, F-8 Markaz, Islamabad.

(Amounts in thousand)

- Engro Technical Solutions (Private) Limited 22nd Floor, Ufone Tower, Jinnah Avenue, Blue Area, Islamabad.

Regional offices

- Engro Corporation Limited 22nd Floor, Ufone Tower, Jinnah Avenue, Blue Area, Islamabad.

- Engro Polymer and Chemicals Limited Office # 601, 6th Floor, 301-R Hally Tower, Phase II, DHA, Lahore.

Manufacturing plants

- Engro Fertilizers Limited
 - District Ghotki, Sindh (Daharki Plant).
 - EZ/1/P-1-II Eastern Zone, Port Qasim, Karachi (Zarkhez Plant).
- Engro Polymer and Chemicals Limited EZ/I/P-II Eastern Zone, Port Bin Qasim Industrial Area, Karachi.

Power plants

- Engro Powergen Qadirpur Limited Deh Belo Sanghari, Ghotki, Sindh.
- Engro Powergen Thar (Private) Limited Thar Block II, Islamkot District, Tharparkar, Sindh.

Terminal

- Engro Elengy Terminal (Private) Limited Plot # OZ-I-P-81, South Western Zone, Berth no. 13, Port Qasim Karachi.

Sales centre

- Engro Markaz Bahawalpur Chowk Bloachan, Opposite 5 Star Petrol Pump, KLP Road.
- Engro Markaz Muridke Sheikupura-Muridke Road, Near Maryam Rice Mill.
- Engro Markaz Sahiwal Opposite Sohni Dharti Seeds Plant 134 / 9 - L, Multan Bypass.
- Engro Markaz Sargodha 85 Jhall Sillanwali Road near Sapphire Marriage Hall.

Branded outlet

- Engro Polymer and Chemicals Limited
 - Plot 41 - C, Bukhari Commercial Lane 2, Phase VI, DHA, Karachi.
 - Plot 184 - C, Block CCA, Phase 4C, DHA, Lahore.

1.6 The "Group" consists of:

Holding Company: Engro Holdings Limited

Associated Companies: Associated companies are entities over which the Group has significant influence but not control.

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

(Amounts in thousand)

Percentage of direct shareholding %

	2025	2024
- Engro Corporation Limited (note 1.6.1)	100	39.97
- DH Partners Limited	-	100

1.6.1 Engro Corporation Limited

ECL is a public company incorporated in Pakistan. The principal activity of ECL, is to manage investments in its subsidiary companies, associated companies and joint venture, which are engaged in fertilizers, PVC resin manufacturing and marketing, food, energy, LNG terminals, telecommunications infrastructure and chemical terminal and storage businesses as detailed in these consolidated financial statements.

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

Percentage of indirect shareholding %

	2025	2024
- Engro Energy Limited (EEL) (note 1.7.1)	100	100
- Engro Eximp Agriproducts (Private) Limited (EEAPL) (note 1.7.2)	-	100
- Engro Eximp FZE (note 1.7.3)	100	100
- Elengy Terminal Pakistan Limited (ETPL) (note 1.7.4)	56	56
- Engro Fertilizers Limited (EFERT) (note 1.7.5)	56.27	56.27
- Engro Polymer and Chemicals Limited (EPCL) (note 1.7.6)	56.19	56.19
- Engro Connect (Private) Limited (note 1.7.7)	100	100
- Engro Technical Solutions (Private) Limited (ETS) (note 1.7.8)	100	100

Joint Venture Company of ECL:

- Engro Vopak Terminal Limited (EVTL) (note 1.7.9)	50	50
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Associated Company of ECL:

- FrieslandCampina Engro Pakistan Limited (FCEPL) (note 1.7.10)	39.9	39.9
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1.7 Indirect Subsidiary Companies, Joint Venture and Associated Companies

1.7.1 Engro Energy Limited

EEL, a wholly owned subsidiary of the ECL, is a public unlisted company incorporated in Pakistan on May 13, 2008. It is established with the primary objective of analyzing potential opportunities in power sector, undertake supply and service related contracts and Independent Power Projects (IPPs) based on the feasibilities of new ventures.

(Amounts in thousand)

Following are the companies in which EEL owns 50% or more of the voting rights or are directly controlled by EEL :

	Percentage of shareholding of EEL (%)	
	2025	2024
- Engro Powergen Qadirpur Limited (note 1.7.1.1)	68.89	68.89
- Engro Powergen Thar (Private) Limited (note 1.7.1.3)	50.10	50.10
- Engro Energy Services Limited (note 1.7.1.4)	-	100
- Engro Power International Holding B.V. (note 1.7.1.5)	100	100

Following are the associated companies (due to significant influence by virtue of management control, where applicable) of EEL in which it holds direct shareholding:

	Percentage of shareholding of EEL (%)	
	2025	2024
- GEL Utility Limited (note 1.7.1.6)	45	45
- Sindh Engro Coal Mining Company Limited (note 1.7.1.7)	11.9	11.9
- Siddiqsons Energy Limited (note 1.7.1.8)	19	19

1.7.1.1 Engro Powergen Qadirpur Limited (EPQL) was established to undertake the business of power generation, distribution, transmission and sale. EPQL completed construction and testing of its 217.3 MW combined cycle power plant. EPQL has commenced commercial operations on March 27, 2010. The electricity generated is transmitted to the National Transmission and Dispatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007. This agreement is valid for a period of 25 years. EPQL signed a novation agreement on February 11, 2021 with NTDC and Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), whereby NTDC has novated its rights and obligations under the PPA to CPPA-G.

The gas supply from the Qadirpur field is depleting, prompting EPQL to declare a depletion phase and shift its plant to mixed fuel mode, using both permeate gas and High-Speed Diesel (HSD). EPQL is negotiating with stake holders to finalize an alternate fuel plan and has partnered with Petroleum Exploration Limited (PEL) to receive 8–13 mmscf/d low BTU gas from the Badar field. NEPRA has modified EPQL's Generation License to include this gas, with the tariff issued as of April 2, 2024. The gas sale and purchase agreement with PEL has been completed, enabling generation to commence within the year.

1.7.1.2 EPQL entered into Amendment Agreement effective November 01, 2024 to amend the terms of PPA. Under this agreement, the following changes were incorporated in the PPA along with other non-material changes:

- EPQL has agreed to implement a "Hybrid Take & Pay" model whereby it will be entitled to 35% of the Return on Equity (ROE) and Return on Equity during Construction (ROEDC) components as part of the Capacity Payment, calculated as per the terms of the PPA. If the net electrical output dispatched and delivered exceeds 35%, EPQL will be entitled to claim the differential accordingly;
- EPQL has waived and abandoned all claims related to late payment interest as at October 31, 2024. In turn, the GoP has agreed to facilitate a back-to-back waiver of late payment interest with Sui Northern Gas Pipelines Limited (SNGPL) and in the event of failure, CPPA-G shall pay to EPQL only the late payment interest amount recoverable from EPQL; and

(Amounts in thousand)

- Additionally, under the Arbitration Settlement Agreement executed in June 2022, all claims stand settled.

Subsequent to the reporting date, EEL disposed of an 18.53% equity interest in EPQL, as more fully explained in note 61.2.

1.7.1.3 Engro Powergen Thar (Private) Limited (EPTL) was established on September 23, 2014 to develop 2 x 330 MW mine mouth power plants at Thar Block II, Islamkot District, Tharparkar, Sindh for power generation, distribution, transmission and sale, EPTL had achieved its Commercial Operations Date on July 10, 2019). The electricity generated is transmitted to the NTDC under the PPA dated May 04, 2015. This agreement is valid for a period of 30 years.

1.7.1.4 EESL was a public unlisted company, incorporated in Pakistan on June 1, 2018 under the Companies Act, 2017 (the Act). EESL was a wholly owned subsidiary of the EEL. EESL was established with the primary objective of analyzing potential opportunities in the power sector and undertaking service related contracts for Independent Power Projects based on feasibility of new ventures and to provide operations and maintenance (O&M) services to IPPs.

During the year, the Board of Directors of EEL and EESL approved the Scheme of Amalgamation (the Scheme) effective from September 1, 2025, through the transfer to and vesting in the EEL of EESL's assets and liabilities as mentioned in the Scheme for no consideration. Accordingly, EESL's entire issued and paid-up capital comprising of Rs.100,000 divided into 10,000 shares of Rs. 10 each shall stand cancelled.

This transaction has been accounted for in accordance with the Accounting Standard issued by the Institute of Chartered Accountants of Pakistan (ICAP) on "Accounting for Common Control Transactions" as notified by the Securities and Exchange Commission of Pakistan under S.R.O. 53 (I)/2022 dated January 12, 2022, EESL has followed predecessor method to account for the amalgamation in these consolidated financial statements.

1.7.1.5 Engro Power International Holding B.V. (EPIH), was established as a wholly owned subsidiary of EEL on June 26, 2014 with the objective to incorporate, participate, manage and supervise businesses and companies.

EPIH has two wholly owned subsidiaries namely Engro Power Services Holding B.V. (EPSH) and Engro Power Investments International B.V. (EPII) both based in Netherlands. EPSH has a wholly owned subsidiary namely Engro Power Services Limited (EPSL) established in Nigeria with the objective to carry on business as power generation, transmission, distribution and servicing company.

1.7.1.6 GEL Utility Limited (GEL) is a private limited company in Nigeria with the objective of generation and distribution of energy, power and other related services and has undertaken a project of 72 MW triple redundancy captive power plant, which commenced commercial operations from November 21, 2014. EEL holds 12,272,727 ordinary shares of Naira 1 each in GEL representing a 45% (2024: 45%) equity stake. In 2020, an impairment loss of Rs. 789,195 was recognized against the investment which represents the write down of carrying amount of investment in GEL to recoverable amount determined by reference to fair value less cost of disposal.

1.7.1.7 Sindh Engro Coal Mining Company Limited (SECMC) was formed under a Joint Venture Agreement (JVA), dated September 8, 2009, between the Government of Sindh (GoS), EEL and the ECL for the development, construction and operations of an open cast lignite mine in Thar Block-II of District Tharparkar, Sindh. SECMC achieved its Commercial Operation Date (CoD) of Phase I on July 10, 2019 and CoD of Phase II on October 1, 2022. In 2023, Project Completion Document for Phase I was filed and the same was concluded on May 25, 2023.

(Amounts in thousand)

In its 79th meeting held October 28, 2021, the Board of Directors of SECMC approved the plan to expand the mine to 11.2 million tonnes per annum to cater coal off-take requirements of Lucky Electric Power Company Limited (LEPCL) and instructed the management to finalise all modalities for this expansion. SECMC has commenced the expansion work being Phase III of the Project.

1.7.1.8 EEL entered into a Joint Venture Agreement (JVA), dated May 4, 2018 with Siddiqsons Limited (SL) and Arif Habib Equity (Private) Limited (AHEPL) for the joint development of approximately 330 MW of coal-fired power generation facility in Thar Block II, District Tharparkar, Sindh through a joint venture company, namely Siddiqsons Energy Limited (SEL). As at December 31, 2025, EEL holds 38,392,920 (2024: 38,392,920) ordinary shares of Rs. 10 each in SEL representing 19% stake in SEL.

On August 12, 2021, EEL in its Board meeting decided to resign from the Project Management Agreement. In view of the significant project delays to achieve financial close of the power project, impairment loss of Rs. 383,929 was recognized in 2021, representing the write-down of carrying amount of investments in SEL determined with reference to fair value less cost of disposal.

Further, EEL has maintained a provision amounting to Rs. 309,027 (2024: Rs. 309,122) against the performance guarantees given by the EEL and Engineering, Procurement and Construction contractor's liability of SEL, on the basis of shareholding proportion in SEL.

1.7.2 Engro Eximp Agriproducts (Private) Limited

EEAPL was a private limited company, incorporated in Pakistan on November 3, 2009. The principal activity of EEAPL was to produce, manufacture and trade all kinds of raw, processed and prepared food products including agriculture and farming products. During the year EEL sold its entire shareholding of EEAPL to MAP Rice Mills (Private Limited), an affiliate of the Bestway group at transaction price of Rs. 2,476,613.

1.7.3 Engro Eximp FZE

Engro Eximp FZE (EEF) was incorporated in the Jebel Ali Free Zone, Emirate of Dubai, on August 4, 2011 and operates under a trade license issued by the Jebel Ali Free Zone Authority. EEF is a wholly owned subsidiary of ECL.

EEF has obtained a General Trading License issued by Jafza Jebel Ali Free Zone and is engaged in the business of trading commodities.

1.7.3.1 Engro LNG FZE

Engro LNG FZE (E-FZE) was incorporated as a wholly owned subsidiary of EEF on October 3, 2022 as a free zone company and operates in the United Arab Emirates under trade license issued by the Jebel Ali Free Zone Authority. The registered office of E-FZE is JAFZA One, Tower A, 11th Floor, Jebel Ali Free Zone, Dubai, United Arab Emirates.

The principal activity of E-FZE are general trading and industrial and liquefied natural gas trading. However, E-FZE has not undertaken any commercial operations since its formation.

1.7.3.2 EngroTech Ventures - FZCO

Engro Tech Ventures (E-FZCO) was incorporated as a wholly owned subsidiary of EEF on December 20, 2024 as a free zone company and operates in the United Arab Emirates under trade license issued by the Dubai Integrated Economic Zones Authority.

The principal activity of E-FZCO are to engage in providing engineering, project development, and operations and maintenance services to global clients. However, E-FZCO has not undertaken any commercial operations since its formation to date.

(Amounts in thousand)

1.7.3.3 Engro Engineering and Consulting LLC – S.P.C

Engro Engineering and Consulting LLC – S.P.C (E-SPC) was incorporated as a wholly owned subsidiary of EEF on August 22, 2025 as a limited liability company and operates in the United Arab Emirates.

The principal activity of E-SPC is to prepare feasibility studies and project management. However, E-SPC has not undertaken any commercial operation since its formation, to date.

1.7.3.4 Vantira Edge General Trading LLC

Vantira Edge General Trading LLC (EVEGT) was incorporated as a wholly owned subsidiary of EEF on November 11, 2025 as a limited liability company and operates in the United Arab Emirates.

The principal activity of EVEGT is general trading. However, EVEGT has not undertaken any commercial operation since its formation, to date.

1.7.3.5 Engro Ventures International FZE

Engro Ventures International FZE (EVI) was incorporated as a wholly owned subsidiary of EEF on August 25, 2025 as a free zone company and operates in the United Arab Emirates.

The principal activity of EVI is general trading. However, EVI has not undertaken any commercial operation since its formation, to date.

1.7.4 Elengy Terminal Pakistan Limited

ETPL is a public unlisted company, incorporated in Pakistan on January 4, 2012. The principal business of ETPL is to establish and operate a terminal for handling, re-gasification, storage, treatment and processing, along with import, export and trading of Liquefied Natural Gas (LNG), Re-gasified Liquefied Natural Gas (RLNG), Liquid Petroleum Gas (LPG), Natural Gas Liquid (NGL) and all other related liquids, gases and chemical and petroleum products.

1.7.4.1 Engro Elengy Terminal (Private) Limited

Engro Elengy Terminal (Private) Limited (EETPL) is a wholly owned subsidiary of ETPL, incorporated in Pakistan on January 9, 2014. The principal business of EETPL is to establish and operate LNG Terminal including a jetty, pipeline with all machinery and equipment and supporting facilities for the receipt, storage and re-gasification of LNG.

1.7.5 Engro Fertilizers Limited

EFERT, is a public listed company, incorporated in Pakistan on June 29, 2009. The principal activity of EFERT is manufacturing, purchasing and marketing of fertilizers.

1.7.5.1 EFERT Agritrade (Private) Limited

On July 6, 2017, EFERT Agritrade (Private) Limited (EAPL) was incorporated as a wholly owned subsidiary of EFERT to carry out business of trading and distribution of imported fertilizers. As part of the business reorganization, EFERT transferred its business of trading and distribution of imported fertilizers to EAPL.

1.7.6 Engro Polymer and Chemicals Limited

EPCL is a public listed company, incorporated in Pakistan in 1997. The principal activity of EPCL is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals.

(Amounts in thousand)

Following are the subsidiaries of EPCL:

	Percentage of shareholding %	
	2025	2024
- Think PVC (Private) Limited (note 1.7.6.1)	100	100
- Engro Peroxide (Private) Limited (note 1.7.6.2)	100	100
- Engro Plasticizer (Private) Limited (note 1.7.6.3)	-	100

1.7.6.1 Think PVC (Private) Limited (TPPL) was incorporated in Pakistan on November 6, 1999, as a wholly owned subsidiary of EPCL. TPPL is focused on marketing and trading of PVC products through its branded outlet.

1.7.6.2 Engro Peroxide (Private) Limited (EPPL) was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of EPCL. The main objective of EPPL is to manufacture and market Hydrogen Peroxide and related chemicals. EPPL has achieved commercial operations of its plant on February 17, 2025.

1.7.6.3 Engro Plasticizer (Private) Limited (EPPPL) was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of EPCL. During the year, EPPPL was amalgamated with TPPL under a scheme of amalgamation approved by the respective Boards of Directors on September 18, 2025. The scheme was acknowledged by the Securities and Exchange Commission of Pakistan (SECP) on October 17, 2025, with a retrospective effective date of September 29, 2025.

1.7.7 Engro Connect (Private) Limited

ECPL is a private limited company, incorporated in Pakistan on March 16, 2021 as a wholly owned subsidiary of ECL. ECPL has been established with the primary objective to engage in buying, building, maintaining and operating telecommunication infrastructure.

Following are the subsidiaries of ECPL:

	Percentage of shareholding %	
	2025	2024
- Engro Enfrashare (Private) Limited (EEPL) (note 1.7.7.1)	100	100
- Deodar (Private) Limited (DPL) (notes 1.4 and 1.7.7.2)	100	-

1.7.7.1 Engro Enfrashare (Private) Limited

EEPL was incorporated in Pakistan as a private limited company on November 13, 2018 as a wholly owned subsidiary of ECPL. Enfrashare is principally engaged in buying, building, maintaining and operating telecommunication infrastructure and any products and by products and any activities relating to or ancillary thereto.

1.7.7.2 Deodar (Private) Limited

DPL was incorporated in Pakistan on August 15, 2016 as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of DPL is located at Jazz DHQ-3 Building, F-8 Markaz, Islamabad. The principal business activity of DPL is to establish, develop, expand, enhance, manage, and operate telecommunication systems including towers, signals, and data transmission, and to provide consultancy services in the field of telecommunications.

(Amounts in thousand)

1.7.8 Engro Technical Solutions (Private) Limited

Engro Technical Solutions (Private) Limited (ETS), a wholly owned subsidiary of ECL, is a private company incorporated in Pakistan on November 7, 2023. It is established with the primary objective, but not limited to, of engaging in engineering, feasibility studies, consulting, maintenance, and contracting activities.

1.7.9 Engro Vopak Terminal Limited

Engro Vopak Terminal Limited (EVTL), a 50% share joint venture of ECL and Vopak Terminal Qasim B.V, is a public unlisted company incorporated in Pakistan on November 7, 1995. In 1996, EVTL was granted, for a period of 30 years, the exclusive concession, right and license to design, finance, insure, construct, test, commission, complete, operate, manage and maintain an Integrated Liquid Chemical Terminal and Storage Farm at the South Western Zone of Port Qasim on Build, Operate and Transfer (BOT) basis. Negotiations between EVTL and Port Qasim Authority (PQA) are underway for extending the IA for another 30 years.

During the year some key approvals were obtained from relevant authorities and PQA now intends to formally request the Ministry of Maritime Affairs to present the Supplemental Implementation Agreement, to the Special Investment Facilitation Council (SIFC) Cabinet Committee for final approval from the Federal Cabinet, based on which the EVTL's management is confident that the IA will be renewed which is scheduled to expire in June 2026.

1.7.10 FrieslandCampina Engro Pakistan Limited

FrieslandCampina Engro Pakistan Limited (FCEPL), is a public listed company, incorporated in Pakistan on April 26, 2005. FCEPL is a subsidiary of FrieslandCampina Pakistan Holdings B.V., which is a subsidiary of Zuivelcoöperatie FrieslandCampina UA (the Ultimate Parent Company of FCEPL).

The principal activity of FCEPL is to manufacture, process and sell dairy based products and frozen desserts. FCEPL also owns and operates dairy farms.

2. 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 to all the years presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1 These consolidated financial statements have been prepared under the historical cost convention unless otherwise specifically stated.

These consolidated financial statements are presented in Pakistan Rupees, which is the Group's functional and presentational currency. Amounts presented in these consolidated financial statements have been rounded off to the nearest thousand of Pakistan Rupees, unless otherwise stated.

2.1.2 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:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of, directives and notifications issued under the Act.

(Amounts in thousand)

Where provisions of, directives and notifications issued under the Act differ from the requirements of IFRS Accounting Standards, the provisions of, directives and notifications issued under the Act have been followed.

2.1.3 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 judgement 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 these consolidated financial statements are disclosed in note 3.

2.1.4 Specific exemptions / deferrals of IFRS Accounting Standards

- IFRS 9 - Financial Instruments: Impairment of financial assets due from GoP under circular debt (note 2.10.3);
- IFRS 16 - Leases: Leases of assets under PPA (note 2.5); and
- IAS 21 - The Effects of Changes in Foreign Exchange Rates: Capitalization of exchange differences on foreign currency transactions and translations (note 4.3).

2.1.5 Initial application of a standard, amendment or an interpretation to an existing standards

a) Standards, amendments to published standards and interpretations that are effective for the year and are relevant to the Group

There are certain amendments and improvements to approved accounting and reporting standards became applicable to the Group for the financial year beginning on January 1, 2025, however these do not have any material impact on the Group's financial reporting and, therefore, have not been presented in these consolidated financial statements.

b) Standards or amendments to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Group

The following standards or amendments are not effective for the accounting periods beginning on or after January 1, 2025 and have not been early adopted by the Group:

i) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective from January 1, 2026)

These amendments:

- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the sole payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)

(Amounts in thousand)

An important clarification brought about in these amendments is that a payment instruction (e.g. a cheque) that is prepared for a future payment will generally not meet the requirements for the financial liability to be discharged and hence derecognized. The previous practice of financial liabilities being derecognized upon issuance of cheques would need to be reconsidered.

ii) IFRS 18 - Presentation and Disclosure in Financial Statements (effective from January 1, 2027)

This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management- defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group's management at present is in the process of assessing the full impacts of IFRS 18 and the amendments to IFRS 7 and IFRS 9, and is expecting to complete the assessment in due course.

Other than above there is a standard and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Group for the financial year beginning on January 1, 2025. The standard and amendments are not expected to have any material impact in the Group's financial reporting and, therefore, have not been presented in these consolidated financial statements.

2.1.7 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 assumed (including contingent liabilities) 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 non-controlling interest's proportionate share of the acquiree's identifiable net assets.

(Amounts in thousand)

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 the consolidated statement of profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the amount of non-controlling interest 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 the consolidated statement of 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 the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests 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 net assets of the subsidiary is recorded in equity. Gains or losses to non-controlling interests 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 the 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 statement of other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognized in consolidated other comprehensive income are reclassified to consolidated profit or loss.

2.2 Property, plant and equipment

2.2.1 Owned assets

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except for freehold, leasehold land and capital work in progress which are stated at cost less impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. In case of acquisition of group of assets, the purchase price is allocated to the individual asset on the basis of their relative fair value at the date of purchase. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. Capital work in progress includes expenditure incurred and advances made in respect of operating fixed assets in the course of their erection, installation, acquisition and related borrowing cost.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Assets having cost exceeding the minimum threshold as determined by the management are capitalized. All other costs are charged to the consolidated statement of profit or loss in the year in which such are incurred.

(Amounts in thousand)

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 derecognized. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial year in which they are incurred.

Disposal of asset is recognized when significant risks and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other operating expenses / income' in the consolidated statement of profit or loss in the financial year of disposal.

Depreciation is charged to the consolidated statement of profit or loss using the straight line method, except for catalyst whose depreciation is charged on the basis of number of production days, whereby the cost of an operating asset less its estimated residual value is depreciated over its estimated useful life. Depreciation on addition is charged from the month following the month in which the asset is available for use and on disposals up to the preceding month of disposal.

The Group reviews and adjusts (if required) the appropriateness of the rate of depreciation, useful life and residual value in the calculation of depreciation on a regular basis.

2.2.2 Dredging expenditure

Dredging expenditure is categorized into capital dredging and major maintenance dredging. Capital dredging is expenditure, which creates new harbour and deepens or extends the basin in front of jetty in order to allow access to larger ships. This expenditure is capitalized and is depreciated over a period of 30 years.

Major maintenance dredging is expenditure incurred to restore the depth to its previous condition. The management estimates that maintenance dredging has an average service potential of 5 years. Maintenance dredging is regarded as a separate component and is capitalized and depreciated over a period of 5 years on straight line basis.

2.3 Capital spares

Spare parts and servicing equipment are classified as property, plant and equipment rather than stores, spares and loose tools when they meet the definition of property, plant and equipment. These are valued at weighted average cost less impairment except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. Upon utilization, the capital spares and servicing equipment are depreciated over their useful life, or the remaining life of principal asset, whichever is lower.

2.4 Intangible assets

a) Computer software and licenses

Costs associated with developing and maintaining computer software programmes are recognized as an expense when incurred. However, costs that are directly attributable to identifiable software and have probable economic benefits exceeding the cost beyond one year, are recognized as an intangible asset. Direct costs include the purchase cost of software (license fee) and related overhead cost.

Following initial recognition, computer software and licenses are carried at cost less accumulated amortization and impairment losses, if any.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

Computer software and license cost treated as intangible assets are amortized from the date the software is available for use on a straight-line basis over their respective useful lives, ranging from 3 years to 15 years.

(Amounts in thousand)

The amortization on additions, if any, is charged from the month following the month in which the asset is available for use and on disposals upto month of disposal.

b) Rights for future gas utilization

Rights for future gas utilization represents premium paid to the Government of Pakistan for allocation of 100 MMCFD natural gas for a period of 20 years for EFERT's Enven plant. The rights are being amortized from the date of commercial production on a straight-line basis over the remaining allocation period.

c) Customer relationships

Customer contracts and the related customer relationships arose from the acquisition of Deodar (Private) Limited from Pakistan Mobile Communication Limited as detailed in note 1.4. The customer contracts and the related customer relationships are currently recognised at provisional fair value on acquisition and are subsequently subject to amortization over the useful life of 20 years. The customer contracts and the related customer relationships are tested for impairment annually, or more frequently if indication of impairment exists.

d) Goodwill

Goodwill arises on the acquisition of subsidiaries or businesses and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense in consolidated profit or loss and is not subsequently reversed.

2.5 Leasing activities as a lessee

Lease liabilities and right-of-use assets:

The SECP through its S.R.O. 986 (1) / 2019 dated September 2, 2019 has extended the exemption from the requirements of IFRS 16 to all companies that have executed their Power Purchase Agreement (PPA) prior to January 1, 2019.

Except for the assets under PPA as described above, the Group at inception of a contract assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(Amounts in thousand)

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liabilities are 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 less any lease incentives received, variable lease payments that are based on an index or a rate which are initially measured using the index or a rate as at the commencement date, amounts expected to be payable by the Group under residual value guarantees, the exercise price of a purchase option, if any, if the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the Group 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 liabilities are subsequently measured at amortized cost using the effective interest rate 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, and is recorded in the consolidated statement of profit or loss if the carrying amount of right-to-use asset has been reduced to zero.

A change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use assets are 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 be incurred 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. The right-of-use assets are 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 assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liability.

The Group has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

2.6 Leasing activities as a lessor

The Group enters into lease arrangements with respect to ETPL's LNG infrastructure for receipt, storage and regasification of LNG. Further, EEPL is party to an agreement that conveys the right to use energy equipment.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

(Amounts in thousand)

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivable at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 - 'Revenue from contracts with customers' to allocate the consideration under the contract to each component.

2.7 Impairment of non-financial assets

Assets that are subject to depreciation / amortization are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses (if any). An impairment loss is recognized 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 cost to sell and value in use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Investments in Joint Arrangements and Associates

Joint arrangements are arrangements in which the Group has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement. The Group classifies a joint arrangement as joint operation when the Group has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group classifies a joint arrangement as a joint venture when it has the rights to the net assets of the arrangement.

Investment in joint venture/ associates is 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 investor's share of profit or loss of the investee after the date of acquisition. The Group's investment in joint venture / associates includes goodwill identified on acquisition. The Group determines at each reporting date whether there is any objective evidence that the investment in joint venture / associate is impaired. If this is the case, the Group calculates the impairment loss as the difference between the recoverable amount of joint venture / associates and its carrying value and recognizes the loss in the consolidated statement of profit or loss.

In respect of an interest in a joint operation, the Group recognizes its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue, including its share of the output arising from the joint operation and its expenses, including its share of any expenses incurred jointly.

(Amounts in thousand)

2.9 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are stated at the lower of carrying amounts and fair values less costs to sell. Impairment loss on initial classification as held-for-sale and subsequent gains or losses on remeasurement are recognized in the consolidated statement of profit or loss.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less cost to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of derecognition.

Non-current assets as held-for-sale are presented separately from the other assets in the consolidated statement of financial position (note 20).

2.10 Financial assets

2.10.1 Classification, initial recognition and measurement

Financial assets are classified into appropriate categories on initial recognition and are subsequently measured at amortized cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL). The management determines the classification of financial assets into appropriate categories based on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss if it is not measured at amortized cost or at fair value through other comprehensive income.

All financial assets are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade date; the date on which the Group commits to purchase or sell the financial asset. Financial assets at amortized cost are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses, if any. Interest income and impairment losses are recognized in consolidated profit or loss. Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognized in consolidated other comprehensive income. Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair values of the financial assets held at FVPL are included in profit or loss in the period in which they arise. Dividend income from financial assets at FVPL is recognized in consolidated profit or loss, when the Group's right to receive payments is established.

(Amounts in thousand)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to consolidated profit or loss. Dividends are recognized as other income in consolidated profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in consolidated other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

2.10.2 Derecognition

Financial assets are derecognized when the rights to receive cash flows from the 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 asset's carrying amount and the sum of the consideration received and receivable is recognized in consolidated profit or loss or consolidated other comprehensive income, as the case maybe.

2.10.3 Impairment of financial assets

The Group assesses on a forward looking basis the Expected Credit Losses associated with its debt instruments carried at amortized cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts and other receivables, the Group applies the simplified approach permitted by IFRS 9 - 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables except for debts due from the Government of Pakistan (GOP) as a consequence of circular debt which were initially exempted from the application of ECL model under IFRS 9 by the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O 985(I) I 2019 dated September 2, 2019 for a limited period of three years till June 30, 2021. On September 13, 2021, October 24, 2022, January 20, 2023 and November 4, 2024, the SECP extended the aforementioned exemption till June 30, 2022, June 30, 2023, December 31, 2024 and December 31, 2025. The SECP vide S.R.O. 25(1)/2026 dated January 6, 2026 further extended the aforementioned exemption till December 31, 2026.

Accordingly, amounts due from the GoP are assessed in accordance with the provisions of IAS 39 - 'Financial Instruments: Recognition and Measurement' at each reporting date to determine whether there is any objective evidence that one or more events have had a negative effect on the estimated future cash flows of these receivables.

For financial assets other than due from GoP, lifetime Expected Credit Losses is recognized when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to twelve months Expected Credit Losses, under IFRS 9.

The amount of Expected Credit Losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets. The Group measures Expected Credit Losses on financial assets in a way that reflects:

- a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) the time value of money; and
- c) reasonableness and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The amount of provision is charged to consolidated profit or loss. Financial assets considered irrecoverable are written-off.

(Amounts in thousand)

The measurement of Expected Credit Losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

A default on a financial asset is considered when the counterparty fails to make contractual payments within 90 days of when they fall due.

Financial assets are written off when there are no reasonable expectation of recovery. Where financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the balance due. Where recoveries are made, these are recognized in profit or loss.

2.10.4 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 less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in consolidated profit or loss.

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

2.10.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of 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 realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.11 Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group designates the derivatives as hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. Movements in the hedging reserve in shareholders' equity are shown in consolidated other comprehensive income.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in consolidated profit or loss within 'other gains / (losses)'.

(Amounts in thousand)

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognized in consolidated profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

Cash flow hedge

Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognized asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction, and could affect consolidated profit or loss.

The Group accounts for cash flow hedging relationships as follows:

- a) the separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):
 - i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and
 - ii) the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.
- b) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge [i.e. the portion that is offset by the change in the cash flow hedge reserve calculated in accordance with (a)] is recognized in consolidated other comprehensive income.
- c) any remaining gain or loss on the hedging instrument [or any gain or loss required to balance the change in the cash flow hedge reserve calculated in accordance with (a)] is hedge ineffectiveness, that is recognized in consolidated profit or loss.
- d) the amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:
 - (i) if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability.
 - (ii) for cash flow hedges other than those covered by (i), that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect consolidated profit or loss.
 - (iii) however, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it immediately reclassifies the amount that is not expected to be recovered to consolidated profit or loss as a reclassification adjustment.
- e) The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognized in consolidated profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

(Amounts in thousand)

2.12 Stores, spares and loose tools

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated realizable value. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if any.

2.13 Stock-in-trade

These are valued at the lower of cost and net realizable value. Cost is determined using weighted average method. Certain purchased products in transit are stated at cost (invoice value) plus other charges incurred thereon till the reporting date. Cost in relation to finished goods includes applicable purchase cost and manufacturing expenses. The cost of work in process includes material and proportionate conversion costs.

Net realizable value signifies the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessarily to be incurred in order to make the sales. Provision is made for slow moving and obsolete stock, where considered necessary.

2.14 Trade debts, contract assets and other receivables

Trade debts and other receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value plus directly attributable transaction costs, if any. The Group holds 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. Provision for impairment is recognized based on the policy stated in note 2.10.3.

Exchange gains and losses arising on translation of receivables in foreign currency are added to their respective carrying amounts.

A contract asset is recognized for the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditioned on something other than passage of time. If the Group performs its obligation 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 / trade debts.

2.15 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows include cash in hand and in transit, cheques in hand, balances with banks in current, deposit and saving accounts other than balances subject to restrictions, other short-term highly liquid investments with original maturities of three months or less and short term borrowings which are payable on demand. Bank overdrafts are shown within short-term borrowings in current liabilities in the consolidated statement of financial position.

2.16 Share capital

Ordinary shares and preference shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

(Amounts in thousand)

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit or loss as other income or finance costs.

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.

Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowings.

Covenants that the Group is required to comply with, on or before the reporting date, are considered in classifying relevant borrowing arrangements as current or non-current liabilities. Covenants that the Group is required to comply with after the reporting date do not affect the classification of borrowings at reporting date.

2.18 Government grant

Government grant is recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income in the consolidated statement of profit or loss on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful lives of the related asset.

Government grant includes any benefit earned on account of a government loan obtained at below market rate of interest. The loan is recognized and measured in accordance with IFRS 9 - "Financial Instruments". The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

Government grant that has been awarded for the purpose of giving immediate financial support to the Group is recognized in the consolidated statement of profit or loss of the period in which the Group qualifies to receive it.

2.19 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liability.

Exchange gains and losses arising in respect of liabilities in foreign currency are deducted from / added to the carrying amount of the respective liabilities.

2.20 Deferred income

Amount received on account of operating lease rental income for ETPL's terminal is recognized as deferred income where not earned and credited to profit or loss in the relevant period of provision of services for recognition of rentals on straight line basis.

(Amounts in thousand)

2.21 Contract liability

A contract liability is recognized for the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

2.22 Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, 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 the Group has a present legal or constructive 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 obligation cannot be measured with sufficient reliability.

2.23 Share based payment transaction

Cash-settled share-based payments to employees are measured at the fair value of the liability. The fair value determined of the cash-settled share-based payments is recognized as an employee compensation expense on a straight-line basis over the vesting period. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, with all changes in fair value recognized in consolidated profit or loss for the year.

2.24 Levy and taxation

2.24.1 Levy

In accordance with Income Tax Ordinance, 2001 (ITO) computation of final taxes and minimum tax differential is not based on taxable income. Therefore, as per the Guidance issued by the Institute of Chartered Accountant of Pakistan (ICAP), these fall within the scope of IFRIC 21 - 'Levies' / IAS 37 - 'Provision, contingent liabilities and contingent assets' and accordingly are classified as levies.

2.24.2 Income tax

The income tax expense for the year comprises current and deferred tax. Tax expense is recognized in consolidated profit or loss, except to the extent that it relates to items recognized in consolidated other comprehensive income or directly in equity, in which case, the tax is also recognized in consolidated other comprehensive income or directly in equity, respectively.

Current

Provision for current taxation is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

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 ITO. Such profits and gains are also exempt from minimum tax on turnover under clause 11A of part IV of the Second Schedule to ITO.

(Amounts in thousand)

Deferred

Deferred tax is recognized using the balance sheet liability method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 substantively enacted by the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is charged or credited in consolidated profit or loss except to the extent that it relates to the item recognized directly in equity, in which case it is recognized in equity.

2.24.3 Sales tax

Expenses and assets are recognized net of the amount of sales tax, except when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

2.25 Retirement and other service benefits

2.25.1 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in 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 these consolidated financial statements.

Remeasurements (actuarial gains / losses) in respect of defined benefit plan are recognized in the consolidated other comprehensive income.

Contributions require assumptions to be made of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

The Group operates defined benefit funded gratuity schemes for its management employees and non-management employees.

The Group also operates defined benefit funded pension scheme for EFERT's management employees; the pension scheme provides life time pension to retired employees or to their spouses. Contributions are made annually to these funds on the basis of actuarial recommendations. The pension scheme has been curtailed and effective from July 1, 2005, no new members are inducted in this scheme. Actuarial gains on curtailment are recognized immediately once the certainty of recovery is established.

In June 2011, the Group gave a one time irrevocable option to selected members of EFERT's Management Permanent Employees' (MPT) Defined Benefit Gratuity Fund and Defined Contribution Pension Fund to join a new MPT Employee's Defined Contribution Gratuity Fund (the Fund), a defined contribution plan. The present value, as at June 30, 2011, of the defined benefit obligation of those employees, who accepted this offer, were transferred to this Fund. Further, from July 2011 onwards, the monthly contributions to Defined Contribution Pension Fund of such employees were discontinued.

(Amounts in thousand)

2.25.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which a Group pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the consolidated statement of profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Group operates:

- defined contribution provident fund for its permanent employees. Monthly contributions are made both by the Group and employees to the fund at the rate of 10% of basic salary;
- defined contribution pension fund for the benefit of management employees. Monthly contributions are made by the Group to the fund at the rate ranging from 12.5% to 13.75% of basic salary; and
- defined contribution gratuity fund for the benefit of management employees. Monthly contributions are made by the Group to the fund at the rate of 8.33% of basic salary.

2.25.3 Employee's compensated absences

The Group accounts for compensated absences on the basis of unavailed leave balance of each employee at the end of the year.

2.25.4 Other benefits - Service Incentive Plan

Provision is made under a service incentive plan for certain category of experienced employees to continue in the Group's employment. The provision is made on the basis of management's estimates of incentives to be paid to employees on fulfilment of criteria given in the incentive plan.

2.26 Revenue / income recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized on the following basis:

- The Group recognizes revenue from sale of goods (including urea, chemicals and other related products) at a point in time, as or when performance obligations are satisfied by transferring the control of product to customer. Control, depending on contractual terms, is considered to be transferred either when the product is directly uplifted by the customer from the Group's premises or when it is delivered by the Group at customer premises, in case of local sales as per the terms of arrangements. For export sales, the control is transferred when the product is shipped on board and its insurance risk is borne by the customer.
- Operation and maintenance fee under various contracts is measured at fair value of the consideration received or receivable and is recognized on accrual basis when services are rendered i.e. performance obligations are fulfilled in accordance with the terms of agreements.
- Revenue from supply of electricity to CPPA-G, the sole customer of EPQL and EPTL, is recognized when the following performance obligations are satisfied:
 - Capacity revenue is recognized based on the capacity made available to CPPA-G; and
 - Energy revenue is recognized based on the Net Electrical Output (NEO) delivered to CPPA-G.

(Amounts in thousand)

- Capacity and Energy revenue is recognized based on the rates determined under the mechanism laid down in the respective Power Purchase Agreements (PPAs) and are subject to determination by NEPRA. The Group has assessed that performance obligations under the PPA are discharged over time. The payment is due 30 days after the acknowledgement of the invoice.
- Delayed payment charges on overdue trade receivables are recognized on an accrual basis.
- Revenue from re-gasification and transportation of Liquefied Natural Gas (LNG) to Sui Southern Gas Company Limited (SSGCL) under LNG operations and Services Agreement (LSA) is recognized on the following basis:
 - Utilization revenue on the basis of re-gasified LNG throughput to SSGCL over time.
 - Operations and maintenance revenue over time.

The revenue from above services is recognized using the output method, when the Group has a right to consideration for an amount that corresponds directly with the value of the Group's performance obligation completed to date and the right to invoice is established.

- Revenue from tower infrastructure provisioning is recognized on straight line basis over the non-cancellable agreement period, regardless of whether the payments from customers are received, in equal monthly amounts during the contract term. The Group considers all fixed elements of the relevant contractual escalation provisions in calculating the straight-line revenue. Revenue for cancellable agreements are recorded at the amounts invoiced to the customers, as per the agreement. The corresponding asset related to the straight-line revenue adjustments is recorded in long term loans, advances, deposits and other receivables in the consolidated statement of financial position. For ancillary infrastructure provisioning, the revenue is recognized on accrual basis.
- Revenue from operations and maintenance services for telecommunication infrastructure is recognized when services are rendered as the performance obligations are generally met over time as customer simultaneously receives and consumes benefits of services as and when the services are performed by the Group. The Group generally uses output method to measure progress towards satisfying a performance obligation. The Group recognizes revenue at the amount of the Group's right to invoice as per the agreements with the customers if the Group's right to invoice the customers is based on the value of services transferred and the amount invoiced represents the value transferred to the customers.
- Deferred incentive revenue is recognized based on the present value of discount provided by the Group in its bundled contracts with the customers. The unwinding of discount on deferred incentive revenue is recognized as finance cost in the profit or loss. Subsequent amortization of deferred incentive revenue is credited to revenue on a systematic basis.
- Dividend income is recognized when the Group's right to receive dividend is established, i.e. on the date of book closure of the investee company declaring the dividend.
- Returns on bank deposits are accrued on a time proportion basis by reference to the outstanding principal amounts and the applicable rates of return.
- Income on Market Treasury Bills and Term Deposit Receipts (TDRs) is accrued using the effective interest yield method.
- Gains and losses arising on sale of investments are included in of profit or loss or other comprehensive income (as applicable) in the year in which they arises.
- Unrealized gains and losses arising on revaluation of securities classified as FVPL are included in the profit or loss in the period in which these arise respectively.

(Amounts in thousand)

The payment terms vary from 15 to 180 days depending on the credit worthiness of the Group's customers.

2.27 Borrowing costs

Borrowing costs are recognized as expense in the period in which they 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 capitalized as part of the cost of that asset. Borrowing costs include exchange differences arising on foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs and net gain / loss on the settlement of derivatives hedging instruments. Further, exchange differences arising on foreign currency borrowings relating to the Group's power plant projects are capitalized to the cost of the related property, plant and equipment. All other borrowing costs are charged to the consolidated statement of profit or loss.

2.28 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 and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.29 Dividend and appropriation to reserves

Dividends and appropriations to reserves are recognized in the period in which these are approved.

2.30 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 strategic decisions.

2.31 Foreign currency transactions and translation

2.31.1 Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss and property, plant and equipment as explained in note 2.27. Non-monetary assets and liabilities are stated using exchange rates that existed when the values were determined.

2.31.2 The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each profit or loss item are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity.

(Amounts in thousand)

2.32 Provision for decommissioning costs

The activities of the Group normally give rise to obligation for site restoration. Restoration activities may include facility decommissioning, dismantling and site restoration.

Liabilities for decommissioning costs are recognized when the Group has an obligation to dismantle and remove a facility or telecommunication tower and to restore the site on which it is located, and when a reliable estimate of that liability can be made. An obligation for decommissioning may also crystallize during the year of operation of a facility through a change in legislation or through a decision to terminate operations. The amount recognized is the estimated cost of decommissioning, discounted to its net present value and the expected outflow of economic resources to settle this obligation is up to next twenty years. Decommissioning cost is capitalized to the cost of telecommunication towers. The recognized amount of decommissioning cost is subsequently amortized / depreciated as part of the cost of telecommunication towers.

Any change in present value of estimated expenditure is dealt with prospectively and reflected as an adjustment to the provision and a corresponding adjustment to telecommunication towers. The unwinding of discount on decommissioning provision is recognized as finance cost in the consolidated statement of profit or loss.

2.33 Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the liabilities incurred to the former owners of the acquired business, fair value of any asset or liability resulting from a contingent consideration arrangement, fair values of the assets transferred; and equity interests issued by the Group.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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 remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise the accounting for business combination. Identified assets acquired, liabilities assumed or incurred have been carried at fair value as at the acquisition date. The fair valuation exercise is required to be finalized within a period one year of acquisition date. Any adjustment arising at the time of finalization of this exercise is incorporated with retrospective effect from the date of acquisition.

(Amounts in thousand)

3. critical accounting estimates and judgements

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 estimate will, by definition seldom equal the related actual results. The estimates and assumptions that have a significant risk of carrying a material adjustment to the carrying amounts of assets and liabilities (as disclosed in the respective notes in these consolidated financial statements) within the next financial year are as follows:

a) Property, plant and equipment

The Group annually reviews appropriateness of the method of depreciation, useful life and residual value used in the calculation of depreciation and amortization. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment or reversal of previously recognized impairment on an annual basis. These calculations require the use of estimates. Any change in these estimates in the future, might affect the carrying amount of the respective item of property, plant and equipment and intangibles, with a corresponding effect on the depreciation and impairment.

In case of acquisition of group of assets and liabilities, the Group allocates the purchase consideration to individual assets and liabilities on basis of the relative fair value at the date of purchase. For determination of fair value, the Group takes into account its principle ability to generate economic benefits by either using the asset in its highest and best use or by selling it to another customer. Estimation of highest and best use is made on basis of estimated net cash in flows associated with the assets or group of assets. The consideration for selling it to another customer is based on the fair market value after adjusting the impacts of obsolescence.

b) Investments at fair value through profit or loss / other comprehensive income

The Group determines fair value of certain investments by using quotations from active market and conditions and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgement.

c) Stock-in-trade

Determining the value of specific category of stock-in-trade i.e. Bulk Urea, coal and Bulk Di-Ammonium Phosphate (DAP), involves the use of significant estimates and assumptions. Further, the weighing of these inventory items is not practicable, the reasonableness of the quantities on hand is assessed by obtaining measurements of stockpiles and converting these measurements into unit of volume by bulk density values.

d) Provision for retirement and other service benefits obligations

The present value of these obligations depend on a number of factors that are determined on actuarial basis using a number of assumptions. Further, contributions determination requires assumptions to be made for future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Any changes in these assumptions will impact the carrying amount of these obligations. The underlying assumptions are disclosed in note 46.

e) Income taxes

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

(Amounts in thousand)

Deferred tax asset is recognized for all unused tax losses and available tax credits to the extent that it is probable that sufficient taxable temporary differences and taxable profits will be available against which such losses and credits can be utilized. Significant judgement is exercised to determine the amount of deferred tax asset to be recognized.

f) Impairment of investment in associates, joint venture and non-financial assets

In making estimates of future cash flows from investments in joint venture and associates, the management considers future dividend stream and an estimate of the terminal value of these investments, which are subject to change. In assessing carrying value of non-financial assets, the Group estimates the recoverable amount, using fair value less cost to sell or value in use, whichever is higher. In making these estimates, the Group makes judgement with respect to various factors including future cashflows, exchange rate indexation (where applicable) and discount rates.

g) Impairment of financial assets

The Group uses external credit ratings to determine default rates for certain trade debts, net investment in lease, short-term investments, other financial assets at amortized cost and balances with banks to calculate expected credit losses. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in future. In respect of expected credit losses on subsidy receivable, since EFERT is confident of full recovery therefore only time value of money was considered for the determination of gain or loss allowance as at the reporting date.

h) Provision for slow-moving stores and spares

The Group regularly reviews the provision for slow moving stores and spares to assess the consumption of stores and spares, thereby ensuring that slow moving items are provided for.

i) Contingencies and provisions

Significant estimates and judgements are being used by the management in connection with contingencies and provisions relating to legal and taxation matters being contested at various forums based on applicable laws and the decisions / judgements.

j) Tariff adjustment determination

As per the mechanism laid out in National Electric Power Regulatory Authority's (NEPRA) decision dated June 15, 2022, in respect of EPTL the Group seeks adjustment for fuel price, cost of power purchase, operation and maintenance cost and unrecovered cost including non-recoverable dues written-off. The monthly / quarterly / annual submissions of tariff adjustment are approved / determined by NEPRA on a time to time basis, resulting in provisional amounts being recognized by the Group based on its judgement and interpretation of NEPRA decision, till the determination from NEPRA is received.

k) Right-of-use asset and corresponding lease liability

IFRS 16 - 'Leases' requires the Group to assess the lease term as the non-cancellable lease term in line with the lease contract together with the period for which the Group has extension options which the Group is reasonably certain to exercise and the periods for which the Group has termination options for which the Group is not reasonably certain to exercise.

(Amounts in thousand)

The rate used on transition to discount future lease payments represents the Group's incremental borrowing rate.

With specific reference to EETPL's arrangement under Time Charter Party (TCP) and LSA, significant estimates further included:

i) Classification of lease

The classification of lease of terminal required use of estimates of cash flows during the contract period, margins, residual values and allocation of amounts under daily capacity charges to lease and non-lease components and determine minimum lease payments at the inception of lease from terminal and sublease of right-of-use asset. As a result the lease of terminal has been determined as an operating lease as significant risk and rewards relating to the same remain with EETPL at the end of the lease term, taking into account the useful life and fair value of terminal assets, minimum lease payments, residual value and the assessment that customer is not likely to exercise purchase option.

ii) Discount rate

The rate used on transition to discount future lease payments under TCP represent EETPL's incremental borrowing rate. The rate has been estimated using LIBOR rates available in the lease currency and adjusted to reflect the underlying lease term based on observable inputs.

l) Provision for decommissioning costs

The timing of recognition of provision for decommissioning requires the application of judgement of existing facts and circumstances, which can be subject to change. In determining the present value of the provision for decommissioning, assumptions and estimates are made in relation to discount rates, the expected cost to decommission and remove the equipment from the site and the expected timing of those costs.

m) Revenue recognition

Revenue on long-term service agreements / construction contracts is recognized based on the percentage of completion method. The Group reviews the appropriateness of the stage of completion through milestones / cost incurred which ascertain the completion of a proportion of the contract work or the performance of services provided.

The allocation of the consideration in the contract for provision of passive infrastructure and related services between lease and non lease components involves the exercise of significant judgement as the consideration is required to be allocated to each lease and non lease components on the basis of the relative stand-alone price.

n) Business combination

During the year, the Group completed the acquisition and amalgamation of DPL, the telecom tower infrastructure arm of Pakistan Mobile Communications Limited, through its wholly owned subsidiary ECPL.

In accounting for this acquisition of DPL under IFRS 3 Business Combinations, management exercised significant judgement in determining the provisional fair values of the acquired assets and liabilities. These included tower infrastructure, intangible rights, and related obligations. The valuation process involved the application of discounted cash flow models, market multiples, and replacement cost approaches, requiring assumptions about future lease revenues, discount rates, customer churn, and regulatory approvals.

(Amounts in thousand)

The recognition of goodwill represents the excess of consideration transferred over the fair value of net assets acquired. The amount of goodwill is sensitive to assumptions regarding future cash flows and expected synergies, particularly those arising from tower sharing arrangements.

Management also estimated the fair value of DPL's outstanding debt obligations and contingent liabilities. This required the use of probability weighted scenarios and discounting techniques to determine present values. These estimates are inherently subjective and involve significant judgement, and actual outcomes may differ from those assumed. Any changes to these assumptions could materially affect the amounts recognized in the consolidated financial statements.

o) Embedded derivative

The USD based contracts are translated to local currency at the time of billing using a spot market exchange rate. Management judgement is that embedded derivatives are not separated as of the time, the contracts are entered into, as they are considered closely related to the host contract, since they are denominated in the currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place.

4. property, plant and equipment

Operating fixed assets (note 4.1)

Capital work-in-progress - Expansion and other projects (note 4.6)

Capital spares and standby equipment (notes 4.9 and 20)

	2025	....Rupees....	2024
Operating fixed assets (note 4.1)	515,217,165		160,567,868
Capital work-in-progress - Expansion and other projects (note 4.6)	20,527,584		33,824,513
Capital spares and standby equipment (notes 4.9 and 20)	8,438,513		2,232,209
	544,183,262		196,624,590

(Amounts in thousand)

4.1 operating assets

As at January 1, 2024

Cost	383,308	408,099	20,259,361	1,321,740	4,312	1,834,337	301,936,947	3,271,405	24,126,038	2,117,947	9,047	5,246,644	3,845,718	8,793	4,293,252	2,548,438	371,559,386
Accumulated depreciation	-	(135,872)	(1,914,023)	(218,662)	(3,253)	(244,573)	(31,975,232)	(2,295,107)	(3,675,892)	(920,997)	(2,356)	(1,366,529)	(388,457)	(6,858)	(523,070)	(432,575)	(44,105,456)
Accumulated impairment	-	111,943	-	310,120	-	-	(24,469,993)	-	-	13,180	-	-	-	-	-	(24,034,750)	-
Asset classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	(1,525,396)	-	-	-	-	(1,525,396)
Net book value	383,308	384,170	18,345,338	1,413,198	1,059	1,589,764	245,491,722	976,298	20,452,146	1,210,130	6,691	2,354,719	3,457,261	1,935	3,710,182	2,115,863	301,893,784

Year ended December 31, 2024

Opening net book value	383,308	384,170	18,345,338	1,413,198	1,059	1,589,764	245,491,722	976,298	20,452,146	1,210,130	6,691	2,354,719	3,457,261	1,935	3,710,182	2,115,863	301,893,784
Reclassification of land	188,170	(188,170)	399,211	(399,211)	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions including transfers	-	-	3,341,465	508,473	-	-	12,849,000	652,719	4,507,601	862,214	-	1,446,843	-	3,673	98,319	300,184	24,530,491
Capitalization of exchange loss by the subsidiary company (note 4.3)	-	-	-	-	-	-	(1,214,826)	-	-	-	-	-	-	-	-	-	(1,214,826)
Adjustment in respect of carrying value of thermal assets (note 4.1.1)	-	-	-	-	-	-	(8,535,581)	-	-	-	-	-	-	-	-	-	(8,535,581)
Disposals / Write offs (note 4.5)	-	-	(62,675)	(5354)	-	-	(591,690)	(89,238)	(202,771)	(873,810)	-	(873,810)	-	(3,350)	-	-	(1,828,888)
Cost	-	-	13,654	2,909	-	-	556,423	24,738	191,976	419,968	-	419,968	-	3,313	-	-	1,212,981
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated impairment	-	-	(49,021)	(2,445)	-	-	(35,267)	(64,500)	(10,795)	(453,842)	-	(453,842)	-	(37)	-	-	(615,907)
Reclass to intangible assets (note 6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	(9,019)	-	-	-	-	-	-	(9,019)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	8,361	-	-	-	-	-	-	8,361
Depreciation charge (note 4.4)	-	(31,798)	(773,753)	(124,080)	(981)	(83,388)	(6,284,793)	(367,638)	(217,046)	(654,346)	-	(667,076)	(235,072)	(1,500)	(176,693)	(232,790)	(11,804,373)
Asset classified as held for sale (note 20)	(298,235)	(56,477)	(1,845,853)	(288,533)	-	-	(140,723,506)	-	-	(123,057)	-	(366,194)	-	-	-	-	(143,701,855)
Reversal of impairment	9,679	-	-	-	-	-	7,114	-	-	-	-	-	-	-	-	-	16,793
Net book value	273,243	117,404	19,417,387	1,107,402	78	1,506,376	101,553,863	1,261,379	22,724,782	1,283,488	6,691	2,314,450	3,222,189	4,071	3,591,808	2,183,257	160,567,868

As at December 31, 2024

Cost	571,478	219,929	23,937,362	1,425,648	4,312	1,834,337	312,979,431	3,924,124	28,546,401	2,766,371	9,047	4,294,281	3,845,718	9,116	4,293,571	2,846,622	391,511,748
Accumulated depreciation	-	(167,670)	(2,674,122)	(339,833)	(4,234)	(327,961)	(37,703,602)	(2,662,745)	(5,821,619)	(1,375,006)	(2,356)	(1,613,637)	(623,529)	(5,045)	(701,769)	(665,365)	(54,688,487)
Accumulated impairment	-	121,622	-	310,120	-	-	(32,998,460)	-	-	13,180	-	-	-	-	-	-	(32,553,538)
Asset classified as held for sale	(298,235)	(56,477)	(1,845,853)	(288,533)	-	-	(140,723,506)	-	-	(123,057)	-	(366,194)	-	-	-	-	(143,701,855)
Net book value	273,243	117,404	19,417,387	1,107,402	78	1,506,376	101,553,863	1,261,379	22,724,782	1,283,488	6,691	2,314,450	3,222,189	4,071	3,591,808	2,183,257	160,567,868

(Amounts in thousand)

	Land		Building on		Leasehold improvements	Pipelines	Plant and Machinery (note 4.7)	Catalyst equipments	Infrastructure and electrical equipments		Furniture, fixtures and equipment		Vehicles		Aircraft	Data processing equipment	Jelly (note 4.7)	Dredging	Total	
	Freehold	Leasehold	Freehold land	Leasehold land					Owned	Leased	Owned	Leased	Owned	Owned						
Year ended December 31, 2025																				
Opening net book value	273,243	117,404	19,417,287	1,107,402	78	1,506,376	101,553,863	1,261,379	22,724,782	1,283,488	6,691	2,314,450	3,222,189	4,071	3,591,808	2,182,257	160,567,868			
Reversal of asset held for sale	298,235	56,477	1,845,953	288,533	-	-	140,723,506	-	-	123,057	-	366,194	-	-	-	-	143,701,855			
Additions including transfers	-	9,000	5,496,787	1,900,646	-	11	26,551,080	1,736,121	7,395,685	1,379,679	-	1,590,887	-	-	69,086	335,697	46,464,679			
Disposals of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Cost	(188,170)	-	(1,068,510)	-	-	-	(3,833,557)	-	-	(187,405)	(2,001)	-	-	-	-	-	(5,307,643)			
Accumulated depreciation	-	-	463,168	-	-	-	1,379,849	-	-	112,928	-	2,001	-	-	-	-	1,957,946			
Accumulated impairment	(188,170)	-	(344,848)	-	-	-	944,203	-	-	70,200	-	-	-	-	-	-	1,294,897			
Acquired through business combination (note 1.4)	-	-	84,717,805	-	-	-	85,282,195	-	-	4,277	-	90,009	-	-	-	-	170,090,009			
Scheme of arrangement (note 1.2.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Cost	-	-	-	-	(78)	-	-	-	(124,337)	-	(56,157)	-	(9,116)	-	-	-	(189,688)			
Accumulated depreciation	-	-	-	-	78	-	-	-	92,127	-	52,517	-	5,045	-	-	-	149,767			
Capitalization of exchange gain by the subsidiary company (note 4.3)	-	-	-	-	-	-	-	-	(32,210)	-	(3,640)	-	(4,071)	-	-	-	(39,921)			
Adjustment in respect of carrying value of thermal assets (note 4.1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Disposals / Write offs (note 4.5)	-	-	(74,311)	-	-	-	(883,273)	-	(96,535)	-	(960,095)	(624,227)	-	-	-	-	(2,138,441)			
Cost	-	-	20,782	-	-	-	239,190	-	85,910	-	535,966	159,400	-	-	-	-	1,041,248			
Accumulated depreciation	-	-	(53,529)	-	-	-	(144,083)	-	(10,625)	-	(424,129)	(464,827)	-	-	-	-	(1,097,193)			
Depreciation charge (note 4.4)	-	(48,715)	(3,170,643)	(987,707)	-	(83,389)	(21,072,974)	(460,652)	(6,347,244)	(810,804)	-	(741,303)	(211,887)	-	(181,880)	(267,954)	(83,785,152)			
Net book value	363,308	134,166	107,908,812	2,908,874	78	1,422,998	277,607,790	2,536,848	108,911,355	1,928,308	6,691	3,192,468	2,545,475	-	3,479,014	2,251,000	515,217,165			
As at December 31, 2025																				
Cost	363,308	228,929	112,989,133	3,326,294	4,234	1,834,348	336,499,330	5,660,245	120,841,008	3,739,773	9,047	4,956,924	3,221,491	-	4,362,657	3,184,319	601,181,040			
Accumulated depreciation	-	(216,385)	(5,360,815)	(727,540)	(4,156)	(411,350)	(57,396,727)	(3,123,397)	(11,929,673)	(1,894,845)	(2,356)	(1,764,456)	(676,016)	-	(883,643)	(933,319)	(85,324,678)			
Accumulated impairment	-	121,622	280,494	310,120	-	-	(1,434,813)	-	-	83,380	-	-	-	-	-	-	(639,197)			
Net book value	363,308	134,166	107,908,812	2,908,874	78	1,422,998	277,607,790	2,536,848	108,911,355	1,928,308	6,691	3,192,468	2,545,475	-	3,479,014	2,251,000	515,217,165			
Annual rate of depreciation (%)	-	2 to 3.33	2.5 to 14	2.5 to 10	-	2 to 12.5	2.5 to 33.3	No. of products days	2.85	3 to 33	-	5 to 25	143	-	3.33	3.33 to 20	-	-	-	

(Amounts in thousand)

4.1.1 As more fully disclosed in note 1.3 to these consolidated financial statements, reversal of Rs. 30,619,447 (2024: charge of Rs. 8,535,581) has been recorded in the carrying value of thermal assets, as follows:

	2025	....Rupees....	2024
EPTL (ECL's Subsidiary)	(28,414,740)		7,976,000
EPQL (ECL's Subsidiary)	(2,204,704)		559,581
	(30,619,444)		8,535,581

The recoverable amount of the assets of EPTL and EPQL amounted to Rs. 110,730,000 and Rs. 10,478,168, (2024: Rs. 38,750,000 and Rs. 9,411,000) respectively. The recoverable amount of thermal assets was based on value-in-use (2024: fair value less cost of sell). The value-in-use was determined through the management internal model based on discounted cashflow approach [2024: fair value measurement (Level 3) was determined based on multiple bids received from market participants, which were further corroborated using the management internal model based on discounted cashflow approach]. The model was prepared using following key inputs / assumptions:

Discount rate

The discount rates applied to the cash flow projections of the CGUs range from 13.1% to 15.9% (2024: 22% to 23%) which have been calculated using Capital Asset Pricing Model. The discount rates reflect the current market assessment of the rates of return required for the business and the specific risks of each CGU.

Exchange rate

The exchange rate devaluation considered at the rate of 8% (2024: 9%) per annum. This is based on management forecast using historic trends and outlook from market experts.

Collection from customers

The expected recovery trend is based on past recovery trends from customers and management's expectations for the future.

In accordance with the requirement of IFRS 5, the Group on classification of aforementioned thermal assets from disposal group, recognised remeasurement gain of Rs. 24,099,000 (2024: remeasurement loss of Rs. 24,099,000).

(Amounts in thousand)

4.2 The details of immovable fixed assets (i.e., land and buildings) which are in the name of the Group are as follows:

Description of assets	Address	Total Area of land in Acres
Daharki plant and colony	District Ghotki, Sindh.	734.00
Zarkhez plant land	EZ/I/P-1-II Eastern Zone, Port Qasim, Karachi.	112.50
LNG Terminal	South Western Industrial Zone, Port Qasim, Karachi.	13.18
Power plant and associated buildings	Deh Belo Sanghari, Ghotki, Sindh.	41.50
Colony land	Colony Road, Daharki, Ghotki, Sindh.	16.40
Leasehold land	Thar Block II, Islamkot District, Sindh.	215.00
Leasehold land	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi.	128.00
Production facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi.	67.14
Storage facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi.	5.00
Administration facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi.	2.20

4.3 The Securities and Exchange Commission of Pakistan (SECP), through its S.R.O. 986(1)/2019 dated September 2, 2019, partially modified its previously issued S.R.O. 24/(1)/2012 dated January 16, 2012 and granted exemption to all companies that have executed their Power Purchase Agreements before January 1, 2019, from the application of IAS 21 'The Effects of Changes in Foreign Exchange Rates' to the extent of capitalization of exchange differences. Accordingly, during the year, the Group has capitalized exchange gain of Rs. 744,376 (2024: exchange gain of Rs. 1,214,826) arising on foreign currency borrowings of EEL (and its subsidiaries) to the cost of related property, plant and equipment.

2025Rupees..... 2024

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

Cost of goods sold (note 35.1)	22,655,270	7,333,728
Cost of services rendered (note 35.2)	9,558,273	3,154,202
Selling and distribution expenses (note 36)	186,203	168,991
Administrative expenses (note 37)	1,385,406	1,147,452
	33,785,152	11,804,373

(Amounts in thousand)

4.5 The details of operating assets disposed / written-off during the year are as follows:

Vehicles	Relationship with the purchaser	Cost	Accumulated depreciation & impairment	Net book value	Sale proceeds	Gain / (loss)
To existing / resigned / retired executives / employees - as per Group's policy	Mr. Mirza Arsalan Baig	5,557	4,251	1,306	3,843	2,537
	Mr. Abdul Wahid Naqqash	3,400	2,436	964	1,468	504
	Mr. Saleem Hassan	7,441	2,635	4,806	5,953	1,147
	Mr. Yash Kumar	4,929	1,327	3,602	3,795	193
	Miss. Amina Wahid	5,332	4,308	1,024	1,471	447
	Mr. Favad Soomro	5,554	4,485	1,069	1,221	152
	Mr. Muhammad Muddasir	5,554	4,485	1,069	1,221	152
	Mr. Mohammad Yasir Khan	5,470	3,495	1,975	2,458	483
	Mr. Zeeshan Taj Khan	41,331	5,855	35,476	29,667	(5,809)
	Miss. Zoya Altaf	6,966	1,776	5,190	5,947	757
	Mr. Syed Raza Makki	3,794	2,311	1,483	3,394	1,911
	Mr. Jahangir Hamid Mir	5,811	3,375	2,436	3,168	732
	Mr. Mohammad Imran Riaz	4,696	1,730	2,966	3,066	100
	Mr. Muhammad Imran Baloch	5,554	4,721	833	833	-
	Mr. Qamar Jaleel	5,554	4,721	833	833	-
	Mr. Atif Muhammad Ali	5,509	3,586	1,923	1,996	73
	Miss. Kanza Afzal	6,166	3,422	2,744	3,615	871
	Mr. Syed Zia Shabbir	5,330	2,124	3,206	3,439	233
	Mr. Omair Mazhar Qureshi	5,480	4,658	822	822	-
	Mr. Muhammad Zaighum Riaz	5,480	4,658	822	822	-
	Mr. Syed Zaheer Mehdi	14,181	10,246	3,935	5,226	1,291
	Mr. Muhammad Saad Mayari	3,919	1,779	2,140	2,140	-
	Miss. Sumbal Malik	4,929	1,676	3,253	4,022	769
	Mr. Syed Zia Abbas Naqvi	3,653	2,379	1,274	1,435	161
	Mr. Romaan Abubakar	6,152	3,542	2,610	3,378	768
	Mr. Saeed Hassan Khan	6,242	2,564	3,678	4,556	878
	Mr. Arsalan Ali	4,930	1,537	3,393	4,226	833
	Mr. Syed Muhammad Faizan Arshad	4,887	692	4,195	4,522	327
	Mr. Muhammad Amin	5,554	4,642	912	988	76
	Mr. Harris Latif Khwaja	5,554	4,721	833	833	-
	Mr. Sulaiman Ijaz	14,611	11,592	3,019	3,213	194
	Mr. Khawaja Haider Abbas	6,353	2,796	3,557	3,557	-
	Miss. Warda Raza	4,826	1,231	3,595	4,141	546
	Miss. Asra Zafar Khawaja	3,340	2,176	1,164	2,507	1,343
	Mr. Muhammad Farrukh Khan	4,350	2,223	2,127	2,372	245
	Mr. Ahsan Ahmed	4,148	1,939	2,209	2,209	-
	Mr. Nadir Salar Qureshi	17,138	6,555	10,583	21,406	10,823
	Mr. Nadir Salar Qureshi	20,759	9,999	10,760	16,572	5,812
	Miss. Wardah Nadeem	4,948	1,472	3,476	4,159	683
	Mr. Waqas Iqbal	6,900	1,857	5,043	5,842	799
	Mr. Syed Ahsan Bukhari	6,990	1,684	5,306	6,054	748
	Miss. Sundus Alvi	2,577	2,008	569	642	73
	Mr. Kamran Iqbal Siddiqui	3,422	1,632	1,790	3,152	1,362
	Mr. Dr. Rehan Javed	4,866	896	3,970	4,285	315
	Mr. Shahzad Nabi	12,385	11,146	1,239	13,833	12,594
	Mr. Shahzad Nabi	9,446	8,502	944	12,167	11,223
	Mr. Sohair Saad	4,976	1,551	3,425	3,423	(2)
	Mr. Amir Altaf Siddiki	5,538	4,707	831	831	-
	Mr. Awais Mushtaq	5,538	4,707	831	831	-
	Mr. Hassam Khalid	2,655	1,655	1,000	1,303	303
	Miss. Narmeen Habib	4,932	1,397	3,535	4,074	539
	Miss. Mehreen Khalid	8,956	2,030	6,926	7,614	688
	Mr. Zohaib Wajid Jawad	6,749	1,339	5,410	5,963	553
	Mr. Muhammad Imran Khaliq	5,523	4,695	828	828	-
	Mr. Fahad Hassan	3,463	2,208	1,255	1,503	248
	Mr. Faisal Ghaffar	1,940	1,222	718	1,741	1,023
	Miss. Syed Muhammad Farhan	4,931	1,676	3,255	4,013	758
	Mr. Nasir Jamal Khattak	4,826	1,231	3,595	4,403	808
	Mr. Munsif Naveed Aslam	2,628	1,932	696	1,971	1,275
	Mr. Naveed Alam Qureshi	2,665	2,129	536	634	98
	Mr. Attique Ahmed	1,940	1,252	688	1,657	969

(Amounts in thousand)

Vehicles	Relationship with the purchaser	Cost	Accumulated depreciation & impairment	Net book value	Sale proceeds	Gain / (loss)
To existing / resigned / retired executives / employees - as per Group's policy	Mr. Arslan Javed	5,127	1,816	3,311	4,216	905
	Mr. Waqas Khan	6,588	933	5,655	6,280	625
	Mr. Muhammad Nauman	5,554	4,721	833	833	-
	Mr. Nadeem Sajjad	3,398	2,888	510	510	-
	Mr. Rehan Hameed	3,514	1,954	1,560	1,862	302
	Mr. Muhammad Ovais Tariq	3,859	2,331	1,528	1,999	471
	Mr. Mouaz Khaleeq Butt	3,374	1,727	1,647	1,676	29
	Miss. Afsah Ahrar	3,397	2,888	509	510	1
	Mr. Syed Shauzab Hassan Gardezi	3,397	2,887	510	509	(1)
	Mr. Muhammad Jahangir	2,674	2,044	630	1,837	1,207
	Mr. Hamid Masood	6,749	2,008	4,741	5,785	1,044
	Miss. Samreen Kausar	3,366	2,861	505	505	-
	Mr. Muhammad Hamza Khan	6,162	2,881	3,281	5,342	2,061
	Mr. Ghulam Ahmad	4,885	969	3,916	3,916	-
	Mr. Babar Mahmood Siddiqui	6,452	3,945	2,507	3,282	775
	Mr. Ahsan Zafar Syed	41,224	18,689	22,535	23,833	1,298
	Mr. Mushtaq Vighio	3,402	2,892	510	510	-
	Miss. Ekta Sitani	5,532	4,702	830	830	-
	Miss. Noor Us Saba	4,936	1,754	3,182	3,288	106
	Mr. Farhan Ansari	1,215	385	830	830	-
	Mr. Imran Aslam	1,215	385	830	830	-
	Mr. Jahanzaib Dal	1,215	385	830	830	-
	Mr. Tauseef Ali	6,799	1,647	5,152	5,456	304
	Mr. Raja Touqeer	4,455	1,704	2,751	2,753	2
	Mr. Saad Azmi	4,913	1,322	3,591	4,214	623
	Mr. Salman Siddiqui	4,979	1,552	3,427	3,456	29
	Mr. Sohaib Dakhni	5,013	1,633	3,380	4,120	740
	Mr. Muhammad Samad	3,228	1,556	1,672	1,672	-
	Mr. Syed Mohsin Hassan	5,148	1,167	3,981	4,508	527
	Mr. Abdul Sattar	2,664	2,012	652	795	143
	Miss. Sehrish Saleem	3,825	1,409	2,416	3,210	794
	Miss. Anum Irfan	6,956	2,069	4,887	6,022	1,135
	Mr. Wajahat Anees	4,815	1,160	3,655	4,702	1,047
	Mr. Muhammad Ahmed	3,252	1,290	1,962	2,005	43
	Mr. Syed Faraz Ahmed Shamsi	4,913	1,188	3,725	3,725	-
	Mr. Mujadid Ul Hasan	3,252	1,428	1,824	2,745	921
	Mr. Zahid Hussain	4,751	875	3,876	4,299	423
	Mr. Muhammad Safwan Khan	4,913	1,462	3,451	4,228	777
	Mr. Shanze Afreen	6,752	1,148	5,604	6,247	643
	Mr. Allah Rakha	5,702	4,385	1,317	1,910	593
	Mr. Syed Nabeel Hassan	3,491	1,978	1,513	1,951	438
	Mr. Syed Saad Hussain Shah	6,943	2,262	4,681	5,720	1,039
	Mr. Haroon Yousaf	4,911	1,670	3,241	4,638	1,397
	Mr. Hosh Muhammad	4,972	2,465	2,507	3,133	626
	Mr. Muhammad Umer	4,913	1,812	3,101	3,101	-
	Mr. Tahir Zuberi	10,867	181	10,686	8,970	(1,716)
	Mr. Nauman Muhammad	4,981	1,079	3,902	3,997	95
	Miss Zaib Un Nisa Kamran	4,684	2,141	2,543	3,373	830
	Mr. Ahmad Jasra	6,033	2,376	3,657	2,979	(678)
	Mr. Hammad Salam	9,407	4,547	4,860	4,026	(834)
	Mr. Muhammad Habib	7,284	3,035	4,249	5,481	1,232
	Miss Khadija Nawaz	7,579	758	6,821	6,300	(521)
	Mr. Zark Abbas	4,436	2,662	1,774	2,217	443
	Mr. Farhan Tahir	8,424	2,948	5,476	5,865	389
	Mr. Shabbir Hussain	3,503	2,275	1,228	1,663	435
	Mr. Tahir Zuberi	4,149	2,693	1,456	1,333	(123)
	Mr. Faisal Sattar	8,439	7,454	985	8,717	7,732
	Mr. Zubair Aslam	5,545	4,898	647	2,045	1,398
	Mr. Faisal Sattar	18,579	17,031	1,548	13,100	11,552

(Amounts in thousand)

Vehicles	Relationship with the purchaser	Cost	Accumulated depreciation & impairment	Net book value	Sale proceeds	Gain / (loss)
Auction	Sold to third party	40,405	36,364	4,041	23,500	19,459
	Sold to third party	26,230	19,728	6,502	21,500	14,998
	Sold to third party	24,373	16,574	7,799	24,100	16,301
	Sold to third party	2,662	2,074	588	3,500	2,912
	Sold to third party	26,935	14,992	11,943	20,500	8,557
	Mr. Mohammad Faraz Farooqi	5,039	1,571	3,468	3,815	347
Furniture, fixtures and equipment						
To existing / resigned / retired executives / employees - as per Group's policy	Mr. Khawaja Bilal Hussain	1,688	1,133	555	776	221
Aircraft						
Auction	Ittehad Sugar Mills	624,227	159,400	464,827	1,436,729	971,902
Infrastructure and electrical equipment						
Negotiation	Pakistan Mobile Telecommunication Limited	8,435	42	8,393	8,857	464
	Malik Shafi and company	7,360	5,598	1,762	954	(808)
	Pakistan Mobile Telecommunication Limited	83,357	1,193	82,164	87,525	5,361
Items having net book value less than Rs. 500 each		543,693	417,177	126,516	157,231	30,715
Office Equipment						
Write-Off		2,104	509	1,595	-	(1,595)
Year ended December 31, 2025		2,138,441	1,041,248	1,097,193	2,270,934	1,173,741
Year ended December 31, 2024		1,828,888	1,212,981	615,907	745,666	129,759

(Amounts in thousand)

4.6 Capital work-in-progress - Expansion and other projects

	2025	....Rupees....	2024
Leasehold land	40,788		49,789
Plant and machinery (note 4.6.2)	7,702,354		26,567,676
Building and civil works including pipelines	427,797		636,580
Furniture, fixtures and equipment	1,574,947		1,557,487
Advances to suppliers (note 4.6.2)	6,475,694		1,974,172
Capital stores and spares	3,720,974		1,699,787
Softwares	44,631		228,736
Vehicles	96,467		-
Other ancillary cost	443,932		1,110,286
	20,527,584		33,824,513
4.6.1 Balance as at January 1	34,434,116		33,110,396
Additions during the year	29,189,064		26,187,121
Borrowing cost capitalized during the year (note 4.8)	426,130		-
Acquired through business combination (note 1.4.3)	2,628,286		-
Transferred to:			
- operating assets	(45,715,843)		(24,419,027)
- intangible assets (note 6)	(207,392)		(238,161)
- capital spares	-		(206,213)
Write-off	(226,777)		-
	20,527,584		34,434,116
Related to disposal group (note 20)	-		(609,603)
Balance as at December 31 (note 4.6.2)	20,527,584		33,824,513

4.6.2 This includes Rs. 7,642,813 (2024: Rs. 2,050,423) paid as advance representing EFERT's share in respect of a joint operation related to Pressure Enhancement Facility (PEF), as disclosed in note 59 to these consolidated financial statements.

4.7 These include jetty and plant and machinery subject to operating lease having net book value of Rs. 3,479,014 (2024: Rs. 3,591,808) and Rs. 2,123,042 (2024: Rs. 2,053,880), respectively.

4.8 EFERT has capitalized these borrowing costs during the year at a capitalization rate of 12.43% (2024: Nil).

4.9 During the year, the Group purchased major spare parts and stand-by equipment amounting to Rs. 4,063,621 (2024: Rs. 1,493,260) and transferred such assets to capital work-in-progress amounting to Rs. 942,236 (2024: Rs. 783,675).

(Amounts in thousand)

5. right-of-use assets

	Office space, rented premises and tower sites	Storage tanks	Total
	.....Rupees.....		
As at January 1, 2024			
Cost	15,305,534	3,269,835	18,575,369
Accumulated depreciation	(3,284,335)	(2,148,899)	(5,433,234)
Net book value	12,021,199	1,120,936	13,142,135
Year ended December 31, 2024			
Opening net book value	12,021,199	1,120,936	13,142,135
Additions (note 5.1)	1,094,673	-	1,094,673
Reassessment of liability (note 5.2)	(4,610,773)	-	(4,610,773)
Terminations	(177,744)	-	(177,744)
Depreciation charge for the year (note 5.3)	(757,903)	(499,500)	(1,257,403)
Closing net book value	7,569,452	621,436	8,190,888
As at December 31, 2024			
Cost	11,611,690	3,269,835	14,881,525
Accumulated depreciation	(4,042,238)	(2,648,399)	(6,690,637)
Net book value	7,569,452	621,436	8,190,888
Year ended December 31, 2025			
Opening net book value	7,569,452	621,436	8,190,888
Acquired through business combination (note 1.4)	7,823,937	-	7,823,937
Additions (note 5.1)	3,141,878	-	3,141,878
Reassessment of liability (note 5.2)	10,311,481	-	10,311,481
Terminations	(110,394)	-	(110,394)
Depreciation charge for the year (note 5.3)	(2,725,744)	(451,249)	(3,176,993)
Closing net book value	26,010,610	170,187	26,180,797
As at December 31, 2025			
Cost	32,778,592	3,269,835	36,048,427
Accumulated depreciation	(6,767,982)	(3,099,648)	(9,867,630)
Net book value	26,010,610	170,187	26,180,797
Rate of depreciation (%)	<u>3.33 - 33</u>	<u>10 - 20</u>	

5.1 This represents right-of-use assets recognized against lease agreements entered into by the ECL, EPCL, DPL and EEPL in respect of office space, rented shops and tenanted tower sites, respectively.

5.2 This represents adjustment for EEPL in right-of-use assets (tower sites) due to re-assessment of non cancellable lease term during current year on average from 5 years to 10 years.

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

	2025	....Rupees....	2024
Cost of goods sold (note 35.1)	470,138		499,501
Cost of services rendered (note 35.2)	2,337,387		377,098
Selling and distribution expenses (note 36)	8,733		27,272
Administrative expenses (note 37)	360,735		353,532
	3,176,993		1,257,403

(Amounts in thousand)

6. intangible assets and goodwill

	Goodwill (notes 1.4 and 6.3)	Customer Relationships	Software and licenses (note 6.2)	Rights for future gas utilization	Total
	Rupees.....				
As at January 1, 2024					
Cost	4,500,401	-	3,900,886	102,312	8,503,599
Accumulated amortization	-	-	(1,906,979)	(65,675)	(1,972,654)
Net book value	4,500,401	-	1,993,907	36,637	6,530,945
Year ended December 31, 2024					
Opening net book value	4,500,401	-	1,993,907	36,637	6,530,945
Additions including transfers from capital work-in-progress (note 4.6.1)	-	-	238,161	-	238,161
Transferred to prepayments	-	-	(20,975)	-	(20,975)
Reclassification from property, plant and equipment (note 4.1)	-	-	658	-	658
Write offs	-	-	-	-	-
Cost	-	-	(762)	-	(762)
Accumulated amortization	-	-	396	-	396
	-	-	(366)	-	(366)
Amortization charge for the year (note 6.1)	-	-	(521,588)	(5,110)	(526,698)
Asset held for sale (note 20)	-	-	(279,320)	-	(279,320)
Net book value	4,500,401	-	1,410,477	31,527	5,942,405
As at December 31, 2024					
Cost	4,500,401	-	4,117,968	102,312	8,720,681
Accumulated amortization	-	-	(2,428,171)	(70,785)	(2,498,956)
Asset held for sale (note 20)	-	-	(279,320)	-	(279,320)
Net book value	4,500,401	-	1,410,477	31,527	5,942,405
Year ended December 31, 2025					
Opening net book value	4,500,401	-	1,410,477	31,527	5,942,405
Reversal of held for sale	-	-	279,320	-	279,320
Additions including transfers from capital work-in-progress (note 4.6.1)	-	-	215,406	-	215,406
Acquired through business combination (note 1.4)	16,758,638	30,555,543	-	-	47,314,181
Amortization charge for the year (note 6.1)	-	(887,364)	(368,235)	(5,110)	(1,260,709)
Closing net book value	21,259,039	29,668,179	1,536,968	26,417	52,490,603
As at December 31, 2025					
Cost	21,259,039	30,555,543	4,612,694	102,312	56,529,588
Accumulated amortization and impairment	-	(887,364)	(3,075,726)	(75,895)	(4,038,985)
Net book value	21,259,039	29,668,179	1,536,968	26,417	52,490,603
Annual rate of amortization (%)		5	4 - 33.33	5	

(Amounts in thousand)

6.1 Amortization charge for the year has been allocated as follows:

Cost of goods sold (note 35.1)
 Cost of services rendered (note 35.2)
 Selling and distribution expenses (note 36)
 Administrative expenses (note 37)

	2025	....Rupees....	2024
	84,124		63,067
	726,243		12,520
	2,723		17,377
	447,619		433,734
	1,260,709		526,698

6.2 This mainly includes cost incurred in respect of OneSAP project, which is being amortized over a period of 8 years.

6.3 This includes goodwill (which pertains to fertilizer business), arising on acquisition of control of ECL, mainly on account of expected synergies, efficient business management, high standards of policies, compliances with relevant regulatory framework, integrity, experience and other strength of the work force and management. Goodwill represents excess of the fair value of the previously held equity interest over the proportionate share acquired in identifiable net assets at the date when the control was deemed to be acquired in year 2005. For impairment testing, the recoverable amount of the proportionate share in the said fertilizer business has been determined based on fair value less cost of disposal. The management has used the 'Market Approach' (using fair value measurement of level 3) to determine the fair value less cost of disposal. Based on the valuation, no impairment was considered necessary to be recorded.

7. long-term investments

Investments in Joint Venture and Associates:

Joint venture company - Engro Vopak Terminal
 Limited (EVTL) - (notes 7.1 to 7.3)

Investment in associates (notes 7.4 to 7.7):

- FrieslandCampina Engro Pakistan Limited (FCEPL)
 306,075,948 (2024: 306,075,948) ordinary shares of Rs. 10 each
 [Percentage of holding 39.9% (2024: 39.9%)]

Less: Provision for impairment (note 7.4)

- Sindh Engro Coal Mining Company Limited (SECMC)
 - 191,643,025 (2024: 191,643,025) ordinary shares of Rs. 10 each
 [Percentage of holding 11.9% (2024: 11.9%)] - (notes 7.5 and 7.6)

- Others

Gross carrying value as at December 31
 Less: Impairment recognized thereagainst

Others (note 7.8)

	2025	....Rupees....	2024
	288,998		-
	31,222,614		31,020,251
	(1,224,304)		(1,224,304)
	29,998,310		29,795,947
	17,284,121		-
	1,860,087		1,860,087
	(1,323,687)		(1,323,687)
	536,400		536,400
	94,580		90,330
	48,202,409		30,422,677

(Amounts in thousand)

7.1 Details of investment in EVTL are as follows:

	2025	....Rupees....	2024
At beginning of the year	-		-
Add: Share of profit for the year (note 41)	1,124,518		1,330,836
Less: Provision adjustment in respect of tax contingency (note 30.5)	(160,520)		(442,086)
Less: Dividend received during the year	(675,000)		(888,750)
	288,998		-

7.1.1 As at December 31, 2025, ECL held 45,000,000 ordinary shares (2024: 45,000,000 ordinary shares) of EVTL representing 50% of the issued, subscribed and paid-up capital of EVTL.

7.2 Cases for the tax year 2003 to tax year 2011 of EVTL to determine as to whether the income of EVTL is liable to be taxed under the Normal Tax Regime (NTR) or Final Tax Regime (FTR) are pending in the Honorable Supreme Court of Pakistan (SCP) and the High Court of Sindh (SHC). In this respect, EVTL has disclosed a contingent liability amounting to Rs. 4,124,049, in its financial statements, representing potential tax liability that EVTL may have to recognize if the aforementioned cases are decided against EVTL.

On the basis of legal advice, the Group has recognized its proportionate share of the aforementioned, amounting to Rs. 2,062,024 (2024: Rs. 2,062,024). This potential tax liability has been adjusted by the Group against the carrying value of its investment in EVTL to the extent of it being 'Nil' and the balance amount has been recognized as a provision (note 30.5), depicting the Group's constructive obligation to bear the potential exposure.

7.2.1 As a result of share of profit for the year, the provision for tax contingency amounting to Rs. 1,901,504 previously set off against the carrying value of the Group's investment has increased by Rs. 160,520. Accordingly, the net provision set off against the carrying value of the Group's investment in EVTL now amounts to Rs. 2,062,024 (2024: Rs. 1,901,504).

7.3 The summary of financial information of EVTL as of December 31, is as follows:

Statement of financial position			Statement of profit or loss and other comprehensive income		
Particulars	2025	2024	Particulars	2025	2024
Cash and cash equivalents	170,332	73,577	Revenue from contracts with customers	5,684,153	5,513,678
Current financial liabilities (excluding trade and other payables)	1,000,601	308,758	Depreciation and amortization	612,347	447,304
Non-current assets	4,292,435	4,117,042	Interest income	208,133	570,047
Current assets	4,622,433	3,327,280	Income tax expense	1,431,787	1,593,685
Non-current liabilities	(608,470)	(711,363)	Total comprehensive income for the year	2,249,037	2,661,673
Current liabilities	(3,659,559)	(2,985,157)			
	4,646,839	3,747,802			
Group's share at 50% (2024: 50%)	2,368,419	1,918,901			
Provision against tax contingency	(2,062,024)	(1,901,504)			
Others	(17,397)	(17,397)			
Carrying amount	288,998	-			

(Amounts in thousand)

7.4 FrieslandCampina Engro Pakistan Limited (FCEPL) is a public listed company, incorporated in Pakistan. The Holding Company holds 39.9% shareholding in FCEPL. The principal activity of FCEPL is to manufacture, process and sell dairy products, beverages, ice cream and frozen desserts. Earlier in 2016, the ECL partially disposed-off its investment in FCEPL resulting in it being recognized as an associate and the retained interest in FCEPL valued at fair value on the date of disposal in accordance with the requirements of IFRS. As per the accounting policy of the Group, investment in associates is carried at cost in the consolidated financial statements which is adjusted for post-acquisition changes in net assets.

An impairment loss of Rs. 1,224,304 was recognized in the consolidated financial statements for the year ended December 31, 2019, based on ECL's assessment of the recoverable amount of the investment. However, based on the ECL's assessment as at December 31, 2025, no further impairment charge is required to be recognized in respect of this investment.

7.5 Details of material investments in associated companies are as follows:

	2025	.....Rupees.....	2024
	FCEPL	SECMC	FCEPL
At beginning of the year	29,795,947	-	28,885,499
Reversal of held for sale (note 20)	-	5,374,884	-
Add:			
- Share of profit for the year (note 41)	1,073,569	6,769,951	879,048
- Dividend received during the year	(857,013)	-	-
- Share of other comprehensive (loss) / income	(14,193)	-	31,400
- Adjustment in respect of carrying value of thermal assets (notes 1.3 and 4.1.1)	-	5,139,286	-
	202,363	11,909,237	910,448
	29,998,310	17,284,121	29,795,947
- Investment classified as held for sale (note 20)	-	-	-
	29,998,310	17,284,121	29,795,947

(Amounts in thousand)

7.6 The summary of financial information / reconciliation of associated companies in which the Group holds material investment as of December 31, is as follows:

Particulars	FCEPL		SECMC	
	2025	2024	2025	2024
	.....Rupees.....	.....Rupees.....	.....Rupees.....	.....Rupees.....
Revenue	104,452,438	107,051,450	95,183,413	101,266,424
Profit after tax	2,690,648	2,203,128	29,489,555	37,343,358
Other comprehensive (loss) / income	(35,572)	78,696	-	-
Total comprehensive income	2,655,076	2,281,824	29,489,555	37,343,358
Non-current assets	19,047,497	18,536,830	107,241,846	97,134,635
Current assets	18,463,141	23,137,678	198,550,895	165,909,234
Total assets	37,510,638	41,674,508	305,792,741	263,043,869
Less:				
Non-current liabilities	2,650,376	1,188,594	52,205,455	62,942,817
Current liabilities	17,893,811	24,028,070	109,510,076	85,513,397
Total liabilities	20,544,187	25,216,664	161,715,531	148,456,214
Net assets	16,966,451	16,457,844	144,077,210	114,587,655
Group's share in %	39.9%	39.9%	11.9%	11.9%
Group's share of net assets	6,769,614	6,566,683	17,145,188	13,635,931
Recognition of investment at fair value	24,337,818	24,337,818	-	-
Adjustment in respect of carrying value of thermal assets (note 1.3)	-	-	-	(5,139,286)
Others	115,182	115,750	138,933	(3,121,761)
Provision for impairment	(1,224,304)	(1,224,304)	-	-
Carrying amount	29,998,310	29,795,947	17,284,121	5,374,884
Investment classified as held for sale (note 20)	-	-	-	(5,374,884)
	29,998,310	29,795,947	17,284,121	-

(Amounts in thousand)

7.7 The comparison between quoted fair value and carrying amount of listed associated company is given below:

Name of entity	Place of business	Measurement method	Quoted fair value		Carrying amount	
			2025	2024	2025	2024
			.....Rupees.....	.....Rupees.....	.....Rupees.....	.....Rupees.....
FrieslandCampina Engro Pakistan Limited	5th Floor, The Harbour Front Building, Plot No. HC-3 Marine Drive, Block-4, Scheme No. 5, Clifton, Karachi	Equity method	26,463,326	27,317,278	29,998,310	29,795,947

7.8 This amount is net of loss for the year of Rs. 4,250 (2024: Rs. 19,749) arising on remeasurement of investment of ECPL carried at fair value through other comprehensive income.

8. financial assets at amortized cost

	2025	2024
	.....Rupees.....	.....Rupees.....
Investment in Pakistan Investment Bonds (note 8.1)	5,220,538	4,268,249

8.1 These bonds carry interest at the rate of 7.5% to 17.70% (2024: 13.04% to 18.27%) per annum and have maturity in two to ten years (2024: three to six years).

9. derivative financial instruments

9.1 As at December 31, 2025, EEPL has outstanding interest rate swap agreements with Standard Chartered Bank (Pakistan) Limited for notional amounts aggregating to Rs. 5,000,000 to hedge its interest rate exposure on floating rate borrowings from various lenders. Under the swap agreements, EEPL would receive 3 month KIBOR on respective notional amounts and will pay fix rates. Details of these swap agreements are as follows:

Notional amount	Effective date	Termination date	Fixed rate %	Fair value as at December 31	
				2025	2024
				.....Rupees.....	.....Rupees.....
1,000	July 2, 2021	June 3, 2026	9.85	5,991	51,342
4,000	July 2, 2022	June 3, 2026	10.35	10,868	174,745
				16,859	226,087

(Amounts in thousand)

10. net investment in leases

2025Rupees..... 2024

Undiscounted lease payments analyzed as:

Recoverable after 12 months	46,068,347	59,959,452
Recoverable within 12 months	14,213,818	14,248,932
	60,282,165	74,208,384
Less: Unearned finance income	(12,241,680)	(17,924,089)
Net investment in lease	48,040,485	56,284,295

Net investment in lease analyzed as:

Recoverable after 12 months	38,629,208	47,783,306
Recoverable within 12 months	9,411,277	8,500,989
	48,040,485	56,284,295

Maturity analysis of undiscounted net investment in lease:

Within 1 year	14,213,818	14,244,879
Between 1 and 2 years	14,213,818	14,137,726
Between 2 and 3 years	14,252,760	14,137,726
Between 3 and 4 years	14,213,818	14,176,460
Between 4 and 5 years	3,387,951	14,137,726
Later than 5 years	-	3,373,867
	60,282,165	74,208,384

10.1 EETPL entered into lease arrangement with respect to its LNG infrastructure for receipt, storage and regasification of LNG. EETPL's implicit rate of return on net investment in lease is 11.52% per annum.

10.2 Lease rentals received during the year aggregate to Rs. 8,484,428 (2024: Rs. 7,828,025).

(Amounts in thousand)

11. long-term loans, advances, deposits and other receivables

- Considered good

Loans and advances to

- Executives (notes 11.1 to 11.4)
- Other employees (notes 11.2 and 11.4)

Deposits to suppliers

Less: Current portion of loans to executives and other employees shown under current assets (note 15)

Receivable from Sui Southern Gas Company Limited (SSGCL) (note 11.5)

Less: Current portion shown under current assets (note 15)

Direct cost on Floating, Storage & Regasification Unit (FSRU) (note 11.6)

Less: Accumulated amortization

Security deposits (note 11.7)

Other receivables (note 11.8)

Related to disposal group (note 20)

2025Rupees.... 2024

	144,498	188,543
	71,666	118,637
	182,984	34,049
	399,148	341,229
	(166,910)	(95,248)
	232,238	245,981
	637,369	729,097
	(109,671)	(91,727)
	527,698	637,370
	1,297,737	1,297,737
	(937,256)	(850,740)
	360,481	446,997
	396,371	146,397
	5,069,594	4,479,006
	-	(38,559)
	6,586,382	5,917,192

11.1 Reconciliation of the carrying amount of loans and advances to executives:

Balance as at January 1

Add: Disbursements

Less: Repayments / Amortization

Balance as at December 31

	188,543	190,857
	337,788	367,403
	(381,833)	(369,717)
	144,498	188,543

(Amounts in thousand)

- 11.2** Long-term loans include:
- interest free loans given to workers pursuant to Collective Labour Agreement;
 - advances to employees for car earn out assistance, long-term incentive and house rent advance; and
 - an amount of Rs. 18,427 (2024: Rs. 21,974) in respect of key management personnel.
- 11.3** The maximum amount outstanding at the end of any month during the year from the executives of the Group aggregated to Rs. 351,887 (2024: Rs. 241,809).
- 11.4** The carrying values of these financial assets are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no defaults in recent history.
- 11.5** In 2014, EETPL entered into LSA with SSGCL. As per the terms of the LSA, EETPL was required to construct / build SSGCL Branch Pipeline to be transferred to SSGCL upon commissioning of the LNG Project and recover the cost of construction through charges to be billed to SSGCL over the term of the LSA. EETPL constructed and transferred the SSGCL Branch Pipeline to SSGCL on March 29, 2015, for which the Certificate of Acceptance has been received from SSGCL. The receivable represents construction costs incurred in this respect, net of recoveries.
- 11.6** On June 19, 2015, EETPL received a notice from Model Customs Collectorate (the 'Custom Authorities') seeking information on import of FSRU and contending that the import attracts all leviable duties and taxes i.e. custom duty and advance income tax. EETPL was of the view that the FSRU had been classified as plant, machinery and equipment vide SRO 337(I)/2015 dated April 22, 2015 and accordingly, along with sales tax, custom duty is also exempt under SRO 678(I)/2004 dated August 7, 2004, read with condition (vii) relating to clause 2(a), being of the nature of import-cum-export or temporary import of plant, machinery and equipment.
- Further, since EETPL's profits and gains are exempt from income tax for 5 years from the date of commercial operations, EETPL is also entitled to exemption from collection of advance income tax. The Customs Authorities were not in agreement with EETPL's views on the same and to treat import of FSRU for 15 years as a temporary import. EETPL in response filed a suit before the SHC which through its order dated June 29, 2015 had restrained Customs Authorities from the collection of custom duty and advance income tax.
- SHC, in judgement passed on May 26, 2016, held EETPL liable to custom duty and remanded the matter related to advance income tax to Customs Authorities with directions. EETPL, in response to the aforementioned judgement and demand raised by Customs Authorities, has paid an amount of Rs. 1,325,103 in respect of custom duty. On the basis of prudence, Rs. 1,297,737 is being amortized over the term of 15 years.
- 11.7** These mainly represent security deposits paid by EEPL to service providers in respect of utility connections.
- 11.8** This represents accrued infrastructure equalization revenue of EEPL amounting to Rs. 5,069,594 (2024: Rs. 4,479,006) related to the effect of fixed escalation claims that is spread on straight line basis over the non cancellable lease term and invoices for this amount have not been raised at the reporting date by EEPL.

(Amounts in thousand)

	2025	.....Rupees....	2024
12. stores, spares and loose tools			
Consumable stores (notes 12.2 and 12.3)	17,168,823		15,225,459
Spares and loose tools (note 12.2)	-		665,426
	17,168,823		15,890,885
Less:			
Provision for surplus and slow moving items (note 12.1)	(2,119,165)		(1,794,277)
Related to disposal group (note 20)	-		(574,979)
	15,049,658		13,521,629
12.1 Provision for surplus and slow moving items			
Balance as at January 1	1,794,277		1,494,527
Charge for the year	380,556		427,927
Reversal during the year	(55,668)		(118,540)
Written off during the year	-		(9,637)
Balance as at December 31	2,119,165		1,794,277
12.2 During the year, the Group has directly written off stores, spares and loose tools amounting to Rs. 3,811 (2024: Rs. 5,304) (note 35.1).			
12.3 This includes stores in transit amounting to Rs. 19,123 (2024: Nil).			
13. stock-in-trade			
Raw and packaging materials (note 13.1)	13,539,774		14,358,969
Fuel stock (note 13.2)	725,506		671,371
Work-in-process	614,262		371,488
Finished goods:			
- own manufactured products (note 13.1)	9,058,067		12,430,132
- purchased and packaged products (note 13.1)	14,429,207		14,368,584
	23,487,274		26,798,716
Less: Provision for impairment against stock-in-trade (note 13.3)	(233,588)		(319,936)
Related to disposal group (note 20)	-		(1,313,109)
	38,133,228		40,567,499

(Amounts in thousand)

13.1 Includes:

- materials in transit amounting to Rs. 8,480,988 (2024: Rs. 11,079,122); and
- inventories amounting to Rs. 1,985,591 (2024: Rs. 3,810,908) held at storage facilities of third parties.

13.1.1 During the year, raw materials and finished goods amounting to Rs. 86,207 (2024: Rs. 348,640) were directly written off (note 35.1).

13.2 This includes High Speed Diesel (HSD) inventory required to be maintained for operating the power plant in case supply of gas is unavailable to EPQL. As per clause (b) of section 5.14 of the PPA of EPQL, EPQL is required to maintain HSD inventory at a level sufficient for operating the power plant at full load for seven days.

13.3 Provision for impairment against stock-in-trade

Balance as at January 1
Charge for the year - net
Written off during the year
Balance as at December 31

	2025	....Rupees....	2024
Balance as at January 1	319,936		143,152
Charge for the year - net	-		176,784
Written off during the year	(86,348)		-
Balance as at December 31	233,588		319,936

14. trade debts

Considered good
- secured (notes 14.1, 14.2, 14.5 and 14.10)
- unsecured

	2025	....Rupees....	2024
Considered good			
- secured (notes 14.1, 14.2, 14.5 and 14.10)	52,169,854		71,355,566
- unsecured	19,022,631		7,315,498
	71,192,485		78,671,064
Considered doubtful (note 14.4)	320,687		353,285
	71,513,172		79,024,349
Less: Provision for impairment (note 14.5)	(320,687)		(353,285)
Related to disposal group (note 20)	-		(59,843,837)
	71,192,485		18,827,227

(Amounts in thousand)

14.1 Includes trade debts of EPTL and EPQL aggregating to Rs. 32,046,416 (2024: Rs. 59,843,837) along with delayed payment surcharge (note 16.3), are secured by a guarantee from the Government of Pakistan under the Implementation Agreements and as such are not considered impaired. Pursuant to the Amendment Agreement (note 1.7.1.2), 'Delayed Payment Rate' has been reduced to KIBOR + 1% or actual whichever is lower without compounding for all late payment interest claims that will arise on payments by CPPA-G upto October 31, 2024.

14.2 Includes an amount of Rs. 2,822,104 (2024: Rs. 2,963,382) due from SSGCL, in respect of finance income on net investment in lease, operating lease rentals, utilization / regasification services and operations and maintenance services.

14.3 As at December 31, 2025, trade debts aggregating to Rs. 52,557,176 (2024: Rs. 54,480,674) were neither past due nor impaired.

14.4 As at December 31, 2025, trade debts aggregating to Rs. 320,687 (2024: Rs. 353,285) were past due and impaired and have been provided for.

14.5 The movement in provision during the year is as follows:

Balance as at January 1
Provision for doubtful debts - net
Balance as at December 31

	2025	....Rupees....	2024
Balance as at January 1	361,222		380,705
Provision for doubtful debts - net	(40,535)		(27,420)
Balance as at December 31	320,687		353,285

14.6 As at December 31, 2025, trade debts aggregating to Rs. 18,635,309 (2024: Rs. 24,190,390) were past due but not impaired. These relate to various customers for which there is no recent history of default.

14.7 This includes amount due from FCEPL, associated company amounting to Nil (2024: Rs. 10,753).

14.8 This includes amount of Nil (2024: Rs. 10,753) due from FCEPL, associated company which is past due upto 3 months.

14.9 The maximum amount due from related parties at the end of any month during the year aggregates to Rs. 64,817 (2024: Rs. 291,868).

14.10 These include secured debts of EFERT and EPCL amounting to Rs. 15,123,596 (2024: Rs. 7,443,377) and Rs. 1,541,995 (2024: Rs. 1,071,046) which are secured by way of bank guarantees and letter of credits from customers.

(Amounts in thousand)

15. loans, advances, deposits and prepayments

2025Rupees.... 2024

Current portion of long-term loans and advances to executives and other employees (notes 11 and 15.2)	166,910	95,248
Advances to executives and other employees (notes 15.1 and 15.2)	148,096	14,053
Advances to associated undertakings (note 15.4)	-	3,017
Advances to suppliers	3,155,744	596,043
Current portion of receivable from SSGCL (note 11)	109,671	91,727
Deposits (note 15.3)	2,711,173	8,241,591
Prepayments:		
- insurance	1,348,849	1,616,387
- freight	532,659	377,925
- others	1,635,757	1,316,808
Related to disposal group (note 20)	-	(1,861,975)
	9,808,859	10,490,824

15.1 Represents interest free advances given to executives and other employees for house rent, in accordance with the Group's policy.

15.2 The carrying values of loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no defaults ever.

15.3 This includes advance made to a related party - Nimir Industrial Chemicals Limited amounting to Nil (2024: Rs. 34,472). The maximum amount due at the end of any month was Rs. 34,472 (2024: Rs. 34,472).

15.4 This represents Nil (2024: Rs. 3,017) due from The Dawood Foundation. The maximum amount due at the end of any month during the year was Nil (2024: Rs. 3,017).

(Amounts in thousand)

16. other receivables

2025Rupees.... 2024

Receivable from Government of Pakistan (GoP) against:		
- Sales tax and Federal Excise Duty (FED) receivable	11,548,896	16,542,134
- Subsidy - net of loss allowance and provision (notes 16.1 and 16.2)	3,436,470	2,811,755
	14,985,366	19,353,889
Delayed payment charges - net (note 16.3)	25,861,796	22,403,378
Reimbursable costs from CPPA-G in respect of:		
- Sindh Workers' Profits Participation Fund and Workers' Welfare Funds	9,100,555	7,105,704
- Expenses	-	32,649
	9,100,555	7,138,353
Receivable from related parties / associated undertakings (note 16.4):		
- Engro Vopak Terminal Limited	53,834	85,297
- Reon Energy Limited	-	80
- DH Partners Limited	13,731	2,450
- Engro Foundation	-	21
- Thar Foundation	5,365	4,152
- Sindh Engro Coal Mining Company Limited	3,666	102,914
- Thar Power Company Limited	-	6,309
- FrieslandCampina Engro Pakistan Limited	-	33,987
- China East Resources Import and Export Corporation	-	100,305
- Cyan Limited	-	1,023
- Tenaga Generasi Limited	2,216	2,318
- Sach International (Private) Limited	-	621
- Dawood Investments (Private) Limited	8,005	983
- Dawood Corporation (Private) Limited	-	592
- Inbox Business Technologies (Private) Limited	-	2,411
Insurance claim receivable	786	62,190
Retirement benefit funds	33,487	27,114
Others (note 16.8)	212,187	2,783,032
Related to disposal group (note 20)	-	(36,338,690)
	50,280,994	15,770,279

(Amounts in thousand)

16.1 In 2015, the GoP notified payment of subsidy on sold product at the rate of Rs. 500 per 50 kg bag of Di-Ammonia Phosphate (DAP) and Rs. 217 per 50 kg bag of Nitrophos (N) and Nitrogen, Phosphorous and Potassium (NPK) fertilizers (based on phosphorous content). This subsidy scheme was effective till May 27, 2016.

In 2016, another subsidy scheme was announced by the GoP effective June 25, 2016 whereby subsidy was payable on sold product at the rate of Rs. 156 per 50 kg bag of Urea and Rs. 300 per 50 kg bag of DAP and for Nitrophos 22:20 & 18:18 grade (based on phosphorus content) and NPK fertilizers (based on phosphorus content).

In 2017, another subsidy scheme was announced by the GoP, effective July 01, 2017. Under the new subsidy scheme, aforementioned rates were replaced with Rs. 100 per 50 kg bag for urea only. This subsidy scheme was effective till June 30, 2018. In line with the notification issued for the said scheme, Ministry of National Food Security and Research has appointed third party auditors for verification of subsidy claims which is underway.

	2025	....Rupees....	2024
Subsidy receivable from the Government of Pakistan - net			
Gross subsidy receivable from the GoP	6,523,493		6,523,493
Less: Provision against doubtful receivable (note 16.2)	(155,127)		(155,127)
Less: Loss allowance on subsidy receivable from the GoP (note 16.1.1)	(2,931,896)		(3,556,611)
	3,436,470		2,811,755

16.1.1 The movement in loss allowance on subsidy receivable from the GoP is as follows:

	2025	....Rupees....	2024
Balance as at January 1	3,556,611		4,759,699
Gain allowance for the year	(624,715)		(1,203,088)
Balance as at December 31	2,931,896		3,556,611

16.1.2 As at December 31, 2025, specific provision in respect of subsidy amounts to Rs 155,127 (2024: Rs 155,127).

16.2 As required under IFRS 9, an entity is required to assess changes in credit risk by taking into account the time value of money, reasonable and supportable assumptions regarding past events, current conditions, forecast of future events and economic conditions attached to its receivables and recognize expected credit loss, if any. Based on this, EFERT has recomputed expected credit loss amounting to Rs. 2,931,896 (2024: Rs. 3,556,611) on subsidy receivable from the GoP giving due consideration to the time value of money based on expected recovery of the subsidy receivable. EFERT, however, is confident of full recovery of the subsidy amount from the GoP.

16.3 This represents mark-up on overdue trade debts, as referred to in note 14.1 of which Rs. 847,270 (2024: Rs. 2,446,599) is neither past due nor impaired and Rs. 24,987,584 (2024: Rs. 21,125,829) is overdue but not impaired. This also includes Rs. 26,942 (2024: Rs. 611,051) which is unbilled. Further, this amount is netted off against provision of Nil (2024: Rs. 1,780,101).

16.4 The ageing analysis of past due receivables from associated companies / related parties are as follows:

(Amounts in thousand)

- Upto 3 months
- 3 to 6 months
- More than 6 months

	2025	....Rupees....	2024
- Upto 3 months	25,847		150,271
- 3 to 6 months	-		89,127
- More than 6 months	60,970		104,065
	86,817		343,463

16.5 The maximum amount due from related parties at the end of any month during the year amounts to Rs. 50,689 (2024: Rs. 62,056).

16.6 As at December 31, 2025, receivables aggregating to Rs. 54,730 (2024: Rs. 54,730) were impaired and have been provided for in full.

16.7 Other receivables includes non-adjustable sales tax of Rs. 740,888 (2024: Rs. 740,888) relating to the project phase of EPTL, which, as per the Tariff Decision (note 35.1.2) is allowed to be claimed as a pass-through item from CPPA-G under the PPA, if disallowed by the relevant authorities.

16.8 This includes Nil (2024: Rs. 2,970,119) paid to a gas supplier pursuant to an arrangement under which EFERT has committed to fulfill certain obligations in case of default by another gas company.

17. contract assets

Contract asset related to EPTL - net (note 34.1.1)
Unbilled revenue

	2025	....Rupees....	2024
Contract asset related to EPTL - net (note 34.1.1)	2,102,486		-
Unbilled revenue	6,477,201		4,015,945
	8,579,687		4,015,945

18. short-term investments

At fair value through profit or loss

Investment in units of mutual funds (note 18.1)
Treasury bills
Quoted shares (note 18.7)

Investment in units of mutual funds (note 18.1)	47,826,076		28,429,608
Treasury bills	4,547,722		-
Quoted shares (note 18.7)	-		16,546,268
	52,373,798		44,975,876

At fair value through other comprehensive income

Pakistan Investment Bonds (notes 18.2 and 18.3)

Pakistan Investment Bonds (notes 18.2 and 18.3)	13,349,383		14,305,192
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At amortized cost

Treasury bills (note 18.4)
Pakistan Investment Bonds
Fixed income placements / Term deposit receipts (note 18.5)

Treasury bills (note 18.4)	1,934,603		2,177,002
Pakistan Investment Bonds	-		849,477
Fixed income placements / Term deposit receipts (note 18.5)	42,995,883		34,083,273
	44,930,486		37,109,752

Related to disposal group (note 20)

Related to disposal group (note 20)	-		(14,318,691)
	110,653,667		82,072,129

(Amounts in thousand)

- 18.1** This represents investment in 622,082,694 units (2024: 100,148,960 units) of mutual funds having cost amounting to Rs. 47,077,904 (2024: Rs. 28,325,456).
- 18.2** These bonds carry yield of 12.75% to 13.40% (2024: 12.75% to 13.40%) per annum and have maturity terms ranging between 5 to 10 years (2024: 5 to 10 years).
- 18.3** This amount is net off gain amounting to Rs. 296,013 (net off loss 2024: Rs. 3,584) arising on remeasurement of Pakistan Investment Bonds.
- 18.4** These Treasury Bills carry interest at rates ranging between 11.18% to 11.70% (2024: 13% to 21.4%) per annum and maturing on various dates between 1 to 3 months (2024 : 1 to 5 months).
- 18.5** These represent placements with banks and Term Deposit Receipts carrying interest at the rates ranging between 3.05% to 13.75% (2024: 3.5% to 19.9%) per annum and maturing on various dates between 1 to 6 months (2024: 1 to 3 months).
- 18.6** Certain investments held by ECL are pledged as disclosed in note 33.2.
- 18.7** As a result of the Scheme, investment in quoted shares have been transferred to DHPL on the effective date (note 1.2).

19. cash and bank balances

2025Rupees.... 2024

	2025	2024
Cash in hand	1,981	5,354
Balances with banks in:		
- deposit accounts (notes 19.1 and 19.2)	12,927,916	22,506,331
- deposit accounts - islamic (note 19.3)	1,479,970	1,315,441
- current accounts and non-negotiable instruments	21,182,801	6,478,145
	35,590,687	30,299,917
Related to disposal group (note 20)	-	(17,243,831)
	35,592,668	13,061,440

- 19.1** Local currency conventional deposits carry return ranging from 2.54% to 11.5% (2024: 5.02% to 20.51%) per annum.
- 19.2** Includes bank balances Rs. 4,704,012 (2024: Rs. 5,292,373) held in foreign currency bank accounts and carry return ranging upto 1.75% (2024: upto 4%) per annum.

(Amounts in thousand)

- 19.3** These are shariah compliant bank balances and carry profit at rates ranging from 2.54% to 13.5% (2024: 5.5% to 13.05%) per annum.

20. assets classified as held for sale and discontinued operations

- 20.1** As stated in note 1.3, EEL has elected to terminate the definitive agreements with immediate effect from April 5, 2025 (the "Termination Date"). This termination is being exercised in accordance with EEL's rights under the definitive agreements due to the non-fulfilment of the agreed conditions precedent by the stipulated long stop date of April 4, 2025.

Pursuant to this, items under asset held for sale have been reclassified back to their respective consolidated financial statement line items.

- 20.2** In 2024, assets and liabilities of EEAPL, a wholly owned subsidiary of ECL were classified as held for sale following the decision of the Board of Directors of ECL. Accordingly, in accordance with IFRS 5, assets and liabilities were measured at the lower of their carrying value and fair value less costs to sell, and the financial results were classified as attributable to discontinued operations.

During the year, ECL entered into a definitive agreement with MAP Rice Mills (Private) Limited, an affiliate of the Bestway Group, for the sale of its entire shareholding in EEAPL (the "Transaction"). On March 12, 2025, all corporate and regulatory approvals related to the Transaction were obtained, and the sale was successfully executed.

20.2.1 loss from discontinued operations

2025Rupees.... 2024

	2025	2024
Revenue from contracts with customers - net	-	6,045
Cost of revenue	-	(5,334)
Gross profit	-	711
Administrative expenses	(60,596)	(519,544)
Selling and distribution expenses	-	(1,389)
Other income	36,654	205,166
Other operating expenses	(3,458)	(15,094)
Operating loss	(27,400)	(330,150)
Finance cost	(17,785)	(1,205)
Loss before tax	(45,185)	(331,355)
Taxation	(228,689)	-
Loss after tax from discontinued operations	(273,874)	(331,355)

(Amounts in thousand)

20.2.2 Assets and liabilities of assets portfolio classified as held for sale

ASSETS	2025	....Rupees....	2024
Property, plant and equipment (note 20.3)	-		123,135,022
Intangible assets	-		279,320
Long-term investments	-		5,374,884
Long-term loans, advances, deposits and other receivables	-		38,559
Stores and spares and loose tools	-		574,979
Stock-in-trade	-		1,313,109
Trade debts	-		59,843,837
Loans, advances, deposits and prepayments	-		1,861,975
Other receivables	-		36,338,690
Accrued income	-		2,466,722
Taxes recoverable	-		69,599
Short-term investments	-		14,318,691
Cash and bank balances	-		17,243,831
	-		262,859,218
LIABILITIES			
Borrowings	-		109,610,749
Deferred taxation	-		994,001
Trade and other payables	-		62,420,930
Contract liabilities	-		9,335,960
Accrued interest / mark-up	-		1,238,788
Taxation - net	-		373,648
Dividend payable	-		19,890
Short-term borrowings	-		23,005,561
	-		206,999,527
NET ASSETS - attributable to discontinued operations	-		55,859,691

(Amounts in thousand)

20.2.3 Net cash flows for the year relating to discontinued operations:

	2025	....Rupees....	2024
Net cash (utilized in) / generated from operating activities	(373,369)		2,209,700
Net cash generated from investing activities	207,378		36,500
Net cash utilized in financing activities	-		(365,883)

20.3 This is net-off remeasurement loss recognized in respect of carrying value of thermal assets amounting to Nil (2024: Rs. 24,099,000).

21. share capital

21.1 Authorized share capital

2025	....Number of shares....	2024	2025	....Number of shares....	2024
1,250,000,000		1,250,000,000	Ordinary shares of Rs. 10 each	12,500,000	12,500,000

21.2 Issued, subscribed and paid-up capital

2025	....Number of shares....	2024	2025	....Number of shares....	2024
13,900,000		13,900,000	Ordinary shares of Rs. 10 each fully paid in cash	139,000	139,000
467,387,116		467,387,116	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	4,673,871	4,673,871
722,944,878		-	Shares issued under the Scheme (note 1.2)	7,229,449	-
1,204,231,994		481,287,116		12,042,320	4,812,871

21.3 These fully paid ordinary shares carry one vote per share and right to dividend.

22. maintenance reserve

22.1 In accordance with the Power Purchase Agreement (PPA), EPQL is required to establish and maintain a separate reserve fund (the Fund) with a depository institution for payment of major maintenance expenses. Any interest income resulting from the depository arrangements of the Fund is to remain in the Fund to the extent of any shortfall from the contractual limit.

(Amounts in thousand)

Under the PPA, 1/24th of the annual operating and maintenance budget of the power plant less fuel expenses is required to be deposited into the Fund on each capacity payment date until such reserve equals to nine such deposits. After the second agreement year and thereafter, the Fund may be re-established at such other level that EPQL and CPPA-G mutually agree.

In 2012 EPQL, due to uncertain cash flows resulting from delayed payments by CPPA-G has, as per flexibility available under the PPA, reduced the amount deposited in a schedule bank, which has been invested in Treasury Bills having a face value of 49,994 (2024: Nil) as at December 31, 2025. Till such time the amount is deposited again to the required level, EPQL has unutilized short term financing available to meet any unexpected maintenance requirement that may arise in the foreseeable future.

22.2 During the year, an amount of Rs. 29,754 (2024: Rs. 328,944), being owners' share, has been transferred from unappropriated profit to the fund because the operations and maintenance regime of EPQL's plant involve expenditure on equipment and overhaul of the power plant on certain intervals that are based on plant operations. An amount covering these cost calculated based on factored fired hours has been appropriated to maintenance reserve.

23. borrowings

- Secured

Islamic finances (note 23.1)
 Conventional finances (note 23.20)
 Foreign currency borrowings and others (note 23.3)

Less: Current portion shown under current liabilities (note 23.5)

Less: Government grant (note 24)
 Related to disposal group (note 20)

	2025	....Rupees....	2024
	148,760,979		62,631,165
	49,055,037		34,352,175
	80,649,741		97,392,109
	278,465,757		194,375,449
	(42,607,440)		(7,440,812)
	(1,502,997)		(1,968,886)
	-		(109,610,749)
	234,355,320		75,355,002

(Amounts in thousand)

23.1 Islamic Finances

Note	Mark-up / Profit rate	Number	Installments Commenced / Commencing from	2025	2024	
				-----Rupees-----		
Islamic Long Term Financing Facility (ILTF)	23.1.1	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,151,693	1,392,830
Islamic Temporary Economic Refinance Facilities (ITERF)	23.1.2	Ranging from SBP rate + 0.75% to 1.25%	32 quarterly	June 2023 to September 2023	2,849,430	3,219,955
Loan under diminishing musharaka agreement I	23.1.3	3 months KIBOR + 0.4%	8 half yearly	June 28, 2023	100,000	200,000
Syndicated Long Term Islamic Financing Facility	23.1.4	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,739,508	8,736,621
Loan under diminishing musharaka agreement II	23.1.5	3 months KIBOR + 0.3%	16 quarterly	March 21, 2026	4,500,000	6,000,000
Bilateral Loan II	23.1.6	3 months KIBOR + 0.4%	20 quarterly	April 19, 2026	1,600,000	2,000,000
Loan under diminishing musharaka agreement III	23.1.7	3 months KIBOR + 0.03%	20 quarterly	March 10, 2027	6,000,000	6,000,000
Loan under diminishing musharaka agreement IV	23.1.8	3 months KIBOR + 0.4%	28 quarterly	December 30, 2028	2,294,500	-
Syndicated loan under diminishing musharaka	23.1.9	3 months KIBOR + 0.6%	16 quarterly	March 31, 2029	10,959,903	-
Loan under diminishing musharaka agreement V	23.1.10	3 months KIBOR + 0.4%	10 half yearly	June 30, 2028	1,000,000	-
Loan under diminishing musharaka agreement VI	23.1.11	3 months KIBOR + 0.65%	16 quarterly	March 31, 2027	1,594,400	-
Loan under diminishing musharaka agreement VII	23.1.12	3 months KIBOR + 0.3%	32 quarterly	March 30, 2028	2,000,000	-
Loan under diminishing musharaka agreement VIII	23.1.13	3 months KIBOR + 0.4%	16 quarterly	March 30, 2029	4,967,800	-
Islamic Facility Agreements	23.1.15	3 months KIBOR + 3.5%	20 half yearly	June 1, 2020	2,286,068	2,681,759
Meezan Bank Limited - Facility 1	23.1.16	3 months KIBOR + 0.93%	20 quarterly	January 3, 2024	2,700,000	3,600,000
Meezan Bank Limited - Facility 2	23.1.17	3 months KIBOR + 0.4%	28 quarterly	December 29, 2025	3,000,000	3,000,000
Faysal Bank Limited - Facility 1	23.1.18	3 months KIBOR + 0.4%	28 quarterly	March 28, 2026	1,000,000	1,000,000
MCB Bank Limited - Syndicate Facility	23.1.19	3 months KIBOR + 0.7%	20 quarterly	March 30, 2024	2,100,000	2,800,000
MCB Bank Limited - Syndicate Facility 2	23.1.20	3 months KIBOR + 0.65%	28 quarterly	November 2, 2026	6,000,000	6,000,000
Meezan Bank Limited - Facility 3	23.1.21	3 months KIBOR + 0.4%	24 quarterly	February 7, 2029	1,500,000	1,500,000
Faysal Bank Limited - Facility 2	23.1.22	3 months KIBOR + 0.5%	28 quarterly	July 29, 2027	1,500,000	1,500,000
United Bank Limited Syndicated Facility	23.2.12	6 months KIBOR + 2.5%	16 half yearly	June 2, 2029	53,667,677	-

Medium Term Loans

Loan under running musharaka	23.1.14	1 month KIBOR + 0.5%	1 lump-sum	March 31, 2027	3,000,000	-
Meezan Bank Limited	23.1.23	1 month KIBOR + 0.50%	1 lump-sum	March 31, 2027	3,000,000	-
Bank Islami Pakistan Limited	23.1.23	3 months KIBOR + 0.30%	1 lump-sum	March 24, 2027	5,000,000	-

Facilities of EFERT - Senior lenders

Standard Chartered Bank Limited	23.2.14	3 months KIBOR - 0.60%	4 quarterly	April 03, 2026	4,000,000	-
United Bank Limited	23.2.14	3 months KIBOR - 0.25%	4 quarterly	December 27, 2025	3,000,000	3,000,000
Meezan Bank Limited	23.2.14	3 months KIBOR + 0.10%	28 quarterly	March 31, 2028	2,000,000	2,000,000
Habib Bank Limited	23.2.14	3 months KIBOR + 0.10%	12 quarterly	December 30, 2026	5,000,000	5,000,000
Habib Bank Limited	23.2.14	3 months KIBOR - 0.25%	6 half yearly	December 30, 2025	2,250,000	3,000,000
					148,760,979	62,631,165

23.2 Conventional Finances

MCB Bank Limited - Facility 1	23.2.1	3 months KIBOR + 0.95%	20 quarterly	January 2, 2023	400,000	600,000
Bank Alfalah Limited	23.2.2	3 months KIBOR + 0.8%	20 quarterly	July 1, 2023	500,000	700,000
Habib Bank Limited - Facility 1	23.2.3	3 months KIBOR + 0.95%	20 quarterly	July 29, 2023	850,000	1,190,000
Habib Bank Limited - Facility 2	23.2.4	3 months KIBOR + 0.7%	20 quarterly	March 29, 2024	1,200,000	1,600,000
MCB Bank Limited - Facility 3	23.2.5	3 months KIBOR + 0.4%	28 quarterly	November 30, 2025	1,928,571	2,000,000
Habib Bank Limited - Facility 3	23.2.6	3 months KIBOR + 0.4%	28 quarterly	March 13, 2026	2,500,000	2,500,000
United Bank Limited	23.2.7	3 months KIBOR + 0.4%	28 quarterly	March 16, 2026	1,500,000	1,500,000
Habib Bank Limited - Facility 4	23.2.8	3 months KIBOR + 0.5%	24 quarterly	September 28, 2028	1,500,000	1,500,000
MCB Bank Limited - Facility 4	23.2.9	3 months KIBOR + 0.4%	24 quarterly	January 29, 2029	2,000,000	-
Soneri Bank Limited	23.2.10	3 months KIBOR + 0.5%	28 quarterly	March 30, 2029	2,000,000	-
Pak China Investment Company Limited	23.2.11	3 months KIBOR + 0.4%	24 quarterly	March 30, 2030	1,000,000	-
Long term financing facility	23.2.13	3 months KIBOR + 0.75%	20 quarterly	March 31, 2028	1,988,500	-
National Bank of Pakistan	23.1.15	3 months KIBOR + 3.5%	20 half yearly	June 1, 2020	1,791,133	2,101,158
Habib Bank Limited - led consortium	23.1.15	3 months KIBOR + 3.5%	20 half yearly	June 1, 2020	9,724,933	11,408,204

Facilities of EFERT - Senior Lenders

Allied Bank Limited	23.2.14	3 months KIBOR + 0.35%	12 quarterly	March 30, 2023	-	110,325
Allied Bank Limited	23.2.14	3 months KIBOR + 0.35%	6 half yearly	June 30, 2023	-	23,675
MCB Bank Limited	23.2.14	3 months KIBOR - 0.25%	4 quarterly	February 11, 2026	5,000,000	5,000,000
Allied Bank Limited	23.2.14	3 months KIBOR + 0.35%	6 half yearly	June 21, 2023	-	333,333

	5,000,000	5,467,333
	33,883,137	30,566,695

(Amounts in thousand)

	Note	Mark-up / Profit rate	Installments		2025	2024
			Number	Commenced / Commencing from		
-----Rupees-----						
TERF Loans - EFERT						
Allied Bank Limited	23.1.24 and 23.1.25	1.50%	Various	March 30, 2023	449,220	539,945
Habib Bank Limited	23.1.24 and 23.1.25	2.00%	Various	January 29, 2022	552,270	641,084
MCB Bank Limited	23.1.24 and 23.1.25	1.50%	Various	January 13, 2023	2,170,410	2,604,451
					3,171,900	3,785,480
Medium Term Loans						
Allied bank Limited	23.1.23	3 months KIBOR + 0.40%	1 lump-sum	March 30, 2027	3,000,000	-
Askari Bank Limited	23.1.23	3 months KIBOR + 0.40%	1 lump-sum	March 31, 2027	5,000,000	-
Bank Alfalah Limited	23.1.23	1 month KIBOR + 0.45%	1 lump-sum	March 27, 2027	4,000,000	-
					12,000,000	-
					49,055,037	34,352,175
23.3 Foreign currency borrowings and others						
Ijarah Facility from International Finance Corporation	23.3.1	SOFR + 3.68%	7 half yearly	July 15, 2025	3,545,917	4,101,889
China Development Bank Corporation, China Construction Bank Corporation, and Industrial and Commercial Bank of China Limited	23.3.2	6 months average SOFR + 4.2% + CAS (0.42826%)	20 half yearly	June 1, 2020	80,141,913	97,232,625
					83,687,830	101,334,514
Less: Transaction costs	23.3.3				(3,038,089)	(3,942,405)
					80,649,741	97,392,109

(Amounts in thousand)

23.1.1 In 2020, EPCL obtained Islamic Long Term Financing Facility (ILTFF) of the State Bank of Pakistan (SBP) for a period of 10 years through musharaka agreement entered with financial institutions to finance its PVC - III expansion project. This is secured by way of hypothecation charge over present and future fixed assets of EPCL (excluding land and building), to the extent of Rs. 2,437,500 which shall rank pari passu with the charges created in favor of the existing creditors.

23.1.2 In 2021, EPCL obtained ITERF of SBP for a period of 10 years (including 2 years grace period) through musharaka agreement entered with financial institutions of Rs. 1,000,000 to finance its capital expenditure. The borrowing is secured by way of hypothecation charge of present and future fixed assets of EPCL (excluding land and building), to the extent of Rs. 1,250,000 which shall rank pari passu with the charges created in favor of existing creditors.

In 2021, EPPL entered into a musharaka agreement with MCB Bank Limited (MCB) and MCB Islamic Bank Limited (MIBL) for Rs. 550,000 and Rs. 100,000, respectively, under the ITERF of SBP. The borrowing is secured by the way of exclusive hypothecation charge over the fixed assets (excluding land and building) of EPPL with 20% margin and corporate guarantee of EPCL.

In 2022, EPPL entered into a musharaka agreement with Faysal Bank Limited (FBL) for to Rs. 2,000,000 under the ITERF of SBP. The borrowing is secured by the way of first pari passu hypothecation charge over plant and machinery of EPPL with 20% margin and cross corporate guarantee of EPCL.

23.1.3 In 2021, EPCL made a draw down of Rs. 400,000 under diminishing musharaka agreement entered with Bank of Khyber (BOK) to finance its long term expenditure. The borrowing is secured by way of hypothecation charge of present and future fixed assets of EPCL (excluding land and building), to the extent of Rs. 500,000 which shall rank pari passu with the charges created in favor of existing creditors.

23.1.4 On December 28, 2022, EPCL made a draw down of Rs. 8,750,000 under Syndicated Long Term Islamic Financing Facility to finance buyback of its sukuk bonds. The borrowing is secured by way of hypothecation charge over present and future fixed assets of EPCL, to the extent of Rs. 11,666,667 which shall rank pari passu with the charges created in favor of existing creditors.

23.1.5 On December 12, 2022, EPCL obtained loans amounting to Rs. 6,000,000 to finance its capital expenditure through musharaka agreement entered with financial institutions for a period of 8 years (including 3 years grace period). The borrowing is secured by way of hypothecation charge of present and future fixed assets of EPCL, to the extent of Rs. 7,833,333 which shall rank pari passu with the charges created in favor of existing creditors. During the year, EPCL opted to prepay initial four installments in respect of loan under diminishing musharaka agreement II which were due from March 21, 2026 amounted to Rs. 1,500,000. Accordingly, the next installments in respect of these agreements are due from March 21, 2027.

23.1.6 In 2024, EPCL entered into a musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL) for a loan facility amounting to Rs. 2,000,000. The borrowing is secured by way of hypothecation charge of present and future fixed assets of EPCL (except land and building) to the extent of Rs. 2,500,000, ranking subordinate and subservient to the charges created in favor of the existing creditors. During the year, EPCL opted to prepay initial four installments in respect of bilateral loan II which were due from April 19, 2026 amounted to Rs. 400,000. Accordingly, the next installments in respect of this facility are due from April 19, 2027.

23.1.7 In 2024, EPCL entered into a musharaka agreement with Meezan Bank Limited (MBL) for a loan facility amounting to Rs. 6,000,000. The borrowing is secured by way of hypothecation charge of present and future fixed assets of EPCL (except land and building) to the extent of Rs. 7,200,000, ranking subordinate and subservient to the charges created in favor of the existing creditors.

23.1.8 During the year, EPCL entered into a diminishing musharaka agreement with MIBL for a loan facility amounting to Rs. 2,300,000 for a period of 10 years. The borrowing is secured by way of first pari passu / joint pari passu charge over present and future fixed assets of EPCL (except land and building) to the extent of Rs. 3,066,667, ranking subordinated and subservient to the charges created in favor of the existing creditors.

(Amounts in thousand)

23.1.9 During the year, EPCL entered into a diminishing musharaka agreement with MCB, FBL, and Bank of Punjab for a syndicated loan facility amounting to Rs. 12,000,000 for a period of 7 years. The borrowing is secured by a first pari passu hypothecation charge over the present and future fixed assets of EPCL (excluding land and buildings) to the extent of Rs. 15,000,000.

23.1.10 During the year, EPCL entered into a diminishing musharaka agreement with BOK for a loan facility amounting to Rs. 1,000,000 for a period of 7 years. The borrowing is secured by way of joint pari passu charge over the fixed assets of EPCL (excluding land and buildings) to the extent of Rs. 1,250,000.

23.1.11 During the year, EPCL entered into a diminishing musharaka agreement with Bank Islami Pakistan Limited (BIPL) for a loan facility amounting to Rs. 1,600,000 of 5 years. The borrowing is secured by way of first pari passu hypothecation charge over the present and future fixed assets of EPCL (excluding land and buildings) with 20% margin, amounting to Rs. 2,000,000.

23.1.12 During the year, EPCL entered into a diminishing musharaka agreement with Allied Bank Limited (ABL) for a loan facility amounting to Rs. 2,000,000 for a period of 10 years. The borrowing is secured by way of pari passu charge over EPCL's fixed assets (plant and machinery), with 25% margin, amounting to Rs. 2,667,667.

23.1.13 During the year, EPCL entered into a diminishing musharaka agreement with Bank Alfalah Limited (BAFL) for a loan facility amounting to Rs. 5,000,000 for a period of 7 years. The borrowing is secured by way of first joint pari passu charge over the fixed assets of EPCL (plant and machinery) with 20% margin, amounting to Rs. 6,250,000.

23.1.14 During the year, EPCL entered into a running musharaka agreement with MBL for a loan facility amounting to Rs. 3,500,000 for a period of 1 year and 6 months. The borrowing is secured by way of first joint pari passu hypothecation charge over the current assets of EPCL with 16.67% margin, amounting to Rs. 4,200,000.

23.1.15 EPTL has entered into the following loan agreements which are fully availed and utilized:

- Rupee Facility Agreement with a consortium of banks led by HBL for an aggregate amount of Rs. 17,016,000. As at December 31, 2025, the outstanding balance of the borrowing was Rs. 9,724,933 (2024: Rs. 11,408,204).
- Bilateral Facility Agreement with National Bank of Pakistan (NBP) for an aggregate amount of Rs. 3,134,000. As at December 31, 2025, the outstanding balance of the borrowing was Rs. 1,791,133 (2024: Rs. 2,101,158).
- Islamic Facility Agreements with MBL, FBL and HBL for an aggregate amount of Rs. 4,000,000. As at December 31, 2025, the outstanding balance of the borrowing was Rs. 2,286,068 (2024: Rs. 2,681,757).

These loans are secured primarily through first ranking hypothecation charge over project assets of EPTL. Further, the shareholders of EPTL have committed to provide cost overrun support for 10% of entire debt and pledged shares in favor of the Security Trustee.

These borrowings include Rs. 1,550,000 and Rs. 200,000 borrowed from HBL, a related party, under the Rupee Facility Agreement and Islamic Facility Agreement, respectively. As at December 31, 2025, the outstanding balance of the borrowing was Rs. 885,851 (2024: Rs. 1,039,182) and Rs. 114,303 (2024: Rs. 134,088), respectively.

23.1.16 In November 2021, EEPL entered into a secured long term musharaka financing facility extended by MBL for an amount up to Rs. 4,500,000. The total tenor of the loan is 7 years from the date of disbursement of finance with 2 years grace period for principal portion.

(Amounts in thousand)

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu hypothecation charge over all present and future current assets and fixed assets (excluding land and building) in favor of MBL in the sum of Rs. 6,000,000. This charge ranks pari passu with the charges created in favor of the existing creditors and pari passu inter-se the Participants.
- (b) Assignment of receivables from CM Pak Limited (Zong) amounting to Rs. 6,000,000 favoring MBL along with collection of receivable from MBL's channel.
- (c) Lien and right to set-off over the Collection Account, Payment Account and the Payment Service Reserve Account in favor of MBL in terms of the letter of lien amounting to Rs. 6,000,000.
- (d) Letter of comfort of ECL.

23.1.17 In September 2022, EEPL entered into a secured long term musharaka financing facility and secured facility extended by MBL for an amount up to Rs. 3,000,000. The total tenor of loan is ten years from date of disbursement of finance with 3 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu charge by way of hypothecation over all the present and future fixed assets (excluding land and buildings), current assets and receivables in favor of MBL in the sum of Rs. 4,000,000. This charge ranks pari passu with the charges created in favor of the existing creditors and pari passu inter-se the Participants.
- (b) Assignment of receivables from Zong amounting to Rs. 10,000,000 favoring MBL along with collection of receivable from MBL's channel.
- (c) Lien and right to set-off over the Collection Account, Payment Account and the Payment Service Reserve Account in favor of MBL.
- (d) Letter of comfort of ECL.

23.1.18 In December 2022, EEPL entered into a secured long term musharaka agreement and secured facility extended by FBL for an amount up to Rs. 1,000,000. The total tenor of loan is ten years from date of disbursement of finance with 3 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu charge by way of hypothecation over all the present and future fixed assets (excluding land and buildings), current assets and receivables in favor of the investment agent in the sum of Rs. 1,334,000. This charge ranks pari passu (by way of security pooling in favor of HBL as the security agent) with the charges created in favor of the existing creditors.
- (b) Lien and right to set-off over the Payment Account in favor of FBL in terms of a letter of lien up to the sum of Rs. 1,333,000.

23.1.19 In December 2021, EEPL entered into a secured syndicated long term musharaka financing facility and secured syndicated term finance facility extended by the Participants (i.e. MCB, The Bank of Punjab and Habib Metropolitan Bank Limited) for an amount up to Rs. 3,500,000. The total tenor of loan is 7 years from date of disbursement with 2 years grace period for principal portion.

(Amounts in thousand)

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu charge by way of hypothecation over all the present and future fixed assets (excluding land and buildings), current assets and receivables in favor of the Participants in the sum of Rs. 4,667,000. This charge ranks first pari passu with the charges created in favor of the existing creditors and pari passu inter-se the Participants.
- (b) Assignment of receivables amounting to Rs. 6,007,000 favoring the Participants along with collection and of receivable from the Participant's bank channel and Bank Alfalah Limited.
- (c) Lien and right to set-off over the Collection Account, Payment Account and the Payment Service Reserve Account in favor of the Participants in terms of the Letter of Lien amounting to Rs. 4,667,000.
- (d) Letter of comfort of ECL.

23.1.20 In July 2023, EEPL entered into a secured syndicated long term musharaka financing facility and secured syndicated term finance facility extended by the Participants (i.e. MCB, MBL, ABL and FBL) for an amount up to Rs. 6,000,000. The total tenor of loan is 10 years from date of disbursement of finance with 3 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) Charge by way of hypothecation over all the present and future current and fixed assets (excluding land and buildings) in favor of the security agent in the sum of Rs. 8,000,000.
- (b) Lien and right to set-off over the Debt Payment Account and the Debt Service Reserve Account in favor of the Facility Agent in terms of the letter of lien in the sum of Rs. 2,000,000.
- (c) Lien and right of set-off over the Finance Payment Account and the Payment Service Reserve Account in favor of the Investment Agent in terms of the letter of lien in the sum of Rs. 6,000,000.
- (d) Letter of comfort of ECL.

23.1.21 In November 2024, EEPL entered into a secured long term musharaka facility extended by the MBL for an amount up to Rs. 1,500,000. The total tenor of loan is 10 years from date of disbursement of finance with 4 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) Charge by way of hypothecation over all the present and future current and fixed assets (excluding land and buildings) in favor of the security agent in the sum of Rs. 2,000,000.
- (b) Assignment or receivables in favor of the Security Trustee in the sum of Rs. 2,000,000.
- (c) Lien and right to set-off over the Collection Account, Payment Service Reserve Account, and the Payment Account in favor of MBL in terms of the letter of lien amounting to Rs. 2,000,000.
- (d) Letter of comfort of ECL.

(Amounts in thousand)

23.1.22 In April 2024, EEPL entered into a secured long term islamic financing facility extended by FBL for an amount up to Rs. 1,500,000. The total tenor of loan is 10 years from date of disbursement of finance with 3 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) Charge by way of hypothecation over all the present and future current and fixed assets (excluding land and buildings) in favor of the security agent in the sum of Rs. 2,000,000.
- (b) Lien and right to set-off over the Finance Payment Account in favor of FBL in terms of the letter of lien in the sum of Rs. 2,000,000.
- (c) Letter of comfort of ECL.

23.1.23 All medium term loans of EFERT are secured by joint pari passu floating charges over current assets and future stocks of EFERT. All medium term loans of EFERT have been repaid in full (subsequent to the year end).

23.1.24 These borrowings have the same charge as the borrowings from other Senior Lenders on operating assets.

23.1.25 In accordance with IFRS 9, the Group has recognized these loans at their fair value and differential markup as deferred government grant income, as mentioned in note 25 to these consolidated financial statements, which will be amortized and set off against finance cost over the period of facilities.

23.2.1 In October 2020, EEPL entered into a secured long term financing facility extended by MCB for an amount up to Rs. 1,000,000. The total tenor of loan is 7 years from date of disbursement of finance with 2 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First hypothecation charge amounting to Rs. 1,333,000 over current assets and fixed assets (excluding land and building) of EEPL.
- (b) Assignment of receivables favoring MCB along with collection of receivable from the MCB's channel.
- (c) Letter of comfort of ECL.

23.2.2 In March 2021, EEPL entered into a secured long term financing facility extended by BAFL for an amount up to Rs. 1,000,000. The total tenor of loan is 7 years from date of disbursement of finance with 2 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu hypothecation charge over all present and future current assets and fixed assets (excluding land and building) in favor of BAFL in the sum of Rs. 1,333,000. This charge ranks pari passu with the charges created in favor of the existing creditors and pari passu inter-se the Participants.
- (b) Assignment of receivables favoring BAFL along with collection of receivable from BAFL's channels.
- (c) Lien and right to set-off over the Collection Account, Payment Account and the Payment Service Reserve Account in favor of BAFL.
- (d) Letter of comfort of ECL.

(Amounts in thousand)

23.2.3 In April 2021, EEPL entered into a secured long term financing facility extended by HBL for an amount up to Rs. 1,700,000. The total tenor of loan is 7 years from date of disbursement of finance with 2 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu hypothecation charge over all present and future current assets and fixed assets (excluding land and building) in favor of HBL in the sum of Rs. 2,667,000. This charge ranks pari passu with the charges created in favor of the existing creditors.
- (b) Assignment of receivables from Pakistan Telecommunication Company Limited (PTCL) (formerly known as Telenor Pakistan (Private) Limited) due under the contract executed between PTCL and EEPL amounting to Rs. 2,534,000 favoring HBL.
- (c) Lien and right to set-off over the Bank Account, Debt Service Reserve Account, the Invoicing Discount Account and the Debt Payment Account in favor of HBL in terms of the letter of lien amounting to Rs. 2,667,000.
- (d) Letter of comfort of ECL.

23.2.4 In December 2021, EEPL entered into a secured long term financing facility extended by HBL for an amount up to Rs. 2,000,000. The total tenor of loan is 7 years from date of disbursement of finance with 2 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu hypothecation charge over the all present and future current assets and movable assets (excluding land and building) for a sum of Rs. 2,667,000. This charge ranks first pari passu with the charges created in favor of the existing creditors.
- (b) Assignment of receivables from PTCL due under the contract executed between PTCL and EEPL amounting to Rs. 5,200,000 favoring HBL.
- (c) Lien and right to set-off over the Bank Account, Debt Service Reserve Account, the Invoicing Discount Account and the Debt Payment Account in favor of HBL in terms of the letter of lien amounting to Rs. 2,667,000.
- (d) Letter of comfort of ECL.

23.2.5 In August 2022, EEPL entered into a secured Term Finance Agreement and secured facility extended by MCB for an amount up to Rs. 2,000,000. The total tenor of loan is 10 years from date of disbursement of finance with 3 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu charge by way of hypothecation over all present and future fixed assets (excluding land and buildings), current assets and receivables in favor of the investment agent in the sum of Rs. 2,667,000. This charge ranks pari passu with the charges created in favor of the existing creditors and pari passu inter-se the Participants.
- (b) Assignment of receivables amounting to Rs. 4,000,000 favoring MCB.
- (c) Letter of comfort of ECL.

(Amounts in thousand)

23.2.6 In December 2022, EEPL entered into a secured term finance facility and secured facility extended by HBL for an amount up to Rs. 2,500,000. The total tenor of loan is 10 years from date of disbursement of finance with 3 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu charge by way of hypothecation over all the present and future fixed assets (excluding land and buildings), current assets and receivables in favor of HBL in the sum of Rs. 3,334,000. This charge ranks pari passu with the charges created in favor of the existing creditors and pari passu inter-se the Participants.
- (b) Assignment of receivables from PTCL amounting to Rs. 8,534,000 favoring HBL along with collection of receivable from HBL's channel.
- (c) Lien and right to set-off over the Collection Account, Payment Account and the Payment Service Reserve Account in favor of HBL.
- (d) Letter of comfort of ECL.

23.2.7 In December 2022, EEPL entered into a secured term finance agreement and secured facility extended by United Bank Limited (UBL) for an amount up to Rs. 1,500,000. The total tenor of loan is 10 years from date of disbursement of finance with 3 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu charge by way of hypothecation over all present and future fixed assets (excluding land and buildings), current assets and receivables in favor of the investment agent in the sum of Rs. 2,000,000. This charge ranks pari passu (by way of security pooling in favor of HBL as the security agent) with the charges created in favor of the existing creditors.
- (b) Lien and right to set-off over the Debt Payment Account in favor of UBL in terms of a letter of lien and right of set-off up to the sum of Rs. 2,000,000.

23.2.8 In June 2024, EEPL entered into a secured long term loan facility extended by the HBL for an amount up to Rs. 1,500,000. The total tenor of loan is 10 years from date of disbursement of finance with 4 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) Charge by way of hypothecation over all the present and future current and fixed assets (excluding land and buildings) in favor of the security agent in the sum of Rs. 2,000,000.
- (b) Assignment of receivables in favor of the Security Trustee in the sum of Rs. 2,000,000.
- (c) Lien and right to set-off over the Collection Account, Debt Service Reserve Account, and the Debt Payment Account in favor of HBL in terms of the letter of lien amounting to Rs. 2,000,000.
- (d) Letter of comfort of ECL.

(Amounts in thousand)

23.2.9 In January 2025, EEPL entered into a secured term finance agreement and secured facility extended by the MCB for an amount up to Rs. 2,000,000. The total tenor of loan is 10 years from date of disbursement of finance with 4 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu hypothecation charge over all present & future current & movable fixed assets (excluding land & building) with 25% margin in favor of Security Agent amounting to Rs. 53,333,000.
- (b) Assignment over receivables in favor of the Security Agent favoring HBL along with collection of receivable from HBL's channel.
- (c) Lien and right of set-off over the Debt Service Reserve Account and the Payment Service Reserve Account in favor of the bank in terms of the letter of lien in the sum of Rs. 2,667,000.
- (d) Letter of comfort of ECL.

23.2.10 In December 2025, EEPL entered into a secured long term finance facility extended by the Soneri Bank Limited (SBL) for an amount up to Rs. 2,000,000. The total tenor of loan is 10 years from date of disbursement of finance with 3 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu charge over present and future Current Assets and Fixed Assets (excluding land & building) with 25% margin through Deed of Accession under the security pooling mechanism with HBL as the Security Agent and Intercreditor Agent.
- (b) First pari passu charge over assignment of receivables from PMCL, PTCL, and Zong with 25% margin through Deed of Accession under the security pooling mechanism with HBL as the Security Agent and Intercreditor Agent.
- (d) Letter of comfort of ECL.

23.2.11 In December 2025, EEPL entered into a secured long term finance facility extended by the Pak China Investment Company Limited for an amount up to Rs. 1,000,000. The total tenor of loan is 10 years from date of disbursement of finance with 4 years grace period for principal portion.

The financing facility is secured against the following collaterals / assurances made by EEPL:

- (a) First pari passu charge over present and future Current Assets and Fixed Asset (excluding land & building) with 25% margin through Deed of Accession under the security pooling mechanism with HBL as the Security Agent and Intercreditor Agent.
- (b) First pari passu charge over assignment of receivables from PMCL, PTCL, and Zong with 25% margin through Deed of Accession under the security pooling mechanism with HBL as the Security Agent and Intercreditor Agent.
- (c) Lien and right to set off over the collection account and payment service reserve account.
- (d) Letter of comfort of ECL.

(Amounts in thousand)

23.2.12 In May 2025, DPL entered into a secured syndicated long-term financing facility with UBL and MBL. The total facility amount sanctioned amounts to Rs. 78,960,000 (2024: Nil). The facility has a tenor of up to 12 years (including a 4 years grace period). The facility carries markup at 6-month KIBOR + 2.5% per annum for the first 4 years, and 1.3% per annum thereafter, subject to meeting a DSCR threshold of 1.4x.

The financing facility is secured against the following collaterals / assurances made DPL:

- (a) First assignment of receivables from PMCL and first hypothecation charge over receivables from other Mobile Network Operators (MNOs), with a 25% margin. All collections are routed through a designated Master Collection Account under exclusive lien of the Financiers.
- (b) First hypothecation charge over all present and future movable fixed assets of DPL (excluding land and building), with a 25% margin.
- (c) Collection Waterfall Mechanism, requiring DPL to fund a Finance Payment Account (FPA) monthly in advance of each semi-annual installment, ensuring timely debt servicing.
- (d) Pledge of 100% shares of DPL in favor of the Security Agent, as part of the final security package to be executed within 90 days of the first drawdown under the Facility, with phased release upon achievement of repayment milestones (reduction to 76% and 51% upon reaching 50% and 25% of outstanding loan, respectively).

23.2.13 During the year, EPCL obtained term finance facility from Askari Bank Limited amounting to Rs. 2,000,000 for a period of 7 years. The borrowing is secured by way of long term ranking charge by way of hypothecation over all fixed assets of EPCL (excluding land and building) with a 25% margin amounting to Rs. 2,667,667.

23.2.14 All senior debts of EFERT are secured by an equitable mortgage upon immovable property of EFERT and equitable charge over current and future operating assets excluding immovable property of EFERT.

23.3.1 In 2021, EPCL had entered into an Ijarah agreement with IFC for a total of USD 15,000, the draw down of which was made in November 2023. This is secured by way of hypothecation charge of present and future fixed assets of EPCL (excluding land and building) to the extent of USD 18,750 which shall rank pari passu with the charges created in favor of the existing creditors.

23.3.2 EPTL has entered into a USD Facility Agreement on December 21, 2015 with three commercial banks namely China Development Bank Corporation, China Construction Bank Corporation and Industrial and Commercial Bank of China Limited for an aggregate amount of USD 621,000 for a period of 14 years. In 2024, NEPRA through its decisions dated December 5, 2024 and December 14, 2024 determined the transition from London Interbank Offered Rate (LIBOR) to Secured Overnight Financing Rate (SOFR). Therefore, EPTL entered into amendment relating to Amended and Restated Common Terms Agreement (CTA) dated December 21, 2015 and Amended and Restated USD Facility Agreement (USD FA) dated December 21, 2015 with HBL (Intercreditor Agent) and China Development Bank (USD Facility agent) under 'Third Amendment and Restatement Agreement (CTA and USD FA) (the Amendment)'. The amended agreement stands effective from January 8, 2025. The facility is secured primarily through first ranking hypothecation charge over the project assets of EPTL. Further, the shareholders of the Company have committed to provide cost overrun support for 10% of entire debt and pledged shares in favor of the Security Trustee. As at December 31, 2025, outstanding balance was USD 285,660 (2024: USD 348,692).

23.3.3 These primarily represent payments made by EPTL to China Export and Credit Insurance Bank (Sinosure), in connection with insurance cover obtained over financing arrangements relating to Chinese lenders and payments to various financial institutions in respect of transaction and related cost for loan arrangements. Transaction costs have been adjusted against related borrowings and are being amortized over the term of the respective borrowings.

(Amounts in thousand)

23.4.1 In respect of facilities as stated above for EPCL, EPCL is required to comply with certain financial covenants on its long term borrowings, after the end of each reporting year and on a quarterly basis in case of Ijarah facility from IFC. The details of such covenants are:

Type of Ratio	Minimum Requirement
Current Ratio	Minimum 0.6x - 1.0x
Debt Service Coverage Ratio	Minimum 0.5x - 1.5x
Debt to Equity Ratio	75:25
Interest Coverage Ratio	Minimum 0.17x - 3.0x
Debt to EBITDA Ratio	Maximum 2.5x - 6.0x
Liabilities to Total tangible net worth	Maximum 2.0x
Gearing Ratio	Maximum 1.0x - 2.5x
Security coverage ratio	Minimum 1.25x
Operating profit to musharaka assets	Minimum 20%
Operating profit to total revenue	Minimum 10%
Profit coverage ratio	Maximum 2.5x
Adjusted leverage	Maximum 3.5x

During the year, continued decline in operating profit caused by subdued core delta margin and rising raw material costs did not practically allow EPCL to pass additional costs to its customers through price increases in the short term. As a result, EPCL sought waivers and relaxations in the aforementioned requirements to mitigate the risk of non-compliance of covenants at reporting date and in the ensuing year, which were granted by lenders for the next twelve months. EPCL based on its projections remains confident that either there will be no indicators that it will have difficulties in complying with the required financial covenants when these will be next tested, or necessary waivers will be obtained in the ensuing period.

23.4.2 In respect of the above facilities for EPPL, EPPL is required to comply with certain financial covenants on its long term borrowings, after the end of each reporting year. The details of such covenants are:

Type of Ratio	Minimum Requirement
Current Ratio	At least 1.0x
Debt Service Coverage Ratio	At least 1.5x
Debt to Equity Ratio	Maximum to the extent of 75:25
Interest Coverage Ratio	Minimum 3.0x

During the year, operating losses of EPPL as a result of start-up and market conditions did not practically allow it to recover cost through price increases in the short term. EPPL has obtained waivers from its lending banks in respect of certain financial covenants under the financing arrangements. These waivers remain valid as of the reporting date and for the ensuing twelve months thereafter. EPPL based on its projections remains confident that there are no indicators that it will have difficulty in complying with the required financial covenants when these will be next tested.

23.4.3 In respect of facilities as stated above for EPTL, EPTL is required to comply with the certain financial covenants as per the Amended and Restated Accounts Agreement (AA) and the Rupees Facility Agreement (RFA) respectively, after the end of reporting periods i.e., June 30, 2025 and December 31, 2025:

(Amounts in thousand)

Financial covenants	Clause of AA and RFA	Requirement/Threshold	Requirement under	
			AA	RFA
- Finance Life Coverage Ratio	Schedule H, Section 5.2 (d)(i)(a)	At least 1.25:1	-	✓
- Long Term Debt to Equity Ratio	Schedule H, Section 5.2 (e)(ii)	At least 75:25	-	✓
- Leverage Ratio	Schedule H, Section 5.2 (e)(iii)	At least 80:20	-	✓
- Current Ratio	Schedule H, Section 5.2 (e)(iv)	At least 0.2:1	-	✓
- Historical Debt Service Cover Ratio	Clause 8.1.1	At least 1.10:1	-	✓
- Projected Debt Service Cover Ratio	Clause 5.17, Section (a)(i)(A)	At least 1.25:1	✓	✓
- Historical Debt Service Cover Ratio	Clause 5.17, Section (d)(i)	At least 1.30:1	✓	-
- Debt to Equity Ratio	Clause 5.17, Section (a)(ii)	At least 75:25	✓	-

The above mentioned financial covenants are determined based on EPTL's amounts reported in unaudited condensed interim financial information, audited financial statements and projected amounts as included in the financial model submitted to Intercreditor Agent of EPTL for the period ended / year ended June 30, 2025 and December 31, 2025 respectively. EPTL is compliant with the aforementioned financial covenants.

23.4.4 In accordance with the terms of the Inter-Creditor Agreement (ICA), EFERT is obligated to comply with certain financial and non financial covenants including Senior Finance Service Coverage Ratio, Finance to Equity ratio, Total Finance to Equity Ratio, Current Ratio and Senior Finance to EBITDA. The details of such covenants are:

Type of Ratio	Requirement
Senior Finance Service Coverage Ratio	At least 1.25x
Finance to Equity Ratio	75:25
Total Finance to Equity Ratio	80:20
Current Ratio	At least 1.0x
Senior Finance to EBITDA	Maximum 4.0x

As of the reporting date, EFERT has not complied with one of its covenant, i.e. current ratio. However, EFERT has received a relaxation from the respective banks for a period of 12 months from the reporting date. EFERT based on its projections remains confident that there are no indicators that it will have difficulties in complying with the required financial covenants when these will be next tested.

23.4.5 In accordance with the terms of the facility agreement with Standard Chartered Bank Limited (SCBL), EFERT is also obligated to comply with certain non-financial and financial covenants including Debt Service Cover Ratio, Debt to EBITDA Ratio and Debt to Equity Ratio.

Type of Ratio	Requirement
Debt Service Coverage Ratio	Minimum 1.25x
Debt to EBITDA Ratio	Maximum 2.5x
Debt to Equity Ratio	Maximum 2.0x

23.4.6 In accordance with the terms of the loan agreements, DPL is obligated to comply with certain financial and non-financial covenants including Total Finance to equity ratio, Finance service coverage ratio, Profit coverage ratio. At the end of reporting period, DPL complied with all the covenants. The details of such covenants are:

Type of Ratio	Minimum Requirement
Total Finance to equity ratio	Maximum 4x
Finance service coverage ratio	Atleast 1.1x
Profit coverage ratio	Atleast 1.1x

(Amounts in thousand)

23.4.7 In accordance with the terms of the loan agreements, EEPL is obligated to comply with certain financial and non-financial covenants including total debt to EBITDA ratio, gearing ratio, linkage ratio, debt to equity ratio, current ratio, debt service coverage and interest coverage ratio. At the end of reporting period, EEPL complied with all the covenants. The details of such covenants are:

Type of Ratio	Minimum Requirement
Total debt to EBTIDA	Maximum 3x
Gearing ratio	Maximum 2x
Debt to equity	Maximum 1.86x
Current ratio	Atleast 1.00
Debt Service Coverage ratio	Atleast 1.30
Interest Coverage ratio	Atleast 1.50

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

	2025 ...Rupees....	2024
Balance as at January 1	194,375,449	193,124,853
Add:		
Borrowings availed during the year	114,660,583	30,500,000
Exchange loss / (gain)	850,937	(1,478,402)
Amortization of transaction costs (note 40)	816,847	831,060
Less: Repayment of borrowings	(32,238,059)	(28,602,062)
	278,465,757	194,375,449
Less: Current portion shown under current liabilities	(42,607,440)	(7,440,812)
Less: Government grant (note 24)	(1,502,997)	(1,968,886)
Related to disposal group (note 20)	-	(109,610,749)
Balance as at December 31	234,355,320	75,355,002

24. government grant

	2025 ...Rupees....	2024
Balance as at January 1	1,968,886	2,472,574
Less: Amortization of deferred income capitalized	-	(200,368)
Less: Amortization during the year charged to consolidated statement of profit or loss	(465,889)	(303,320)
Balance as at December 31 (note 24.1)	1,502,997	1,968,886
Less: Current portion of government grant	(405,870)	(439,609)
	1,097,127	1,529,277

24.1 The Group recognized government grant on loan received at below market interest rate in accordance with IAS 20 - 'Accounting for government grants and disclosure of government assistance'.

(Amounts in thousand)

25. deferred taxation

	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Engro Holdings Limited	-	-	-	2,012,564
Engro Corporation Limited	-	784,141	-	465,003
Engro Fertilizers Limited	1,534,786	-	-	672,844
Engro Energy Limited	-	5,363,212	-	200,962
Engro Connect (Private) Limited	-	54,793,192	-	-
Engro Polymer and Chemicals Limited	-	1,780,500	-	1,782,531
Net effect of consolidation adjustments	-	928,228	-	878,209
	1,534,786	63,649,273	-	6,012,113

25.1 Deferred tax liability comprises of (taxable) / deductible temporary differences in respect of the following:

	Balance as at January 1, 2024	Recognized in profit or loss	Recognized in OCI	Related to disposal group	Balance as at December 31, 2024	Related to disposal group	Effect of Schemes of Arrangement	Adjustment of tax losses against cash	Recognized in profit or loss	Recognized in OCI	Balance as at December 31, 2025
(Rupees)											
Taxable temporary differences											
- Accelerated depreciation allowance and staff retirement benefits	24,626,166	2,956,797	3,812	-	27,586,775	-	-	-	(1,518,809)	20,035	26,088,001
- Accelerated tax amortization allowance	-	-	-	-	-	-	-	-	-	-	-
- Right of use assets	362,251	(126,140)	-	-	236,111	-	-	-	(85,240)	-	150,871
- Short term investments	536,025	2,104,929	-	-	2,640,954	-	(2,012,564)	-	217,046	116,843	962,279
- Accrued infrastructure equalisation revenue	-	-	-	-	-	-	-	-	161,282	-	161,282
- Share of income from associate	2,580,932	(1,385,953)	-	(994,017)	200,962	994,017	-	-	4,168,233	-	5,363,212
- Fair value adjustments on business combination	-	-	-	-	-	-	57,696,752	-	-	-	57,696,752
- Net effect of consolidation adjustments	649,867	227,783	-	-	877,650	-	-	-	50,578	-	928,228
Deductible temporary differences											
- Provisions	(10,255,057)	(11,326,045)	-	-	(21,581,102)	-	-	-	(2,635,248)	-	(24,216,350)
- Deferred liability	-	-	-	-	-	-	-	-	-	-	-
- Lease liability	(909,187)	339,313	-	-	(569,874)	-	-	-	276,677	-	(293,197)
- Share issuance cost, net of equity	(77,771)	-	-	-	(77,771)	-	-	-	-	-	(77,771)
- Unpaid liabilities	(451,480)	(83,635)	-	-	(535,115)	-	-	-	56,277	-	(478,838)
- Tax losses	(66,034)	(1,973,088)	-	-	(2,039,122)	-	-	1,104,711	(1,720,761)	-	(2,655,172)
- Minimum turnover tax	-	(727,355)	-	-	(727,355)	-	-	-	(787,455)	-	(1,514,810)
	16,995,712	(9,993,394)	3,812	(994,017)	6,012,113	994,017	55,684,188	1,104,711	(1,817,420)	136,878	62,114,487

25.2 This includes an amount of Rs. 7,631,070 (2024: Rs. 7,631,070) relating to disallowance of GIDC provision by the income tax department on account of non-payment.

25.3 EPCL has recognised a deferred tax asset for minimum turnover tax, accumulated depreciation losses and accumulated business losses amounting to Rs. 1,514,810, Rs. 2,332,524 and Rs. 322,648 respectively (2024: Rs. 727,355, Rs. 1,656,433, and Rs. 382,689). This recognition is based on EPCL's financial projections, which indicate availability of sufficient future taxable profits to realise the assets.

(Amounts in thousand)

26. lease liabilities

2025Rupees.... 2024

Balance at beginning of the year	63,252,814	77,422,363
Additions in lease	2,378,244	1,087,671
Acquired through business combination	11,526,469	-
Add: Exchange loss / (gain)	397,303	(728,629)
Add: Finance cost	7,550,134	6,091,551
Less: Lease rentals paid	(19,236,316)	(15,820,778)
Less: Termination of lease	(152,535)	(188,591)
Adjustment on reassessment of lease liability during the year (note 26.1)	10,310,498	(4,610,773)
	12,773,797	(14,169,549)
Total lease liabilities (notes 26.2 to 26.5)	76,026,611	63,252,814
Less: Current portion shown under current liabilities	(17,296,290)	(11,009,770)
Balance at end of the year	58,730,321	52,243,044

26.1 This represents adjustment in lease liabilities due to re-assessment of non-cancellable lease term during current year on average from 5 to 10 years (2024: 20 to 30 years). The leases were reassessed at the incremental borrowing rate prevailing on the date of the reassessment which was 13.67% (2024: 22.83%).

26.2 This primarily includes liabilities aggregating to Rs. 44,333,509 (2024: Rs. 52,496,105) relating to terminal business. Incremental borrowing rate of the business is 8.29% (2024: 8.29%) per annum and remaining term of the lease is 4 years and 3 months (2024: 5 years and 3 months).

26.3 This represents lease liabilities pertaining to right of use on tenanted sites, offices and software and lease of FSRU.

26.4 Extension and termination options are included in a number of leases entered into by EEPL and DPL. These are used to maximise operational flexibility in terms of managing the assets used in EEPL and DPL's operations. The majority of extension and termination options held are exercisable only by EEPL or DPL and not by the respective lessor.

26.5 This includes lease liability in respect of storage arrangements of EPCL with Engro Vopak Terminal Limited, a related party, amounting to Rs. 364,960 (2024: Rs. 1,186,100).

27. deferred liabilities

2025Rupees.... 2024

Retirement and other service benefits obligations	261,162	556,458
Deferred incentive revenue (note 27.1)	-	73,168
Deferred liability on FSRU (note 27.2)	3,288,112	3,383,481
Provision for dismantling and restoration costs (note 27.3)	3,316,094	716,332
Consideration payable against asset purchase agreement (note 27.4)	-	219,939
	6,865,368	4,949,378
Less: Current portion shown under current liabilities	(102,437)	(454,513)
	6,762,931	4,494,865

(Amounts in thousand)

27.1 This represents deferred incentive revenue in respect of the agreements entered into by EEPL with its customers for construction, maintenance and operation of telecommunication infrastructure and allied equipment, provision of energy solutions and energy management services.

27.2 This represents deferred rental income derived from net capacity payments under LSA in respect of LNG Terminal classified as an operating lease component which is being amortized over the terms of LSA.

27.3 Provision for sites dismantling and restoration costs

2025Rupees.... 2024

Balance as at January 1	716,332	492,860
Assumed through business combination (note 1.4)	2,428,648	-
Provision made during the year (note 27.3.1)	75,053	32,370
Unwinding of discount (note 27.4)	222,818	69,602
Revision due to change in estimates	(126,757)	121,500
Balance as at December 31	3,316,094	716,332

27.3.1 The provision for site dismantling and restoration costs has been discounted at a real discount rate of 1.44% (2024: 1.21%) per annum.

27.4 EEPL entered into an asset purchase agreement with Pakistan Telecom Mobile Limited (PTML) effective from July 1, 2023 (the effective date) for purchase of tower sites and allied telecommunication infrastructure whereby EEPL provided a discount in respect of monthly invoices raised to PTML for a period of twenty-seven months from the effective date. The related discount was provided against the full cash consideration under the asset purchase agreements entered into by the EEPL with PTML. Present value of the discount provided to PTML amounted to Rs. 545,000 discounted at weighted average cost of capital of EEPL. Furthermore, during the preceding year, further sites have been acquired at discount which has present value of Rs. 59,000. The said amount had been recognized as assets under 'Property, plant and equipment' and a corresponding deferred liability had been recognized. Deferred liability is amortised over a twenty-seven month period from the effective date of the agreement.

28. provisions

2025Rupees.... 2024

Provision for Gas Infrastructure Development Cess (GIDC) (note 28.1)	25,151,242	25,151,242
Provision for gas price revision (note 28.2)	517,392	517,392
Off-the-grid levy (note 28.3)	959,910	-
Others (note 28.4)	1,338,130	1,883,871
	27,966,674	27,552,505

28.1 The Honorable Supreme Court of Pakistan ("SCP") through its judgment dated August 13, 2020 ("Judgment") declared that the levy imposed under the Gas Infrastructure Development Cess ("GIDC") Act, 2015 ("the Act") is valid and in accordance with the provisions of the Constitution of Pakistan 1973 ("the Constitution"). The SCP in its Judgment stated that the Government has already collected Rs. 295,000,000 and this amount combined with the outstanding amount would be in the vicinity of Rs. 700,000,000. The SCP, therefore, issued the following directions:

- It restrained the Federal Government from charging further GIDC until such time that the GIDC already collected and accrued (but not yet collected), is expended on projects listed under the Act;

(Amounts in thousand)

- As all industrial and commercial entities which consume gas for their business activities pass on the burden to their customers, therefore, GIDC that has become due up to July 31, 2020, and has not been recovered so far, shall be recovered by the gas companies responsible under the Act to recover from their consumers in twenty-four equal monthly installments, without the component of Late Payment Surcharge ("LPS"); and
- In case, no work is carried out on the gas infrastructure pipelines in the manner and / or time specified in the Judgment, the purpose of levying GIDC shall be deemed to have been frustrated and the Act would become completely in-operational and considered dead for all intents and purposes.

Pursuant to the Judgement, the gas suppliers began invoicing the GIDC instalments for recovery with effect from August 01, 2020.

Aggrieved by the Judgment, EFERT and EPCL filed review petitions before the SCP on various grounds, which were dismissed by the SCP on November 02, 2020, ("Review Decision"). However, the Review Decision (i) noted that the Government of Pakistan is agreeable to recover the unpaid arrears in 48 monthly installments instead of 24 monthly installments provided the time period for the projects was extended to 12 months from 6 months; and (ii) upheld the validity of Section 8(2) of the Act. The SCP protected the rights of the Industrial Sector (excluding Fertilizer Fuel Stock) to approach the appropriate fora for enforcement of the exemption provided under the provision to Section 8(2) of the Act.

Subsequent to the review decision, EFERT filed a rectification application before the SCP seeking a clarification regarding the increase in number of installments.

EPCL and EFERT have also filed suits before the High Court of Sindh ("SHC") against collection of GIDC on the grounds that factual determination of the GIDC passed-on to the customers is to be carried out. The SHC granted interim stay to EPCL and EFERT restraining the impleaded gas companies from taking coercive action against EPCL and EFERT for non-payment of GIDC installments till the finalization of the matter.

Further, against the GIDC instalment invoice received from Sui Northern Gas Pipelines Limited (SNGPL) to EFERT on concessionary gas supplied under the fixed price Gas Sale and Purchase Agreement dated April 11, 2007 ("GSPA"), EFERT approached the SHC to challenge this imposition. EFERT has obtained a stay order in its favor and the SHC has restrained SNGPL from taking any coercive action against EFERT on collecting GIDC on feed stock gas supplied under the GSPA. EFERT's management has made an assessment (as confirmed by the legal advisor) that there are reasonable chances of a favourable outcome in relation to the legal proceedings filed against SNGPL for feed gas supplied under the GSPA. Hence no provision on account of GIDC has been recorded in respect of feed gas received under the GSPA.

The Institute of Chartered Accountants of Pakistan (ICAP) released financial reporting guidance on the "Accounting of GIDC" via Circular No. 1/2021 dated January 19, 2021 (the Circular) which discusses key accounting considerations for gas consumer companies. Keeping in view the financial reporting guidance of ICAP and giving due consideration to the latest available information and the expected timing of the settlement (i.e. in monthly installment rather than lump sum amount), the Group has remeasured its previously undiscounted provision at its present value using the risk free rate to incorporate the effect of the time value of money arising from the expected settlement based on an instalment plan and accordingly, recognized remeasurement gain amounting to Rs. 2,904,978 in 2020 which was fully recognized by 2023.

28.2 In 2017, EPCL had filed a suit in the SHC, against the increase in tariff of natural gas sold to industries and captive power plants notified by Oil and Gas Regulatory Authority (OGRA) vide SRO no. (1) / 2016 dated December 30, 2016, whereby, EPCL cited the increase as illegal and unconstitutional. On September 6, 2024, the SHC disposed off the aforementioned suit in EPCL's favor, however, the same was subsequently challenged by OGRA in SHC through appeal. During the year, the judgement in respect of this appeal has been announced in EPCL's favor. However, the same has been challenged by OGRA in the SCP. Accordingly, on account of prudence, the Group has continued to recognize the provision of Rs. 517,392 against gas price revision for the period from December 2017 to September 2018 in these consolidated financial statements.

(Amounts in thousand)

28.3 On January 30, 2025, the Government of Pakistan (GOP) promulgated the Off the Grid (Captive Power Plants) Levy Ordinance, 2025 (the Gas Levy Ordinance), with an aim to address the disparity in gas energy costs supplied to captive power plant. The EPCL, being aggrieved challenged the notification before the Islamabad High Court (IHC) and secured a stay order on March 26, 2025. This stay was vacated by the IHC on April 8, 2025, allowing the GoP to collect gas levy from EPCL. In light of the vacated stay order, SSGC demanded retrospective payment of the levy from February 2025 in May 2025 bills. EPCL being aggrieved filed a constitutional petition CP No. 1802 of 2025 in SHC praying that impugned notification, being an executive action, cannot be given retrospective effect. The said petition has been decided in favour of EPCL by SHC declaring the retrospective payment ultra vires. Furthermore, EPCL had filed another constitutional petition CP. No. 1259 of 2025 in the Balochistan High Court (BHC) to challenge the Gas Levy Ordinance, along with the levy amount charged from March 2025 and onwards. On August 12, 2025, the BHC granted a stay on the levy subject to submission of post-dated cheques equal to the levy amount. This stay was subsequently vacated by the BHC allowing the GoP to collect gas levy from EPCL. Hence, the Group made a payment of Rs. 505,474 against the billed amount of Rs. 1,028,561 pertaining to period from March to August 2025. As of reporting date, the Group has recognized gas levy accrual amounting to Rs. 198,555 and gas levy provision amounting to Rs. 959,910.

28.4 The movement in provision during the year is as follows:

	2025	....Rupees....	2024
Balance at January 1	1,883,871		1,456,775
Recognized during the year (note 28.4.1)	236,009		431,070
Paid / realization	(781,750)		(3,974)
As at December 31	1,338,130		1,883,871

28.4.1 It includes provision recognized as an abundant caution and based on a prudence for certain cases being contested by EEL and claims against EPCL. This also includes provisions related to investment in SEL (note 1.7.1.8).

29. long-term payable

This represents long-term portion of the amount payable to PMCL, totalling Rs. 57,624,150 (2024: Nil) (including the current portion amounting to Rs. 53,681,677 classified in trade and other payables) in respect of contribution by ECL for PMCL's demerged undertaking vested into ECPL under the Arrangement as fully explained in note 1.4, which is inclusive of present value impact of Rs. 2,568,681 and exchange gain of Rs. 377,807 (note 40) which have been charged to the consolidated statement of profit or loss under finance cost and other income, respectively.

(Amounts in thousand)

30. trade and other payables

2025Rupees.... 2024

Creditors	30,706,807	21,521,669
Accrued liabilities (notes 28.3 and 30.1 to 30.4)	119,534,111	79,677,666
Provision against tax contingency of EVTL (notes 7.1.1, 7.3 and 30.5)	-	160,520
Advances from customers (note 30.6)	11,033,343	6,909,714
Contractors' / suppliers' deposits and retention money (note 30.7)	532,058	459,496
Workers' Welfare fund (note 30.10)	3,749,337	3,990,504
Workers' Profits Participation Fund (note 30.10)	2,126,772	4,558,557
Sales tax payable	423,242	344,044
Payable to retirement benefit funds	301,829	301,795
Withholding tax payable	1,027,414	467,342
Payable to Pakistan Mobile Communications Limited (notes 29 and 30.11)	66,368,715	-
Payable to related parties:		
- Thar Power Company Limited	228,669	1,240,197
- FrieslandCampina Engro Pakistan Limited	293,717	362,384
- FrieslandCampina Pakistan Holdings B.V. (note 30.8)	929,088	929,088
- Karachi School of Business & Leadership	3,361	-
- DH Partners Limited	82	-
- Dawood Corporation (Private) Limited	3,812	-
- Sindh Engro Coal Mining Company Limited	21,302,836	42,159,769
- Engro Foundation	383,403	393,772
- The Dawood Foundation	1,845	10,578
- Engro Vopak Terminal Limited	85,713	161,815
Others (note 30.9)	562,110	784,445
Related to disposal group (note 20)	-	(62,420,930)
	259,598,264	102,012,425

30.1 On June 4, 2021, the SHC through its judgement upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (the Cess) promulgated retrospectively with effect from December 28, 2006 as valid and declaring it within the competence of provincial legislature. EFERT and EPCL have filed Civil Petition Leave to Appeal (CPLA) before the Honorable Supreme Court of Pakistan (SCP) challenging the SHC judgement. In September 2021, the SCP granted an interim relief in the appeals and suspended the SHC Judgement. The Group has maintained a provision for cess amounting to Rs. 9,325,870 (2024: Rs. 7,718,742) in these consolidated financial statements.

30.2 On June 10, 2021, EFERT filed a Suit before the SHC in which it prayed that SNGPL be directed to supply the contracted / committed volume of feed gas at concessionary pricing under the Gas Sale and Purchase Agreement (GSPA) and in accordance with the Fertilizer Policy, 2001, Instructions to Bidders and various Economic Coordination Committee decisions.

The SHC was pleased to grant an ad interim stay vide its order dated June 21, 2021, directing the parties to maintain status quo with regard to disconnection of gas supply and pricing. The Group, without prejudice to the pending Suit and any admission of liability, has on prudent basis recorded a provision of Rs. 21,219,869 (2024: Rs. 21,219,869) in these consolidated financial statements.

(Amounts in thousand)

30.3 Includes accruals recorded in respect of the following related parties:

2025Rupees.... 2024

Sindh Engro Coal Mining Company Limited	21,367,454	19,293,658
The Dawood Foundation	-	517
Thar Power Company Limited	215,882	198,576
	21,583,336	19,492,751

30.4 In 2022, EFERT received a letter from one of its gas supplier, which indicated that the pricing of gas supplied to EFERT from the aforementioned gas field would be higher of the applicable Petroleum Policy or the gas price notified by the Oil and Gas Regulatory Authority ("OGRA") for the fertilizer sector and such charge shall be applicable from the date of execution of the Gas Sale and Purchase Agreement (GSPA).

In this regard, EFERT has submitted a formal response to the gas supplier. Without prejudice to the foregoing and any admission of liability, the Group has on prudent basis recorded an accrual amounting to Rs. 2,380,450 (2024: Rs. 2,380,450) in these consolidated financial statements.

30.5 The movement in provision is as follows:

2025Rupees.... 2024

Balance at the beginning of the year	160,520	602,606
Provision adjustment against investment in EVTL (note 7.1)	(160,520)	(442,086)
	-	160,520

30.6 This represents advances received by the Group from customers and distributors for goods to be delivered. The advances outstanding as at January 1, 2025 have been fully recognized as revenue during the year.

30.7 This includes amounting to Rs. 521,525 (2024: Rs. 438,840) kept in separate term deposits account as per the terms of agreements out of which amount of Rs. 10,533 (2024: Rs. 17,433) is utilized for the purpose of the business of the Group.

30.8 Includes an amount of Rs. 928,998 (2024: Rs. 928,998) recognized in respect of sales tax receivables of FCEPL. Under the SPA with FCP, ECL is required to pay FCP an amount equal to 51% of the sales tax receivable of FCEPL, an associated company, recognized in the financial years 2012 to 2016, if it is not recovered by FCEPL within six years after it is recognized. Accordingly, the ECL has recognized this amount under the SPA equivalent to 51% of the sales tax receivable pertaining to FCEPL being sales tax short recovered.

30.9 Includes liability towards Long Term Incentive Plan (LTIP) amounting to Rs. 60,287 (2024: Rs. 48,011). In 2022, the Board of Directors of ECL approved LTIP for granting of cash-settled phantom shares to certain executive employees. Under the LTIP, the actual amount of phantom shares that may vest at exercise price of Nil ranges from 0% to 121% of the awards, depending on the outcomes of prescribed service or performance conditions over a three-year period.

(Amounts in thousand)

30.10 Movement of WWF and WPPF is as follows:

WWF

	2025	2024
Balance at the beginning of the year	3,990,504	3,257,153
Charge for the year (note 39)	1,351,663	1,844,277
Payment during the year	(1,592,830)	(1,110,926)

WPPF

Balance at the beginning of the year	4,558,557	4,165,501
Charge for the year (note 39)	2,091,542	2,358,934
Payment during the year	(4,523,327)	(1,965,878)

30.11 This includes amount of Rs. 12,687,038 which represents a receivable note issued to PMCL by ECPL on execution of Business Transfer Agreement with PMCL for acquisition of tower business in 2017.

As per original terms, the amount of Rs. 98,700,000 was payable on demand and carried interest rate of KIBOR plus 1%. On June 2, 2025, upon the acquisition of DPL by ECPL, the terms of the loan were changed from KIBOR plus 1% to zero and then loan will be payable in nine equal monthly installments with the final installment due in March 2026.

31. accrued interest / mark-up

Accrued interest / mark-up on:

	2025	2024
- long-term borrowings	3,212,883	1,300,417
- short-term borrowings	1,108,826	1,810,991

32. short-term borrowings

Running finances (note 32.1)	21,584,255	34,069,757
Money market finance facility (note 32.2)	4,044,548	14,736,276
Short term loan (note 32.3)	675,000	-
Trust Receipts (note 32.4)	8,865,677	8,094,773
Privately placed short-term sukuk (note 32.5)	20,000,000	-
Related to disposal group (note 20)	-	(23,005,561)

32.1 The short-term running finances available to the Group from various banks under mark-up arrangements amount to Rs. 111,905,000 (2024: Rs. 139,705,000). The rates of mark-up on these finances ranged from minus 0.5% to 0.85% (2024: minus 2.0% to 1.5%) per annum over 1-month, 3-months and 6-months KIBOR. The aggregate running finances are secured by way of hypothecation of ranking floating charge over present and future loans, advances, receivables, stocks, book debts, outstanding monies, bills, current assets and pledge over shares.

(Amounts in thousand)

32.2 Represents money market loan facility carrying mark-up of 6, 3 and 1 month KIBOR plus a spread ranging from minus 2.0 % to 1.2% (2024: minus 2% to 1.2%) per annum. These facilities are secured through hypothecation charges charge over present and future plant, machinery, equipments, movable fixed assets and other movable assets and immovable properties including current assets.

32.3 EPCL obtained an aggregate facility for a conventional short-term loan from the bank as at December 31, 2025 amounting to Rs. 1,500,000 (2024: Nil), out of which Rs. 825,000 (2024: Nil) remained unutilised at year end. This facility carry mark-up at 6-month KIBOR plus a spread of minus 3% (2024: Nil). The facility is secured by a ranking charge of Rs. 1,875,000 over the EPCL's stocks and receivables.

32.4 Trust receipts are repayable within 90 - 120 days and carry markup at EIBOR plus margin spread ranging from 5.13% to 5.96% per annum (2024: 6% to 6.2%).

32.5 EFERT has placed unsecured Privately Placed Short Term Sukuk (PPSTS) with an issue size of Rs. 20,000,000. These are payable within six months from the issuance date and carry a markup at the rate of 3 months KIBOR minus 0.15%. These proceeds will be used for the EFERT's working capital management.

33. contingencies and commitments

33.1 Contingencies

33.1.1 The Holding Company

As a result of the Scheme, all contingencies and commitments of the Holding Company as at December 31, 2024 as disclosed in the consolidated financial statements for the year ended December 31, 2024 have been transferred to DHPL on the effective date (note 1.2). There are no contingencies and commitments at the reporting date.

33.1.2 Engro Fertilizers Limited and its subsidiary company

33.1.2.1 In 2021, the income tax department [i.e. Large Taxpayers Unit (LTU)] initiated income tax audits of EFERT u/s 177 of the Income Tax Ordinance, 2001 (the Ordinance) for the Tax Year (TY) 2015, 2016, 2018 and 2020 and sales tax audits u/s 25 of the Sales Tax Act, 1990 for TY 2017, 2018 and 2019 in accordance with the sectoral audit directives issued by Federal Board of Revenue (FBR). As such, EFERT received audit selection notices for all these years. The sales tax audit selection notices in respect of all three years were challenged in the Sindh High Court (SHC) where SHC dismissed the audit notices thereby deciding the matter in favor of EFERT.

In respect of income tax audits, the income tax department completed the amendments for all tax years creating an aggregate demand of Rs. 18,566,262. As per current status, all major issues raised in the amendments stand concluded except for tax year 2018 where demand of Rs. 1,515,000 has been raised. EFERT filed an Income Tax Reference Application in the SHC where the matter has been remanded back to the Appellate Tribunal Inland Revenue (ATIR). A similar matter of tax year 2019 involving demand of Rs. 547,000 is pending in the ATIR.

EFERT's management considers, based on the in-house tax personnel and legal advisor's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.

33.1.2.2 In 2022, in respect of TY 2018, EFERT received an order from the Assistant Commissioner Inland Revenue (ACIR) restricting brought forward losses having a tax impact of Rs. 639,001. This disallowance had been made in the assessment orders relating to prior years which are pending in appeals. Certain errors have been made in relation to allowance of credits which will be taken up in rectification.

EFERT's management considers, based on the in-house tax personnel's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.

(Amounts in thousand)

33.1.2.3In 2015, EFERT received a sales tax order from the tax department for the tax periods January 01, 2013 to December 31, 2013, pertaining to discharge of output tax liability, on assumed production of urea amounting to Rs. 402,875 and on the presumption that output tax liability is not being discharged by the Holding Company on advances received from dealers amounting to Rs. 1,844,075. EFERT filed an appeal thereagainst, with the CIR(A) which decided the matters in favor of EFERT. The department thereafter challenged the decision of the CIR(A) with the ATIR which is pending adjudication. EFERT's management believes that the chances of ultimate success are good, hence, no provision has been made in this respect in these consolidated financial statements.

33.1.2.4EFERT filed a constitutional petition in the SHC against the Ministry of Petroleum and Natural Resources (MPNR), Ministry of Industries and Production (MoIP) and SNGPL for continuous supply of 100 mmscfd gas per day to EFERT's new plant (Enven) and to prohibit from suspending, discontinuing or curtailing the aforementioned supply. Through its order dated October 18, 2011, the SHC ordered that SNGPL should supply 100 mmscfd gas per day to EFERT's new plant. However, five petitions have been filed in the Supreme Court of Pakistan (SCP) against the aforementioned order of the SHC by SNGPL, MPNR, Agritech Limited (Agritech), Pak Arab Fertilizers and Kohinoor Mills Limited along with twenty one other companies (mainly engaged in textile business). The aforementioned petitions are pending for further hearing. EFERT's management, as confirmed by the legal advisor, considers the chances of these petitions being allowed to be low.

Further, EFERT upon continual curtailment of gas after the aforementioned decision of the SHC has filed an application in respect of contempt of court under Article 199 & 204 of the Constitution of Pakistan. EFERT, in the aforementioned application has submitted that SNGPL and MPNR have failed to restore full supply of gas to EFERT's plant despite the judgement of the SHC in EFERT's favor. A show cause notice has also been issued against MPNR and SNGPL dated December 31, 2011 by the SHC. The application is pending for hearing and no orders have yet been passed in this regard.

33.1.2.5All Pakistan Textile Processing Mills Association (APTMA), Agritech, Shan Dying & Printing Industries (Private) Limited and twenty seven others have each contended, through separate proceedings filed before the Lahore High Court that the supply to EFERT's new plant is premised on the output from Qadirpur gas field exceeding 500 mmscfd by 100 mmscfd and, therefore, the Gas Sale and Purchase Agreement (GSA) dated April 11, 2007 between EFERT and SNGPL be declared void ab initio because the output of Qadirpur gas field has in fact decreased. Agritech has additionally alleged discrimination in that it is receiving less gas than the other fertilizer companies on the SNGPL system. EFERT has out rightly rejected these contentions, and is of the view that it has a strong case for the reasons that (i) 100 mmscfd gas has been allocated to EFERT through a transparent international competitive bidding process held by the Government of Pakistan, and upon payment of valuable license fee; (ii) GSA guarantees uninterrupted supply of gas to EFERT's new plant, with right to first 100 mmscfd gas production from the Qadirpur gas field; and (iii) both EFERT and the Qadirpur gas field are located in Sindh. Further, neither the gas allocation by the Government of Pakistan nor the GSA predicates the gas supply from Qadirpur gas field producing 100 mmscfd over 500 mmscfd. No orders have been passed in this regard and the petition has also been adjourned sine die given that similar matter is pending in the SCP. However, EFERT's management, as confirmed by the legal advisor, considers chances of petitions being allowed to be low.

33.1.2.6In 2013, EFERT, along with other fertilizer companies, received a show cause notice from the Competition Commission of Pakistan (CCP) for initiating action under the Competition Act, 2010 (2010 Act) in relation to alleged unreasonable increase in fertilizer prices. EFERT has responded in detail that factors resulting in such increase were mainly due to imposition of infrastructure cess, sales tax and gas curtailment. The CCP issued an order in March 2013, whereby it held that EFERT has a dominant position in the urea market and that it has abused the same by unreasonable increases in urea prices during the period December 2010 to December 2011. The CCP also held another major fertilizer company to be responsible for abusing its dominant position. Moreover, the CCP imposed a penalty of Rs. 3,140,000 and Rs. 5,500,000 on EFERT and the other fertilizer company, respectively. An appeal has been filed before the Competition Appellate Tribunal (CAT) and a writ has been filed in the SHC wherein stay has been granted in favor of EFERT restraining CCP and Federation of Pakistan (i.e. Respondents) from taking any coercive action.

(Amounts in thousand)

In case of the other fertilizer company, the CAT has transferred the case back to the CCP for reassessment. EFERT has also challenged the composition of the CAT before the SHC and has secured an interim order in its favor whereby the CAT is restrained from passing any final order against EFERT during the pendency of the petition. EFERT's management believes that the chances of ultimate success are strong and, hence, no provision has been made in this respect in these consolidated financial statements.

In 2024, the petitions were disposed of with a direction to the CAT to decide EFERT's appeal and in the meantime CCP has been restrained from taking any adverse action against EFERT on the basis of the 2013 order.

33.1.2.7In 2018, the LTU issued an order for the period June 2016 to July 2017 with a demand of Rs. 1,006,000 mainly on account of further sales tax to be charged on fertilizers sales to unregistered persons. EFERT filed an appeal before the CIR(A) who disposed off the appeal in favor of the tax department. Thereafter, EFERT filed an appeal before the ATIR, and it also decided the same in favor of the tax department. EFERT challenged the ATIR Order, to the extent of its ruling in relation to exemption from further sales tax, before the SHC by filing Sales Tax Reference Application. On October 11, 2021, the SHC granted an ad-interim order restraining the tax department from taking coercive action against EFERT in respect of the recovery of the impugned demand. EFERT's management believes that the chances of ultimate success are good, hence, no provision has been made in this respect in these consolidated financial statements.

33.1.2.8During the year, the tax department [i.e. Large Taxpayers Unit (LTU)] issued an order for the period June 2022 under the Sales Tax Act, 1990 reducing EFERT's sales tax refund claim by Rs. 660,000. EFERT has filed an appeal before the CIR(A) which is currently pending adjudication. EFERT's management believes that the chances of ultimate success are good, hence, no provision has been made in this respect in these consolidated financial statements.

33.1.3 Elengy Terminal Pakistan Limited and its subsidiary company

As detailed in note 11.6, EETPL in connection with the import of FSRU received a demand from Customs Authority amounting to Rs. 1,530,494 contending that the import of FSRU attracts payment of advance income tax. EETPL is of the view that EETPL's profits and gains were exempt from income tax for 5 years from the date of commercial operations. EETPL in response to the above demand filed an appeal based on which the Chief Commissioner Inland Revenue (CCIR) through its order dated August 22, 2016 remanded the case back to the concerned commissioner, who again rejected the request for exemption against which EETPL filed an appeal before CCIR. The CCIR decided appeal against EETPL vide order dated July 24, 2020 against which EETPL filed an appeal before the SHC on August 6, 2020 and has obtained stay in this regard.

EETPL based on the merits of the case and as per the opinion of its legal advisor, expects a favorable outcome on the matter and accordingly, no provision has been made in this respect in these consolidated financial statements.

33.1.4 Engro Energy Limited and its subsidiary companies

EEL had previously sought adjournment from Assistant Commissioner Sindh Revenue Board (SRB) against the notice dated November 8, 2023 pursuant to which the department issued an order on May 10, 2024 raising a demand (inclusive of default surcharge and penalty) of Rs. 2,509,177. EEL appealed against the order and was granted a conditional stay order upon payment of 10% of the adjudged demand.

During the year, EEL paid an additional amount of Rs. 300,000 for continuation of stay until the case is disposed. Accordingly, EEL has paid a gross amount of Rs. 550,917 against the adjudged demand. The next hearing in this case is scheduled for February 12, 2026.

Based on the views of EEL's in-house tax personnel and legal advisor, the management has made a provision of Rs. 232,259 against the aforementioned case.

(Amounts in thousand)

33.1.5 Engro Corporation Limited

33.1.5.1 As part of the Arrangement with PMCL, ECL provided a guarantee for the repayment of DPL's liabilities amounting to Rs. 98,699,900, as detailed in note 1.4. During the year, DPL repaid Rs. 85,931,511 reducing the outstanding liability. Consequently, ECL's guarantee exposure stands at Rs. 12,768,389 as at reporting date.

33.1.5.2 In the year 2016, ECL entered into a Share Purchase Agreement (SPA) with Friesland Campina Pakistan Holding B.V. (FCP) for the sale of 47.1% of the total issued shares of FCEPL. In accordance with the terms of the SPA, ECL is required to pay to FCP, an amount equivalent to 47.1% of any tax liability (as defined in the SPA) together with all reasonable costs and expenses incurred, in case any tax contingency materializes. ECL, based on the opinion of FCEPL's in-house tax personnel and legal advisors, is confident of favorable outcomes in respect of various tax matters being contested by FCEPL, and accordingly no provision has been recognized in this respect in these consolidated financial statements.

33.1.6 Associated Companies and Joint Venture

33.1.6.1 FCEPL has provided bank guarantees to the Government of Sindh (GoS), amounting to Rs. 543,387 (2024: Rs. 468,387) in relation to Sindh Infrastructure Development Cess (SIDC). In 2021, the SCP through its order dated September 1, 2021 has directed that till further orders operation of the impugned judgement of the SHC dated June 4, 2021 which validated SIDC and its recovery shall remain suspended. The SCP's order further stated that the petitioners (including FCEPL) shall keep the bank guarantees already submitted with the GoS and shall furnish fresh bank guarantees equivalent to 100% of the amount of SIDC against release of all future consignments of imported goods.

33.1.6.2 The Customs Department (the Department) issued various orders alleging that FCEPL has mis declared Harmonized System (HS) code on certain raw materials imported and is therefore, required to pay additional duties and taxes. FCEPL, being aggrieved with the said demands, has filed appeals before the Collector of Customs (Appeal) [CC(A)]. The CC(A) had decided majority of the appeals and set aside the orders of the Department with the direction to refer the cases to the Classification Committee (CC) and decide the same according to the findings of the Committee. Moreover, FCEPL and the Department have also filed appeals with the Customs Appellate Tribunal against the orders issued by the CC(A), which are pending adjudication. Further, during the year, CC(A) has also decided few more appeals against FCEPL. FCEPL, having considered the relevant provisions, being aggrieved of CC(A)'s orders, has filed appeals before Customs Appellate Tribunal, which have been decided against FCEPL. FCEPL thereagainst filed an appeal against the Customs Appellate Tribunal's decisions before the SHC. During the year, SHC disposed some of the appeals by referring the matter to the Committee which has issued notices for hearing and matter is currently pending with the Department. FCEPL as an abundant caution has recognized adequate provision in this respect in its financial statements.

33.1.6.3 The DCIR issued show cause notices for sales tax on tea whitener and dairy drink product i.e. 'Tarang' and 'Omung' respectively for the year 2013 on October 17, 2017 and for years 2014, 2015 and 2016 on March 9, 2018, aggregating to Rs. 14,886,500, challenging the exemption / zero rating on these products. Against the show cause notices, FCEPL had filed Constitutional Petitions before the SHC for year 2013 on October 25, 2017 and for years 2014, 2015 and 2016 on March 15, 2018, and had obtained an interim injunction against adverse action by tax department on the same day. The SHC through its order dated November 18, 2020 has upheld FCEPL's view with respect to 'Tarang' in view of the decision of the CC obtained by FCEPL on February 11, 2019. With respect to 'Omung' the SHC suspended the notice, advising that the tax department may refer the matter to the CC, for a decision afresh; and till such time no action can be taken against FCEPL. The amount of show cause notices pertaining to 'Omung' aggregate to Rs. 1,480,841.

In case the CC (for Omung) decides against FCEPL, FCEPL can avail all legal remedies available to it. FCEPL filed an appeal against this decision with respect to Omung in the SCP. Further, FBR also challenged the order dated November 18, 2020 in the SCP. Subsequently, SCP disposed-off cross appeals filed against the SHC order dated November 18, 2020. SCP has allowed FCEPL's appeals and has set aside the notices related to Omung, whereas SCP dismissed the appeals of tax department against 'Tarang'. Accordingly, show cause notices issued to FCEPL have been completely quashed.

(Amounts in thousand)

On March 15, 2022, the CC issued ruling, effective prospectively, on tea whiteners including 'Tarang'. CC therein reviewed its previous rulings and decided the matter against the taxpayers. On October 28, 2022, the Lahore High Court (LHC) passed an order setting aside the ruling dated March 15, 2022 and remanded back the case to the Collector of Customs to re-adjudicate the matter as per the procedure prescribed under the law. Pursuant to the order of the LHC if any classification ruling is issued, the same would be applicable prospectively from the date of the final decision by the Collector of Customs. Some dairy companies have further challenged LHC order in SCP on the ground that LHC direction to Collector of Customs to re-adjudicate the matter afresh is void and illegal.

DCIR re-issued the show cause notices (SCNs) for the tax years 2013 to 2016 based on the FBR order dated September 20, 2023. These SCNs were challenged before the SHC. SHC has directed the DCIR to explain its position because the matter was already decided by SHC and upheld by the SCP. Subsequently, DCIR withdrew the SCNs and SHC has accordingly disposed off the case.

33.1.7 Engro Polymer and Chemicals Limited and its subsidiary companies

Performance guarantees of Rs. 102,180 and Rs. 286,682 have been given in respect of Sindh Development and Maintenance of Infrastructure Cess (SIDC) and greenfield application status of EPPL, respectively. With regards to greenfield status, the EPPL's management is of the view that if any payment on account of sales tax and income tax which amounts to Rs. 149,620 is required to be made to the Government authorities, the same will be recoupable in its tax returns for future periods. Accordingly, no provision has been made in this respect.

33.1.8 Tax related contingencies matters have been disclosed in note 43.

33.2 Commitments

Details of commitments as at December 31, 2025 entered by the Group are as follows:

33.2.1 Commitments in respect of capital expenditure contracted but not incurred amount to Rs. 28,721,426 (2024: Rs. 59,862,202).

33.2.2 The aggregate facilities available to the Group for opening letter of credits and bank guarantees, and other commitments other than those disclosed elsewhere in these consolidated financial statements, amounted to Rs. 52,284,432 (2024: Rs. 64,823,814).

33.2.3 Engro Corporation Limited

ECL arranged debt financing from a consortium of local banks for the acquisition of DPL. As part of the security package, ECL, in its capacity as sponsor, was required to provide a DSRA SBLC in favor of the lenders, equivalent to one peak installment. To fulfill this requirement, ECL arranged the issuance of a DSRA SBLC amounting to Rs. 3,200,000 through ABL. The DSRA SBLC is secured by a pledge of 26,500,000 shares of EFERT and 4,500,000 shares of EPCL held by ECL.

Guarantees have been issued in favor of Nazir of SHC on behalf of ECL through BAFL, HBL and UBL with facilities amounting to Rs. 987,057, Rs. 1,609,108 and Rs. 1,121,214 respectively. These were secured by pledging ECL's shares of EFERT, EPCL and FCEPL of quantities 23,780,000, 28,000,000 and 5,387,269, respectively.

33.2.3.1 EETPL has issued SBLCs amounting to USD 22,500 (2024: USD 22,500). This has been secured by pledging ECL's shares of EFERT and EPCL of quantities 36,000,000 and 87,344,771, respectively.

(Amounts in thousand)

33.2.3.2 Following are the details of securities pledged by ECL in favor of EEL:

- Standby Letters of Credit (Equity SBLC) have been provided by EEL through NBP amounting to USD 2,606 (2024: USD 2,606) for its equity commitments related to SECMC in favor of the Intercreditor Agent (HBL) and the Project Company (i.e. SECMC). Equity SBLC will expire on earlier of (i) June 30, 2026; or (ii) fulfilment of sponsor obligations under Sponsor Support Agreements. This has been secured by pledging ECL's Treasury Bills.
- Standby Letter of Credit (Put Option SBLC) has been provided by EEL, through ABL amounting to USD 21,070 (2024: USD 21,070) in favor of the Put Option Fronting Bank (HBL). The Put Option SBLC has been furnished to meet sponsor obligations under Sponsor Support Agreement (Put Option SSA) and expires on earlier of (i) January 31, 2029; or (ii) fulfilment of sponsor obligations pursuant to Put Option SSA. This was secured by pledging ECL's shares of EFERT and FCEPL of quantities 37,962,864 and 9,650,000, respectively.
- On March 28, 2022, and as supplemented from time-to-time, ABL and FBL have committed to provide Payment Service Reserve Account (PSRA) SBLCs amounting to USD 24,636 (2024: USD 23,316) and Rs. 1,050,000 (2024: Rs. 1,029,044), respectively, on behalf of EEL, for its PSRA commitments related to EPTL in favor of their project lenders. These SBLCs are secured by pledging 53,968,876, 84,060,025 and 4,000,000 shares of EFERT, EPCL and FCEPL, held by ECL, respectively.

33.2.4 Engro Polymer and Chemicals Limited and its subsidiary companies

Commitments of EPCL in respect of rentals of storage tanks at EVTL for the handling of (i) Ethylene aggregating to USD 774 (2024: USD 3,870) are valid till March 31, 2026, (ii) Ethylene Di Chloride (EDC) aggregating to USD 1,668 (2024: USD 2,224) are valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregating to USD 298 (2024: USD 644) are valid till June 30, 2026.

33.2.5 Engro Energy Limited and its subsidiary companies

33.2.5.1 EEL has also provided sponsor support contractual commitment for cost overrun, among other commitments, in favor of Senior Lenders amounting to cumulative USD 6,300 for SECMC Phase I and Phase II expansion pursuant to the Amended and Restated Sponsor Support Agreement (A&R SSA) dated September 02, 2019 for SECMC and USD 41,600 pursuant to A&R SSA dated February 12, 2016 in case of EPTL.

Phases I and II of SECMC have been achieved, however, these cost overruns / commitments will be released on finalization of Project Completion Document (PCD). During the year, PCD for Phase I has been filed and concluded with the lenders. Whereas, PCD for Phase II is yet to be finalized. However, the cost overruns / commitments have not yet been released.

33.2.5.2 On March 28, 2022, and as supplemented from time-to-time ABL (along with participant banks i.e., Bank AL Habib Limited, UBL and FBL have committed to provide Payment Service Reserve Account Standby Letter of Credit worth USD 23,316 and Rs. 1,029,044, respectively, on behalf of EEL for its commitments related to EPTL, in favor of their Senior Lenders. These Standby Letter of Credit will expire on July 14, 2026.

33.2.6 Elengy Terminal (Private) Limited and its subsidiary companies

EETPL has provided a Letter of Guarantee through NBP amounting to USD 5,000 (2024: USD 5,000) and USD 10,000 (2024: USD 10,000) in favor of SSGCL to guarantee performance of its obligations under the LNG Operations and Services Agreement (LSA). The aforementioned guarantee is secured against project assets of EETPL and ECL's corporate guarantee. Both of the guarantees in favor of SSGCL are valid till April 30, 2026 and are renewable annually.

(Amounts in thousand)

EETPL has provided bank guarantee amounting to Rs. 2,923,041 (2024: Rs. 733,961) from MCB and Rs. 1,200,460 (2024: Rs. 1,536,743) from BAFL, in favor of Nazir of the Court to comply with the interim orders of the Court. During the year, EETPL filed application to the court to adjust payment of advance tax against the bank guarantee provided above which was duly allowed by the Court. These guarantees have been secured against bank balances and short term investments of EETPL.

33.2.7 Associated Companies and Joint Venture

Commitments given by the associated companies and joint venture in respect of capital expenditure amounted to Rs. 1,967,883 (2024: Rs. 622,031).

33.2.8 For other tax related matters, refer note 43.

(Amounts in thousand)

34. revenue

2025Rupees.... 2024

Own manufactured products (note 34.1)

427,011,857 419,506,215

Less:

- Sales tax and duties
- Discounts

(37,534,515) (30,105,422)
(7,984,853) (2,517,512)

(45,519,368) (32,622,934)

381,492,489 386,883,281

Purchased products

152,232,585 123,576,665

Services rendered (notes 34.2 and 34.3)

73,550,182 43,847,879

Less:

- Sales tax and duties
- Discounts

(8,866,428) (14,031,376)
(48,816) (99,675)

(8,915,244) (14,131,051)

216,867,523 153,293,493

Related to disposal group (note 20)

- (6,045)

598,360,012 540,170,729

34.1 Includes revenue from sale of energy which comprises of (note 34.1.1):

Capacity purchase price

61,875,855 64,567,716

Energy purchase price

61,666,600 77,429,515

123,542,455 141,997,231

34.1.1 On June 15, 2022, National Electric Power Regulatory Authority (NEPRA) decided upon the Commercial Operations Date (COD) Adjustment Tariff (Tariff Decision), forming the basis on which future indexations in the EPTL's tariff are to be made and the revenue is to be recognized with effect from the COD. EPTL believes that the aforementioned Tariff Decision is principally not in accordance with EPTL's Upfront Tariff issued by NEPRA dated March 13, 2015, and being aggrieved from the Tariff Decision, EPTL had filed an appeal before the Appellate Tribunal - NEPRA on July 13, 2022 in accordance with the applicable legislation.

Further, EPTL had obtained a stay order from SHC against the above Tariff Decision till the finalisation of EPTL's appeal before the Appellate Tribunal - NEPRA. Accordingly, the Tariff Decision dated June 15, 2022 also stands suspended.

In light of the aforementioned appeal filed and favorable advice from EPTL's legal counsel, EPTL's management had assessed that it has strong legal grounds against certain disallowances made by NEPRA in the Tariff Decision and the Group has continued to recognize revenue in these consolidated financial statements in accordance with its interpretation of the relevant tariff provisions.

34.2 This includes revenue from services rendered by EETPL which comprises of:

2025Rupees.... 2024

Operating lease rental income

1,333,806 1,431,690

Revenue from O&M services

5,879,409 5,695,603

Finance income on sublease

5,806,130 6,609,841

Revenue from utilization / regasification services

6,020,178 6,197,887

19,039,523 19,935,021

t

(Amounts in thousand)

34.3 The annual capacity of EETPL as a service provider to SSGCL is 4.5 MTPA and there has been no shortfall during the year. During the year, the total utilization was 4.3 MTPA (2024: 4.3 MTPA). The utilization is based on the cargos of LNG handled during the year.

34.4 All revenue earned by the Group is Shariah compliant.

35. cost of revenue

2025Rupees.... 2024

Cost of goods sold (note 35.1)

408,435,763 365,554,508

Cost of services rendered (note 35.2)

38,270,550 17,332,047

Finance cost on lease liabilities

3,963,686 4,552,090

Related to disposal group (note 20)

- (5,334)

450,669,999 387,433,311

35.1 Cost of goods sold

Raw and packing materials consumed (note 35.1.2)

85,845,632 80,694,216

Salaries, wages and staff welfare (note 35.3)

8,413,188 7,587,672

Fuel and power

52,522,043 47,209,282

Operation and management

6,120,121 4,545,508

Repairs and maintenance

4,481,926 8,484,410

Depreciation - Right-of-use assets (note 5.3)

470,138 499,501

Depreciation (note 4.4)

22,655,270 7,333,728

Amortization (note 6.1)

84,124 63,067

Consumable stores

3,377,149 2,418,449

Staff recruitment, training, safety and other expenses

1,473,634 1,325,938

Purchased services

3,146,872 3,123,799

Storage and handling / product transportation

3,762,437 3,428,807

Travel

656,780 703,748

Communication, stationery and other office expenses

330,390 356,718

Insurance

3,403,267 3,878,690

Rent, rates and taxes

100,948 200,004

Provision against surplus and slow moving stores and stock in trade (notes 12.1 and 13.3)

324,888 486,171

Write-off of stores and spares (note 12.2)

3,811 5,304

Write-off of stock-in-trade (note 13.1.1)

86,207 348,640

Other expenses

256,581 237,277

Manufacturing cost

197,515,406 172,930,929

Add: Opening stock of work-in-process

371,488 711,227

Less: Closing stock of work-in-process (note 13)

614,262 371,488

(242,774) 339,739

Cost of goods manufactured

197,272,632 173,270,668

Add: Opening stock of finished goods manufactured

12,430,132 6,643,218

Less: Closing stock of finished goods manufactured (note 13)

9,058,067 12,430,132

3,372,065 (5,786,914)

Cost of goods sold

- own manufactured product

200,644,697 167,483,754

- purchased product (note 35.1.1)

207,791,066 198,070,754

408,435,763 365,554,508

(Amounts in thousand)

	2025	2024
35.1.1 Cost of goods sold - purchased and packaged products		
Opening stock	14,524,128	9,995,925
Add: Purchases	207,873,291	202,598,957
Less: Closing stock	14,606,353	14,524,128
	207,791,066	198,070,754

35.1.2 In prior year, Thar Coal and Energy Board (TCEB) notified Commercial Stage Operation Tariff (the Approved Tariff) for 7.6 MTPA capacity mine of SECMC Thar Coal Field at Block-II (Phase II COD) on June 28, 2024 due to which SECMC raised a differential invoice from the start of Phase II COD i.e. from October 1, 2022 till June 30, 2025, amounting to Rs. 9,604,560 (inclusive of sales tax) after taking the impact of related contract asset / liability already accounted for prior years.

During the year, TCEB determined the reference tariff for SECMC mine pursuant to initial Multi Year Stage Tariff (MYT) for 7.6 MTPA expanding upto 11.2 MTPA capacity dated October 28, 2025. As a result, EPTL recognized an adjustment in cost of revenue commencing from October 1, 2024 till December 31, 2025 based on the MYT amounting to Rs. 317,325 as a difference between the invoices / differential invoices already billed by SECMC and subsequent approved indexation by TCEB, among which last quarter indexation is pending for approval from TCEB. Furthermore, as per the clawback mechanism outlined in MYT, the total excess amount of Rs. 11,956,500 for the period July 2019 to September 2024 will be passed to the Group in equal quarterly installments through quarterly indexations from July 2025 to September 2026. Accordingly, SECMC will raise a differential invoice / credit note subsequently, therefore, the Group has accounted for consequential adjustment in revenue, contract liability and contract asset in note 17.

	2025	2024
35.2 Cost of services rendered		
Fixed expenses	3,785,751	3,602,522
Variable expenses (note 35.2.1)	4,578,004	3,950,856
Operational and maintenance services	-	366,315
Depreciation (note 4.4)	9,558,273	3,154,202
Depreciation - Right-of-use assets (note 5.3)	2,337,387	377,098
Amortization (note 6.1)	726,243	12,520
Amortization of direct cost on FSRU	86,516	86,516
Salaries, wages and staff welfare	1,878,306	595,862
Fuel and power	10,168,490	3,196,829
Repairs and maintenance	2,563,512	848,512
Travelling and entertainment	254,286	90,696
Security and other expenses	1,948,089	743,485
Others	385,693	306,634
	38,270,550	17,332,047

35.2.1 This includes Rs. 3,743,239 (2024: Rs. 3,509,912) in respect of royalty charges paid to PQA as per the LSA. The registered address of PQA is Port Qasim Authority, Bin Qasim, Karachi.

35.3 This includes Rs. 589,616 (2024: Rs. 531,444) in respect of staff retirement benefits.

(Amounts in thousand)

	2025	2024
36. selling and distribution expenses		
Salaries, wages and staff welfare (note 36.1)	2,008,447	1,690,121
Staff recruitment, training, safety and other expenses	259,188	204,306
Product transportation and handling	8,012,837	6,798,679
Fuel for product transportation	4,419,942	4,543,655
Repairs and maintenance	50,606	35,565
Advertising and sales promotion	729,174	763,445
Rent, rates and taxes	1,324,996	763,616
Communication, stationery and other office expenses	46,394	42,034
Travel	271,548	383,137
Depreciation (note 4.4)	186,203	168,991
Depreciation - Right-of-use assets (note 5.3)	8,733	27,272
Amortization (note 6.1)	2,723	17,377
Purchased services	173,715	167,453
Others	136,446	423,829
Related to disposal group (note 20)	-	(1,389)
	17,630,952	16,028,091

36.1 This includes Rs. 171,527 (2024: Rs. 137,432) in respect of staff retirement benefits.

	2025	2024
37. administrative expenses		
Salaries, wages, directors and staff welfare (note 37.1)	5,530,506	5,304,810
Staff recruitment, training, safety and other expenses	271,506	264,637
Repairs and maintenance	143,640	66,050
Advertising	161,343	230,705
Rent, rates and taxes	1,063,247	743,118
Communication, stationery and other office expenses	503,159	627,542
Travel	823,585	806,873
Depreciation - Right-of-use assets (note 5.3)	360,735	353,532
Depreciation (note 4.4)	1,385,406	1,147,452
Amortization (note 6.1)	447,619	433,734
Purchased services	3,847,839	3,786,134
Share based compensation expense (note 37.2)	12,278	312,914
Advisory and consultancy	60,543	133,380
Subscription and periodicals	-	63,076
Insurance	164,430	4,767
Others	788,937	1,064,148
Related to disposal group (note 20)	(60,596)	(519,544)
	15,504,177	14,823,328

37.1 This includes Rs. 434,945 (2024: Rs. 475,753) in respect of staff retirement benefits.

37.2 This represents expense recognized for cash settled share based payment transaction of Rs. 12,278 (2024: Rs. 312,914).

(Amounts in thousand)

38. other income

2025Rupees.... 2024

Financial assets:

Income on deposits / other financial assets	8,929,907	26,037,388
Interest on amount receivable from SSGCL	123,909	138,917
	9,053,816	26,176,305

Non financial assets:

Insurance claims	56,672	59,049
Exchange gain	545,803	405,575
Gain on disposal of property, plant and equipment	1,173,741	240
Income from sale of spares / scrap	798,137	378,801
Reversal of provision of trade debts (note 14.5)	40,535	27,420
Reversal of provision on PPE	-	16,793
Reversal of provision of stores and spares	27,456	-
Others (note 38.1)	348,382	480,485
	2,990,726	1,368,363
Related to disposal group (note 20)	(36,654)	(205,166)
	12,007,888	27,339,502

38.1 This includes unrealized exchange gain on payable to PMCL amounting to Rs. 377,807 (2024: Nil), netted off with unrealised exchange loss on other foreign currency liabilities Rs. 59,250 (2024: Nil).

39. other operating expenses

2025Rupees.... 2024

Workers' Profits Participation Fund (note 30.10)	2,091,542	2,358,934
Workers' Welfare Fund (note 30.10)	1,351,663	1,844,277
Legal and professional charges	6,618,045	995,716
Auditor's remuneration (note 39.1)	247,576	263,820
Loss on disposal / write-off of property, plant and equipment	-	191,454
Donations (note 55)	841,448	1,590,973
Others	305,851	744,696
Related to disposal group (note 20)	(3,458)	(15,094)
	11,452,667	7,974,776

(Amounts in thousand)

39.1 Auditor's remuneration:

Fee for:

- audit of annual financial statements
 - review of half yearly financial information
 - special audits, certifications, review of compliance with the Code of Corporate Governance and other assurance & advisory services
 - taxation services
- Reimbursement of expenses

	2025	2024
- audit of annual financial statements	30,891	22,572
- review of half yearly financial information	8,514	6,248
- special audits, certifications, review of compliance with the Code of Corporate Governance and other assurance & advisory services	111,749	137,981
- taxation services	86,860	85,295
Reimbursement of expenses	9,562	11,724
	247,576	263,820

40. finance cost

Interest / mark-up on conventional borrowings:

- long-term
- short-term

Mark-up on Shariah compliant borrowings:

- long-term
- short-term

Interest on lease liabilities

Unwinding of deferred incentive revenue

Amortization of transaction costs (note 23.5)

Financial / bank charges

Delayed payment charges - net

Letter of credit and related charges

Unwinding of payable to PMCL

Others

Related to disposal group (note 20)

- long-term	19,983,196	22,001,947
- short-term	4,197,358	6,640,644
- long-term	4,821,380	3,950,440
- short-term	2,882,732	3,065,600
Interest on lease liabilities	3,506,641	1,440,144
Unwinding of deferred incentive revenue	(9,618)	(5,608)
Amortization of transaction costs (note 23.5)	816,847	831,060
Financial / bank charges	4,231,300	3,664,863
Delayed payment charges - net	(1,867,282)	(2,111,469)
Letter of credit and related charges	1,003,472	982,537
Unwinding of payable to PMCL	4,783,075	-
Others	603,139	170,812
Related to disposal group (note 20)	(17,785)	(1,205)
	44,934,455	40,629,765

41. share of income from joint venture and associates

Joint venture:

Share of profit before taxation

Less: Share of provision for taxation

Associates:

Share of profit from:

- Sindh Engro Coal Mining Company Limited
- FrieslandCampina Engro Pakistan Limited

Share of profit before taxation	1,840,412	2,127,679
Less: Share of provision for taxation	(715,894)	(796,843)
	1,124,518	1,330,836
- Sindh Engro Coal Mining Company Limited	6,769,951	1,183,166
- FrieslandCampina Engro Pakistan Limited	1,073,569	879,048
	7,843,520	2,062,214
	8,968,038	3,393,050

(Amounts in thousand)

42. minimum tax and final tax

This represents final and minimum taxes charged under section 5, section 8, section 153 and section 113 (in respect of non recoupable minimum tax) of the Ordinance, representing levy in terms of requirements of IFRIC 21 / IAS 37.

	2025....Rupees....	2024
Minimum tax	8,611,584	3,869,989
Final tax	26,278	319,331
	8,637,862	4,189,320

43. taxation

Current		
- for the year (notes 43.2 and 43.3)	24,796,381	30,316,209
- for prior years (notes 43.1, 43.2 and 43.5.1)	933,475	5,608,234
	25,729,856	35,924,443
Deferred	(1,817,420)	(11,528,915)
Related to disposal group (note 20)	(228,689)	-
	23,683,747	24,395,528

Details of significant income tax matters are as follows:

43.1 Through the Finance Act, 2022, the levy of super tax on high-earning persons was introduced under section 4C of the Income Tax Ordinance, 2001 (the Ordinance). The levy was initially applicable at a rate of four percent on income exceeding Rs. 300,000 for tax year 2022 onwards and at a rate of 10% on specified sectors. Subsequently, section 4C was amended through Finance Act, 2023 whereby the rate of super tax was retrospectively increased to ten percent on income exceeding Rs. 500,000 for the tax year 2023 for all sectors.

The Group, along with other industry participants, challenged the constitutionality of section 4C before various High Courts and obtained relief in respect of the retrospective application of super tax as well as its applicability to income subject to final tax under other provisions of the Ordinance. Appeals were filed by the tax authorities, and the matter remained pending adjudication before the SCP. Following the enactment of the 27th constitutional amendment, all pending super tax cases before the High Courts and the Supreme Court were transferred to the Federal Constitutional Court (FCC).

During the year, in accordance with the 27th Constitutional Amendment, all pending litigations of sections 4B and 4C of the Ordinance were called from all High Courts and SCP in the FCC. Subsequent to the year end, the FCC decided on the matters and has upheld the constitutionality of sections 4B and 4C of the Ordinance.

In light of the above decision, management believes that the super tax matter has substantially reached its finality. nevertheless, management is awaiting the detailed judgment and will, in consultation with its legal and tax advisors, assess whether any further legal remedies are available. In respect of the same, the Group has recognized adequate provision against additional super tax levy of six percent for TY 2022.

(Amounts in thousand)

43.2 The Holding Company

As a result of the Scheme, all taxation notes of the Holding Company as at December 31, 2024 as disclosed in note 46.1.1 of the consolidated financial statements for the year ended December 31, 2024 have been transferred to DHPL on the effective date (note 1.2). There are no other taxation notes of the Holding Company at the reporting date.

43.3 Engro Corporation Limited

43.3.1 In 2023, in respect of tax year 2022, the ACIR has issued an amended order under section 4C of the Ordinance and raised a demand of Rs. 251,746 mainly due to non-consideration of taxable loss while computing the 'income' for the purpose of super tax. ECL filed an appeal before the Commissioner Inland Revenue (Appeals) (CIR(A)), who has maintained the said demand. Subsequently, ECL filed an appeal with ATIR against the order of the (CIR(A)), which also upheld the decision of CIR(A). Being aggrieved, ECL filed an appeal before SHC, which has restrained the tax department from taking any measure against ECL. ECL's management is confident that the matter will ultimately be decided in its favor, hence, no provision has been made in this respect in these consolidated financial statements.

43.3.2 In 2023, the income tax department, in respect of the tax year 2017, determined income tax liability of Rs 20,573,135 and raised a demand of Rs. 19,687,430 (including super tax) on account of tax levied on capital gains on disposal of shares of listed subsidiaries. This Order was rectified by the tax department and demand amounting to Rs. 14,960,022 was determined after excluding the tax amounting to Rs. 4,727,409 determined on undistributed profits u/s 5A of the Ordinance.

As a normal recourse, ECL filed an appeal before the CIR(A) which upheld the decision of ACIR. Being aggrieved of the decision of CIR(A), ECL had filed an appeal before the ATIR.

During the year, the ATIR has upheld the decision of CIR(A). Being aggrieved with the decision, ECL has filed for a reference before SHC. The SHC has restrained the income tax department from taking action against ECL for recovery of the demand.

The management based on its assessment is confident that the matter will ultimately be decided in its favor, hence, no provision has been made in this respect in these consolidated financial statements.

43.3.3 In 2020, the income tax department, in respect of the tax year 2014, amended the return by creating tax demand of Rs. 401,240 whereby the ACIR has levied tax on capital gains on disposal of shares of listed subsidiary, apportioned expenses against dividend income, disallowed the classification of 'Interest Income' as "Income from Business" as well as not allowing the adjustment of brought forward capital losses and brought forward minimum tax paid under section 113(2)(c) of the Ordinance. ECL filed an appeal against the order of ACIR before the CIR(A). In 2022, Appellate Order has been framed by the CIR(A) and favorable decision was made in respect of taxation of capital gains on disposal of shares of listed subsidiary whereas other matters have been remanded back to the ACIR for reconsideration. The tax department has filed an appeal on these matters before the ATIR.

(Amounts in thousand)

In 2023, ECL received an appeal effect order dated June 26, 2023. The ACIR gave effect to the findings of the Appellate Order of the CIR(A) dated December 30, 2022, by deleting the tax levied on capital gains on disposal of shares of listed subsidiary whereas favorable effect has also been given to other matters remanded back pertaining to allocation of expenses, classification of interest income and certain ancillary calculation errors. ECL's management, is confident that these matters will be decided in favor of ECL, hence no provision has been made in these consolidated financial statements.

43.3.4 In 2017, the income tax department in respect of the tax year 2015, determined an additional income tax liability of Rs. 128,400, whereby, the ACIR - Audit has levied tax on inter-corporate dividends, Super Tax including on exempt income the effects of classification of 'Interest Income' as "Income from Other Sources" as well as not allowing the adjustment of the minimum tax paid under section 113(2)(c) of the Ordinance. In the year 2019, the CIR(A) vide order dated May 6, 2019 has maintained the matter relating to taxation of intercorporate dividend, Super Tax under section 4B, the classification of the interest income and carry forward of minimum tax for adjustment whereas the rectificatory matters including the levy of Super Tax on exempt income were remanded back. ECL has preferred an appeal before the ATIR on all issues adjudicated against it.

ECL is confident that these matters will be decided in its favor. However, on basis of prudence, the Group has recorded provision against super tax in these consolidated financial statements.

43.3.5 In 2017, the ACIR through order dated June 13, 2017 amended the return for the tax year 2016 creating tax demand of Rs. 1,573,876 mainly on account of tax levied on inter-corporate dividend, Super Tax including on exempt income and disallowance on account of allocation of expenses to dividend and capital gains including minimum tax paid under section 113 of the Ordinance. The CIR(A) while disposing off ECL's appeal maintained the order of ACIR with respect to certain issues which were further contested before the ATIR. During 2019, the ATIR in its order dated July 31, 2019 has annulled the order of ACIR and validated the exemption on intercorporate dividend as well as the non-applicability of Super Tax on such exempt income.

Against the order dated June 13, 2017, ECL had filed an application for rectification. The ACIR through rectified order dated August 29, 2017 reduced the demand to Rs. 1,084,733. Through the said order, the ACIR accepted ECL's contention relating to various matters except the issue of allocation of expenses to capital gains. ECL contested this matter in appeal before the CIR(A) who has maintained the order of ACIR, through order dated December 18, 2018. ECL filed an appeal before the ATIR against the CIR(A) order.

In 2020, ECL received appeal effect order dated November 20, 2020 issued by the ACIR giving effect to the findings of appellate orders of CIR(A) and ATIR by deleting the tax levied on inter-corporate dividends and Super Tax on exempt income which resulted in revised demand of Rs. 149,257. Moreover, the issue of classification of income from interest on bank deposits and from subordinated loans has been decided in ECL's favor as "income from business".

In addition to the above, the ACIR issued a further amendment order dated November 24, 2020 for the same tax year determined additional income tax liability of Rs. 21,808 on account of capital gain tax on debt securities. The same has been discharged by ECL.

The management of ECL is confident that these matters will be decided in the favor of the ECL. However, on basis of prudence, adequate provision has been made in this respect in these consolidated financial statements.

(Amounts in thousand)

43.3.6 In 2013, the income tax department, in respect of the tax year 2011, determined additional income tax liability of Rs. 218,790 and raised a demand of Rs. 139,575 whereby the Deputy Commissioner Inland Revenue (DCIR) - Audit (DCIR-A) disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. ECL filed an appeal with the CIR(A) who maintained the apportionment of expenses against dividend income and capital gains but allowed the allocation of administrative expenses against interest income, thereby reducing the income tax liability to Rs. 184,191 and revised the demand to Rs. 104,976. ECL paid Rs. 53,250 there against and simultaneously filed an appeal against the CIR(A)'s decision with ATIR which granted a stay to ECL. In 2014, the ATIR issued an order whereby the aforementioned appeal was remanded back to the assessing officers for De novo proceedings, thereby accepting ECL's contention.

In 2014, the income tax department in respect of tax year 2012, amended the assessment and raised an additional demand of Rs. 250,773 on similar grounds as above. ECL filed an appeal against the said order with CIR(A), who based on ATIR's order for tax year 2011, has remanded back the order to assessing officers for De novo proceedings.

In 2015, in respect of pending tax assessments for tax year 2011 and tax year 2012, ECL received notices of demand amounting to Rs. 105,955 and Rs. 250,773, respectively, whereby the Deputy / Additional CIR-A again disallowed allocation of expenses against interest income and apportioned expenses against dividend income and capital gains. ECL filed appeals thereagainst before the CIR(A) and also obtained stays from the SHC from initiating any recovery proceedings in respect of both tax years. In 2016, in respect of both tax years, the CIR(A) accepted ECL's plea and annulled the order passed by the DCIR. In response, the DCIR filed appeals before the ATIR for rectification of the orders passed by the CIR(A) for both tax years, which were subsequently dismissed. In 2017, ECL reversed excess provision of Rs. 168,896 in respect of tax years 2011 and 2012 consequent to denovo proceedings after which the amended orders were passed in respect of the aforementioned tax years, wherein, the Commissioner has maintained the classification of income from interest on bank deposits and from subordinated loans as "income from other sources". In response, ECL filed an appeal challenging this contention before the CIR(A). In January 2019, the CIR(A) passed the appellate orders for both the years and has again remanded the matter to the assessing officer for De novo proceedings.

In 2020, ECL received appeal effect orders both dated June 29, 2020 along with notices of demand amounting to Rs. 75,308 and Rs. 112,681, respectively, whereby the Deputy / Additional CIR-A has again maintained the classification of income from interest on bank deposits and from subordinated loans as "income from other sources". In 2022, Appellate Order was framed by CIR(A) and favorable decision was made in respect of classification of interest income as "income from business" and allocation of expenses to dividend income and capital gains. The income tax department, in response thereagainst, had filed an appeal with the SHC, which is still pending.

In 2023, ECL received appeal effect orders both dated June 27, 2023 pertaining to tax years 2011 and 2012. Through these orders, the ACIR gave effect to the findings of the combined Appellate Order of the CIR(A) dated December 30, 2021.

The management of ECL is confident that these matters will be decided in favour of ECL. However, on basis of prudence, adequate provision has been made in this respect in these consolidated financial statements.

(Amounts in thousand)

43.3.7 The Finance Act, 2021 withdrew the exemption on inter-corporate dividends (ICD) under Clause 103C of the Second Schedule to the Ordinance. However, transitional relief under Section 242 preserved the exemption. Proceedings for tax year 2022 were initiated under Section 122(9), disputing the exemption. ECL maintained that the transitional relief applied and, as a precaution, had recognized a tax provision of Rs. 3,461,231. During the year, a favorable order was received, and the provision was accordingly reversed, in these consolidated financial statements.

43.3.8 On July 30, 2025 and August 1, 2025, ECL received adverse orders from the Sindh Revenue Board (SRB) amounting to Rs. 503,000 and Rs. 130,000 for financial years 2022 and 2023, respectively, in respect of Sindh Workers' Welfare Fund under the Sindh Workers Welfare Fund Act, 2014 (SWWF Act, 2014). The SRB officer did not accept ECL's submissions that it is a trans-provincial entity. In addition, the basis of computation of SWWF adopted by the officer is not in accordance with the ECL's interpretation of the applicable law. Being aggrieved by the said orders, ECL has filed appeals for both years before the CIR(A) - SRB, which are currently pending. However, a stay against recovery has been granted by CIR(A) - SRB.

The management based on its assessment is confident that the matter will ultimately be decided in its favor, hence, no provision has been made in this respect.

43.4 Engro Fertilizers Limited and its subsidiary companies

EFERT continually evaluates its tax position based on amendments by the taxation authorities and developments thereon. The Group maintains adequate provision in this respect in these consolidated financial statements without prejudice to the tax proceedings before any appellate / judicial forum and admission of any liability in this respect matters where there is a difference between the position taken by taxation authorities and EFERT's own position based on its assessment of law and in accordance with its in-house tax personnel and legal advisor opinion, such matters are being reported as contingent liabilities in note 33.1.2.

43.5 Engro Polymer & Chemicals Limited and its subsidiary companies

43.5.1 Through the notice dated January 20, 2020, the ACIR raised issues inter alia with respect to the adjustment of carried forward minimum tax from the tax liability of tax year 2019 and required EPCL to pay Rs. 552,331 being the amount short paid with the income tax return. EPCL filed a Constitutional Petition in the SHC challenging the notice. SHC through its order dated February 6, 2020, dismissed the case based on the decision of the SHC in respect of another company. However, the SHC directed the department to refrain from passing the order on the basis of the aforesaid notice for a period of thirty days which was then extended for further 30 days to enable EPCL to approach the SCP. EPCL has filed Civil Petition for Leave to Appeal (CPLA) against SHC order in the SCP, which was heard on March 18, 2020 and an interim stay was granted to EPCL.

In 2023, the income tax department amended the assessment filed by EPCL for tax year 2019. EPCL preferred an appeal thereagainst before the CIR(A) against the disallowances, which mainly pertain to the adjustment of minimum tax carried forward resulting in excess demand of Rs. 532,754, which has been paid under protest.

During the year, the SCP disposed of the CPLA filed by EPCL in 2020, which had challenged the order dated February 6, 2020, passed by the SHC. In light of this judgement of SCP, which is final and without recourse, EPCL has recognized a prior year tax provision amounting to Rs. 975,501 during the year which pertain to minimum turnover tax adjusted in tax year 2019.

(Amounts in thousand)

43.5.2 In 2023, income tax department finalised the monitoring proceedings for tax years 2018 to 2022 against EPCL and raised a demand amounting to Rs 316,851 on account of alleged non-withholding of taxes on payments made to various parties. The tax demand was paid by EPCL under protest and EPCL, subsequently preferred an appeal before the CIR(A) to contest the aforementioned monitoring proceedings.

In 2024, the CIR(A) had passed an order in the favor of EPCL in this respect for tax years 2018, 2019, 2021 and 2022 in respect of demand of Rs. 114,547 raised on account of alleged non-withholding of taxes on payments made to various parties by remanding back the order to the CIR. Being aggrieved the income tax department has filed an appeal before the ATIR against the said decision of CIR(A). As at December 31, 2025, appeal for tax year 2020 in the above case is still pending before the ATIR. EPCL, based on the advice from its in-house tax personnel expects a favorable outcome in this respect and hence, no provision has been recognized in these consolidated financial statements.

43.5.3 In 2024, the income tax department has amended the assessment filed by EPCL for tax year 2022. EPCL has preferred an appeal thereagainst before the CIR(A) related to the disallowances mainly pertaining to adjustment in respect of exchange gain / loss that resulted in excess demand of Rs. 500,019, which has been paid by EPCL under protest. However, as EPCL based on the advice of its in-house tax personnel is confident of a favorable outcome, accordingly, no provision in this respect has been recognized in these consolidated financial statements.

43.6 Elengy Terminal Pakistan Limited and its subsidiary company

EETPL's tax exemption period ended on March 28, 2020. In the post exemption period, EETPL applied for issuance of nil deduction certificate on the premise that its income from terminal services falls under clause 42 of Part IV of Second Schedule. However, the Commissioner Inland Revenue (CIR) rejected EETPL request. Thereafter, EETPL filed Revision Application with the CCIR, who maintained the action of the CIR. EETPL in consultation with the lawyer filed Constitution Petition before the SHC and through the interim orders the SHC has directed SSGCL not to withhold tax on payments made to EETPL, however, this is subject to submission of Bank Guarantee of equal amount with the Nazir of the SHC. EETPL in compliance with the SHC directions is submitting BG and, based on assessment, has recognized the minimum tax levy charge based on the withholding tax deductible considering this as a minimum tax liability of EETPL as per the applicable provisions of the Ordinance.

43.7 Engro Energy Limited and its subsidiary companies

Subsequent to the reporting date, EPQL received notices to provide explanation in respect of tax years 2021 to 2025 pursuant to the matter decided by the ATIR in the case of another company wherein it has been held that the receipts from capacity revenue do not qualify for exemption under the clause 132 of Part I of Second Schedule to the Ordinance as the said receipts are not payments for sale of electricity and rather a passive income not derived from power generation for which the project is established. Consequently, the said receipts do not qualify for 'income from business' as exempt under the aforementioned clause.

EPQL's management, based on the understanding of the mechanism defined under the PPA, is confident of a favorable outcome in this regard.

43.8 Associated Company and Joint Venture

FrieslandCampina Engro Pakistan Limited (FCEPL)

(Amounts in thousand)

43.8.1 FCEPL in accordance with section 59B 'Group Relief' of the Ordinance had surrendered to ECL, its tax losses amounting to Rs. 4,288,134 out of the total tax losses of Rs. 4,485,498 for the financial years ended December 31, 2006, 2007 and 2008 (i.e. tax years 2007, 2008 and 2009) for cash consideration aggregating to Rs. 1,500,847, being equivalent to tax benefit / effect thereof.

FCEPL had been designated as part of the Group of ECL by the Securities and Exchange Commission of Pakistan (SECP) through its letter dated February 26, 2010. Such designation was mandatory for availing Group tax relief under section 59B of the Ordinance and a requirement under the Group Companies Registration Regulations, 2008 notified by the SECP on December 31, 2008.

The ATIR, in respect of surrender of aforementioned tax losses by the FCEPL to ECL for the financial years ended December 31, 2006 and 2007, decided the appeals on July 1, 2010 in favor of ECL, whereby, allowing the surrender of tax losses by FCEPL to ECL. The income tax department has filed reference application dated October 23, 2010 thereagainst before the SHC, which is under the process of hearings. On May 20, 2013, ATIR also decided similar appeal filed by ECL for the year ended December 31, 2008 in favor of ECL. FCEPL based on the merits of the case expects a favorable outcome of the matter.

43.8.2 On May 29, 2024, the Additional Commissioner (ADC) raised a tax demand of Rs. 348,855 for the tax year 2022 by restricting adjustment of minimum tax credit brought forward from prior years against the tax liability. During the year, the ATIR passed an order upholding the decision of the ADC. FCEPL is in the process of filing appeal before the SHC. FCEPL, based on the opinion of its lawyer, is confident of a favorable outcome of the appeal and, accordingly, taxes recoverable have not been reduced by the effect of the aforementioned amount.

43.8.3 On May 20, 2014, the ACIR raised a demand of Rs. 713,341 for tax year 2012 by disallowing the initial allowance and depreciation claimed on certain items of property, plant and equipment, provision for retirement and other service benefits, purchase expenses, sales promotion and advertisement and other expenses etc. On January 26, 2017, CIR(A) upheld the decision of ACIR in respect of provision for retirement benefits and marketing support reimbursements while remanded back various issues for re-examination. Being aggrieved with the impugned order, FCEPL filed an appeal before the ATIR on August 30, 2017, which is pending adjudication. On February 14, 2022 CIR(A) passed an order against the appeal filed for the tax year 2012 against the order issued by DCIR on October 27, 2020 and remanded back issues of deduction on maintenance expenses, provision for retirement benefits, labour charges and adjustment of brought forward losses pertaining to the tax year 2006. DCIR has not yet initiated the remand back proceedings. FCEPL, being aggrieved with the decision of the CIR(A), has preferred an appeal before the ATIR which is pending adjudication. FCEPL, based on the opinion of its in-house tax personnel, is confident of a favorable outcome of the appeal, and accordingly, taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

43.8.4 On November 3, 2017, the ACIR raised a demand of Rs. 511,801 for tax year 2016 by disallowing minimum turnover tax credit, expenses on account of Employee Share Option Scheme and Worker's Welfare Fund. On June 30, 2018, the CIR(A) upheld the decision of the ACIR in respect of minimum turnover tax credit and Employee Share Option Scheme. Being aggrieved with the impugned order, FCEPL has filed appeal before the ATIR on August 15, 2018, which is pending adjudication. FCEPL, based on the opinion of its tax consultant, is confident of a favorable outcome of the appeal, and accordingly, taxes recoverable have not been reduced by the effect of the aforementioned disallowances.

(Amounts in thousand)

43.9 Relationship between tax expense and accounting profit

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Group's applicable tax rate as follows:

	2025 ....Rupees....	2024
Profit before taxation	130,988,271	67,971,778
Tax calculated at the rate of 29% (2024: 29%)	37,986,599	19,711,816
Effect of exemption from tax on certain income	(25,010,491)	(1,108,768)
Levy being separately classified	2,406,430	1,473,323
Income on which levy is charged	(2,751,358)	(3,042,149)
Effect of applicability of Super tax, lower tax rate, Final Tax Regime and other tax credits / debits	13,286,791	12,187,102
Prior year current and deferred tax charge	(926,742)	(4,046,927)
Effect of surrender of tax losses	-	(1,556,930)
Effect of expenses not allowed for tax	(2,172,884)	257,770
Impact of unrealized exchange gain on payable to PMCL	(109,564)	-
Impact of unwinding of interest exp payable to PMCL	744,918	-
Others	230,048	520,291
Tax charge for the year	23,683,747	24,395,528

44. earnings per share - basic and diluted

Basic earnings per share has been calculated by dividing the profit attributable to the owners of the Holding Company by weighted average number of ordinary shares in issue during the year.

As at December 31, 2025, there is no dilutive effect on the basic earnings per share of the Group. Earnings per share is based on the following:

	2025 ....Rupees....	2024
Profit for the year, attributable to:		
- Continuing operations	55,906,492	13,221,834
- Discontinued operations	(273,874)	(331,355)
	55,632,618	12,890,479
.....Number in thousands.....		
Weighted average number of ordinary shares for determination of basic and diluted EPS	1,204,232	481,287
.....Rupees.....		
Earnings per share in rupees - Basic and Diluted		
- Continuing operations	46.43	27.47
- Discontinued operations	(0.23)	(0.69)
	46.20	26.78

(Amounts in thousand)

45. remuneration of chief executive, directors and executives

The aggregate amounts for remuneration, including all benefits, to chief executive and directors of the Holding Company and executives of the Group are given below:

	2025			2024		
	Directors		Executives	Directors		Executives
	Chief Executive Officer	Others		Chief Executive Officer	Others	
	(Rupees)					
Managerial remuneration	79,887	-	11,090,652	18,368	-	9,100,203
Bonus	-	-	1,822,439	-	-	1,824,765
Retirement benefits funds	-	-	1,159,638	4,285	-	1,025,344
Fees	-	13,650	-	-	10,250	-
Other benefits	-	-	847,471	12,246	-	655,881
Total	79,887	13,650	14,920,200	34,899	10,250	12,606,193
Number of persons including those who worked part of the year	2	7	1,931	1	7	1,738

45.1 The Holding Company considers its chief executive officer as its key management personnel.

46. retirement benefits

46.1 Defined benefit plans

The Group offers a defined post-employment gratuity benefit to permanent management and non-management employees. In addition, until June 30, 2005, EFERT offered a defined post-employment pension benefit to management employees in service which has been discontinued and the plan now only covers a handful of retired pensioners.

The gratuity and pension funds are governed under the Trusts Act, 1882, Trust Deed and Rules of the funds, the Ordinance, the Act, and the Income Tax Rules, 2002.

Responsibility for governance of plan, including investment decisions and contribution schedule lie with Board of Trustees of the Fund.

The Group faces the following risks on account of defined benefit plans:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Group has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investment.

(Amounts in thousand)

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the actuary.

In addition to above, the pension and gratuity fund exposes the Group to longevity risk i.e. the pensioners survive longer than expected.

46.1.1 Valuation results

The latest actuarial valuation of the defined benefit plans was carried out as at December 31, 2025, using the Projected Unit Credit Method. Details of the defined benefit plans are as follows:

46.1.2 Consolidated statement of financial position reconciliation	Defined Benefit Gratuity Plan Funded		Defined Benefit Pension Plan Funded (Curtailed)	
	2025	2024	2025	2024
	Rupees			
Present value of defined benefit obligation	577,717	561,430	51,314	53,398
Fair value of plan assets	(431,988)	(403,261)	(38,887)	(40,752)
Net liability recognized in the consolidated statement of financial position	145,729	158,169	12,427	12,646
46.1.3 Movement in net liability recognized in the consolidated statement of financial position				
Net liability at beginning of the year	158,169	128,256	12,646	16,898
Transferred under the Scheme (note 1.2)	(7,634)	-	-	-
	150,535	128,256	12,646	16,898
Expense for the year	45,629	47,994	1,462	2,510
Remeasurement gain recognized in Other Comprehensive Income	(50,435)	(1,175)	(1,681)	(6,762)
Contribution made during the year	-	(16,906)	-	-
Net liability at end of the year	145,729	158,169	12,427	12,646
46.1.4 Movement in present value of defined benefit obligation				
As at beginning of the year	561,430	541,696	53,398	57,602
Transferred under the Scheme (note 1.2)	(26,447)	-	-	-
	534,983	541,696	53,398	57,602
Current service cost	27,285	28,381	-	-
Interest cost	65,922	78,732	6,196	9,096
Benefits paid during the year	(20,277)	(115,623)	(5,262)	(5,180)
Remeasurement loss / (gain) recognized in consolidated other comprehensive income	(30,196)	28,244	(3,018)	(8,120)
As at end of the year	577,717	561,430	51,314	53,398

(Amounts in thousand)

46.1.5 Movement in fair value of plan assets	Defined Benefit Gratuity Plan Funded		Defined Benefit Pension Plan Funded (Curtailed)	
	2025	2024	2025	2024
	Rupees			
As at beginning of the year	403,261	413,440	40,752	40,704
Transferred under the Scheme (note 1.2)	(18,813)	-	-	-
	384,448	413,440	40,752	40,704
Expected return on plan assets	47,578	59,119	4,734	6,586
Benefits paid during the year	(20,277)	(115,623)	(5,262)	(5,180)
Remeasurement gain / (loss) recognized in consolidated other comprehensive income	20,239	29,419	(1,337)	(1,358)
Contribution made during the year	-	16,906	-	-
As at end of the year	431,988	403,261	38,887	40,752
46.1.6 Charge for the year				
Current service cost	27,285	28,381	-	-
Net interest cost	18,344	19,613	1,462	2,510
	45,629	47,994	1,462	2,510
46.1.7 Principal actuarial assumptions used in the actuarial valuation				
Discount rate (%)	11.00	12.25	11.00	12.25
Expected rate of return on plan assets - per annum (%)	11.00	12.25	11.00	12.25
Expected rate of increase in future salaries - per annum (%)	10.00 to 11.00	11.25 to 12.25	-	-
46.1.8 Demographic Assumptions				
Mortality rate	SLIC (2001-05)-1		SLIC (2001-05)-1	
Rate of employee turnover	Light - Heavy		-	
	2025	2024	2025	2024
	Rupees			
46.1.9 Actual return on plan assets	68,093	88,538	3,397	5,228

(Amounts in thousand)

46.1.10 Plan assets comprise of the following	2025		2024	
	Rupees	%	Rupees	%
Defined Benefit Gratuity Plans				
Debt	306,493	70.95%	316,232	78%
Mutual fund units	-	-	14,763	4%
Equity	104,098	24.10%	38,412	10%
Others (including cash and bank balances)	21,397	4.95%	33,854	8%
	431,988	100%	403,261	100%
Defined Benefit Pension Plan				
Debt	-	0.00%	-	0.00%
Others	38,887	100.00%	40,752	100.00%
	38,887	100%	40,752	100%
46.1.11 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.				
46.1.12 Expected future cost for the year ending December 31, 2026 is as follows:				Rupees
Defined benefit gratuity plans				43,740
Defined benefit pension plan				1,298
46.1.13 Remeasurement recognized in consolidated other comprehensive income				
	Defined Benefit Gratuity Plan Funded		Defined Benefit Pension Plan Funded (Curtailed)	
	2025	2024	2025	2024
	Rupees			
Gain / (Loss) from change in experience adjustments	29,704	(28,357)	3,018	8,120
Gain / (Loss) from change in financial assumptions	492	113	-	-
Remeasurement (loss) / gain of obligation	30,196	(28,244)	3,018	8,120
Expected Return on plan assets	(47,302)	88,538	(4,734)	5,228
Actual Return on plan assets	67,817	(59,119)	3,397	(6,586)
Difference in opening fair value of plan assets	(276)	-	-	-
Remeasurement (loss) / gain of plan assets	20,239	29,419	(1,337)	(1,358)
Effect of asset ceiling				
	-	-	-	-
	50,435	1,175	1,681	6,762

(Amounts in thousand)

46.1.14 Sensitivity analysis

The impact of 1% change in following variables on defined benefit obligation is as follows:

	2025				2024			
	Defined Benefit Gratuity Plans Funded		Defined Benefit Pension Plan Funded (Curtailed)		Defined Benefit Gratuity Plans Funded		Defined Benefit Pension Plan Funded (Curtailed)	
	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption	Increase in Assumption	Decrease in Assumption
	-----Rupees-----		-----Rupees-----		-----Rupees-----		-----Rupees-----	
Discount rate	535,964	625,132	48,280	54,707	(42,322)	48,096	(3,290)	3,691
Long-term salary increases	625,126	535,251	-	-	48,126	(43,063)	-	-
Long-term pension increases	-	-	54,675	48,254	-	-	3,657	(3,318)

46.1.15 Maturity Profile

	2025		2024	
	Gratuity Plans	Pension Plan	Gratuity Plans	Pension Plan
	-----Rupees-----		-----Rupees-----	
Time in years				
1	55,103	4,715	24,033	4,713
2	51,818	4,266	62,248	4,262
3	34,662	3,828	57,788	3,823
4	62,767	3,405	40,169	3,399
5-10	480,715	12,835	499,888	12,792
11-15	563,932	3,838	810,421	3,816
16-20	745,753	1,086	838,640	1,080
20+	1,707,454	429	2,519,956	429
Weighted average duration	7.56	5.91	7.99	6.16

(Amounts in thousand)

46.2 Defined contribution plans

46.2.1 An amount of Rs. 701,844 (2024: Rs. 818,368) has been charged during the year in respect of defined contribution plans maintained by the Group.

47. cash generated from operations

	2025	....Rupees....	2024
Profit before income tax	130,988,271		67,971,778
Add: Loss attributable to discontinued operations	(45,185)		(331,355)
Profit before taxation from continuing operations	130,943,086		67,640,423
Adjustment for non-cash charges and other items:			
Depreciation	33,785,152		11,804,373
Depreciation on right-of-use assets	3,176,993		1,257,403
Amortization of intangible assets	1,260,709		526,698
Amortization of direct cost on FSRU	86,516		86,516
Gain on disposal / write-off of property, plant and equipment	(1,173,741)		191,214
Adjustment in respect of carrying value of thermal assets	(59,857,730)		33,076,628
Provision for retirement and other service benefits	511,116		642,374
Financial charges	40,620,585		42,627,700
Unwinding of deferred incentive revenue	(9,618)		(5,608)
Amortization of transaction cost	816,847		831,060
Minimum tax and final tax	8,637,862		4,189,320
Finance income on net investment in lease	(5,806,130)		(6,609,841)
Finance cost on lease liability	7,550,134		6,091,551
Income on deposits / other financial assets	(8,929,907)		(35,090,517)
Loss allowance on subsidy receivable from GoP (note 16.1.1)	(624,715)		(1,203,088)
Loss on disposal of subsidiary	92,468		-
Share of income from joint venture and associates (note 41)	(8,968,038)		(3,393,050)
Gain on termination of lease contract	(42,141)		(10,847)
Exchange gain - net	(492,914)		(405,576)
Working capital changes (note 47.1)	27,215,965		(25,958,113)
	168,792,499		96,288,620

47.1 Working capital changes

	2025	....Rupees....	2024
(Increase) / decrease in current assets			
- Stores, spares and loose tools	(1,009,250)		(1,157,250)
- Stock-in-trade	3,747,380		(8,752,841)
- Trade debts and contract assets	4,778,562		9,690,760
- Loans, advances, deposits and prepayments	2,576,845		(2,801,067)
- Other receivables - net	2,074,182		(382,244)
	12,167,719		(3,402,642)
Increase / (decrease) in current liabilities			
- Trade and other payables and provisions	15,048,246		(22,555,471)
	27,215,965		(25,958,113)

(Amounts in thousand)

	2025	....Rupees....	2024
48. cash and cash equivalents			
Cash and bank balances (notes 19 and 20)			
Short term investments with original maturity less than 3 months (note 18)	35,592,668		30,305,271
Short-term borrowings	36,892,188		26,999,401
Bank balances held under lien (notes 48.1 and 48.2)	(5,788,518)		(14,160,918)
	(3,788,911)		(754,581)
	62,907,427		42,389,173

48.1 Includes balance of Rs. 33,000 (2024: Rs. 24,000) and Rs. 2,902,541 (2024 Rs. 733,961) held against bank guarantee and Rs. 74,705 (2024: Rs. 71,593) held against letter of credit in favor of Custom Authorities have been excluded from cash and cash equivalents for the purpose of consolidated statement of cash flows.

48.2 Includes bank balance amounting to Rs. 778,665 (2024: Rs. 658,988) under lien in favour of the banks against next due interest and principal repayments of loans by EEPL.

49. financial instruments by category

49.1 Financial assets

- Financial assets measured at amortized cost

	2025	....Rupees....	2024
Pakistan Investment bonds	5,220,538		4,268,249
Loans and advances	8,997,491		13,633,157
Net investment in lease	48,040,485		56,284,295
Trade debts	71,192,485		78,671,064
Other receivables	38,698,611		35,539,721
Accrued income	216,630		272,079
Short term investments	44,930,486		37,109,752
Other investments	5,000		5,000
Cash and bank balances	35,592,668		30,305,271
	252,894,394		256,088,588

- Financial assets measured at fair value through other comprehensive income

Pakistan Investment Bonds	13,349,383		14,305,192
Derivative financial instruments	16,859		226,087
Other investments	89,580		85,330
	13,455,822		14,616,609

- Financial assets measured at fair value through profit or loss

Short term investments	52,373,798		28,429,608
Quoted shares	-		16,546,268
	52,373,798		44,975,876

(Amounts in thousand)

49.2 Financial liabilities

- Financial liabilities measured at amortized cost

Long term borrowings	276,962,760		192,406,563
Short term borrowings	55,169,480		56,900,806
Long term payable	3,942,473		-
Trade and other payables	240,936,327		147,700,879
Lease liabilities	76,026,611		63,252,814
Dividend payable	660,154		1,989,413
Accrued interest / mark-up	4,321,709		3,111,408
	658,019,514		465,361,883

50. financial risk management

50.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Group's finance and planning departments under policies approved by the Senior Management.

a) Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market interest rates or the market prices of instruments due to change in credit rating of the issuers or the instruments, changes in market sentiments, speculative activities, supply and demand of instruments and liquidity in the market. The Holding Company manages the market risk by monitoring exposure on financial instruments and by following internal risk management policies.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

This exists due to the Group's exposure resulting from outstanding import payments, foreign commercial transactions, foreign currency loan liabilities, related interest payments, lease liabilities, net investment in leases and foreign currency bank accounts. A foreign exchange risk management policy has been developed and approved by the management. The policy allows the Group to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored. The Group ensures to the extent possible that it has options available to manage exposure, either through forward contracts, options, interest rate swaps or prepayments, etc. subject to the prevailing foreign exchange regulations.

As at December 31, 2025, if the foreign exchange rate had weakened / strengthened by 1% against Pakistani Rupee with all other variables held constant, consolidated post tax profit for the year would have been lower / higher by Rs. 124,417 (2024: Rs. 530,881).

(Amounts in thousand)

ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from short and long-term borrowings and short term and long term investments and interest bearing bank accounts. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk.

The Group analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether to enter into hedging alternatives.

As at December 31, 2025, if interest rates had been 1% higher / lower with all other variables held constant, consolidated post tax profit for the year would have been lower / higher by Rs 2,006,365 (2024: Rs 1,203,890), mainly as a result of interest rate exposure on variable rate borrowings, investments and interest bearing bank accounts.

iii) **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument 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 effecting all similar financial instruments traded in the market. The Group is mainly exposed to price risk on its mutual fund investments.

As at December 31, 2025, if net asset value had been 1% higher / lower with all other variables held constant, consolidated post tax profit for the year would have been higher / lower by Rs. 291,739 (2024: Rs. 173,241).

b) **Credit risk**

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk arises from deposits with banks and financial institutions, investments, trade debts, contract assets, loans, deposits, bank guarantees and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with a reasonably high credit rating or mutual funds, which in turn are deposited in banks and government securities. The Group maintains internal policy to place funds with commercial banks having a minimum short term credit rating of A1. However, the Group maintains operational balances with certain banks of lower rating for the purpose of effective collection of bank guarantees and to cater to loan disbursements.

The Group is exposed to credit risk across its diverse business segments; however, this risk is managed through established policies, credit limits, guarantees, and reliance on counterparties with strong credit standing. In the fertilizer segment, concentration of credit risk arises from agri-based customers in Pakistan, mitigated through individual credit limits and bank guarantees. The power segment's trade debts and contract assets are secured by sovereign guarantees from the Government of Pakistan, significantly reducing exposure. In the polymer and chemical segment, credit risk is limited as unsecured credit is extended only to parties with no default history, while a major portion is backed by bank guarantees. The terminal segment's receivables are not materially exposed to credit risk given historical performance and the high credit ratings of banking counterparties holding liquid funds. In the connectivity and telecom segment, credit risk is primarily influenced by the characteristics of individual customers, with no significant geographic concentration. In addition, the Group monitors the credit quality of its financial assets with reference to historical performance and available external credit ratings, and the carrying values of financial assets and contract assets which are neither past due nor impaired are as under:

(Amounts in thousand)

	2025....Rupees....	2024
Pakistan investment bonds	5,220,538	4,268,249
Loans and advances	8,997,491	13,633,157
Trade debts	52,557,176	54,480,674
Other receivables	38,698,611	35,539,721
Accrued income	216,630	272,079
Contract assets	8,579,687	4,015,945
Investments	62,827,591	67,961,212
Bank balances	35,590,687	30,299,917
	212,688,411	210,470,954

The credit quality of receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history. Investments in Pakistan Investment Bonds and Treasury Bills are government guaranteed. The credit quality of the Group's bank balances and short term investments can be assessed with reference to external credit ratings as follows:

Bank / financial Institution	Rating agency	Rating	
		Short term	Long term
Conventional			
Bank Alfalah Limited	PACRA	A1+	AAA
Bank Al Habib Limited	PACRA	A1+	AAA
The Bank of Punjab	PACRA	A1+	AA+
Citibank N.A.	Moody's	P-1	Aa3
Habib Bank Limited	JCR-VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Industrial and Commercial Bank of China	FITCH	F1+	A
JS Bank Limited	PACRA	A1+	AA
National Bank of Pakistan	PACRA	A1+	AAA
Samba Bank Limited	PACRA	A1	AA
Soneri Bank Limited	PACRA	A1+	AA-
Standard Chartered Bank Limited	PACRA	A1+	AAA
United Bank Limited	JCR-VIS	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank of China Limited	FITCH	P-1	Aa3
MCB Bank Limited	PACRA	A1+	AAA
U Microfinance Bank Limited	JCR-VIS	A1	A+
Commercial Bank of Dubai	FITCH	F2	A-
Commercial Bank International PSC	FITCH	F2	BBB+
First Abu Dhabi Bank PJSC	FITCH	F1+	AA-
Mashreqbank PSC	FITCH	F1	A
National Bank of Fujairah PJSC	Moody's	P-2	Baa1
Habib Bank AG Zurich	Moody's	P-1	A1
Pak Kuwait Investment Company (Private) Limited	PACRA	A1+	AAA
Pak Brunei Investment Company Limited	JCR-VIS	A1+	AA+
Pak China Investment Company Limited	JCR-VIS	A1+	AAA
Pak Oman Investment Company Limited	JCR-VIS	A1+	AA+

(Amounts in thousand)

Bank / financial Institution	Rating agency	Rating	
		Short term	Long term
Islamic			
Bank Islami Pakistan Limited	PACRA	A1	AA-
Faysal Bank Limited	JCR-VIS	A1+	AA+
Meezan Bank Limited	JCR-VIS	A1+	AAA
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A1	A+
Habib Bank Limited (Islamic)	JCR-VIS	A1+	AAA
Bank Makramah Limited	JCR-VIS	-	B
Allied Bank Limited (Islamic)	PACRA	A1+	AAA
Bank Alfalah Limited (Islamic)	PACRA	A1+	AAA
Bank Al Habib Limited (Islamic)	PACRA	A1+	AAA
Pak Oman Investment Company Limited	JCR-VIS	A1+	AA+
Dubai Islamic Bank Limited	JCR-VIS	A1+	AA
MCB Islamic Bank Limited	PACRA	A1	A+
Bank of Khyber	PACRA	A1	A+
Pak Kuwait Investment Company (Private) Limited	PACRA	A1+	AAA
Pak Brunei Investment Company Limited	JCR-VIS	A1+	AA+
Pak China Investment Company Limited	JCR-VIS	A1+	AAA
United Bank Limited – UBL Ameen	JCR-VIS	A1+	AAA

c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Group maintains flexibility in funding by maintaining committed credit lines available.

The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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 contractual undiscounted cash flows.

	2025			2024		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
-----Rupees-----						
Financial liabilities						
Long term borrowings	54,628,242	267,800,841	322,429,083	36,133,800	195,459,208	231,593,008
Long term payable	-	4,864,456	4,864,456	-	-	-
Short term borrowings	55,169,480	-	55,169,480	56,900,806	-	56,900,806
Trade and other payables	248,892,661	-	248,892,661	147,700,879	-	147,700,879
Lease liabilities	21,161,603	132,712,673	153,874,276	15,305,655	117,730,060	133,035,715
Accrued interest / mark-up	4,321,709	-	4,321,709	3,111,408	-	3,111,408
	384,173,695	405,377,970	789,551,665	259,152,548	313,189,268	572,341,816

(Amounts in thousand)

50.2 Capital risk management

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for share holders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

The management seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The regulatory regime in which the Group's power segment operates renders the value of the equity to a bond given the guaranteed IRR of 15% with an indexation allowed under the PPA for changes in US \$ / PKR exchange rate.

The Group's strategy is to ensure compliance with agreements executed with financial institutions so that the total long term borrowings to equity ratio does not exceed the lender covenants. The proportion of borrowing to equity at year end was:

	2025	2024
Long-term borrowings - net (note 23)	276,962,760	192,406,563
Lease liabilities (note 26)	76,026,611	63,252,814
Total borrowings	352,989,371	255,659,377
Equity	303,086,741	232,118,979
	656,076,112	487,778,356
Gearing ratio	53.80%	52.41%

The Group finances its operations through equity, borrowings, lease arrangements and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

(Amounts in thousand)

51. fair value estimation

The carrying value of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values. The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

	Level 1	Level 2	Level 3	Total
-----Rupees-----				
As at December 31, 2025				
Fair value through profit or loss				
- Mutual fund units	-	47,826,076	-	47,826,076
- Treasury bills	-	4,547,722	-	4,547,722
	<u>-</u>	<u>52,373,798</u>	<u>-</u>	<u>52,373,798</u>
Fair value through other comprehensive income				
- Derivative financial instruments	-	16,859	-	16,859
- Pakistan Investment Bonds	-	13,349,383	-	13,349,383
- Other investments	89,580	-	-	89,580
	<u>89,580</u>	<u>13,366,242</u>	<u>-</u>	<u>13,455,822</u>
As at December 31, 2024				
Fair value through profit or loss				
- Mutual fund units	-	28,429,608	-	28,429,608
- Quoted shares	16,546,268	-	-	16,546,268
	<u>16,546,268</u>	<u>28,429,608</u>	<u>-</u>	<u>44,975,876</u>
Fair value through other comprehensive income				
- Derivative financial instruments	-	226,087	-	226,087
- Pakistan Investment Bonds	-	14,305,192	-	14,305,192
- Other investments	85,330	-	-	85,330
	<u>85,330</u>	<u>14,531,279</u>	<u>-</u>	<u>14,616,609</u>

Level 1 fair value has been determined using prices quoted on Pakistan Stock Exchange.

Level 2 fair values have been determined on the basis of PKRV rates and closing net asset values for government securities and mutual fund units, respectively.

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

(Amounts in thousand)

52. segment reporting

52.1 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 Holding Company for allocation of resources and assessment of performance. Based on internal management reporting structure and products produced and sold, the Group is organized into the following operating segments:

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

Management monitors the operating results of the abovementioned segments separately for the purpose of making decisions about resources to be allocated and for 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.

(Amounts in thousand)

52.2 The following information presents operating results regarding operating segments for the year ended December 31, 2025 and asset information regarding operating segments as at December 31, 2025:

	Fertilizer		Polymer		Terminal	
	2025	2024	2025	2024	2025	2024
Rupees						
Revenue from external customers (note 34)						
At a point in time	237,130,786	256,675,163	78,016,768	75,707,941	-	-
Over time	-	-	-	-	19,039,523	19,935,021
	<u>237,130,786</u>	<u>256,675,163</u>	<u>78,016,768</u>	<u>75,707,941</u>	<u>19,039,523</u>	<u>19,935,021</u>
Segment gross profit	72,552,996	71,923,848	4,825,382	6,590,711	5,864,118	6,989,717
Segment expenses - net off other income	(27,778,284)	(26,340,474)	(2,667,507)	(2,728,130)	123,988	(233,960)
Income from financial assets	802,361	2,498,037	180,803	523,819	795,520	1,360,779
Finance costs (note 40)	(6,170,739)	(4,128,579)	(5,729,390)	(7,531,973)	(126,525)	(196,905)
Gain on subsidy receivable from GoP	624,715	1,203,088	-	-	-	-
Adjustment in respect of carrying value of thermal assets	-	-	-	-	-	-
Remeasurement gain / (loss) on carrying value of thermal assets	-	-	-	-	-	-
Share of income from joint venture and associates (note 41)	-	-	-	-	1,124,518	1,330,836
Minimum and final tax	(363,412)	-	23,583	39,717	(4,136,246)	(2,926,729)
Taxation (charge) / credit (note 43)	(17,039,593)	(16,895,682)	(531,057)	2,945,273	(107,521)	(725,627)
Segment profit / (loss) after tax - continuing operations	<u>22,628,044</u>	<u>28,260,238</u>	<u>(3,898,186)</u>	<u>(160,583)</u>	<u>3,537,852</u>	<u>5,598,111</u>
Segment loss - discontinued operations	-	-	-	-	-	-
	<u>22,628,044</u>	<u>28,260,238</u>	<u>(3,898,186)</u>	<u>(160,583)</u>	<u>3,537,852</u>	<u>5,598,111</u>
Segment assets	199,166,075	170,602,110	117,311,064	100,851,438	70,374,518	75,827,172
Investment in joint venture / associates	-	-	-	-	288,998	-
Total segment assets	<u>199,166,075</u>	<u>170,602,110</u>	<u>117,311,064</u>	<u>100,851,438</u>	<u>70,663,516</u>	<u>75,827,172</u>
Total segment liabilities	<u>154,418,837</u>	<u>123,143,566</u>	<u>93,911,860</u>	<u>73,529,859</u>	<u>57,438,820</u>	<u>63,205,118</u>
Capital expenditure	<u>14,444,067</u>	<u>9,227,357</u>	<u>3,445,740</u>	<u>9,783,643</u>	<u>584,862</u>	<u>673,695</u>
Depreciation	<u>5,007,394</u>	<u>4,218,498</u>	<u>3,704,826</u>	<u>2,632,272</u>	<u>595,449</u>	<u>528,974</u>
Amortization of intangible assets (note 6.1)	<u>247,618</u>	<u>240,685</u>	<u>114,765</u>	<u>106,642</u>	<u>12,126</u>	<u>12,126</u>

52.3 Revenue derived from CPPA-G which is in excess of 10% or more of the Group's revenue amounting to Rs. 111,020,969 (2024: Rs. 134,372,656), attributable to power and mining segment.

(Amounts in thousand)

	Power and mining		Connectivity and telecom		Other operations		Elimination - net		Consolidated	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Rupees										
	-	-	-	-	198,258,232	167,191,828	(95,237,744)	(130,301,421)	418,168,042	369,273,511
	111,020,969	134,372,656	50,131,478	16,589,541	-	-	-	-	180,191,970	170,897,218
	<u>111,020,969</u>	<u>134,372,656</u>	<u>50,131,478</u>	<u>16,589,541</u>	<u>198,258,232</u>	<u>167,191,828</u>	<u>(95,237,744)</u>	<u>(130,301,421)</u>	<u>598,360,012</u>	<u>540,170,729</u>
	39,110,111	55,415,814	21,400,362	7,996,214	29,818,651	28,340,718	(25,881,607)	(24,519,604)	147,690,013	152,737,418
	(2,120,881)	(3,007,162)	(1,573,696)	(1,298,663)	(10,781,000)	(7,812,640)	3,163,656	3,963,197	(41,633,724)	(37,457,832)
	1,758,330	6,592,044	764,284	746,644	4,930,893	20,389,464	(178,375)	(6,139,648)	9,053,816	25,971,139
	(14,351,110)	(21,175,811)	(13,497,743)	(7,251,602)	(5,283,363)	(1,212,782)	224,415	867,887	(44,934,455)	(40,629,765)
	-	-	-	-	-	-	-	-	624,715	1,203,088
	35,758,730	(8,957,000)	-	-	-	-	-	-	35,758,730	(8,957,000)
	24,099,000	(24,099,000)	-	-	-	-	-	-	24,099,000	(24,099,000)
	6,769,951	1,183,166	-	-	1,073,569	879,048	-	-	8,968,038	3,393,050
	-	-	(4,161,787)	(965,071)	-	(337,237)	-	-	(8,637,862)	(4,189,320)
	(7,064,022)	(1,463,478)	2,970,176	628,850	(1,897,655)	(8,657,080)	(14,075)	(227,784)	(23,683,747)	(24,395,528)
	83,960,109	4,488,573	5,901,596	(143,628)	17,861,095	31,589,491	(22,685,986)	(26,055,952)	107,304,524	43,576,250
	-	-	-	-	(273,874)	(331,356)	-	-	(273,874)	(331,355)
	<u>83,960,109</u>	<u>4,488,573</u>	<u>5,901,596</u>	<u>(143,628)</u>	<u>17,587,221</u>	<u>31,258,135</u>	<u>(22,685,986)</u>	<u>(26,055,951)</u>	<u>107,030,650</u>	<u>43,244,895</u>
Segment assets	278,890,333	260,163,723	326,693,343	66,772,440	346,592,441	173,701,537	(303,252,027)	(114,378,879)	1,035,775,747	733,539,541
Investment in joint venture / associates	17,284,121	5,374,884	-	-	29,998,310	30,422,677	-	-	47,571,429	35,797,561
Total segment assets	<u>296,174,454</u>	<u>265,538,607</u>	<u>326,693,343</u>	<u>66,772,440</u>	<u>376,590,751</u>	<u>204,124,214</u>	<u>(303,252,027)</u>	<u>(114,378,879)</u>	<u>1,083,347,176</u>	<u>769,337,102</u>
Total segment liabilities	<u>178,943,327</u>	<u>213,898,542</u>	<u>218,511,256</u>	<u>46,059,407</u>	<u>104,909,015</u>	<u>57,797,831</u>	<u>(27,872,680)</u>	<u>(40,416,200)</u>	<u>780,260,435</u>	<u>537,218,123</u>
Capital expenditure	<u>1,632,312</u>	<u>1,438,890</u>	<u>13,295,924</u>	<u>4,939,514</u>	<u>73,920</u>	<u>960,285</u>	<u>(403,598)</u>	<u>(349,889)</u>	<u>33,773,227</u>	<u>26,673,495</u>
Depreciation	<u>14,917,466</u>	<u>1,769,775</u>	<u>11,454,378</u>	<u>3,122,391</u>	<u>897,100</u>	<u>949,834</u>	<u>385,532</u>	<u>(159,968)</u>	<u>36,962,145</u>	<u>13,061,776</u>
Amortization of intangible assets (note 6.1)	<u>72,106</u>	<u>69,199</u>	<u>899,794</u>	<u>12,442</u>	<u>87,868</u>	<u>85,606</u>	<u>(173,568)</u>	<u>(2)</u>	<u>1,260,709</u>	<u>526,698</u>

(Amounts in thousand)

53. transactions with related parties

53.1 Following are the details of associated companies and undertakings and other related parties with whom the Group entered into transactions or had agreements and arrangements in place during the year:

S. No.	Name	Direct shareholding	Relationship
1	China East Resources Import & Export Corporation	N/A	Associated Company
2	China Machinery Engineering Corporation	N/A	Associated Company
3	Dawood Corporation (Private) Limited	N/A	Associated Company
4	Dawood Foundation	N/A	Associated Company
5	Dawood Investments (Private) Limited	N/A	Associated Company
6	DH Partners Limited	N/A	Common Directorship
7	Engro Corporation Limited - MPT Employees Gratuity Fund	N/A	Post Employment Benefits
8	Engro Corporation Limited - MPT Employees Pension Fund	N/A	Post Employment Benefits
9	Engro Corporation Limited Defined Benefit - Gratuity Fund	N/A	Post Employment Benefits
10	Engro Corporation Limited Defined Benefit - Pension Fund	N/A	Post Employment Benefits
11	Engro Corporation Limited Defined Contribution - Gratuity Fund	N/A	Post Employment Benefits
12	Engro Corporation Limited Defined Contribution - Pension Fund	N/A	Post Employment Benefits
13	Engro Corporation Limited NMPT Gratuity Fund	N/A	Post Employment Benefits
14	Engro Corporation Limited Provident Fund	N/A	Post Employment Benefits
15	Engro Fertilizers Limited NMPT Gratuity Fund	N/A	Post Employment Benefits
16	Engro Foundation	N/A	Associated Company
17	Engro Vopak Terminal Limited	N/A	Associated Company
18	FrieslandCampina Engro Pakistan Limited	N/A	Associated Company
19	FrieslandCampina Engro Pakistan Limited - Employees Gratuity Fund	N/A	Post Employment Benefits
20	GEL Utility Limited	N/A	Associated Company
21	Habib Bank Limited	N/A	Associated Company
22	Hajiani Hanifa Bai Memorial Society	N/A	Associated Undertaking
23	Inbox Business Technologies (Private) Limited	N/A	Associated Company
24	Karachi School for Business & Leadership	N/A	Associated Company
25	KSB Pumps Company Limited	N/A	Associated Company
26	Mitsubishi Corporation	N/A	Associated Company
27	Mr. Abdul Qayoom Shaikh	N/A	Key Management Personnel
28	Mr. Abdul Samad Dawood	0.49%	Director
29	Mr. Adeel Qamar	N/A	Key Management Personnel
30	Mr. Ahmed Ebrahim Hasham	0.01%	Director
31	Mr. Ahmed Shakoor	N/A	Key Management Personnel
32	Mr. Ahsan Zafar Syed	N/A	Key Management Personnel
33	Mr. Ali Rathore	N/A	Key Management Personnel
34	Mr. Aman Ul Haque	N/A	Key Management Personnel
35	Mr. Aneeq Ahmed	N/A	Key Management Personnel
36	Mr. Arif Jalil	N/A	Key Management Personnel
37	Mr. Asad Said Jafar	N/A	Key Management Personnel
38	Mr. Asim Murtaza Khan	N/A	Ex-Key Management Personnel
39	Mr. Athar Abrar Khawaja	N/A	Key Management Personnel
40	Mr. Atif Muhammad Ali	N/A	Key Management Personnel
41	Mr. Chaudhary Muhammad Azhar Nawaz	N/A	Key Management Personnel
42	Mr. Fahad Dar	N/A	Key Management Personnel
43	Mr. Farooq Barkat Ali	N/A	Key Management Personnel
44	Mr. Farooq Nazim Shah	N/A	Key Management Personnel
45	Mr. Farukh Saeed Khan	N/A	Key Management Personnel
46	Mr. Hussain Dawood	3.82%	Director
47	Mr. Hussain Hasanali	N/A	Key Management Personnel
48	Mr. Isfandiyar Shaheen	0.00%	Director
49	Mr. Javed Akbar	N/A	Ex-Key Management Personnel
50	Mr. Kaiser Bengali	N/A	Ex-Key Management Personnel
51	Mr. Kalim Uddin A. Khan	N/A	Key Management Personnel
52	Mr. Kamran Hanif	N/A	Ex-Key Management Personnel
53	Mr. Kamran Nishat	N/A	Key Management Personnel
54	Mr. Khaqan S. Khan	N/A	Key Management Personnel
55	Mr. Khawaja Bilal Mustafa	N/A	Key Management Personnel
56	Mr. Khawaja Haider Abbas	N/A	Key Management Personnel
57	Mr. Khawaja Iqbal Hassan	N/A	Ex-Director
58	Mr. Mahmood Siddiqui	N/A	Ex-Key Management Personnel

(Amounts in thousand)

S. No.	Name	Direct shareholding	Relationship
59	Mr. Masaaki Yokoyama	N/A	Ex-Key Management Personnel
60	Mr. Mehzad Sahar	N/A	Key Management Personnel
61	Mr. Mohammad Abdul Aleem	N/A	Ex-Director
62	Mr. Mohammad Yasir Khan	N/A	Key Management Personnel
63	Mr. Mohammad Younus Dagha	N/A	Key Management Personnel
64	Mr. Muhammad Ali	N/A	Key Management Personnel
65	Mr. Muhammad Bilal Ahmed	0.00%	Key Management Personnel
66	Mr. Muhammad Idrees	N/A	Ex-Key Management Personnel
67	Mr. Muhammad Imran Khalil	N/A	Key Management Personnel
68	Mr. Muhammad Majid Latif	N/A	Key Management Personnel
69	Mr. Muhammad Yasir Khan	N/A	Ex-Key Management Personnel
70	Mr. Muhammed Amin	0.00%	Director
71	Mr. Najam Saeed	N/A	Key Management Personnel
72	Mr. Nazoor Ali Baig	N/A	Key Management Personnel
73	Mr. Rizwan Diwan	N/A	Key Management Personnel
74	Mr. Rizwan Khalil Sheikh	N/A	Key Management Personnel
75	Mr. Saad Khan	N/A	Key Management Personnel
76	Mr. Samar Masood	N/A	Key Management Personnel
77	Mr. Sami Aziz	N/A	Key Management Personnel
78	Mr. Saqib Rafique	N/A	Key Management Personnel
79	Mr. Sardar Muhammad Aly Osman	N/A	Key Management Personnel
80	Mr. Shabbir Hussain Hashmi	N/A	Key Management Personnel
81	Mr. Shamoos Chaudry	N/A	Ex-Key Management Personnel
82	Mr. Shi Baojun	N/A	Key Management Personnel
83	Mr. Shoaib Qureshi	N/A	Key Management Personnel
84	Mr. Sohail Tai	0.01%	Director
85	Mr. Sultan Mohammad Parvez Ghias	N/A	Ex-Key Management Personnel
86	Mr. Syed Ammar Shah	N/A	Key Management Personnel
87	Mr. Syed Khurram Hussain	N/A	Key Management Personnel
88	Mr. Syed Shahzad Nabi	N/A	Ex-Key Management Personnel
89	Mr. Syed Zaheer Mehdi	N/A	Key Management Personnel
90	Mr. Tariq Anis	N/A	Key Management Personnel
91	Mr. Tariq Nisar	N/A	Key Management Personnel
92	Mr. Usman Hassan	N/A	Key Management Personnel
93	Mr. Vaqar Zakaria	N/A	Key Management Personnel
94	Mr. Wang Pu	N/A	Key Management Personnel
95	Mr. Yacoob Suttar	N/A	Key Management Personnel
96	Mr. Yasir Ali	N/A	Key Management Personnel
97	Mr. Yusuf Jamil Siddiqui	N/A	Ex-Key Management Personnel
98	Mr. Zamin Zaidi	N/A	Ex-Key Management Personnel
99	Mr. Zeshan Taj Khan	N/A	Key Management Personnel
100	Mr. Zhao Wenke	N/A	Key Management Personnel
101	Mr. Zheng Tianchen	N/A	Ex-Key Management Personnel
102	Ms. Amina Waheed	N/A	Ex-Key Management Personnel
103	Ms. Ayesha Aziz	N/A	Key Management Personnel
104	Ms. Ayla Majid	N/A	Key Management Personnel
105	Ms. Beenish Kajani	N/A	Key Management Personnel
106	Ms. Danish Zuberi	N/A	Ex-Key Management Personnel
107	Ms. Ekta Sitani	N/A	Key Management Personnel
108	Ms. Henna Inam	N/A	Ex-Director
109	Ms. Maryam Aziz	N/A	Ex-Key Management Personnel
110	Ms. Nausheen Ahmed	N/A	Ex-Key Management Personnel
111	Ms. Nazia Ali	N/A	Key Management Personnel
112	Ms. Rabia Wafah Khan	N/A	Key Management Personnel
113	Ms. Rida Baqai	N/A	Key Management Personnel
114	Ms. Rizwana Halepoto	N/A	Key Management Personnel
115	Ms. Sabrina Dawood	0.77%	Director
116	Ms. Sadia Khan	N/A	Key Management Personnel
117	Ms. Semeen Akhtar	N/A	Ex-Key Management Personnel
118	National Clearing Company of Pakistan Limited	N/A	Associated Company
119	Nimir Industrial Chemicals Limited	N/A	Associated Company
120	Overseas Investors Chamber of Commerce & Industry	N/A	Associated Company
121	Pakistan Broadcasting Corporation	N/A	Associated Company
122	Pakistan Oxygen Limited	N/A	Associated Company

(Amounts in thousand)

S. No.	Name	Direct shareholding	Relationship
123	Pakistan Vinyl Industries	N/A	Associated Company
124	Reon Energy Limited	N/A	Associated Company
125	Shabbir Tiles & Ceramics Limited	N/A	Associated Company
126	Siddiqsons Energy Limited	N/A	Associated Company
127	Sindh Engro Coal Mining Company Limited	N/A	Associated Company
128	Tenaga Genarasi Limited	N/A	Associated Company
129	Thar Foundation	N/A	Associated Company
130	Thar Power Company Limited	N/A	Associated Company
131	The Dawood Foundation	N/A	Associated Company
132	The Karachi Education Initiative	N/A	Associated Company
133	Unilever Pakistan Foods Limited	N/A	Associated Company
134	Vopak LNG Holding B.V.	N/A	Associated Company

53.2 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

Associated Companies

	2025....Rupees....	2024
Purchases and services	61,480,710	62,473,940
Sale of goods and rendering of services	64,817	5,373,541
Donations	821,289	1,003,024
Utilization of overdraft facility	2,555,000	-
Reimbursement of expenses made to associated companies	334,188	190,096
Reimbursement of expenses made by associated companies	307,129	605,883
Dividends paid / payable	13,803,311	21,276,537
Loans repaid	3,872,522	3,737,854
Finance costs	2,339,964	5,870,350

Joint Venture

Purchase of services	1,754,657	1,706,519
Reimbursements to joint venture company	306,542	53,765
Reimbursements of expenses by joint venture company	334,689	693,093
Dividend received	675,000	888,750

Retirement funds

Contribution to retirement benefit and contribution funds	1,345,343	1,232,193
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Directors

Dividend paid	-	188,821
Directors' fees	13,650	10,250

Others

Sale of vehicle to key management personnel	-	72
Remuneration of key management personnel	4,074,106	2,352,074
Reimbursement to key management personnel	-	148

(Amounts in thousand)

53.3 Details of related parties incorporated outside Pakistan with whom the Group had transactions or arrangements in place are as follows:

	GEL Utility Limited	China Machinery Engineering Corporation	China East Resources Import & Export Corporation	Vopak LNG Holding B.V.	Mitsubishi Corporation
Country of Incorporation	Nigeria	People's Republic of China	People's Republic of China	Netherlands	Japan
% of holding	45%	N/A	N/A	N/A	N/A
Basis of Relationship	(indirectly through subsidiary)	(indirectly through subsidiary)	(indirectly through subsidiary)	(indirectly through subsidiary)	(indirectly through subsidiary)

54. contributory retirement funds

The employees of the Group participate in the Provident Fund maintained by ECL. Monthly contributions are made both by the companies in the Group and the employees to the fund maintained by ECL at the rate of 10% of basic salary.

The investments out of the provident funds have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified there under.

55. donations

55.1 Donations include the following in which the Directors of the Holding Company or Group companies are interested.

55.2 During the year, the Group made / accrued the following donations which are above Rs. 1,000 or 10% of each component's total amount of donation or where the directors are interested in the donee:

	2025....Rupees....	2024
Engro Foundation (note 55.2.1)	524,557	726,490
Thar Foundation	298,617	276,074
Strengthening Participatory Organisation	9,777	-

55.2.1 Ms. Sabrina Dawood (Director of the Holding Company) is also the trustees of Engro Foundation.

(Amounts in thousand)

56. production capacity

		Designed		Actual Production	
		Annual Capacity			
		2025	2024	2025	2024
Urea plant I & II (note 56.1)	Metric Tons	2,275,000	2,275,000	2,289,705	2,147,025
NPK plant (note 56.1)	Metric Tons	100,000	100,000	76,891	105,296
PVC (note 56.1)	Metric Tons	295,000	295,000	230,000	212,000
EDC (note 56.1)	Metric Tons	127,000	127,000	97,000	100,000
Caustic soda (note 56.1)	Metric Tons	106,000	106,000	93,000	95,000
Caustic flakes (note 56.1)	Metric Tons	20,000	20,000	13,000	14,000
VCM (note 56.1)	Metric Tons	245,000	245,000	232,000	216,000
HPO		28,000	-	15,000	-
Power (note 56.2)	Mega Watt Hours	7,123,353	7,182,358	4,567,427	4,440,184
Power	Mega Watt	66	66	44	42
Integrated rice processing (note 1.7.2)					
- Milling	Metric Tons	-	144,000	-	-
- Drying	Metric Tons	-	270,000	-	-

56.1 Production planned as per market demand and in-house consumption needs.

56.2 Output produced by the plants of EPQL and EPTL is dependent on the load demanded by NTDC and plants' availability.

57. number of employees of the group

	Number of employees as at		Average number of employees during the year	
	2025	2024	2025	2024
	Number of employees	2,766	2,621	2,664	2,677

58. seasonality

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

59. interest in joint arrangements

In 2022, EFERT, Fauji Fertilizer Company Limited (Fauji) and Fatima Fertilizer Company Limited (FATIMA) (collectively the Fertilizer Manufacturers) entered into a Framework Agreement dated November 30, 2022 (the Agreement) for Gas Pressure Enhancement Facilities (PEF) project. Under the Agreement, the Fertilizer Manufacturers have decided to jointly develop and install pressure enhancement facilities at Mari Petroleum Company Limited's (MPCL's) delivery node to sustain the current level of pressure of gas supply from HRL reservoir of MPCL.

All decisions with respect to the development and operations of PEF would be made only with unanimous consent of the Fertilizer Manufacturers. Accordingly, PEF arrangement would be classified as a 'Joint Arrangement' in accordance with IFRS 11 - Joint Arrangements. Further, PEF would not be established through a separate legal entity and consists of an asset i.e. PEF facility which will be jointly owned and operated by the Fertilizer Manufacturers, hence, the joint arrangement for establishment and operations of PEF has been classified as a 'Joint Operation' in these consolidated financial statements. Current cost sharing percentages in PEF of EFERT, Fauji and FATIMA are 33.9%, 47.7% and 18.4%, respectively. The Group has continued to recognize its share of jointly held asset in these consolidated financial statements.

(Amounts in thousand)

60. shariah compliance disclosure

	2025			2024		
	Coventional	Shariah Compliant	Total	Coventional	Shariah Compliant	Total
(Rs.'000s)						
Consolidated Statement of Financial Position						
Borrowings	126,158,861	152,306,896	278,465,757	129,142,395	65,233,054	194,375,449
Lease liabilities	76,026,611	-	76,026,611	63,252,814	-	63,252,814
Short-term borrowings	23,999,054	31,170,426	55,169,480	42,842,146	14,058,660	56,900,806
Accrued interest / mark-up	1,831,808	2,489,901	4,321,709	3,467,911	882,285	4,350,196
Long-term investments	-	48,202,409	48,202,409	1,000	35,796,561	35,797,561
Financial assets at amortized cost	5,220,538	-	5,220,538	4,268,249	-	4,268,249
Short-term investments	85,233,013	25,420,654	110,653,667	83,289,593	13,101,227	96,390,820
Accrued income	214,248	2,382	216,630	2,693,072	45,729	2,738,801
Cash and bank balances	30,917,537	4,675,131	35,592,668	26,585,081	3,720,190	30,305,271
Consolidated Statement of Profit or Loss						
Net sales	-	598,360,012	598,360,012	-	540,176,774	540,176,774
Share of income from joint ventures and associates	-	8,968,038	8,968,038	-	3,393,050	3,393,050
Finance cost	29,931,627	15,020,613	44,952,240	28,621,287	12,009,683	40,630,970
Other income						
- Interest on amount receivable from SSGCL	123,909	-	123,909	138,917	-	138,917
- Exchange gain - net	309,230	236,573	545,803	26,564	379,011	405,575
- Income on deposits / other financial assets	8,561,185	368,722	8,929,907	20,091,945	5,945,443	26,037,388
- Insurance claims	56,672	-	56,672	59,049	-	59,049
- Gain on disposal of property, plant and equipment	-	1,173,741	1,173,741	-	240	240
- Income from sale of spares / scrap	-	798,137	798,137	-	378,801	378,801
- Reversal of provision on trade debts	-	40,535	40,535	-	27,420	27,420
- Reversal of provision on PPE	-	-	-	-	16,793	16,793
- Reversal of provision of stores and spares	-	27,456	27,456	-	-	-
- Others	177,092	207,985	385,077	-	480,485	480,485

60.1 The Group has maintained deposits with Shariah compliant banks and made borrowings from Shariah compliant banks as mentioned in note 50.1.

61. non-adjusting event after reporting date

61.1 The Board of Directors of FrieslandCampina Engro Pakistan Limited, an associated undertaking, in its meeting held on February 16, 2026 has proposed a final cash dividend of Rs. 3.5 per share for the year ended December 31, 2025, amounting to Rs. 2,683,086 of which the proportionate share of the Holding Company amounts to Rs. 1,071,266.

61.2 Subsequent to the reporting date, on February 17, 2026, EEL disposed of 18.53% equity interest in EPQL through a share sale executed on the Negotiated Deal Market. As a result of this transaction, subsequent to the reporting date the Group's effective shareholding in EPQL, held through EEL, decreased from 68.89% to 50.36% subsequent to the reporting date. The Group continues to retain control over EPQL. As a result of this transaction the non-controlling interest in the consolidated statement of changes in equity will increase by Rs. 1,648,805.

62. summarized financial information

62.1 Pursuant to the Scheme of Arrangement (refer note 1.2), ECL became a wholly-owned subsidiary of the Holding Company. During the year, ECL obtained an exemption from the SECP from the requirement to prepare consolidated financial statements. Accordingly, ECL has not prepared consolidated financial statements for the year. Instead, the summarized financial information of ECL's subsidiaries has been presented in these consolidated financial statements for the current year.

(Amounts in thousand)

	2025					
	ECORP	EPQL	EPTL	ETPL	EFERT	EPCL
Total Assets	167,655,086	15,753,244	266,770,715	70,374,518	199,166,075	117,311,064
Total Liabilities	70,174,580	4,121,951	164,173,132	57,438,820	154,418,837	93,911,860
Total Comprehensive Income / (Loss)	20,322,403	836,279	29,468,154	2,413,334	22,659,382	(3,898,186)
Total Comprehensive Income / (Loss) allocated to NCI	-	259,802	14,704,609	1,061,867	9,908,948	(1,707,795)
Adjustment for allocation of profit from Owners to NCI for preference dividend share	-	-	1,848,665	-	-	-
Effect of scheme of arrangement	(89,632,134)	-	-	-	-	-
Adjustment in respect of carrying value of thermal assets allocated to NCI	-	1,097,619	26,086,686	-	-	-
Accumulated NCI	-	2,768,177	55,895,104	5,655,394	19,485,005	11,974,306
Cash and cash equivalents	936,911	(1,498,106)	28,196,410	(907,059)	6,220,024	6,260,341
Cash (utilized in) / generated from						
- operating activities	(14,869,996)	6,887,364	51,242,290	2,836,196	27,862,002	17,471,220
- investing activities	8,508,021	(984,963)	2,190,456	(907,227)	(25,188,192)	(21,553,487)
- financing activities	(1,270,855)	(4,141,126)	(56,418,662)	(3,123,342)	5,989,915	10,173,160
Dividend paid / payable to NCI	-	(1,057,492)	(12,871,118)	(923,864)	(11,094,602)	-
Interest of NCI	0.00%	31.11%	49.90%	44%	43.73%	43.81%

	2024					
	ECORP	EPQL	EPTL	ETPL	EFERT	EPCL
Total Assets	86,905,862	21,447,045	293,978,797	75,827,172	170,602,110	100,851,437
Total Liabilities	66,153,324	7,252,131	198,760,284	63,205,118	123,143,566	73,529,859
Total Comprehensive Income / (Loss)	22,310,065	2,140,807	28,136,921	4,267,275	28,264,725	(160,583)
Total Comprehensive Income / (Loss) allocated to NCI	13,392,732	666,005	14,039,754	1,877,601	12,360,164	(70,351)
Adjustment for allocation of profit from Owners to NCI for preference dividend share	(3,341,969)	-	5,365,823	-	-	201,000
Adjustment in respect of carrying value of thermal assets allocated to NCI	-	(860,159)	(10,681,736)	-	-	-
Transfer from unappropriated profit to maintenance reserve	197,477	-	-	-	-	-
Accumulated NCI	89,632,134	2,468,248	26,126,262	5,517,391	20,670,659	13,682,101
Cash and cash equivalents	27,621,529	(3,259,381)	31,098,204	287,314	(2,443,701)	150,370
Cash (utilized in) / generated from						
- operating activities	18,109,580	3,266,333	49,480,266	4,872,031	(3,946,960)	7,552,092
- investing activities	144,255,554	(413,085)	6,526,811	(2,328,387)	9,410,293	(7,496,032)
- financing activities	(51,645,697)	(3,318,988)	(71,687,928)	(4,366,476)	(11,880,608)	2,801,794
Dividend paid / payable to NCI	(8,376,073)	(755,507)	(17,926,427)	(1,430,385)	(12,554,418)	(599,224)
Interest of NCI	60.03%	31.11%	49.90%	44.00%	43.73%	43.81%

(Amounts in thousand)


63. corresponding figures

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

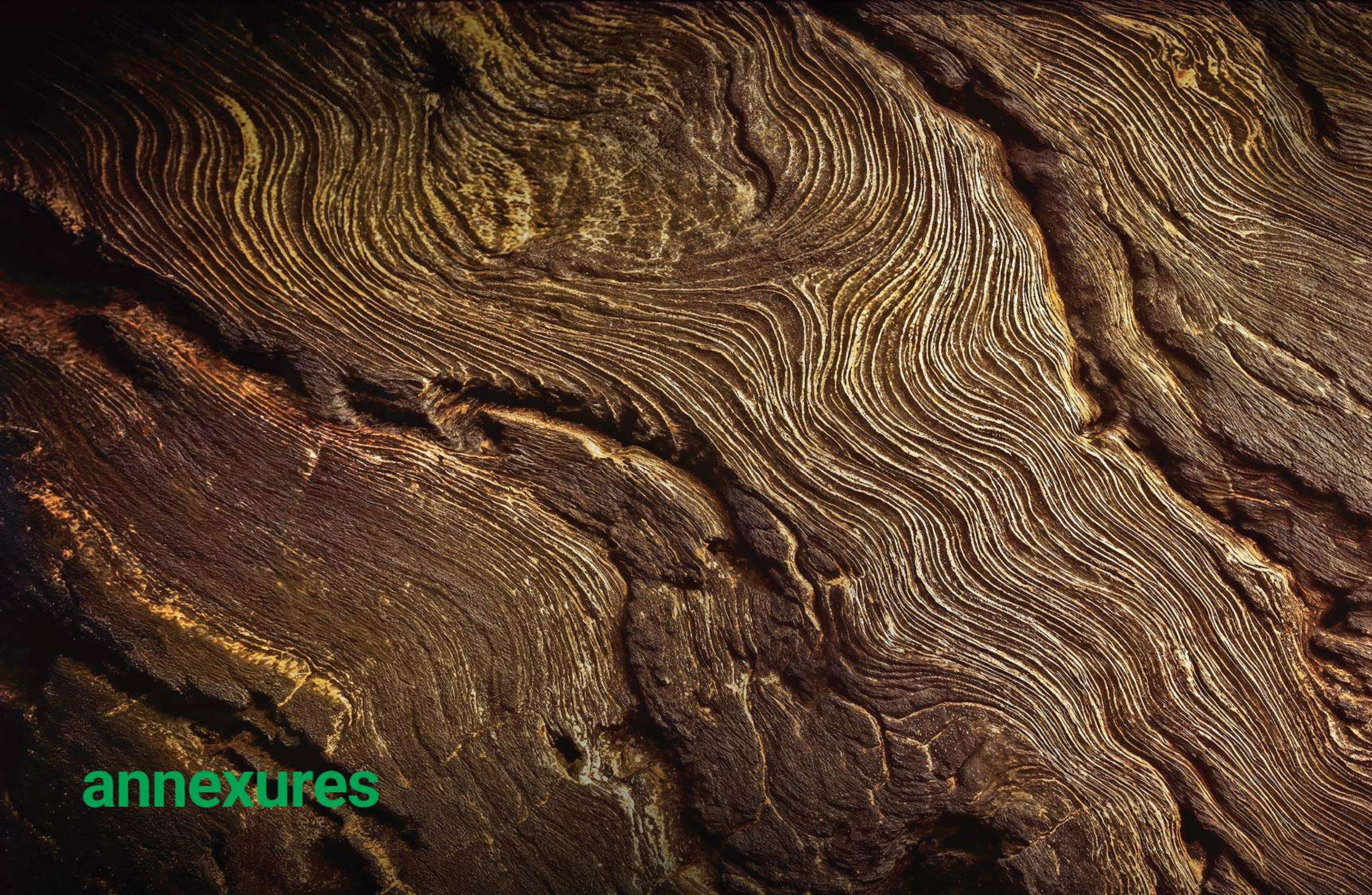
64. date of authorization for issue

These consolidated financial statements were authorized for issue on February 26, 2026 by the Board of Directors of the Holding Company.


Chief Financial Officer
Farooq Barkat Ali


Abdul Samad Dawood
Chief Executive Officer


Muhammed Amin
Director



annexures

standard request form

Circulation of Annual Audited Accounts.

The Share Registrar
Engro Holdings Limited.
FAMCO Share Registration Services (Private) Limited
8-F, Near Faran Hotel, Nursery, Block-6
PECHS, Shahrah-e-Faisal, Karachi
E-mail: Info.shares@famcosrs.com
Telephone No. (9221) 3438 0101-5, 3438 4621-3

Dated: _____

Dear Sir,
Subject: **Request for Hard Copy of Annual Report of Engro Holdings Limited.**

I, _____ S/o, D/o, W/o _____ being a registered shareholder of ENGRO HOLDINGS LIMITED with the particulars as mentioned below would request that my name be added to the list of Shareholders of the Company who opt for delivery of a hardcopy of the Annual Audited Accounts of the Company and hereby request you send to me the Annual Audited Accounts in hard copy form at my registered address as contained in the member register instead of providing the same through email.

Particulars	
Name of Shareholder	
Folio No. / CDC ID No.	
CNIC/NICOP/ Passport No.	
Land Line Telephone No. (if any)	
Cell No. (if any)	

Yours truly,

Shareholder's Signature

Copy to:
Company Secretary
Engro Holdings Limited
19th Floor, The Harbour Front, Dolmen City
HC-3, Block 4, Clifton, Karachi-75600.



proxy form

I/We _____
of _____ being a member of ENGRO
HOLDINGS LIMITED and holder of _____
(Number of Shares)

Ordinary shares as per share Register Folio No. _____ and/or CDC Participant
I.D. No. _____ and Sub Account No. _____, hereby appoint _____
of _____ or failing him _____ of _____ as
my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the
Company to be held on the 28th day of April, 2026, and at any adjournment thereof.

Signed this _____ day of _____ 2026.

WITNESSES:

- Signature: _____
Name: _____
Address: _____

CNIC _____
or Passport No: _____
- Signature: _____
Name: _____
Address: _____

CNIC _____
or Passport No: _____

Signature
Signature should agree with the
specimen registered with the
Company.

Note: Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A Proxy need not be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

(v) اگر سرمایہ کاری میں متبادل کی خصوصیت / گنجائش ہوتی ہے یعنی یہ سیکورٹیز میں تبدیل ہونے کے قابل ہے تو یہ حقیقت شرائط و ضوابط بشمول متبادلوں کا فارمولہ، وہ حالات جن میں تبدیلی ہو سکتی ہے اور وہ وقت جب متبادلوں پر عمل کیا جاسکتا ہے:

متبادلوں کی کوئی گنجائش / خصوصیت نہیں ہے۔

(vi) ادائیگی کا شیڈول اور متعلقہ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ کو دیے جانے والے قرضوں یا ایڈوانس کی شرائط و ضوابط:

ایک (1) سال کی مدت کے لیے دی گئی سہولت۔ دوسری شرائط اور پر بیان کی گئی ہیں۔

یہ اسٹیٹمنٹ کمپنی کے سالانہ اجلاس عام کے نوٹس میں درج ”خصوصی کاروبار“ سے متعلق اہم حقائق کی وضاحت کرتا ہے۔

ایجنڈا آئٹم نمبر 5- کمپنی کی جانب سے اپنے شیئرز کی خریداری / بائے بیک

کمپنی کے بورڈ آف ڈائریکٹرز نے 27 مارچ 2026 کو منعقدہ اپنے اجلاس میں منظوری دی اور کمپنی کے ممبران کو سفارش کی ہے کہ وہ خصوصی قرارداد منظور کر کے کمپنی کو اپنے 45,000,000 (چھتالیس ملین) جاری شدہ اور ادا شدہ عبوری شیئرز خریدنے کی اجازت دیں۔ ان حصص کی فیس و ویلو 10 روپے فی حصص ہے، جو کمپنی کے موجودہ پیڈ اپ کیپٹل کا تقریباً 3.73% بنتے ہیں۔ یہ خریداری کمپنیز ایکٹ 2017 کے سیکشن 88 اور سیکورٹیز (بائے بیک آف شیئرز) ریگولیشنز 2019 کے تحت سیکورٹیز ایکچینج (پاکستان اسٹاک ایکچینج لیٹڈ) کے ذریعے خریداری کی مدت کے دوران موجودہ / اسپاٹ مارکیٹ قیمت رکھی جائے گی۔

کمپنیز ایکٹ اور متعلقہ ریگولیشنز کے تحت، یہ خریداری کمپنی کے ممبران کی جانب سے خصوصی قرارداد کی منظوری سے مشروط ہے۔

ڈائریکٹرز کا اس مجوزہ خریداری میں کوئی ذاتی مفاد نہیں ہے، سوائے اس کے کہ وہ کمپنی میں اپنے موجودہ شیئرز برقرار رکھتے ہوں۔ تاہم، مروجہ قانون کے مطابق، کمپنی کا کوئی بھی اسپانسر، ڈائریکٹر، افسر، متعلقہ کمپنیاں اور ذیلی ادارے اس خریداری کے عمل میں حصہ لینے کے اہل نہیں ہیں۔

خریداری سے متعلق شیئرز ہولڈرز اور ممبران کی منظوری کے لیے بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق خریداری کی نمایاں خصوصیات:

تفصیل	بورڈ کی سفارش
خریداری کا مقصد	حصص کی منسوخی
خریداری کا طریقہ کار	بذریعہ پاکستان اسٹاک ایکچینج لیٹڈ
مجوزہ زیادہ سے زیادہ حصص کی تعداد	کمپنی کے زیادہ سے زیادہ 45,000,000 (چھتالیس ملین) جاری شدہ اور مکمل ادا شدہ عام حصص، جن کی فی حصص مالیتی / ادا شدہ قدر 10 روپے ہے
مجوزہ زیادہ سے زیادہ فیصد	کمپنی کے کل جاری شدہ حصص کا تقریباً 3.73%
خریداری کی قیمت	اسپاٹ / موجودہ مارکیٹ ریٹ (سے کمپنیز بائے بیک ریگولیشنز 2019 کے سیکشن 8(2) کے مطابق)
خریداری کی مدت	7 مئی 2026 سے 25 اکتوبر 2026 تک (دونوں دن شامل) یا خریداری کی تکمیل تک، جو بھی پہلے ہو
فنانسنگ ذرائع	حصص کی خریداری نقد رقم میں کی جائے گی اور یہ کمپنی کے قابل تقسیم منافع (Distributable Profits) سے ہوگی، جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 88(8) میں بیان کیا گیا ہے۔
خریداری اور پس خرید کی وجوہات اور کمپنی پر مالی اثرات	کمپنی کے جاری شدہ عام حصص کی خریداری / واپس خرید سے فی حصص کیش فلو میں بہتری آئے گی۔ مزید برآں، یہ ان ممبران کے لیے ایک اخراج (Exit) کا موقع فراہم کرے گی جو اپنی سرمایہ کاری کو نقد کرنا چاہتے ہیں

کمپنی کے بورڈ آف ڈائریکٹرز نے سفارش کی ہے کہ نوٹس میں درج خصوصی قرارداد کو سالانہ اجلاس عام میں ترمیم یا بغیر کسی ترمیم، اضافے یا حذف کے منظور کیا جائے۔

ریگولیشن (d) (1) (3) کے تحت، بورڈ آف ڈائریکٹرز نے اس بات کا عہد کیا ہے کہ خریداری کے لیے درکار فنڈز کمپنی کے پاس دستیاب ہوں گے اور اس عمل کے بعد بھی کمپنی اگلے 12 ماہ تک اپنی تمام مالی ذمہ داریاں بروقت پوری کرنے کی بھرپور صلاحیت رکھتی ہے۔ ریگولیشن (e) (1) (3) کے مطابق، یہ تصدیق کی جاتی ہے کہ کمپنی پاکستان اسٹاک ایکچینج کے نادر ہندہ کاؤنٹر پر نہیں ہے اور نہ ہی اس نے کسی قرض کی ادائیگی میں کوتاہی کی ہے۔ مزید برآں، کمپنی اپنے سرمائے کی کم از کم ضروریات اور مالیاتی تناسب پر پورا اترتی ہے۔

خریداری کا طریقہ کار

کمپنیز ایکٹ اور ریگولیشنز کے مطابق، خریداری کے لیے درج ذیل طریقہ کار اپنایا جائے گا:

- 1- خصوصی قرارداد کی منظوری کے 2 کاروباری دنوں کے اندر کمپنی پاکستان اسٹاک ایکچینج کے ذریعے اطلاع عام کرے گی، جو دو روز نامہ اخبارات (پرنٹس ریکارڈز اور نوائے وقت) میں بھی شائع کیا جائے گا۔
- 2- ریگولیشن (2) (12) میں مذکور افراد کے علاوہ، وہ تمام افراد جو خریداری کی مدت کے دوران کمپنی کے شیئرز رکھتے ہوں گے، اس میں حصہ لے سکتے ہیں، چاہے ان کا نام بک بندش کی تاریخوں پر رجسٹر میں موجود نہ ہو۔
- 3- کمپنی کے جو ممبران اپنے شیئرز بیچنے کے خواہش مند ہیں، وہ اپنے سیکورٹیز برور کے ذریعے سیکورٹیز ایکچینج پر سیل آرڈر دے کر اپنے شیئرز فروخت کر سکتے ہیں۔
- 4- تمام خریداری اسٹاک ایکچینج کے خود کار ٹریڈنگ سسٹم کے ذریعے اس وقت کی مروجہ قیمت پر ہوگی۔ کوئی بھی سودا مارکیٹ سے باہر نہیں کیا جائے گا۔
- 5- حصص کی خریداری 7 مئی 2026 سے لے کر 25 اکتوبر 2026 تک (دونوں دن شامل ہیں) یا ہدف پورا ہونے تک جاری رہے گی۔
- 6- شیئرز کی فروخت سے متعلق ضروری ہدایات اطلاع عام کے ذریعے ممبران تک پہنچائی جائیں گی اور یہ معلومات کمپنی کی ویب سائٹ پر بھی دستیاب ہوں گی۔

(vi) متعلقہ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ کے پروجیکٹ میں سرمایہ کاری کی صورت، جس نے کام شروع نہیں کیا ہے: کوئی نہیں

(ب) عمومی انکشافات

(i) سرمایہ کاری کی زیادہ سے زیادہ رقم:

ایسوسی ایٹڈ کمپنی کا نام	رقم پاکستانی روپے میں
داؤد لانس پور لیٹڈ	7 بلین

(ii) مقصد، سرمایہ کاری کرنے والی کمپنی اور اس کے ممبران کو اس طرح کی سرمایہ کاری سے حاصل ہونے والے فوائد اور سرمایہ کاری کی مدت:

یہ انتظام کمپنی کو اپنی ایسوسی ایٹ کمپنی کو قرض دینے کے قابل بنائے گا جب/ اگر اسے اضافی فنڈز/ بینکنگ لائسنز/ سیکورٹی تک رسائی ہو اور متعلقہ کمپنی کو اس کی ضرورت ہو۔ ہر سہولت arm's length کی بنیاد پر فراہم کی جائے گی اور اس طریقے کی ہوگی جس سے کمپنی کے شیئرز ہولڈرز کو فائدہ پہنچے۔ اس سرمایہ کاری کی مدت ایک سال ہے۔

(iii) سرمایہ کاری کے لیے استعمال ہونے والے فنڈز کے ذرائع اور ادھار لیے گئے فنڈز کا استعمال کرتے ہوئے کہاں سرمایہ کاری کا ارادہ ہے، (i) قرضوں کے ذریعے سرمایہ کاری کا جواز جہاں سے قرض یا ایڈوانس دیا جائے گا (ii) ایسے فنڈز کے حصول کے لیے ضمانت، فراہم کردہ ضمانتوں اور گروی رکھے گئے اثاثوں کی تفصیلات: اور (iii) لاگت کے فائدہ کا تجزیہ۔

کمپنی مذکورہ متعلقہ کمپنی کو مطلوبہ فنڈنگ فراہم کرنے کے لیے اس کے پاس موجود اضافی کیویڈیٹی/ بینکنگ لائسنز/ سیکورٹی کو استعمال کرنے کا ارادہ رکھتی ہے۔ مزید برآں، اگر کمپنی کے پاس اور رڈ رافٹ لائسنز کا استعمال نہیں ہے تو وہ مطلوبہ فنڈنگ فراہم کرنے کے لیے ایسی لائسنز سے فائدہ اٹھانے کا انتخاب کر سکتی ہے۔ اس کے لیے کمپنی کے سوالات کے جوابات درج ذیل ہیں:

(i) جواز- متعلقہ کمپنی مارک اپ کی شرح ادا کرے گی جو کمپنی کی قرض لینے کے اخراجات سے کم نہیں ہے؛

(ii) سیکورٹی- کمپنی سامان پر مشتمل اثاثہ (طویل مدتی سرمایہ کاری کو چھوڑ کر) پر بینکنگ چارج فراہم کر کے اپنی اور رڈ رافٹ لائسنز کو محفوظ کرتی ہے۔ اور

(iii) لاگت کے فائدہ کا تجزیہ- کمپنی متعلقہ کمپنی کے ساتھ اتفاق رائے سے مارک اپ کی شرح وصول کرے گی، جس سے کمپنی کے منافع میں بہتری آئے گی۔

(iv) مجوزہ سرمایہ کاری کے حوالے سے متعلقہ کمپنی یا متعلقہ انڈر ٹیکنگ کے ساتھ معاہدے کی نمایاں خصوصیات:

جیسا کہ اوپر بتایا گیا ہے، فنڈنگ کی ہر سہولت اپنی arm's length کی بنیاد پر فراہم کی جائے گی۔

(v) متعلقہ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ یا زیر نگرین دین میں ڈائریکٹرز، اسپانسرز، اکثریتی شیئرز ہولڈرز اور ان کے رشتہ داروں کا براہ راست یا بالواسطہ مفاد، اگر کوئی ہے:

اسپانسرز، اکثریتی شیئرز ہولڈرز اور ان کے رشتہ داروں اور کمپنی کے ڈائریکٹرز کو اس معاملے میں کوئی مفاد نہیں ہے۔ تاہم، 31 دسمبر 2025 کو کمپنی کے بورڈ آف ڈائریکٹرز میں درج ذیل ڈائریکٹرز متعلقہ کمپنی کے ڈائریکٹرز بھی ہیں:

عمومی ڈائریکٹرز کے نام	EHL میں شیئرز کی تعداد	DLL میں شیئرز کی تعداد
جناب عبدالصمد داؤد	5,925,624	1,000
محترمہ سرینہ داؤد	9,228,646	1,160,396
جناب محمد امین	100	1,000

(vi) اگر متعلقہ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ میں کوئی سرمایہ کاری پہلے ہی کی جا چکی ہے تو، ایسی سرمایہ کاری کی کارکردگی کا جائزہ بشمول مکمل معلومات/ کسی بھی خرابی کا جواز یا رائٹ آف: کوئی نہیں۔

(vii) لین دین کو سمجھنے کے لیے ممبران کے لیے ضروری کوئی اور اہم تفصیلات: کوئی نہیں۔

(c) قرضہ جات، ایڈوانسز اور ضمانتوں کی شکل میں سرمایہ کاری کی صورت میں، ان کے علاوہ مندرجہ ذیل انکشافات اور فراہم کردہ ہیں:

(i) سرمایہ کاری کی رقم کی ترتیب: متعلقہ کمپنی کے لیے فنڈنگ کی حدود درج ذیل ہے:

ایسوسی ایٹڈ کمپنی کا نام	رقم پاکستانی روپے میں
داؤد لانس پور لیٹڈ	7 بلین

(ii) سرمایہ کاری کرنے والی کمپنی کی قرض لینے کی اوسط لاگت، متعلقہ مدت کے لیے کراچی انٹرنیٹک آفر ریٹ (KIBOR)، شرعی پروڈکٹس کے منافع کی شرح اور غیر فنڈ شدہ سہولیات کے لیے واپسی کی شرح، جو بھی معاملہ ہو، متعلقہ مدت کے لیے:

کمپنی کی مختصر مدتی قرضوں پر اوسط شرح سود صفر (Nil) ہے۔ 31 دسمبر 2025 تک، ایک، تین اور چھ ماہ کے لیے KIBOR کی شرح بالترتیب %10.63، %10.84 اور %10.65 تھی۔ مزید برآں، کمپنی نے شریعہ کے مطابق مالیاتی انسٹرنٹس میں سرمایہ کاری کر رکھی ہے، جس پر شرح منافع %10.40 ہے۔

(iii) شرح سود، مارک اپ، منافع، فیس یا کمیشن وغیرہ جو سرمایہ کاری کرنے والی کمپنی وصول کرے گی:

شرح سود، مارک اپ، منافع، فیس یا کمیشن جو کمپنی وصول کرے گی وہ حاصل کی جانے والی سہولتوں سے زیادہ یا اس کے برابر ہوں گے۔ جب اس کے پاس ایسی کوئی سہولیات نہیں ہیں متعلقہ کمپنی سے اس طرح کی سہولیات کے مارکیٹ ریٹ سے زیادہ یا اس کے برابر نرخ وصول کیے جائیں گے۔ ہر فنڈنگ کی سہولت arm's length کی بنیاد پر فراہم کی جائے گی۔

(iv) مجوزہ سرمایہ کاری کے سلسلے میں حاصل کی جانی والی ضمانت یا سیکورٹی کی تفصیلات:

کمپنی اور اس کی ایسوسی ایٹڈ کمپنی مشترکہ کنٹرول میں ہونے کی وجہ سے کوئی سیکورٹی حاصل نہیں کی جاتی۔ کمپنی اور اس کی ایسوسی ایٹڈ کمپنی کو یقین ہے کہ کسی بھی مالیاتی انتظام کی ادائیگی لازمی کی جائے گی۔

کمپنیز (انویسٹمنٹ اینڈ ٹرانزیکشنز) ایکٹیو ایسٹریٹجی (ریگولیشنز 2017) کے تحت درکار معلومات درج ذیل ہیں:

(الف) ایسوی ایڈ کپتیاں اور ایسوی ایسٹ کیسے سے متعلق انکشاف

(i) ایسوی ایڈ کپتیاں کے نام:

سیریل نمبر	ایسوی ایڈ کپتیاں کا نام
1	داؤڈلارٹس پورٹفولیو

(ii) تعلق کی بنیاد:

ایسوی ایسٹ کا نام	تعلق کی بنیاد	جو شیئر ہولڈنگ %
داؤڈلارٹس پورٹفولیو	داؤڈلارٹس پورٹفولیو کے پاس اینگری ہولڈنگز لمیٹڈ کے 77,931,896 (6.47%) شیئرز موجود ہیں اور اینگری ہولڈنگز لمیٹڈ کے تین ڈائریکٹرز مشترک ہیں	6.47%

(iii) گزشتہ تین سالوں کی بنیادی آمدنی فی شیئر

بنیادی آمدنی فی شیئر	2022	2023	2024
داؤڈلارٹس پورٹفولیو	(2.31)	15.46	51.26

(iv) بریک اپ ویلیو برائے فی شیئر تازہ ترین آڈٹ شدہ مالیاتی بیانات کی بنیاد پر:

بریک اپ ویلیو فی شیئر	31 دسمبر 2024
داؤڈلارٹس پورٹفولیو	120

(v) تازہ ترین آڈٹ شدہ مالیاتی بیانات کی بنیاد پر مالی حیثیت، جس میں انٹرنیشنل آف فنانس پوزیشن اور پرافٹ اینڈ لاس اکاؤنٹ کے اہم نکات شامل ہیں:

31 دسمبر 2024 کو اختتام پزیر ہونے والے مالی سال کے لیے داؤڈلارٹس پورٹفولیو کے انفرادی بنیاد پر آڈٹ شدہ مالیاتی گوشوارے:

(رقم ہزاروں میں)

رقم ہزاروں میں	رقم ہزاروں میں
15,637	پراپرٹی، پلانٹ اینڈ ایکویٹمنٹ
1,604	ہائیڈروجنیل اثاثے
107	انٹرنیشنل اثاثے
2,388,176	لاگجڈ ٹرم ٹو سٹیکس
2,778	لاگجڈ ٹرم ڈپازٹس

266,557	ڈیٹریڈ سٹیٹیشن
892	اسٹورز اینڈ اپٹینرز
1,376	اسٹاک این ٹریڈ
440,039	لوژسٹکس سڈیریز
1,833	لوژسٹکس اینڈ ایڈوانسز
87,938	ڈپازٹس، پری سٹیکس اور دیگر ریسیوئبلز
437,782	انٹرسٹ ایکروڈ
4,052,957	شارٹ ٹرم ٹو سٹیکس
151,453	کیش اینڈ ویکیٹبلز
7,849,129	کل اثاثے
	واجبات
13,223	ریٹائرمنٹ اینڈ ادرسز بینیفٹ آپٹیکیشن
187,216	ٹریڈ اینڈ ادوگر ریسیبلز
77,585	ان گھنٹہ ڈیویڈنڈ
3,284	ان پیڈ ڈیویڈنڈ
7,360	پروویژنز
438,814	ٹیکسیشن (پروویژن سٹیکس کے علاوہ)
727,482	کل واجبات
7,121,647	کل ایکٹیو
	آمدنی کا بیان
2,050,156	ڈیویڈنڈ انکم
43,471	رانٹس انکم
3,222,874	منافع قبل از ٹیکس
3,054,178	منافع بعد از ٹیکس

کمپنیز ایکٹ، 2017 کے سیکشن (3) 166 کے تحت مادی حقائق کا بیان

یہ اسٹیٹمنٹ ان مادی حقائق کی وضاحت کرتا ہے جو کمپنی کے سالانہ اجلاس عام کے نوٹس میں درج عمومی کاروبار سے متعلق ہیں۔

ایجنڈا آئٹم نمبر 3

کمپنی کے موجودہ بورڈ آف ڈائریکٹرز کی مدت 22 مئی 2026 کو ختم ہو جائے گی۔

ایس ای سی پی (SECP) کے سرکلر نمبر 01 مورخہ 8 جنوری 2026 کے مطابق، کمپنیوں کو اس سالانہ اجلاس عام میں ڈائریکٹرز کے انتخاب کی اجازت ہے جب انتخاب سالانہ اجلاس عام کے 30 دنوں کے اندر ہونا ہو۔ مزید برآں، ایس ای سی پی کے سرکلر نمبر 07 مورخہ 13 مارچ 2025 کے پیرا 4 کے مطابق، نئے منتخب ہونے والے ڈائریکٹرز کی تقرری کی مؤثر تاریخ اصل مقررہ تاریخ یعنی 22 مئی 2026 ہی رہے گی۔

ایکٹ کے سیکشن (1) 159 کے تحت، بورڈ آف ڈائریکٹرز نے سالانہ اجلاس عام میں منتخب ہونے والے ڈائریکٹرز کی تعداد سات (07) مقرر کی ہے، جو 22 مئی 2026 سے شروع ہونے والی تین (3) سال کی مدت کے لیے عہدہ سنبھالیں گے۔

آزاد ڈائریکٹرز کا انتخاب کمپنیز ایکٹ 2017 کے سیکشن 166 اور اس کے تحت جاری کردہ ضوابط کے مطابق ان کے تجربے، اہلیت، تنوع، مہارت اور علم کی بنیاد پر کیا گیا ہے۔

اقلیتی شیئر ہولڈرز کے مفادات کے تحفظ کے لیے، کوئی بھی ممبر ڈائریکٹرز کے انتخاب میں حصہ لینے کے لیے اپنی نامزدگی بھیج سکتا ہے۔

کوئی بھی شخص جو ڈائریکٹر کے عہدے کے لیے انتخاب لڑنا چاہتا ہے، خواہ وہ ریٹائر ہونے والا ڈائریکٹر ہو یا کوئی اور، اسے سالانہ اجلاس عام کی تاریخ سے کم از کم چودہ (14) دن پہلے درج ذیل دستاویزات کمپنی سیکرٹری کو اس پتے پر جمع کرانی ہوں گی: 19 ویں منزل، دی ہاربر فرنٹ بلڈنگ 3 HC، میرین ڈرائیو، بلاک 4، گلشن، کراچی۔

1- ایکٹ کے سیکشن (3) 159 کے مطابق ڈائریکٹرز کے انتخاب کے لیے خود کو پیش کرنے کے ارادے کا نوٹس، اور ایکٹ اوپنیشن ریگولیشنز 2024 کے تحت فارم 9 کے ضمیمہ (Appendix) پر بطور ڈائریکٹر کام کرنے کی رضامندی۔

2- ڈائریکٹرز کا انتخاب لڑنے والے شخص کے لیے ضروری ہے کہ وہ رضامندی نامہ جمع کراتے وقت کمپنی کا ممبر ہو، سوائے اس صورت کہ وہ شخص کسی ایسے ممبر کی نمائندگی کر رہا ہو جو نیچرل پرسن نہ ہو۔

3- ایک دستخط شدہ اقرار نامہ (Declaration) جس میں درج ذیل باتوں کی تصدیق کی گئی ہو:

الف) وہ شخص ایکٹ، سیکشن (3) اوپنیشن ریگولیشنز 2019، پاکستان اسٹاک ایکچینج کی رول بک، کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن اور دیگر متعلقہ قوانین کے تحت اپنے فرائض اور اختیارات سے پوری طرح آگاہ ہے۔

ب) وہ شخص ایکٹ کے تحت، سیکشن ریگولیشنز 2019 اور دیگر متعلقہ قوانین کے تحت کسی سیکشن کا ڈائریکٹر بننے کے لیے نااہل نہیں ہے۔

4- ایس آر او 2019/1196 (1) مورخہ 03 اکتوبر 2019 کے تحت کمپنی کی ویب سائٹ پر رکھنے کے لیے تفصیلی پروفائل اور ایڈریس فراہم کرنا ہوگا۔

5- دیگر ڈائریکٹرز شپس کی تفصیلات فراہم کرنا ہوگی۔

6- درست CNIC یا پاسپورٹ (غیر ملکی شہری کی صورت میں) کی کاپی، مع INTN اور فوٹو نمبر/ICDC کا ڈنٹ یا سب اکاؤنٹ نمبر۔

7- آزاد ڈائریکٹر کے امیدوار کے طور پر انتخاب میں حصہ لینے والوں کو درج ذیل اضافی دستاویزات فراہم کرنا ہوگی:

الف) سیکشن ریگولیشنز 2019 کے ریگولیشن (3) 6 کے تحت اپنی آزادی (Independence) کا اقرار نامہ۔

ب) غیر عدالتی اسٹامپ پیپر پر ایک حلف نامہ کہ وہ کمپنیز ریگولیشنز (آزاد ڈائریکٹرز کا انتخاب اور طریقہ کار) 2018 کے ریگولیشن (1) 4 کے تقاضوں پر پورا اترتا/اترتی ہے۔

8- آزاد ڈائریکٹر کے انتخاب کا معیار: جب امیدوار انتخاب لڑنے کا نوٹس دے دیں گے، تو کمپنی آزاد ڈائریکٹر کے انتخاب کے لیے درج ذیل معیار کو یقینی بنائے گی:

الف) امیدوار کا نام پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کے ڈیٹا بینک میں شامل ہونا ضروری ہے، جو SECP سے منظور شدہ ہو۔

ب) امیدواروں کی متعلقہ اہلیت، تنوع، علم اور تجربے کا جائزہ لیا جائے گا۔

ج) ڈیٹا بینک سے کسی شخص کا انتخاب کرنے سے پہلے کمپنی اس بات کی مکمل چھان بین کرے گی کہ امیدوار کمپنیز ایکٹ 2017 کے سیکشن (2) 166 میں درج آزادی کے معیار پر پورا اترتا ہے۔

انتخاب لڑنے والے امیدواروں کی حتمی فہرست ایکٹ کے سیکشن (4) 159 کے تحت سالانہ اجلاس عام کی تاریخ سے کم از کم سات (07) دن پہلے جاری کی جائے گی۔ کمپنی کی ویب سائٹ کو مطلوبہ معلومات اور ڈائریکٹرز کے پروفائل کے ساتھ اپ ڈیٹ کر دیا جائے گا۔

کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے تحت مادی حقائق کا بیان

یہ اسٹیٹمنٹ ان مادی حقائق کی وضاحت کرتا ہے جو کمپنی کے سالانہ اجلاس عام کے نوٹس میں درج خصوصی کاروبار سے متعلق ہیں۔

ایجنڈا آئٹم نمبر 4

ایسوسی ایٹڈ کمپنی کو انٹر کمپنی قرض دینے کی منظوری دینا۔

1- شیئر ہولڈرز کو تحائف دینے پر پابندی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے 9 فروری 2018ء کے اپنے دوسرے سرکلر 2018ء کے ذریعے، کمپنیوں کو شیئر ہولڈرز کے لیے عام اجلاسوں میں یا متعلقہ سلسلے میں تحائف کے بدلے تحائف یا مراعات (ٹوکن / کوپن / لٹچ / ایک اوے ہیکینج) کسی بھی شکل یا انداز میں دینے سے سختی سے منع کیا ہے۔ ایکٹ کے سیکشن 185 کے تحت، اس ہدایت کی کسی بھی خلاف ورزی کو جرم تصور کیا جاتا ہے اور خلاف ورزی کرنے والی کمپنیوں کو جرمانے کا سامنا کرنا پڑ سکتا ہے۔ تاہم، اجلاس کے موقع پر کسی بھی قسم کے تحائف کی تقسیم نہیں ہوگی۔

2- ویڈیو کانفرنس سہولت کے ذریعے اجلاس عام کی کارروائی میں شرکت

ممبران کی حوصلہ افزائی کی جاتی ہے کہ ویڈیو کانفرنس کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت فرمائیں، جس کا انتظام کمپنی کی جانب سے کیا جائے گا۔

اجلاس میں ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کرنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنا نام، فوٹیو نمبر، موبائل نمبر، سی این آئی سی / پاسپورٹ نمبر <https://forms.office.com/r/sBaaCZBBVL> پر رجسٹر کروائیں۔ ویڈیو لنک کی تصدیقی ای میل اور لاگ ان سے متعلق معلومات ان شیئر ہولڈرز سے شیئر کی جائے گی جن کی رجسٹریشن تفصیلات سالانہ اجلاس عام سے کم از کم 48 گھنٹے قبل موصول ہوگی۔

شیئر ہولڈرز سالانہ اجلاس عام کے ایجنڈا آئٹمز پر اپنے تاثرات اور سوالات بھی ای میل ایڈریس agm.ehl@engro.com پر فراہم کر سکتے ہیں۔

3- سالانہ رپورٹ 2025 کی الیکٹرانک ترسیل

کمپنیز ایکٹ 2017ء کے سیکشن (6) 223 کی تعمیل میں کمپنی نے ان شیئر ہولڈرز کو سالانہ رپورٹ 2025 کی ای میل کے ذریعے الیکٹرانک ترسیل انجام دی ہے جن کے ای میل ایڈریس کمپنی کے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کے پاس موجود ہیں۔ تاہم ایسے کیس جن میں کمپنی کے شیئر رجسٹرار کے پاس ای میل ایڈریس موجود نہیں ہیں انہیں سالانہ اجلاس عام کی اطلاع کے نوٹس کی پرنٹ شدہ کاپیاں بشمول سالانہ رپورٹ ڈاؤن لوڈ کرنے کے لیے QR کا حامل کوڈ / ویب لنک بھی بھیج دیئے گئے ہیں۔ اس کے باوجود کمپنی سالانہ رپورٹ کی ہارڈ کاپی، کسی بھی ممبر کی جانب سے درخواست بھیجے پر، ان کے رجسٹرڈ ایڈریس پر ایسی درخواست موصول ہونے کے ایک ہفتے کے اندر مفت میں فراہم کرے گی۔

مزید براں فزیکل فارم والے شیئر ہولڈرز سے گزارش کی جاتی ہے کہ براہ مہربانی اپنا موثر ای میل ایڈریس (اپنے فعال CNIC کی کاپی کے ہمراہ) کمپنی کے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو جمع فرمائیں جبکہ بک انٹری فارم میں شیئر زرنکھنے والے ممبران اپنے متعلقہ پارٹنیشن / انویسٹر اکاؤنٹ سروسز کو فراہم کریں۔

4- شیئر ٹرانسفر کتاب کی بندش

کمپنی کے شیئر ٹرانسفر کتاب بروز منگل 21 اپریل 2026ء تا منگل 28 اپریل 2026ء (دونوں دن شامل ہیں) تک بند رہیں گے۔ ہمارے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، F-8 نزد داران ہوٹل، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی PABX نمبر 5-34380101-21 (92) اور ای میل info.shares@famcosrs.com پر بروز پیر 20 اپریل 2026ء کو دوبارہ کے اختتام تک وصول ہونے والی منتقلیوں کو ادائیگی اور اجلاس میں شرکت اور ووٹ دینے کے لیے بروقت تصور کیا جائے گا۔

5- پراسیور کے تقرر کی ضروریات

اجلاس میں شرکت اور ووٹ دینے کے اہل ممبر اجلاس میں شرکت اور ووٹ دینے کے لیے کسی کو بطور نمائندہ (پراسیور) مقرر کرنے کا حق حاصل ہوگا اور مقرر کردہ پراسیور کو اجلاس میں شرکت، اظہار رائے اور ووٹ دینے کے وہی حقوق حاصل ہوں گے جو خود ممبر کو حاصل ہیں۔ پراسیور فارم موثر ہونے کے لیے ان کی دستاویزات کمپنی کو اجلاس سے 48 گھنٹے پہلے موصول ہونا ضروری ہیں۔ پراسیور کے لیے کمپنی کا ممبر ہونا لازمی نہیں ہے۔

(I) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات ضابطے کے مطابق سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ میں اپ لوڈ ہو چکی ہیں، مندرجہ بالا ہدایات کے مطابق پراسیور فارم جمع کرائیں۔

(II) پراسیور فارم کے لیے 2 مرد گواہ ضروری ہیں، جن کے نام ایڈریس اور سی این آئی سی نمبر فارم پر درج ہوں۔

(III) پیفیشل مالکان اور پراسیور کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراسیور فارم کے ساتھ جمع کرانا ہوں گی۔

(IV) پراسیور اپنا اصل سی این آئی سی یا فعال پاسپورٹ سالانہ اجلاس عام کے وقت ہمراہ لائیں۔

(V) کارپوریٹ ادارے کی صورت میں پراسیور فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی منتخب فرد کے دستخط کے نمونہ کے ساتھ کمپنی کو فراہم کرنے ہوں گے (اگر پہلے فراہم نہ کیا گیا ہو)۔

6- ووٹ ڈالنے اور اسکر وٹا ز مقرر کرنے کا اختیار

کمپنیز (پوسٹل بیلت) ریگولیشنز 2018ء کی تعمیل میں کمپنیز ایکٹ 2017ء کے سیکشن 143 اور 144 کے لوازمات سے مشروط، ممبران کو پوسٹل بیلت کے ذریعے ووٹ دینے کی اجازت ہوگی، اس میں ووٹ پوسٹ یا کسی بھی الیکٹرانک طریقہ سے، مذکورہ بالا ریگولیشنز کی شرائط و ضروریات کے مطابق دیا جائے گا۔ ریگولیشنز کے ضابطے 11 کے مطابق، کمپنی کے بورڈ نے میسرز ایف فرگن اینڈ کمپنی، ایک QCR ریٹیزڈ آڈٹ فرم کو اجلاس کی کارروائی برائے ڈائریکٹرز کا انتخاب کرنا اور خصوصی کاروبار کے لیے کمپنی کے اسکر وٹا ز کے طور پر کام کرنے اور ریگولیشن 11 کے ضابطے کے مطابق دیگر ذمہ داریاں نبھانے کے لیے مقرر کیا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے اجلاس میں زیر غور آنے والے خصوصی کاروبار کے لیے کمپنی کے اسکر وٹا ز کے طور پر میسرز BDO برائیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس جو کہ QCR ریٹیزڈ فرم ہے، کو مقرر کیا ہے۔ اس کے ساتھ ساتھ انہیں ریگولیشن 11A میں متعین دیگر ذمہ داریاں بھی سونپی گئی ہیں۔

(اسکر وٹا ز کی اہلیت اور تجربے سے متعلق تفصیلات ان کی ویب سائٹ <https://www.bdo.com.pk/en-gb/about/about-bdo-pakistan> پر دستیاب ہیں۔)

7- فزیکل شیئرز کی CDC اکاؤنٹ میں تبدیلی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے خط CSD/ED/Misc/2016-639-640 تاریخ 26 مئی 2021ء میں سٹیٹ کمپنیز کو مشورہ دیا ہے کہ کمپنیز ایکٹ 2017ء کے سیکشن 72 کے مطابق اپنے فزیکل شیئرز کو بک انٹری فارم میں تبدیل کریں۔ اس کی ضروریات کے پیش نظر تمام کمپنیز کو ایکٹ کے نفاذ سے 4 سال کے اندر فزیکل فارم والے شیئرز بک انٹری فارم میں تبدیل کرنے ہوں گے۔

کمپنی کے تمام فزیکل فزیوڈا شیئر سرٹیفکیٹ رکھنے والے شیئر ہولڈرز سے گزارش کی جاتی ہے کہ جلد سے جلد اپنے فزیکل فارم والے شیئرز کو بک انٹری فارم میں تبدیل کرائیں۔ اس ضمن میں شیئر ہولڈرز اپنے PSX ممبر، سی ڈی سی پارٹنیشن یا سی ڈی سی انویسٹرا کاؤنٹ سروس پرووائیڈر سے سی ڈی ایس اکاؤنٹ کھولنے اور فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرانے کے لیے مدد لے سکتے ہیں۔ بک انٹری فارم سے شیئر ہولڈرز کو شیئرز کی محفوظ حوالگی سمیت کئی طریقوں سے سہولت ہوگی جبکہ ڈیپلیکیٹ شیئرز وغیرہ کے اجراء کے لیے مطلوبہ لوازمات سے بھی محفوظ رہیں گے۔ کمپنی کے شیئر ہولڈرز فزیکل شیئرز کی بک انٹری فارم میں تبدیلی کے لیے کمپنی کے شیئر رجسٹرار اور ٹرانسفر ایجنٹ بنام میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ سے رابطہ کر سکتے ہیں۔

سالانہ عام اجلاس کا نوٹس

بذریعہ ہذا مطلع کیا جاتا ہے کہ اینگرو ہولڈنگز لمیٹڈ ("کمپنی") 586 واں سالانہ اجلاس عام بروز منگل 28 اپریل 2026 صبح 11 بجے، کراچی اسکول آف بزنس اینڈ لیڈرشپ (KSBL) واقع نیشنل اسٹیڈیم روڈ بالمقابل لیاقت نیشنل ہسپتال، کراچی 74800 میں درج ذیل کاروبار کی انجام دہی کے لیے منعقد ہوگا:

ممبران کی حوصلہ افزائی کی جاتی ہے کہ کمپنی کے زیر اہتمام ویڈیو کانفرنس کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت فرمائیں (تفصیلات کے لیے نوٹس سیکشن ملاحظہ کریں)۔

الف) عمومی کاروبار

1- 31 دسمبر 2025 کو ختم شدہ سال کے لیے کمپنی کے انفرادی اور مجموعی آڈٹ شدہ مالیاتی گوشواروں بشمول ڈائریکٹرز اور آڈیٹرز، اور چیئرمین کی جائزہ رپورٹ کی وصولی، غور و خوض اور منظوری دینا۔

کمپنیز ایکٹ 2017 کے سیکشن (6) 223 کے تحت اور ایس ای سی پی کے ایس آر نمبر (1) 389 بتاریخ 21 مارچ 2023 کی روشنی میں، کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کئے جا چکے ہیں جس کی رسائی درج ذیل ویب لنک اور QR کے حامل کوڈ کے ذریعے حاصل کی جاسکتی ہے:



<https://www.engro.com/investor-relations/financial-reports/>

2- آڈیٹرز کی تعیناتی اور ان کے مشاہرے کا تعین۔ ممبران کو مطلع کیا جاتا ہے کہ بورڈ آڈٹ اینڈ رسک کمیٹی اور بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے آڈیٹرز میسرز ایف فرگوسن اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) کو کمپنی کے آڈیٹرز کے طور پر دوبارہ تعیناتی کی تجویز دی ہے۔

3- کمپنیز ایکٹ 2017 کے سیکشن (1) 159 کے مطابق، 22 مئی 2026 سے شروع ہونے والی تین سالہ مدت کے لیے سات (07) ڈائریکٹرز کا انتخاب کرنا۔ ریٹائر ہونے والے ڈائریکٹرز کے نام یہ ہیں: 1) جناب حسین داؤد (2) جناب عبدالصمد داؤد (3) محترمہ سربینا داؤد (4) جناب محمد امین (5) جناب اسفندیار شاہین (6) جناب احمد ابراہیم ہشام (7) جناب سہیل تائی۔

ب) خصوصی کاروبار

4- کمپنیز ایکٹ 2017 کے سیکشن 199 کے تحت کمپنیز (ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈر ٹیکنگ) ریگولیشنز 2017 (جیسا کہ ترمیم کی جاسکتی ہے) میں سرمایہ کاری، کمپنی کے بورڈ آف ڈائریکٹرز کی تجویز کردہ درج ذیل خصوصی قرارداد پر غور کرنا اور مناسب سمجھنے پر، ترمیم، اضافے یا حذف کرنے یا ان کے بغیر پاس کرنا:

"قرار پایا کہ، اینگرو ہولڈنگز لمیٹڈ ("کمپنی") کے ممبران خصوصی قرارداد کے ذریعے (کمپنیز ایکٹ 2017 کے سیکشن 199 کی تعمیل میں، کمپنی کے درج ذیل امور کی منظوری دیتے ہیں:

الف) کمپنی کو اپنی ایسوسی ایٹڈ کمپنی، داؤد لارنس پور لمیٹڈ (DLL) کے لیے قرض کی منظوری دینا؛ ایک انٹرنیشنل قرض سات ارب روپے (7,000,000,000 روپے) تک کی مجموعی رقم میں، قرضوں، ایڈوانسز اور ایسا کسی بھی شکل میں سیکورٹی (بشمول حد بندی کی ضمانتیں، سرکاری سیکورٹیز، نقد رقم، درج/غیر فہرست شدہ سیکورٹیز وغیرہ) پر مشتمل ہے جو ایک arm's length کی بنیاد پر ہوگی، ایک سرکل میں کریڈٹ کی شکل میں ہوگی، منظوری خصوصی قرارداد کی تاریخ سے ایک سال کی مدت کے لیے ہوگی۔

مزید طے پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور ایگزیکٹو مینیجرز، کوئی بھی ڈسٹنڈنٹ طور پر، تمام معاملات، اعمال اور امور انجام دینے، کوئی بھی اور تمام ضروری اقدامات کرنے، قانونی ضروریات کو پورا کرنے کے لیے، کارپوریٹ اور پروسیجرل لوازمات اور اس کی جانب سے ضروری سمجھے جانے والے تمام ضروری دستاویزات اور بیزنس فائل کریں اور مذکورہ قراردادوں کے مقصد کو مکمل طور پر حاصل کرنے کے لیے اس سے متعلقہ معاملات انجام دے سکتے ہیں۔"

5- کمپنیز ایکٹ 2017 کے سیکشن 88 اور لمیٹڈ کمپنیز (ہائے بیک آف شیئرز) ریگولیشنز 2019 (مکمل تراہیم کے ساتھ) کے تحت، کمپنی کے بورڈ آف ڈائریکٹرز کی تجویز کے مطابق، کمپنی کی جانب سے مجموعی طور پر 45,000,000 (پینتالیس ملین) جاری شدہ عبوری شیئرز، جن میں سے ہر ایک کی فیس و پلیو 10 روپے ہے، کو سیکورٹیز ایکسچینج کے ذریعے خریداری کی مدت کے دوران مروجہ اور کمپنی کے لیے قابل قبول موجودہ / اسپاٹ قیمت پر خریدنے / واپس لینے (Buy-back) کے لیے درج ذیل خصوصی قرارداد (یا قراردادیں) بیع ترمیم، اضافہ یا حذف، غور کرنے اور مناسب سمجھنے کی صورت میں منظور کرنا:

"قرار پایا کہ، مروجہ قوانین (بشمول تراہیم کے ساتھ) کی تعمیل سے مشروط کمپنیز ایکٹ 2017 کے سیکشن 88 اور لمیٹڈ کمپنیز (ہائے بیک آف شیئرز) ریگولیشنز 2019 کے تحت، اینگرو ہولڈنگز لمیٹڈ ("کمپنی") کے ممبران کی جانب سے کمپنی کے درج ذیل اقدامات کی منظوری دی جاتی ہے:

الف) کمپنی کے جاری شدہ اور ادا شدہ مجموعی طور پر 45,000,000 (پینتالیس ملین) عبوری شیئرز کی خریداری / واپس لینا، جن کی فیس و پلیو 10 روپے فی شیئر ہے، جو کمپنی کے کل جاری شدہ اور ادا شدہ عبوری شیئرز کا تقریباً 3.73% بنتے ہیں (جسے "خریداری" کہا جائے گا):

(ب) خریدے گئے شیئرز کو کمپنی کی جانب سے منسوخ کر دیا جائے گا؛

(ج) خریداری کا عمل، خریداری کے عام اطلاع کے بعد 7 (سات) دنوں کے اندر شروع کیا جائے گا اور خصوصی قرارداد کی تاریخ سے 180 (ایک سو اسی) دنوں کے اندر ختم کر دیا جائے گا، جو کہ مروجہ قانون کے مطابق ہوگا؛

(د) یہ خریداری پاکستان اسٹاک ایکسچینج لمیٹڈ کے ذریعے مروجہ قوانین بشمول لمیٹڈ کمپنیز (ہائے بیک آف شیئرز) ریگولیشنز 2019 (بشمول وقتاً فوقتاً ہونے والی تراہیم) کے تحت کی جائے گی؛

(ه) کمپنی خریداری کی مدت کے دوران نامزد کردہ کلیئرنگ بینک اکاؤنٹ (یا اکاؤنٹس) میں روزانہ کی بنیاد پر ہونے والی خریداریوں کی بروقت ادائیگی (Settlement) کے لیے خاطر خواہ فنڈز برقرار رکھے گی؛

(و) کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے مقرر کردہ مجاز فرد / افراد (بشمول آفر کے لیے منتخب نیچر) تمام ضروری، ذیلی اور ضمنی اقدامات اٹھائیں گے اور وہ تمام کام، دستاویزات اور افعال سرانجام دیں گے جو مذکورہ بالا قراردادوں پر عملدرآمد اور خریداری کے عمل کو مکمل کرنے کے لیے مطلوب ہوں؛ اور

(ز) مذکورہ بالا قراردادوں میں، ضرورت اور مناسبت کے مطابق، مجاز فرد / افراد مروجہ قانون میں کسی بھی ترمیم یا کسی مجاز اتھارٹی کی تحریری ہدایت کی روشنی میں تبدیلی کر سکتے ہیں اور ایسی تبدیلی ان قراردادوں کا حصہ تصور کی جائے گی جس کے لیے کمپنی کے شیئرز ہولڈرز / ممبران سے دوبارہ نئی قرارداد منظور کروانے کی ضرورت نہیں ہوگی۔"

حسب الحکم بورڈ

محمد امین
کمپنی سیکریٹری

کراچی:

7 اپریل 2026

محترم اسفند یار شاہین
محترم احمد ابراہیم ہاشم
محترم سہیل تائی
محترم عبدالصمد داؤد
محترم محمد بلال احمد
محترم ضامن زیدی

محترم شومن چوہدری (سی ای او)

محترم محمد بلال احمد نے 1 جنوری 2025 کو استعفیٰ دیا

محترم ضامن زیدی نے 19 فروری 2025 کو استعفیٰ دیا

محترم شومن چوہدری (سی ای او) نے 3 جنوری 2025 کو استعفیٰ دیا

محترم احمد ابراہیم ہاشم اور محترم سہیل تائی کو 19 فروری 2025 کو متفرک کیا گیا۔

بورڈ مینٹرز:

سال 2025 میں بورڈ نے اپنی تمام سرگرمیوں کے مکمل جائزے کے لیے 15 اجلاس منعقد کیے۔ اپنے امانتی فرائض کی ادائیگی میں معاونت کے لیے بورڈ نے 3 کمیٹیاں قائم کیں۔ ان کمیٹیوں کی تفصیل اور اراکین درج ذیل ہیں:

بورڈ آڈٹ اینڈ رسک کمیٹی	بورڈ انویسٹمنٹ کمیٹی	بورڈ سہیل کمیٹی
2025 میں 14 اجلاس منعقد ہوئے	2025 میں 13 اجلاس منعقد ہوئے	2025 میں 11 اجلاس منعقد ہوئے
محترم محمد امین	محترم عبدالصمد داؤد	محترم اسفند یار شاہین
محترم سہیل تائی	محترم احمد ابراہیم ہاشم	محترم احمد ابراہیم ہاشم
محترم اسفند یار شاہین	محترم سہیل تائی	محترم سہیل تائی
	محترم محمد امین	
	محترم اسفند یار شاہین	

ڈائریکٹرز کا معاوضہ

انگریجو ہولڈنگز کے پاس ڈائریکٹرز کے معاوضے سے متعلق ایک باقاعدہ اور شفاف پالیسی موجود ہے، جو کمیٹی کے آرگنائزنگ آف ایسوسی ایشن اوپنیز ایکٹ 2017 کے مطابق ترتیب دی گئی ہے۔ بورڈ یا بورڈ کمیٹی کے اجلاس میں شرکت کی فیس سمیت ڈائریکٹرز اور سی ای او کو ادا کیا جانے والا معاوضہ غیر منجز مالیاتی گوشواروں کے نوٹ 21 میں ظاہر کیا گیا ہے۔

ڈائریکٹرز کی ذمہ داریوں کا بیان

ڈائریکٹرز تصدیق کرتے ہیں کہ انگریجو ہولڈنگز نے پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کے مطابق کارپوریٹ اور مالیاتی رپورٹنگ کے فریم ورک کی پابندی کی ہے جیسا کہ درج ذیل ہیں:

- انگریجو ہولڈنگز کی منجمنٹ کے ذریعہ تیار کردہ مالیاتی گوشوارے کمیٹی کے امور کی صحیح عکاسی کرتے ہیں، آپریٹرز کے نتائج، یکیش فلوا اور ایکویٹی میں تبدیلی کو واضح کرتے ہیں۔
- انگریجو ہولڈنگز کی درست کتابیں اور حساب برقرار رکھے گئے ہیں۔
- مالیاتی گوشوارے تیار کرنے میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر نافذ کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے معقول اور حقائق سے بنیے گئے ہیں۔
- پاکستان میں قابل اطلاق انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) کی پیروی کی گئی ہے اور ان سے کسی بھی انحراف کو مناسب طریقے سے ظاہر کیا گیا ہے۔
- انٹرنل کنٹرولز کے نظام کا ڈیزائن مضبوط رکھا گیا ہے اور مؤثر طریقے سے نافذ و نگرانی کیا گیا ہے۔
- انگریجو ہولڈنگز کی جاری کارروائی حیثیت میں جاری رہنے کی صلاحیت پر کوئی اہم شہادت موجود نہیں ہے۔
- گزشتہ چھ سال کے اہم آپریٹس اور فنانشل ڈیٹا کا خلاصہ رپورٹ کے ساتھ منسلک ہے۔

نان ایگزیکٹو اور آزاد ڈائریکٹرز کے لیے معاوضے کی پالیسی

بورڈ آف ڈائریکٹرز نے نان ایگزیکٹو اور آزاد ڈائریکٹرز کے لیے ایک ریمریٹیشن پالیسی (Remuneration Policy) کی منظوری دی ہے، جس کی اہم خصوصیات درج ذیل ہیں:

- معاوضہ مناسب اور ڈائریکٹرز کی ذمہ داریوں اور مہارت کے مطابق ہوگا، تاکہ وہ کمیٹی کو کامیابی سے نگرانی کرنے اور قدر میں اضافہ کرنے کے لیے درکار ڈائریکٹرز کو متوجہ اور برقرار رکھ سکیں۔
- معاوضہ کسی بھی طرح سے ڈائریکٹرز کی آزادی یا خود مختاری کو متاثر نہیں کرے گا۔
- اگر ضروری سمجھا جائے تو بورڈ ایک انڈیپنڈنٹ کونسلٹنٹ (Independent Consultant) سے مشاورت کر کے ڈائریکٹرز کے مناسب معاوضے کا تعین کر سکتا ہے۔
- کسی ایگزیکٹو ڈائریکٹر یا ایسے نان ایگزیکٹو ڈائریکٹر جو دیگر ایگزیکٹوز میں ملازم ہوں، کو بورڈ یا اس کی کمیٹیوں کے اجلاس میں شرکت کے لیے کوئی معاوضہ نہیں دیا جائے گا۔
- کاروباری سفر کے دوران تمام سفر اور قیام کے اخراجات اصل کے مطابق واپس کیے جائیں گے یا انتظام کیے جائیں گے۔

متعلقہ فریقین

کمیٹی تمام متعلقہ فریقین کی مکمل فرسٹ برقرار رکھتی ہے۔ ان تمام فریقین کے ساتھ جن کے ساتھ کمیٹی نے سال کے دوران ٹرانزیکشنز کی ہوں، تعلق کی نوعیت اور پرتیج ہولڈنگز مناسب طریقے سے کنسولیدیشنڈ فنانشل اسٹیٹمنٹس کے نوٹ 53 میں ظاہر کی گئی ہیں۔

کارپوریٹ گورننس کے کوڈ اور قابل اطلاق قوانین کے مطابق، ہر سماہی میں تمام متعلقہ فریقین کی ٹرانزیکشنز کی جامع فرسٹ جائزے کے لیے بورڈ آڈٹ اینڈ رسک کمیٹی کے سامنے پیش کی جاتی ہے اور اس کی سفارشات کی بنیاد پر بعد میں بورڈ کی منظوری حاصل کی جاتی ہے۔

ادارہ جاتی درجہ بندی

سال 2025 کے دوران PACRA نے انگریجو ہولڈنگز کی شارٹ ٹرم اور لانگ ٹرم کریڈٹ ریٹنگ بائز تیب A1+ اور AA اپنے سالانہ جائزے میں برقرار رکھی۔

آڈٹرز

موجودہ آڈٹرز اے۔ ایف۔ فرگن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس آف پاکستان سالانہ عام اجلاس کے اختتام پر سبکدوش ہوئے ہیں اور دوبارہ تقرری کے لیے خود کو پیش کر رہے ہیں۔ آڈٹ کمیٹی نے اے۔ ایف۔ فرگن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو انگریجو ہولڈنگز لیمنڈ کے لیے 31 دسمبر 2026 کو ختم ہونے والے سال کے آڈٹرز کے طور پر دوبارہ مقرر کرنے کی سفارش کی ہے اور بورڈ نے اس سفارش کی منظوری دی ہے۔

شیئر ہولڈنگ کی ترتیب

31 دسمبر 2025 کی حیثیت سے انگریجو ہولڈنگز لیمنڈ کی شیئر ہولڈنگ کی ترتیب، دیگر ضروری معلومات کے ساتھ، سالانہ رپورٹ میں پروکسی فارم کے ساتھ دستیاب ہوگا۔

بعض اراکان ہونے والی لمبیاں پیش رفت

مالی سال کے اختتام کے بعد، ای پی کیو ایل میں موجود ایکویٹی منفاؤنڈ 18.53 فیصد حصہ کی پیشگی ایڈڈ مل مارکیٹ کے ذریعے حصص کی فروخت کے تحت منتقل کر دیا گیا۔ اس کے نتیجے میں کمیٹی کی ای پی کیو ایل میں مؤثر حصص داری 68.89 فیصد سے کم ہو کر 50.36 فیصد رہ گئی، تاہم کاروبار پر انتظامی کنٹرول برقرار رکھا گیا ہے۔

مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان کمیٹی کی مالی پوزیشن کو متاثر کرنے والی کوئی دوسری اہم تبدیلی یا ذمہ داری سامنے نہیں آئی۔

اختتامیہ

ہم اپنی رپورٹنگ میں وضاحت اور دیانت داری کو مقدم رکھتے ہیں، کیونکہ ہمارا یقین ہے کہ اعتماد و شفاف اور ذمہ دارانہ معلومات کی فراہمی سے ہی قائم ہوتا ہے۔ بورڈ اپنے معزز شیئر ہولڈرز کا مسلسل اعتماد کرنے پر اپنے ساتھیوں کا ان کی گمن پر، اپنے ریگولیشنز اور حکومتی شرکت داروں کے تعاون پر اور اپنے صارفین کے اعتماد پر تہ دل سے شکر ادا کرتا ہے۔ یہی تمام اسٹیبل ہولڈرز اور انگریجو ہولڈنگز کو قائم و مضبوط، وسعت اور پائیدار طویل مدتی قدر میں پیداواری پر مرکوز رہنے کے قابل بناتے ہیں۔

عبدالصمد داؤد
چیف ایگزیکٹو آفیسر
Adnan

حسین داؤد
چیرمین
Hussain

ہم مساوی اصولوں پر بھرتی کے طریقوں، ایٹمی ہراسمت نظام اور خصوصی پروگرامز جیسے Break Ke Baad (کام پر واپس آنے والی خاتین کے لیے)، Khudi (خصوصی افراد کے لیے)، Uraan (پسماندہ علاقوں کی خاتین کے لیے ٹیکنیکل تربیت) اور RISE Above (خاتین کی قیادت کے اعزاز کو مضبوط بنانے کے لیے) کے ذریعے وسعت، مساوات اور شمولیت کو فروغ دیتے ہیں۔ یہ تمام اقدامات اس بات کی عکاسی کرتے ہیں کہ اینگرو مساوی مواقع، مسلسل سیکھے اور مختلف صلاحیتوں کے حامل افراد کو با اختیار بنانے کے لیے پُر عزم ہے تاکہ وہ پائیدار اور طویل مدتی ترقی میں مؤثر کردار ادا کر سکیں۔

رسک منجنت

اینگرو نے انٹرنیشنل رسک منجنت (ERM) فریم ورک اپنایا ہے، جو عالمی معیار کے مطابق ہے، تاکہ خطرات کا پیشگی اندازہ لگایا جاسکے اور ان کا مؤثر انتظام کیا جاسکے۔ اینگرو کی پالیسی میں رسک منجنت کو شیئر ہولڈرز کے لیے ویلیو پیدا کرنے، محفوظ رکھنے اور بڑھانے کی بنیاد کے طور پر شامل کیا گیا ہے۔

اینگرو کا وسیع پورٹ فولیو ایک متحرک اور پیچیدہ کاروباری ماحول میں کام کرتا ہے، جس کے لیے ہر ذیلی کمپنی کی اسٹریٹجک سمت اور اس کے لیے قابل قبول رسک کی سطح کا تعین جاننا ضروری ہے۔ ذمہ داریاں تنظیم کے اندر واضح طور پر تقسیم کی گئی ہیں تاکہ مضبوط رسک منجنت یقینی بنایا جاسکے۔ ہر ذیلی کمپنی اپنے رسک کے امکانات اور اثرات کا منظم انداز میں اندازہ لگاتی ہے، جسے مختلف سطحوں پر حقیقی، باقی اور نارگٹ اسکورز کی شکل میں پیش کیا جاتا ہے۔ یہ اسکورز رسک کو ترجیح دینے اور متعلقہ قیادت کو جاری منجنت کے لیے ذمہ داری سونپنے کی بنیاد فراہم کرتے ہیں۔

ادارہ میں رسک کی شناخت کی جاتی ہے اور ان کے اثر اور احتمال کی بنیاد پر درجہ بندی کی جاتی ہے۔ شناخت کے بعد، ہر رسک کے اثر کو کم کرنے کے لیے مخصوص حکمت عملی تیار کی جاتی ہے، جبکہ ان حکمت عملیوں کو Risk Appetite Statements (RAS) کے مطابق ڈھالا جاتا ہے تاکہ مناسب رویے طے کیا جاسکے۔ یہ عمل منجنت کمیٹی اور بورڈ کی جانب سے فعال طور پر مانیتور اور ریویو کیا جاتا ہے تاکہ یہ کارپوریٹ اہداف کے مطابق رہے اور تسلسل سے نگرانی کی جاسکے۔

اینگرو میں رسک منجنت کے لیے صحیح پیمائش کا نیا ایک بنیادی ترجیح ہے۔ اس مقصد کے لیے گروپ میں گورننس رسک اینڈ کنٹرول (GRC) کا ایک مخصوص شعبہ موجود ہے جو دوسری لائن آف ڈیفنس کے طور پر کام کرتا ہے۔ یہ یقینی بناتا ہے کہ پہلی لائن آف ڈیفنس، یعنی منجنت ٹیمیں، نہ صرف رسک منجنت کے اصول سمجھیں بلکہ انہیں روزمرہ کے آپریشنز میں بھی مؤثر طریقے سے شامل کریں۔ اس کے لیے باقاعدہ ترجیحی سیشنز منعقد کیے جاتے ہیں اور اہم بیناٹما کو مستقل طور پر مضبوط کیا جاتا ہے۔ یہ عزم آگاہی کو بڑھاتا ہے، جو ابدی کو مضبوط کرتا ہے اور تنظیم میں رسک کے انتظام کے لیے ایک فعال رویہ فروغ دیتا ہے۔

اہم خطرات اور ان کے تدارکی اقدامات

1. اسٹریٹجک رسک: اینگرو کو اسٹریٹجک خطرات کا سامنا ہے، جس میں انرجی کے مسائل، درآمد شدہ خام مال پر انحصار، اور مختلف کاروباری سرگرمیاں شامل ہیں، جیسے آئٹھو رٹریڈنگ اور ٹیکنالوجی پر مبنی انفراسٹرکچر۔ ان خطرات کی مسلسل نگرانی اور انتظام کیا جاتا ہے تاکہ طویل مدتی اہداف کے ساتھ ہم آہنگی یقینی بنائی جاسکے۔

2. سیٹیلیٹ اور آپریشنل رسک: پلانٹ کی کارکردگی، انفارمیشن اور سائبر سیکیورٹی، فراڈ اور ورکر فورس کی حفاظت سے متعلق خطرات کا مستقل جائزہ لیا جاتا ہے۔ اینگرو فعال اقدامات کرتا ہے تاکہ ذریعہ انفریکٹوری محفوظ ہو اور بزنس کا تسلسل برقرار رہے، جو بہترین آپریشنل کارکردگی کے عزم کی عکاسی کرتا ہے۔

3. لیگل اور کمپلائنس رسک: پالیسی سازوں کے ساتھ مسلسل کوششوں اور تعمیری مکالمے کے ذریعے، اینگرو قانونی پیچیدگیوں اور اقتصادی چیلنجز سے نمٹتا ہے اور کاروبار کے تمام شعبوں میں کمپلائنس یقینی بناتا ہے۔

4. فنانشل اور رپورٹنگ رسک: اینگرو کے وسیع پورٹ فولیو کی وجہ سے کمپنی کو پیچیدہ ٹیکس اسٹریکچر، فارن ایچجی کے اتار چڑھاؤ، کریڈٹ، اور لیویٹی کے خطرات لاحق ہیں۔ پورٹ فولیو کے مجموعی جائزے کے ذریعے یہ یقینی بنایا جاتا ہے کہ مناسب اور مؤثر تدارکی حکمت عملیاں موجود ہوں تاکہ ان خطرات کا مؤثر انتظام کیا جاسکے۔

سٹینڈیٹس سے متعلق خطرات

سٹینڈیٹس سے متعلق خطرات میں موسمیاتی تبدیلی، غیر قابل تجدید وسائل کا خاتمہ، اور مجموعی ماحولیاتی نقصان شامل ہیں۔ کمپنی ماحول دوست عملی اقدامات اپنانے، قابل تجدید انرجی پالیسی اختیار کرنے اور گرین اینیٹیو کے ذریعے ایک پائیدار مستقبل میں اپنا حصہ ڈالنے کا عزم رکھتی ہے۔ منجنت ایسے قابل پیمائش ESG اہداف تیار کر رہی ہے جو کمپنی کے اسٹریٹجک مقاصد کے مطابق ہوں تاکہ زیادہ پائیدار اسٹریٹجک اور مثبت سماجی اثرات کو حاصل کیا جاسکے۔ کمپنی کا وسیع تر سٹینڈیٹس وژن ماحولیاتی تحفظ، مثبت سماجی اثرات اور ذمہ دارانہ کاروباری رویے پر مبنی ہے، جس کی تفصیل اینگرو کی سٹینڈیٹس رپورٹ میں دی گئی ہے۔

انٹرنل کنٹرول فریم ورک

ذمہ داری:

بورڈ آف ڈائریکٹرز بالآخر اینگرو کے اندرونی کنٹرول کے نظام کے ذمہ دار ہیں اور اس کی مؤثریت کا جائزہ لیتے ہیں۔ یہ نظام کاروباری اہداف کے حصول میں ناکامی کے خطرے کو کم کرنے کے لیے بنایا گیا ہے اور مادی غلط بیانی یا نقصان کے خلاف معقول یقین دہانی فراہم کر سکتا ہے۔ بورڈ نے اپنی عمومی ذمہ داری برقرار رکھتے ہوئے، انٹرنل کنٹرول کے نظام کے تفصیلی ڈیزائن اور آپریشن کی ذمہ داری چیف ایگزیکٹو آفیسر کو سونپی ہے۔

فریم ورک:

کمپنی کے پاس ایک مستحکم کنٹرول فریم ورک موجود ہے جس میں واضح گورننس اسٹریکچر، اتھارٹی کی حدود اور ذمہ داریاں، پالیسیاں، طریقہ کار اور بجٹ سازی کا باقاعدہ عمل شامل ہے۔

جائزہ:

بورڈ ہر سال اجلاس منعقد کرتا ہے تاکہ مالی کارکردگی، مالی اور آپریشنل پیکس، کاروباری ترقی اور منصوبہ بندی، سرمایہ کاری کے منصوبے، اور دیگر اہم کارکردگی کے اشاریوں پر غور کیا جاسکے۔ بورڈ آڈٹ اور رسک کمیٹی ایکسٹرنل اور انٹرنل آڈیٹرز سے انٹرنل کنٹرول کے نظام کی رپورٹس وصول کرتی ہے اور انٹرنل کنٹرول کی مؤثریت کی نگرانی کے عمل کا جائزہ لیتی ہے۔

انٹرنل کنٹرول کی بحالی:

بورڈ آف ڈائریکٹرز نے ایک واضح اور مستحکم اندرونی مالی کنٹرول کا نظام اپنایا ہے، جو کمپنی کے نظاموں اور عمل میں اخلاقی رویے اور ذمہ داری کے پھر کو فروغ دیتا ہے۔

کارپوریٹ گورننس

اینگرو ہولڈنگز اعلیٰ معیار کی کارپوریٹ گورننس کے لیے پُر عزم ہے اور اپنا کاروبار کارپوریٹ گورننس کے ضابطہ اخلاق اور پاکستان اسٹاک ایکسچینج کی اسٹیک ریکولیشنز کی بہترین روایات کے مطابق چلاتی ہے۔ یہ ضوابط بورڈ آف ڈائریکٹرز اور اینگرو ہولڈنگز کی منجنت کے کردار اور ذمہ داریوں کو واضح کرتے ہیں۔

مزید تفصیلات کے لیے 2024 Listed Companies Code of Corporate Governance Regulations کے تحت جاری کردہ انٹینٹ آف کمپلائنس سے رجوع کیا جاسکتا ہے۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کمپنی کے تمام اہم معاملات کا جائزہ لیتا ہے۔ ان میں اس کی اسٹریٹجک سمت، سالانہ کاروباری منصوبے اور اہداف اور طویل مدتی سرمایہ کاری اور قرضوں سے متعلق فیصلے شامل ہیں۔ بورڈ اعلیٰ معیار کی کارپوریٹ گورننس برقرار رکھنے کے لیے پُر عزم ہے۔ موجودہ بورڈ 22 مئی 2023 کو منتخب ہوا۔ 31 دسمبر 2025 تک بورڈ 13 ڈائریکٹرز پر مشتمل ہے جن میں چیف ایگزیکٹو آفیسر بھی شامل ہیں اور اس میں مستقلی توازن، علم اور مہارت کا وسیع استخراج موجود ہے تاکہ اس کی کارکردگی مؤثر رہے۔

بورڈ میں 11 فی سب ڈائریکٹرز اور 6 سب ڈائریکٹرز شامل ہیں جن کی وجہ بندی درج ذیل ہے:

4 آزاد سب ڈائریکٹرز

1 نان ایگزیکٹو سب ڈائریکٹر

1 نان ایگزیکٹو سب ڈائریکٹر

1 ایگزیکٹو ڈائریکٹر

درج ذیل افراد 2025 کے دوران کسی بھی وقت کمپنی کے بورڈ میں بطور ڈائریکٹرز شامل رہے۔

محترم حسین داؤد

محترم سربینا داؤد

محترم محمد امین

لاگت کو نوٹ کرنا اور آپریٹنگ کارکردگی میں بہتری لانا شامل ہے تاکہ موجودہ اثاثوں سے بیش قیمتوں میں اضافہ کیا جاسکے۔

چونکہ اس شعبے میں نمایاں سرمایہ کاری کی گئی ہے، اس لیے سرمایہ کے پھیلاؤ اور منظم استعمال کو خاص اہمیت حاصل ہے۔ انتظامیہ کی توجہ اثاثوں کے بہتر استعمال، مصارفین کے ساتھ تعلقات مضبوط بنانے اور آئندہ کی سرمایہ کاری کو حقیقی طلب اور متوقع منافع کے مطابق رکھنے پر ہے۔

وقت کے ساتھ کمپنی میں اضافہ بہتر آپریٹنگ کارکردگی اور سرمایہ کی منظم تقسیم بیش قیمتوں میں بہتری اور سرمایہ کاری پر بہتر منافع کے اہم عوامل ثابت ہوں گے۔

انرجی

سال کے دوران اینگرو کے انرجی کے کاروبار منظم اور مضبوط رہے۔ EPTL نظام میں کم لاگت والے قدرتمند پائپس میں سے ایک کے طور پر کام کرتا رہا اور گروپ کو قابل اعتماد آپریشن اور مسلسل کیش فراہم کرتا رہا۔ EPQL میں کمپنی کی شیئر ہولڈنگز 68.89% سے کم ہو کر 50.36% رہ گئی ہے، لیکن کاروبار کا انتظامی کنٹرول اب بھی برقرار ہے۔ SECMC کے فیڈرل III کی توسیع پر کام جاری رہا، جس سے منافع کی پائیداری بڑھی اور پاکستان کی طویل مدتی انرجی سکیورٹی مزید مضبوط ہوئی۔ مینجمنٹ کی ترجیح یہ ہے کہ بدلے ہوئے ریگولیٹری اور انرجی مارکیٹ کے ماحول میں آپریٹنگ مضبوطی برقرار رکھی جائے، اخراجات پر کنٹرول رکھا جائے، اور بیش قیمتوں کو محفوظ رکھا جائے۔

ڈیولپمنٹ

ڈیولپمنٹ آپریٹنگ منظم کیش فراہم کرتے رہے اور پاکستان کے گیس اور نیکیبل انفراسٹرکچر کا اہم حصہ رہے۔ سال کے دوران آپریٹنگ کارکردگی منظم رہی۔ تاہم، حالیہ ٹیکس قوانین میں تبدیلیوں کی وجہ سے اس شعبے پر مالی دباؤ بڑھ گیا ہے۔ تحقیقی ترجیحات اس بات پر مرکوز ہیں کہ کاروبار میں استحکام برقرار رہے، جس میں Implementation Agreement کی بروقت تجدید بھی شامل ہے۔ اینگرو کے لیے یہ پلٹ فارم انفراسٹرکچر طور پر اہم ہے کیونکہ اس کے ذریعے گروپ اپنے مضبوط ڈیٹ ورک اور انفراسٹرکچر کی مہارت کو استعمال کرتے ہوئے بین الاقوامی مواقع حاصل کر سکتا ہے۔ اس سے کمپنی آئندہ برسوں میں میرین اور LNG مارکیٹ میں متوقع ترقی سے فائدہ اٹھا سکتی گی۔

ٹریڈنگ

Engro Eximp FZE، کمپنی کا بین الاقوامی ٹریڈنگ ادارہ، اس عرصے میں ترقی کرتا رہا۔ بہتر 3P ٹریڈنگ سرگرمی اور زیادہ حجم کی وجہ سے آمدن میں نمایاں اضافہ ہوا۔ مالی فائدے کے علاوہ، یہ کاروبار گروپ کو عالمی سطح پر موجودگی فراہم کرتا ہے، جس سے پورٹ فولیو کا دائرہ وسیع ہوتا ہے اور عالمی مارکیٹس تک رسائی بڑھتی ہے۔ طویل مدتی ہدف یہ ہے کہ ٹریڈنگ بزنس کو گلوبل سائز میں ایک مضبوط اور بااثر پلیئر بنایا جائے۔ تاہم یہ ایک طویل سفر ہے جس کے لیے مستقل محنت اور منظم عمل ضروری ہے۔ چونکہ ٹریڈنگ کا شعبہ فطری طور پر اتار چڑھاؤ اور سخت مقابلے والا ہوتا ہے، اس لیے ترجیح یہ ہے کہ رسک کنٹرول مضبوط رکھا جائے، سرمائے کا پھیلاؤ استعمال کیا جائے، اور منافع کو پائیدار بنایا جائے۔

نوڈز

نوڈز کے کاروبار نے مشکل حالات کے باوجود مضبوطی کا مظاہرہ کیا۔ فارل ڈیری ٹیکسٹریلنگ گئے اور مرکز و قانون سازی کی وجہ سے مارکیٹ کا توازن غیر ریکی شعبے کے حق میں چلا گیا ہے۔ اس صورتحال کی وجہ سے کاروبار کو وسعت دینا مشکل ہو جاتا ہے، پیداواری سرمایہ کاری محدود ہو جاتی ہے، اور آخر کار یہ شعبہ قومی ترقی اور شیئر ہولڈرز کے منافع میں کھل کر ادا نہیں کر پاتا۔ ان چیلنجز کے باوجود، مینجمنٹ نے آپریٹنگ بہتری اور اخراجات پر کنٹرول کے ذریعے کارکردگی کو منظم رکھا۔ میں طویل مدت میں اس شعبے کے مواقع پر اعتماد ہے۔ جیسے جیسے ٹیکسٹریلنگ کا شعبہ منظم رہے گا، پھیلاؤ اور بہتر ہوگی، اور پاکستان کے لیے برآمدی امکانات بھی پیدا ہوں گے۔

مجموعی طور پر ہماری کارکردگی نے وسیع پورٹ فولیو کے فوائد کو واضح کیا ہے۔ ہم ایک مزید مضبوط اور ایشیائی فریجیل سرمایہ کاری پورٹ فولیو بنانے کی طرف بڑھ رہے ہیں، جو مسلسل اور پائیدار کیش فلو پیدا کر سکے۔ تاہم ایک بڑا چیلنج اب بھی موجود ہے، اور وہ ہے Inter-Corporate Dividend (ICD) ٹیکس ریلیف کا خاتمہ۔ اس سے سرمائے کی تقسیم کی کارکردگی اور شیئر ہولڈرز کے منافع پر منفی اثر پڑا ہے۔ اینگرو اس مسئلے کے حل کے لیے پالیسی سازوں اور بزنس فورمز کے ساتھ فعال رابطے میں ہے، تاکہ عالمی بہترین طریقوں کو مد نظر رکھتے ہوئے پاکستان میں سرمایہ کاری اور کارپوریٹ ترقی کو فروغ دیا جاسکے۔

ڈیویڈنڈ پالیسی

یورڈن 2025 کے لیے حتمی ڈیویڈنڈ کا اعلان نہ کرنے کا فیصلہ کیا ہے۔ یہ فیصلہ سرمائے کے پھیلاؤ اور سوجھ بچھ کر کیا گیا ہے تاکہ طویل مدت میں شیئر ہولڈرز کو زیادہ سے زیادہ فائدہ پہنچایا جاسکے۔ اس وقت ترجیح کارڈرز انزیشن سے متعلق بنایا جا رہا ہے، جسے یورڈن گروپ کی تاریخ میں ایک اہم انفراسٹرکچر سرمایہ کاری سمجھتا ہے۔ توقع ہے کہ یہ سرمایہ کاری آنے والے برسوں میں منظم اور

مستقل کیش فلو فراہم کرے گی۔ اسی لیے سرمایہ کاری کو سپورٹ کرنے کے لیے منافع کو محفوظ رکھنا شیئر ہولڈرز کے لیے پائیدار قدر پیدا کرنے کا سب سے واضح نشانہ فیصلہ سمجھا جا رہا ہے۔

معاشی صورتحال

آگے دیکھیں تو پاکستان کی معیشت میں محتاط امید کی علامات نظر آ رہی ہیں۔ یہ بہتری ٹیکسٹریلنگ اور عالمی مالیاتی اداروں کے ساتھ مسلسل تعاون کی وجہ سے ممکن ہو رہی ہے۔ مہنگائی میں کمی اور آئندہ مائیکرو پالیسی میں نرمی کی توقع سے مقامی طلب اور نجی شعبے کی سرگرمیوں میں بہتر ترقی بہتری آسکتی ہے۔ بیرونی کھاتوں کے استحکام اور زرمبادلہ کی دستیابی میں بہتری سے کاروباری اعتماد میں اضافہ ہوگا اور لاگت کا دباؤ کم ہوگا۔

تاہم، اس پیش رفت کے باوجود کئی بنیادی مسائل ابھی موجود ہیں۔ خاص طور پر پاکستان کا ٹیکس نظام کاروباری ماحول کے لیے مشکلات پیدا کرتا ہے۔ ٹیکس ٹیٹ محدود ہے، قوانین پیچیدہ ہیں، نافذ کردہ ہے اور کچھ شعبوں پر غیر منصفانہ دباؤ ہے۔ اس کے علاوہ سرکاری اداروں کے مسلسل نقصانات، جنہیں بڑی اصلاحات کی ضرورت ہے، اس بات کی نشاندہی کرتے ہیں کہ پالیسیوں کے مستقل عمل درآمد اور ساختی اصلاحات خاص طور پر ٹیکس، انرجی سیکٹر، اور سرکاری اداروں میں ضروری ہیں۔

قریب مدت میں معاشی ترقی معتدل رہنے کی توقع ہے، لیکن درمیانی مدت میں پاکستان کی نوجوان آبادی اور اصلاحات کے ذریعے پیداواری صلاحیت میں اضافہ معیشت کو زیادہ پائیدار اور جامع ترقی کی طرف لے جاسکتا ہے۔ بدلے ہوئے معاشی رجحانات اور اصلاحات کے ذریعے بہتر ہوتی پیداواری صلاحیت کو مد نظر رکھتے ہوئے، Engro Holdings نئے مواقع سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے۔ نئے سنگھ کے مکمل فعال ہونے کے بعد، درمیانی اور طویل مدتی سرمائے کی کارکردگی میں بہتری متوقع ہے، جس سے شیئر ہولڈرز کو نمایاں فائدہ ہوگا۔

کارپوریٹ سماجی ذمہ داری

کارپوریٹ سماجی ذمہ داری کمپنی کی اخلاقی اقدار اور پالیسی کا بنیادی حصہ ہے، جسے مستقل مزاجی اور جمیدگی سے اپنایا جاتا ہے۔ کمپنی کئی سالوں سے رضا کارانہ CSR سرگرمیوں میں نمایاں کردار ادا کر رہی ہے، جو زیادہ تر انسانی ترقی اور ماحولیاتی ذمہ داری پر مرکوز ہیں۔ اسی مقصد کے تحت تعلیم، صحت، بہتر زندگی کی تربیت، روزگار، ماحولیات اور پائیداری کے شعبوں میں خاص اقدامات کیے گئے ہیں۔ ان کوششوں کو مزید منظم بنانے کے لیے، کمپنی نے پائیداری اور CSR کے لیے ایک مؤثر پالیسی تیار کی ہے، جو SECP کی 2013 CSR گائیڈ لائنز اور کینیڈا ایکٹ 2017 کے مطابق ہے۔ مزید تصفیعات کے لیے اینگرو کی Integrated اور Sustainability رپورٹس ملاحظہ کی جاسکتی ہیں۔

ماحولیاتی اثرات

ایک ذمہ دار کارپوریٹ ادارے کے طور پر، اینگرو قدرتی وسائل کے ذمہ دارانہ استعمال اور محفوظ و مؤثر پیداواری طریقوں کے ذریعے مثبت ماحولیاتی اور سماجی نتائج پیدا کرنے کے لیے پرعزم ہے۔ کمپنی مسلسل اپنے اخراج (emissions) اور کاربن فٹ پرنٹ کی نگرانی کرتی ہے، اور ماحول کے تحفظ کے لیے باقاعدگی سے سرمایہ کاری کرتی ہے۔ ان پروگرامز میں درختوں اور منگرو وڈ کی شجرکاری، پانی کے تحفظ کے اقدامات، اور انڈسٹری پورڈ وٹن کنزرویشن پروگرام شامل ہیں۔

کاروبار کے مختلف شعبوں میں انوائسمنٹ مینجمنٹ سسٹمز کے تحت تکنیکی معیارات، ریٹیل ٹائم مینجمنٹ، رسک ایسیسمنٹ، اور ڈیٹا پرائیویسی کنٹرول کے ذریعے اخراج، فضلہ، ہوا کے معیار، پانی اور ویسٹ مینجمنٹ کو منظم کیا جاتا ہے۔

بیسین کنٹرول

اینگرو میں ملازمین کی صحت اور فلاح کو مضبوط اور مستقبل کے لیے تیار افرادی قوت بنانے کے لیے بنیادی اہمیت دی جاتی ہے۔ اینگرو مکمل میڈیکل سہولیات، آن سائٹ کلینکس، ذہنی صحت کی معاونت، نفس پروردگار اور غذائی رہنمائی کے ذریعے مجموعی فلاح کو فروغ دیتی ہے۔ یہ اقدامات ملازمین کی جسمانی، جذباتی اور غذائی ضروریات کو پورا کرتے ہیں اور ایسا ماحول کام کا ماحول پیدا کرتے ہیں جہاں ہر فرد اپنی بہترین کارکردگی دکھا سکے۔ 2025 میں اینگرو نے 78 فیصد ویلوینگ اسکور حاصل کیا جو عالمی اوسط 73 فیصد سے زیادہ ہے۔ یہ ہماری مسلسل کوششوں اور ایک بہتر ورک پلیس بنانے کے عزم کا ثبوت ہے۔ کردار پر مبنی قیادت اینگرو کی ثقافت کا مرکزی حصہ ہے، جہاں صلاحیت کو مضبوط اقدار کے ساتھ جوڑا جاتا ہے۔ یہ کیئر بیکٹری اینڈ گڈ مینرز (Character and Good Manners) فریم ورک کے ذریعے نافذ کیا جاتا ہے جو سچائی، آمانت داری، انکساری، دیانتداری اور مشکل وقت میں ہم جمعی اقدار پر مبنی ہے اور ان اصولوں کو زمرہ کے رویوں میں بدلتا ہے۔ 2025 میں CGM کے سیشن گروپ ممبر میں پالیسی ڈیولپمنٹ کے ذریعے منعقد کیے گئے، جس سے تنظیم کے 100 فیصد افراتیک رسائی حاصل ہوئی اور 20,000 سے زائد لوگ آدرز مکمل کیے گئے۔ اس عمل نے مضبوط تنظیمی ثقافت، اخلاقی طرز عمل اور قیادت کی جوابدہی کو مزید منظم کیا۔

صلاحیت کی ترقی اور سب کے لیے ترقی کے مساوی مواقع ہماری پیمائشیں کے اہم ستون ہیں۔ LEAP، جو ہمارا گروپ لیول لرننگ پلیٹ فارم ہے، کے ذریعے 2025 میں 130,000 سے زائد لرننگ آرزو فراہم کیے گئے، جن میں نئے ملازمین کی شمولیت، فیکٹل مہارت میں بہتری اور قیادت کی ترقی شامل تھی۔

ڈائریکٹرز کی جائزہ رپورٹ برائے اختتام سال 31 دسمبر 2025

اینگرو ہولڈنگز لمیٹڈ (کمپنی) کے ڈائریکٹرز باسرت 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے اپنی رپورٹ پیش کر رہے ہیں

سال کا جائزہ

سال 2025 کے دوران عالمی معیشت مجموعی طور پر نسبتاً مستحکم رہی، تاہم پالیسی سے متعلق غیر یقینی صورتحال اور جاری جغرافیائی سیاسی کشیدگی کے باعث موم کی رفتار سست رہی۔ ترقی یافتہ معیشتوں میں معتدل اضافہ دیکھنے میں آیا، جبکہ امریکی بیرونی اقدامات میں اضافے اور نئی تجارتی پابندیوں نے عالمی تجارت اور سرمایہ کاری کے رجحان کو متاثر کیا۔ ان عوامل کے ساتھ ساتھ مہنگائی کے دباؤ میں کمی کے نتیجے میں ایشیا صرف کی قیمتوں میں نرمی آئی اور اہم منڈیوں میں سرمایہ کاری کا ماحول متاثر رہا۔

ملکی سطح پر پاکستان کی معیشت میں استحکام کے ابتدائی آثار سامنے آئے، تاہم مجموعی معاشی نمو محدود رہی، جس کی وجہ شدید سبب سمیت بیرونی عوامل اور ساختی مسائل رہے۔ مہنگائی گزشتہ ادوار کے مقابلے میں کم ہوئی، جس کے نتیجے میں اسٹیٹ بینک آف پاکستان کی جانب سے بتدریج مائیکرو پالیسی میں نرمی ممکن ہوئی۔ اس کے باوجود مالیاتی دباؤ، محدود ٹیکس بنیاد اور سرمایہ کاری کی طویل مدتی معاشی استحکام کے لیے ساختی اصلاحات کی ضرورت جیسے بنیادی خطرات برقرار رہے۔

اینگرو ہولڈنگز کے لیے سال 2025 رپورٹ فوری کی ساختی ہم آہنگی کا سال رہا۔ اینگریڈ کارپوریشن کو مکمل ملکیتی ذیلی کمپنی بنانے سے گروپ کی ملکیتی ساخت سادہ ہوئی اور سرمائے کی تقسیم کی سہولت میں بہتری آئی ہے۔ ڈائریکٹمنٹ معاہدوں کے خاتمے کے بعد قمرل انجمنی کے اثاثے پورٹ فولیو میں برقرار رکھے گئے، جس سے آپریٹنگ کیش فلو کا ایک اہم ذریعہ بحال ہوا۔

ڈیوڈار کے حصول سے گروپ کی جانب سے اہم سرمایہ کاری کی گئی اور ٹیلی کام انفراسٹرکچر میں گروپ کی موجودگی میں اضافہ ہوا۔ موجودہ ترجیح ان اثاثوں کے مؤثر انضمام پر مرکوز ہے، جس میں استعمال میں بہتری، تجارتی عمل درآمد کو مضبوط بنانا اور وقت کے ساتھ کیش جزییشن میں اضافہ شامل ہے۔

سال کے دوران اینگریڈ کارپوریشن، اینگریڈ ہولڈنگز اور اینگریڈ فریٹلائزرز کو پاکستان اسٹاک ایکسچینج کی سرفہرست کمپنیوں میں شامل کیا گیا۔ اگرچہ یہ اعزاز مسلسل آپریشنل کارکردگی اور گورننس نظم و ضبط کی عکاسی کرتا ہے، تاہم گروپ کی توجہ مؤثر عمل درآمد، سرمائے کے ذمہ دارانہ استعمال اور طویل مدتی کیش فلو کو مضبوط بنانے پر مرکوز رہی۔

ہماری بنیادی ترجیح

اینگرو ہولڈنگز اپنے شیئر ہولڈرز کو سہولت کی منظم کردہ بحال کے لیے مضبوط عزم رکھتی ہے، جس کی رہنمائی ایک واضح مینڈیٹ کے تحت ہوتی ہے تاکہ طویل مدتی پائیدار ویلیو پیدا کی جاسکے۔ یہ عزم پریشیز پر پائیدار اور کمپاؤنڈنگ کیش فلو فراہم کرنے، شفاف گورننس اور پورٹفول کے طریقہ کار کو یقینی بنانے پر مرکوز ہے، تاکہ اسٹیک ہولڈرز گروپ کو پیش رفت اور قدر پیدا کرنے والے نتائج سے مکمل طور پر آگاہ ہوں۔

مالی کارکردگی

31 دسمبر 2025 کو ختم ہونے والے سال کے لیے کمپنی نے مجموعی منافع بعد از ٹیکس (PAT) 107,031 ملین روپے حاصل کیا، جس میں سے 55,633 ملین روپے اینگریڈ کے شیئر ہولڈرز کے حصے میں آئے۔ اس سال ہر حصے کے لیے منافع (EPS) 46.20 روپے رہا، جبکہ پچھلے سال یہ 26.78 روپے تھا۔ اس اضافے کی بڑی وجہ 2023 اور 2024 کے دوران ہمارے قمرل انجمنی کے اثاثوں پر پہلے تسلیم شدہ کمی (impairment) کی واپسی ہے، جو پہلے فروخت کے لیے رکھے گئے " کے زمرے میں تھے۔ اس یک طرفہ اثر کو ہٹانے کے بعد، شیئر ہولڈرز کے لیے مجموعی PAT 29,059 ملین روپے رہا، جو کاروبار کی بنیادی آمدنی کو ظاہر کرتا ہے۔

انفرادی بنیاد پر Standalone PAT 253 ملین روپے رہا، جبکہ پچھلے سال یہ 9,854 ملین روپے تھا، اور ہر حصے کے لیے منافع (EPS) اس سال 0.21 روپے جبکہ پچھلے سال 20.48 روپے رہا۔ جیسا کہ پہلے ذکر کیا گیا، یہ اعداد و شمار کاروبار کی بنیادی کارکردگی میں کمی کو ظاہر نہیں کرتے۔ اس کی بنیادی وجہ سرمایہ کاری ہے جو آمدنی پیدا کرتی تھی، اسے Partners DH کو اکیسہم آف آررینجمنٹ (Scheme of Arrangement) کے تحت منتقل کیا گیا، جو 1 جنوری 2025 سے نافذ العمل ہے۔ اس کے علاوہ اینگریڈ کارپوریشن سے منافع میں کمی بھی شامل ہے، کیونکہ کمپنی اپنی آمدنی ڈیوڈار ٹرانزیکشن کے تحت اپنی ذمہ داریوں کی تکمیل کے لیے برقرار رکھتی ہے۔

اہم مالیاتی اثرات کا خلاصہ

جیسا کہ پہلے بیان کیا گیا، اس مدت کے دوران کمپنی کی کارکردگی پر درج ذیل تین اہم عوامل نے اثر ڈالا۔ حصص داروں کے لیے یہ سمجھنا ضروری ہے کہ رپورٹ شدہ EPS اور PAT میں تبدیلیاں زیادہ تر ساختی تبدیلیوں (structural change) اور یک وقتی امیجیز منٹ (one-time impairment) کی واپسی سے متاثر ہوئی ہیں۔

1۔ اینگریڈ ہولڈنگز کی ساختی نو: یکم جنوری 2025 سے، اینگریڈ کارپوریشن کمپنی کی مکمل ملکیتی ذیلی کمپنی بن گئی۔ نتیجتاً، مالکان کے لیے منافع اب 100% کی عکاسی کرتا ہے، جو پچھلے سال 39.97% تھا۔ اس کے علاوہ 723 ملین نئے شیئرز جاری کیے گئے۔ یہ توسیع شدہ بنیادی حصص آمدنی (EPS) کے موازنہ کو متاثر کرتی ہے۔

2۔ قمرل انجمنی کے اثاثے: اینگریڈ انجمنی کے قمرل اثاثوں کی فروخت کے معاہدے ختم کر دیے گئے، جس کے نتیجے میں انہیں IFRS 5 کے تحت جاری آپریشنز (continuing operations) میں دوبارہ درج کیا گیا۔ اس سے پہلے شناخت شدہ نقصان اور دیگر متعلقہ اثاثے جسٹیس کی واپسی ہوئی، جس کی رقم مربوط مالی بیانات (consolidated financial statements) میں PKR 53,757 ملین ہے (مالکان کے حصے کی رقم PKR 26,573 ملین)۔

3۔ ڈیوڈار اور زکا انضمام: 3 جون 2025 کو گروپ نے پاکستان موبائل کیو ٹیکسٹ (PMCL) کے ساتھ لین دین مکمل ہونے کے بعد ڈیوڈار (10,600 ڈورز) کو ختم کر لیا۔ اثاثے اور ذمہ داریاں معاشی مضبوطی پر PKR 217,168 ملین اور PKR 176,844 ملین کے طور پر درج کی گئیں، اور ڈیوڈار کے نتائج اس تاریخ سے شیئر کمپنی مالی بیانات میں شامل کیے گئے۔

ہمارے اثاثے

فریٹلائزرز

سال کے بیشتر حصے میں فریٹلائزرز رابطہ سٹری کو ایک مشکل کاروباری ماحول کا سامنا رہا۔ اس کی بڑی وجوہات زرعی شعبے پر معاشی دباؤ، پیداواری لاگت میں اضافہ اور مارکیٹ میں رسد کی زیادہ دستیابی تھیں۔ اس صورتحال میں صنعت بھر میں بہتر تجارتی نظم و ضبط کی ضرورت محسوس کی گئی، خاص طور پر فروخت کے حجم کے مؤثر انتظام، ڈسٹری بیوشن سٹریٹجی کی بہتری اور ورکنگ کپٹل کے کنٹرول پر توجہ دی گئی۔ اگرچہ مجموعی آپریشنل کارکردگی مستحکم رہی، تاہم سال کے دوران یہ بات واضح ہوئی کہ زیادہ رسد والی مارکیٹ میں زیادہ مؤثر تجارتی حکمت عملی اپنانا ضروری ہے، بغیر اس کے کہ مارکیٹ مداخلت پر زیادہ انحصار کیا جائے۔ انتظامیہ نے صارفین کے ساتھ تعلقات مضبوط بنانے اور طلب کے بہتر اندازے پر توجہ دی، تاکہ انویسٹری اور قیمتوں کا انتظام زیادہ مؤثر بنایا جاسکے۔

اس سال کاروبار کے لیے ایک اہم پیش رفت یہ رہی کہ صیب راہی لائٹ اسٹون (HRL) ریزروائر سے بیس پلانٹ کے لیے گیس کی بہتر فراہمی کی منظوری حاصل ہوئی۔ اس میں گیس کی اضافی مقدار کے ساتھ کاروبار کی مجموعی ضرورت کے لیے مسابقتی نرخوں پر مستقل گیس الاٹمنٹ شامل ہے۔ مزید یہ کہ ماری انجمنی لیٹڈ کا تاج / شاول ریزروائر سے پیدا ہونے والی کسی بھی کمی کو پورا کرنے کی گئی، جس سے گیس کی فراہمی کا تسلسل برقرار رہے گا۔

آئندہ کے لیے انتظامیہ کی ترجیحات میں پلانٹ کی بہتر کارکردگی برقرار رکھنا، توانائی کے استعمال کو مؤثر بنانا، تجارتی صلاحیتوں کو مزید مضبوط کرنا اور پیداواری لاگت کو ساختی سطح پر رکھنا شامل ہے۔ توقع ہے کہ یہ اقدامات وقت کے ساتھ مستحکم کارکردگی اور بہتر کیش فلو میں مددگار ثابت ہوں گے۔

پولیمرز

سال کے دوران عالمی پیٹروکیمیکل انڈسٹری اور پاکستان کے انجمنی کے شعبے میں نمایاں تبدیلیاں دیکھنے میں آئیں۔ ان حالات میں اینگریڈ کے پولیمر کاروبار (EPCD) کو گروپ کے دیگر کاروباروں کے مقابلے میں زیادہ مشکلات کا سامنا رہا۔ اہم چیلنجز میں کوریڈیلٹا (core delta) کی کم سطح، گیس کی قیمتوں میں اضافہ اور بیرونی منافع میں تبدیلیوں کے اثرات شامل تھے۔ توانائی کے شعبے میں ملک کے اندر بجلی اور گیس کی لاگت بلند سطح پر رہی، جبکہ کیمپو گیس (captive gas) پر عائد لیوی کے باعث اخراجات میں مزید غیر یقینی صورتحال پیدا ہوئی۔

ان حالات کے جواب میں انتظامیہ نے آپریشنز کو بہتر بنانے، اخراجات کو قابو میں رکھنے اور مالی استحکام برقرار رکھنے پر توجہ دی۔ اہم ترجیحات میں انجمنی کی لاگت کم کرنا، پلانٹ کی بہتر اور مسلسل کارکردگی یقینی بنانا اور ورکنگ کپٹل کو ظاہر انداز میں سنبھالنا شامل ہے۔ ان اقدامات کا مقصد کاروبار کو مستحکم رکھنا اور کیش فلو کو بہتر بنانا ہے، خاص طور پر ایسے وقت میں جب پیداواری لاگت بلند سطح پر ہے۔

ٹیلی کام انفراسٹرکچر (ڈورز)

ڈیوڈار کے حصول کے بعد اب بنیادی توجہ ڈور پورٹ فولیو کے انضمام، آپریشنز میں ہم آہنگی پیدا کرنے اور تجارتی کارکردگی کو مزید مضبوط بنانے پر مرکوز ہے۔ اہم ترجیحات میں ٹیکس کی شرح بہتر بنانا، انجمنی کی