engro polymer & chemicals

March 5, 2025

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

Subject: **Transmission of Annual Report 2024 for the year ended December 31, 2024 – <u>Engro Polymer & Chemicals Limited (the "Company")</u>**

Dear Sir/Madam,

We would like to inform you that the Annual Report 2024 of the Company for the year ended December 31, 2024 has been transmitted through PUCARS and is also available on the Company's website from where it can be downloaded using the following link or QR enabled code:

https://www.engropolymer.com/shareholder-information/#financial/

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Best regards,

For and on behalf of
Engro Polymer & Chemicals Limited

Saqib Rafique, FCA
Company Secretary

Engro Polymer & Chemicals Limited
8th Floor, The Harbour Front Building, HC-3, Marine Drive, Block 4, Clifton, Karachi, Pakistan.
UAN: 92 (21) 111-411-411 **FAX:** 92 (21) 35166865
www.engropolymer.com

Head Office

8th Floor, The Harbour Front Building,
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Plant

EZ/I/P-II-I, Eastern Zone,
Bin Qasim, Karachi, Pakistan.

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engro polymer & chemicals limited

annual report 2024

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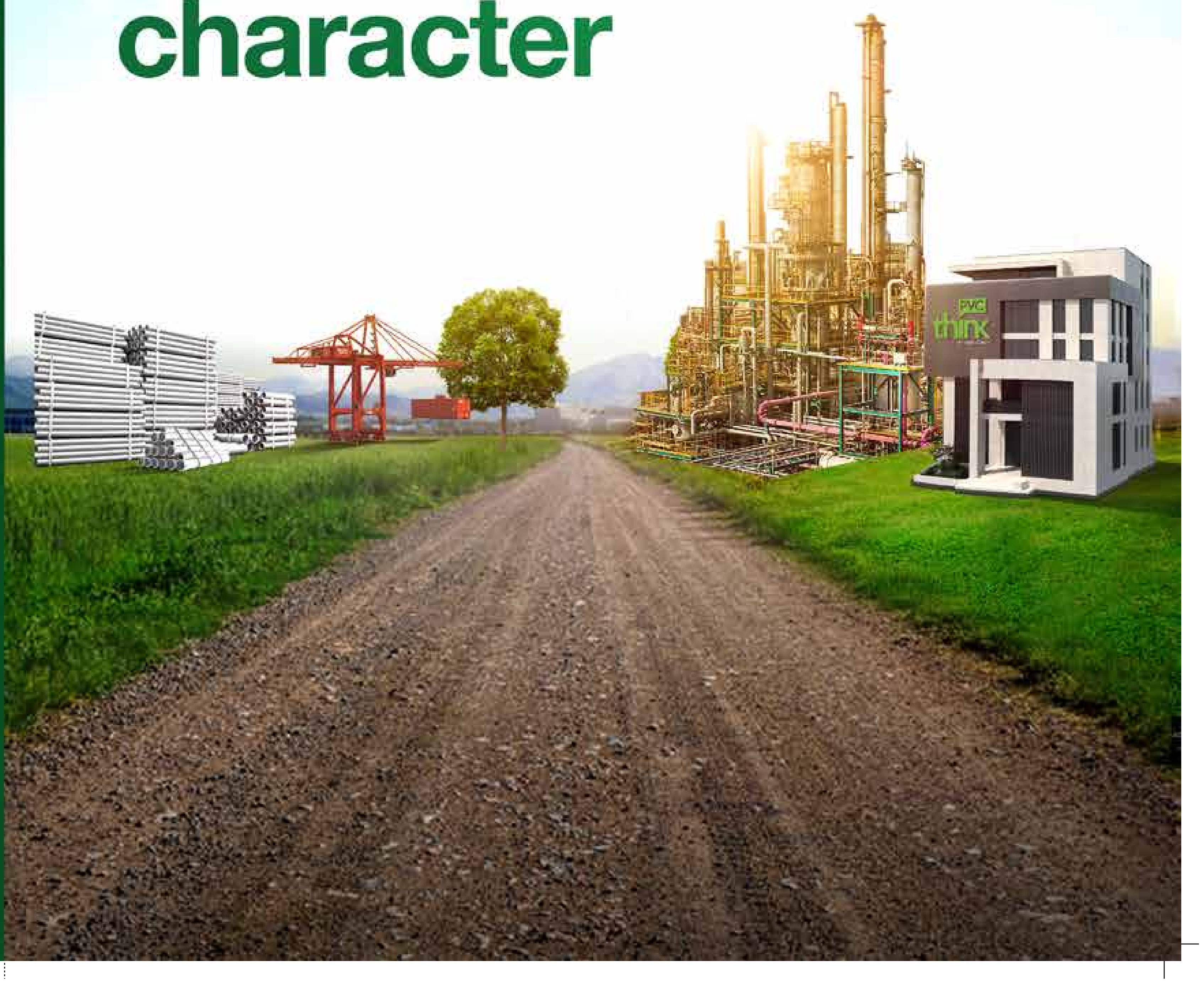
engro polymer & chemicals

journey to building character



about the theme

This report advocates for human development rooted in Character and Good Manners (CGM), emphasizing the importance of investing in character building. By upholding the timeless principles of Truthfulness, Trustworthiness, Humility, Integrity, and Striving in Times of Hardships (TTHIS), individuals can achieve lasting success and foster a win-win situation for all. When practiced with perseverance and dedication, these principles can transform lives and communities, paving the way for a future where individuals and societies thrive together.

At Engro, CGM and TTHIS are more than just guiding philosophies—they form the foundation of our values, shaping the way we conduct business and interact with stakeholders. These principles are embedded in our code of conduct, driving ethical decision-making, creating a culture of trust, and ensuring that we operate with integrity and resilience. As we continue to expand and innovate, this framework serves as our north star, helping us build a purpose-driven organization that delivers excellence.

aim & scope

Our Annual Report for 2024 aims to present itself as a consolidated document that gives a bird's eye view of the Company's portfolio in coherence with a detailed run-through of our strategies, financial performance, and external parallels.

Throughout this report, we will uncover how the Company continues to create and sustain value over time through short-term, medium, and long-term approaches. Thereby, aligning the current approach with the methods and practices of an integrated reporting structure.

We also hope to equip our stakeholders with information that is necessary and comprehensive. Thus, facilitating their evaluation of what our organization currently entails and our ability to do more in the coming years.

Our report will be broken into seven sections and will be organized in a composition as follows:

company section

In this section we will look at EPCL's overall business, its values, major achievements, an overview of the Company's strategy in place, and details about EPCL's products.

stakeholder engagement

The section looks at EPCL's policies and approach towards building healthy relationships with our stakeholders.

corporate governance

It covers EPCL's governance structure with the profiles of our board, and management committee along with the reviews of the Chairman and CEO. The section also covers various initiatives undertaken by EPCL under the ambit of corporate social responsibility and its alignment with the UN's sustainable development goals.

directors' report & financial review

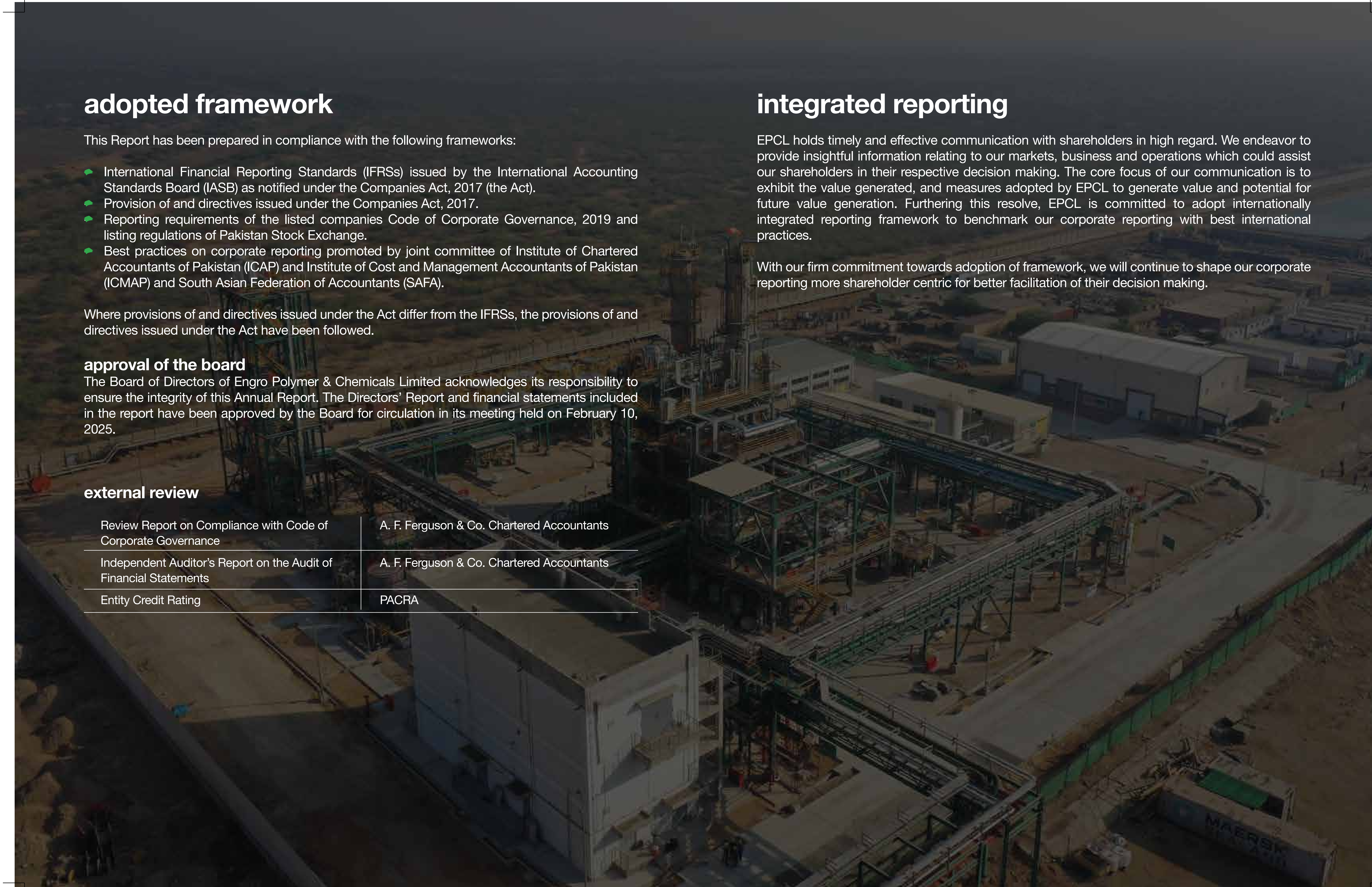
This particular section assesses EPCL in terms of the domestic market, and analyzes its current positioning along with the assessment of risks and opportunities. We will present a detailed financial analysis of the Company's performance, rationalizing major variations from prior periods.

financial statements

This section presents EPCL's standalone & consolidated financial statements.

annexures & urdu translation

It provides secretarial information like AGM notice, proxy form and accounts circulation request form for the facilitation of our shareholders. Furthermore, the section has an Urdu translated version of our Annual Report.



adopted framework

This Report has been prepared in compliance with the following frameworks:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act).
- Provision of and directives issued under the Companies Act, 2017.
- Reporting requirements of the listed companies Code of Corporate Governance, 2019 and listing regulations of Pakistan Stock Exchange.
- Best practices on corporate reporting promoted by joint committee of Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP) and South Asian Federation of Accountants (SAFA).

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

approval of the board

The Board of Directors of Engro Polymer & Chemicals Limited acknowledges its responsibility to ensure the integrity of this Annual Report. The Directors' Report and financial statements included in the report have been approved by the Board for circulation in its meeting held on February 10, 2025.

external review

Review Report on Compliance with Code of Corporate Governance	A. F. Ferguson & Co. Chartered Accountants
Independent Auditor's Report on the Audit of Financial Statements	A. F. Ferguson & Co. Chartered Accountants
Entity Credit Rating	PACRA

integrated reporting

EPCL holds timely and effective communication with shareholders in high regard. We endeavor to provide insightful information relating to our markets, business and operations which could assist our shareholders in their respective decision making. The core focus of our communication is to exhibit the value generated, and measures adopted by EPCL to generate value and potential for future value generation. Furthering this resolve, EPCL is committed to adopt internationally integrated reporting framework to benchmark our corporate reporting with best international practices.

With our firm commitment towards adoption of framework, we will continue to shape our corporate reporting more shareholder centric for better facilitation of their decision making.

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corporate information

company information

Company Secretary
Mr. Saqib Rafique

board of directors

Mr. Ahsan Zafar Syed | Mr. Nazoor Ali Baig | Mr. Kamran Nishat | Ms. Ayesha Aziz | Mr. Tariq Nisar | Mr. Masaaki Yokoyama | Mr. Syed Shahzad Nabi | Mr. Abdul Qayoom Shaikh

bankers

Al Baraka Bank (Pakistan) Limited (Islamic)
Allied Bank Limited
Allied Bank Limited (Islamic)
Askari Bank Limited
Bank Alfalah Limited
Bank Alfalah Limited (Islamic)
Bank Al-Habib Limited
Bank Al-Habib Limited (Islamic)
Bank Islami Pakistan Limited
Bank Of China
Bank of Khyber
Citibank N.A
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Habib Metropolitan Bank Limited (Islamic)
Industrial & Commercial Bank of China
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
SAMBA Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited / Bank Makramah Limited
The Bank of Punjab
United Bank Limited
United Bank Limited (Islamic)

shares registrar

M/s. FAMCO Share Registration Services (Pvt) Limited
8-F, Next to Hotel Faran, Block-6,
PECHS, Shahrah-e-Faisal Karachi Pakistan.
Tel: +92(21) 34380104-5, 34384621-3
Fax: +92(21) 34380106

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8th Floor, The Harbour Front Building, Marine Drive,
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Karachi-75600
UAN: +92 21 111 411 411

ceo message (video link)

https://www.engropolymer.com/knowledge-center/media-gallery/

auditors

A.F. Ferguson & Company Chartered Accountants
State Life Building No. 1-C,
I.I. Chundrigar Road, Karachi-74000, Pakistan.
Tel: +92(21) 32426682-6 / 32426711-5
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plant

EZ/I/P-II-I, Eastern Zone, Bin Qasim, Karachi.

lahore office

Office No. 601, 6th Floor, Haly Tower, Lalak Jan
Chowk, DHA, Lahore.
UAN: 111 211 211

website

www.engropolymer.com

key figures

	2024	2023
revenue (Rs. in millions)	75,708	81,270
EBITDA (Rs. in millions)	7,125	21,508
(loss) / earnings per share (Rs.)	-0.40	9.12
capital expenditure (Rs. in millions)	9,175	11,366
total equity (Rs. in millions)	27,322	28,592
dividend paid (Rs. in millions)	1,531	7,931
cash flow from operations (Rs. in millions)	6,943	5,156
total assets (Rs. in millions)	100,851	90,598
market capitalization (Rs. in millions)	33,694	42,347

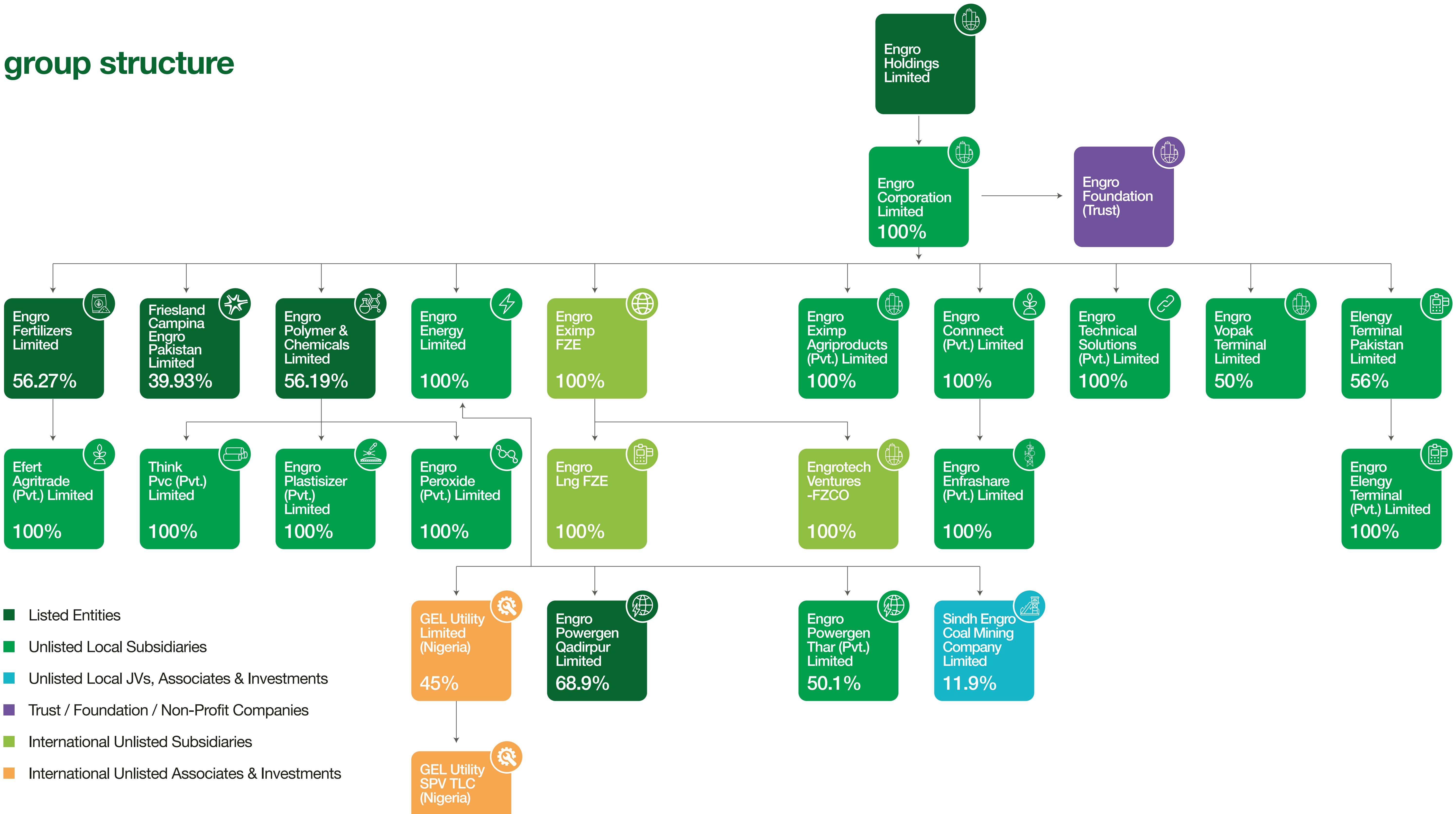
vision

Lead Pakistan in polymers & allied chemicals with an international footprint.

mission

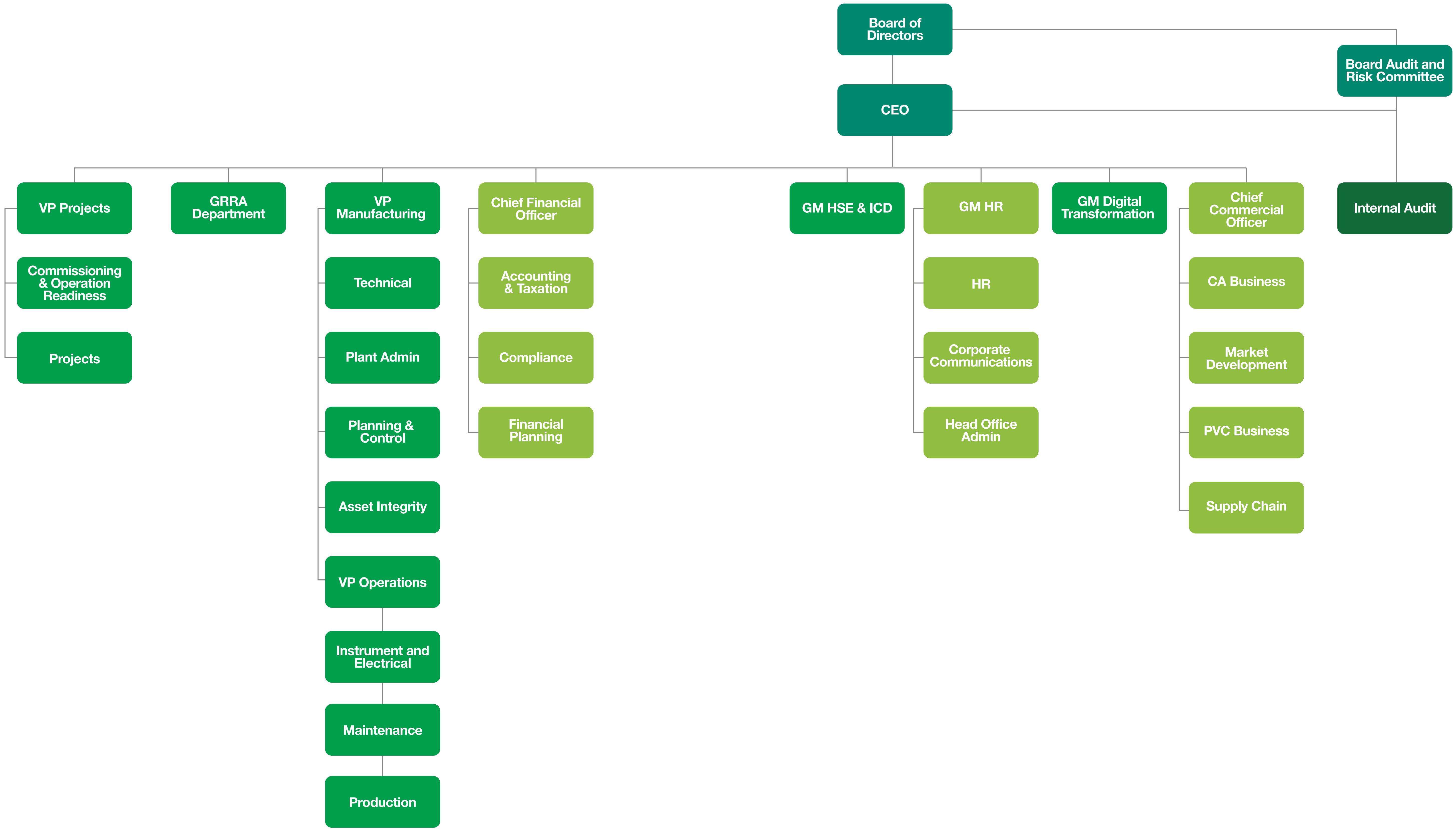
To achieve innovative growth which creates value for the country, stakeholders, customers, and employees. Our commitment is to maintain the highest standards of ethics, safety, and environmental responsibility.

group structure



Note: The above companies include all the active business entities under Engro Holdings Limited.

organizational structure



core values

Operating in diverse industries and spread over geographical landscapes, Engro employees are knit into one big family, united by a drive for success and passion for Pakistan's prosperity. Our values form the basis of everything we do – from open communication to fostering an environment of trust for the well-being and safety of our people.

At Engro, we never forget what we stand for, and each engro employee:

health, safety & environment

Cares deeply about environmental impact and safety of people.

ethics & integrity

Has impeccable character and lives by highest standards of integrity and accountability.

community & society

Nurtures passion to serve country, community, and Company, with strong belief in the dignity and value of people.

integrated business approach

our business
manufacturing, marketing, and distribution of quality chlor-vinyl allied products

our focus
maximizing shareholder value improving the livelihood of our community protecting the environment

social
- Relationships with customers, suppliers, communities around our plant, and other stakeholders

human
- Total Employees: 540 (475 at plant)
- competencies, capabilities, and experience of Human Resource

natural
- Air, water, land, minerals, energy and forests
- Biodiversity and Eco-system

finance
- Equity: 27.3 billion
- Long-term debt: 31.7 billion

manufactured
- Caustic Soda Capacity: 106KT
- Efficiency Projects: Zero Gap Technology Project, High Temperature Direct Chlorination (HTDC)

intellectual
- Experience of operating in polymer and chemical space in Pakistan
- Company reputation as an honest member of the corporate community

social
- Customers - technical support, participation in trade fairs, promotion of alternate applications in Pakistan
- Community - 3 TCF Schools, 2 TTWF Schools, 5 Water Filtration Plants, Sina Clinic, Karwan E Hayat (Mental Health Clinic)

human
- Productive, engaged, technically competent & diverse workforce.

natural
- EPCL strongly believes in environmental conservation and has therefore undertaken the HTDC project which will reduce our carbon footprint and improve energy efficiency

finance
- Loss after taxation: 0.161 billion
- Loss per Share - Basic: 0.40
- Loss per Share - Diluted 0.40

manufactured
- PVC: 212 KT
- Caustic Soda Production: 95KT
- Improved production efficiencies

intellectual
- Strong brand image of SABZ, which has become synonymous to quality PVC in the Country

value chain

Raw Material Sourcing
Critical raw materials include Ethylene, EDC, VCM & natural gas

Manufacturing
PVC Capacity: 295 KTA
Caustic Soda: 106 KTA
VCM: 245 KTA

Finished Goods
PVC suspension resin (primary product), caustic soda, hydrogen peroxide & allied chemicals

Warehousing
Sufficient storage to ensure product availability

Transportation
Strong logistics team and infrastructure across Pakistan, ensuring safe and timely product delivery

Customer
Trusted business partnering and strong technical support

Downstream Consumer Products
PVC pipes, windows, doors, profiles, textile products and detergents

strategy

objective and strategy

At EPCL, we believe that strategy is the core of any business. In this regard, extensive deliberations are done at management and board levels. In line with the strategy, objectives are developed and cascaded down to divisions.

corporate objectives

- Manage and utilize resources and operations in a way that ensures the health and safety of our people, neighbours, customers and visitors, whilst maximizing shareholder value.
- Enhance site reliability and ensure product availability.
- Execute board approved capital structure.
- Execute expansion, diversification, sustainability and operational efficiency projects successfully within Board-approved timelines.
- Create value for Pakistan by increasing opportunity for import substitution and exporting PVC and Caustic after meeting domestic requirement.
- Ensure availability of talent base and motivated employees for achieving organizational objectives.
- Deliver a common set of business processes, standard master data and quality information in a timely fashion, all of which will improve the speed of decision-making.

Nature	Strategic Objectives	Strategic Actions
Short-term	Continuity of safe operations	Focus on process safety improvement initiatives.
	Develop marketing strategies for additional PVC sales and other products, particularly HPO	Remain in constant touch with potential customers and apprise them of product quality and benefits.
	Optimize sales mix to ensure maximum value creation for all stakeholders	Continuously monitor product margins and recalibrate product mix as per business needs.
	Enhance cost efficiencies through optimization of overheads, raw material sourcing and storage	Conduct in-depth analysis of cost structure to identify potential saving opportunities and realize them in a timely manner.
Medium-term	Enter new markets to diversify product base	The Company is entering into new products, as evident by the recent commissioning of Hydrogen Peroxide, while evaluation of other business opportunities is underway.
	Develop domestic PVC markets by introducing the latest applications	Expand PVC branded outlets, a concept which showcases the latest PVC applications to retail customers and promotes downstream customers' PVC products with the aim of increasing their acceptance in the Pakistani market .
	Maintain and enhance plant reliability by ensuring regular maintenance	Conduct plant turnaround within aligned time frames and allocated resources. Preventive maintenance and testing of critical equipment are done.
	Ensure manufacturing excellence	Introduce efficient processes in our manufacturing to ensure maximum utilization of resources. Work on earlier announced efficiency projects is on track.
Long-term	Identify and monitor enterprise risks. Also implement adequate mitigating measures	Remain cognizant of changes in internal and external environment to identify key risks being faced by the entity and develop effective mitigation strategies to eliminate or reduce risk to an acceptable level.
	Evaluate alternative power sources	Explore alternative energy solutions to optimize energy costs which make up a significant portion of the cost of sales.
	Automation and digitization of business processes	A dedicated digital transformation team continues to explore new areas for AI & Digital Transformation implementation.
	Develop and retain talent, and increase workforce diversity	Attrition rates and diversity ratios are monitored and reported regularly. Job rotation / enrichment is planned to ensure talent retention, and cultivate a diverse and inclusive workplace.
	Corporate social responsibility	Focus on improving the quality of life of communities residing near Port Qasim.

significant changes in objectives and strategies from prior years

EPCL employs a clear and well-defined framework for business objectives and strategies, regularly evaluating them in line with micro and macro environmental developments.

The Company remains cognizant of changes in the internal and external environment, which may call for changes in objectives or strategic adjustments. There were no significant changes in objectives and strategies this year.

functional objectives & strategies

finance & digitization

objectives

- Execute an approved capital structure.
- Focus on overheads and cost efficiencies.
- Automation and digitization of business processes.
- Identify and monitor enterprise risks and implement adequate mitigating measures.

key performance indicator

- Capital structure and financial ratios targets.
- Cost optimization and reduction.
- Automation of major processes and significant reduction in paper usage.
- Early identification of critical risks that may arise and the adoption of measures to eliminate those risks or reduce them to an acceptable level.

strategy

- A robust cash flow projections-based financing plan is conducted to meet cash requirements.
- Fixed and variable costs are reviewed for each division and areas of improvement are identified to ensure reduction in fixed cost.
- A detailed strategy with 4 pillars i.e., going paperless, wireless systems upgrade, workplace agility enhancement, and automation of sales operation.
- Continuous cross-departmental collaboration and being cognizant of changes in the internal and external environment to identify key risks being faced by the entity.

future relevance

The KPIs shall remain relevant in the future.

resource allocation

Human capital, financial capital and intellectual capital.

human resources

objectives

- Foster talent development and retention while enhancing workforce diversity.
- Strengthen inclusion across all levels of the organization.
- Improve employee engagement.
- Ensure the availability of skilled human resources to support seamless operations.

key performance indicator

- Attrition and diversity ratios.
- Employee Engagement Survey results.
- Operational continuity across all departments.
- Robust succession pipeline, particularly for key leadership and critical roles.

strategy

- Analyze attrition trends to maintain a strong talent pipeline.
- Job rotations / enrichment is planned to ensure retention of talent and maintain a diverse workforce.
- Implement a comprehensive action plan in collaboration with the business on identified actions items from previous employee surveys to ensure better employee engagement.
- Identifying key leadership and critical roles in the organization and developing a succession plan to ensure business continuity.
- Implement a competency framework to ensure a future-fit workforce through structured skill development programs and leadership training.

future relevance

The outlined KPIs will continue to serve as key measures of success in the evolving business landscape.

resource allocation

Human capital, financial capital, and social & relationship capital.

health, safety & environment

objectives

- Ensure a safe working environment.
- Carry out external independent assessments about Health, Safety and Environment (HSE).
- Ensure HSE standards are maintained for expansion and operational efficiency projects.
- Minimize environmental impact.

key performance indicator

- Reduced Total Recordable Incident Rate (TRIR) and Fleet Accident Frequency Rate (FAFR).
- Effluents and Emissions SEQs Compliant.
- Keeping all safety ratios intact during completion of expansion projects.

strategy

- Alignment with ECHSE Standards developed based on global practices.
- Work on water conservation and waste reduction road map.
- Environment compliance on newly integrated units; HPO and HTDC along with already operational units .
- ISO 9000, ISO 14000 and ISO 45000 standards compliance.

future relevance

The KPIs shall remain relevant in the future.

resource allocation

Human capital, manufactured capital, and financial capital.

manufacturing

objectives

- Ensure safe operation of the site, meeting global standards and significant enhancements in Emergency Response Plan (ERP).
- Strengthen plant reliability and operational efficiency through maintenance and optimization initiatives.
- Sustain optimal production levels while achieving cost efficiencies
- Optimize raw material and energy consumption, enhancing sustainability and cost-effectiveness.
- Successfully execute key growth, and reliability projects to drive operational resilience.

key performance indicator

- Number of unplanned shutdowns, production loss, and tasks completed. Production targets are set for all products.
- Raw material and energy consumption ratios have been set for all products against which performance would be compared.
- The Progress report will be monitored by the senior management and BoD regularly.

strategy

- Successfully worked on state-of-the-art Industry 4.2 AI based Adaptive Advance Process Control (AAPC) project.
- Conducted successful plant turnaround within stipulated timelines and budgets, ensuring operational continuity.
- Identify and mitigate bottlenecks through advanced analytics and real-time process monitoring.
- Implement data-driven performance tracking against strategic milestones.

future relevance

The KPIs shall remain relevant in the future.

resource allocation

Human capital, financial capital and intellectual capital.

commercial

objectives

- Maximize profitability across businesses by increasing customer engagement & optimizing sales mix.
- Ensure strategic alignment to future market gaps and organizational aspirations.
- Ensure customer satisfaction through timely product & service availability
- Capacity building of all stakeholders.

key performance indicator

- Customer retention & delight.
- Position to venture into prospective businesses.

strategy

- Evaluation of market segments & their drivers.
- Ensuring optimum sales mix.
- Market development to identify areas for growth.
- Customer voice through survey & relationship management.

future relevance

The KPIs shall remain relevant in the future.

resource allocation

Human capital, manufactured capital, and financial capital.

decision making process

EPCL employs various executive-level committees, appointed by the CEO, responsible for making decisions and monitoring progress to ensure that the organization steers forward in the direction approved by the Board of Directors. The committee constitution is robust and allows for efficient decision-making while taking advantage of the collective wisdom of the group. These committees regularly meet to review progress and provide additional insights.

the committees include

management committee
Governing/decision-making body that meets at least once a month.

govt relations and regulatory affairs
Consultative body that handles GRRA and meets once every 2 months.

projects steering committee
Steering committee on various projects that meets once a month.

corporate HSE committee & sustainability
Oversees HSE matters at a corporate level and meets quarterly.

workplace harassment committee
The committee reviews and conducts a complete investigation into complaints of harassment and meets as and when needed.

contracts review committee
Oversees contracts above Rs. 10 million and meets as and when needed.

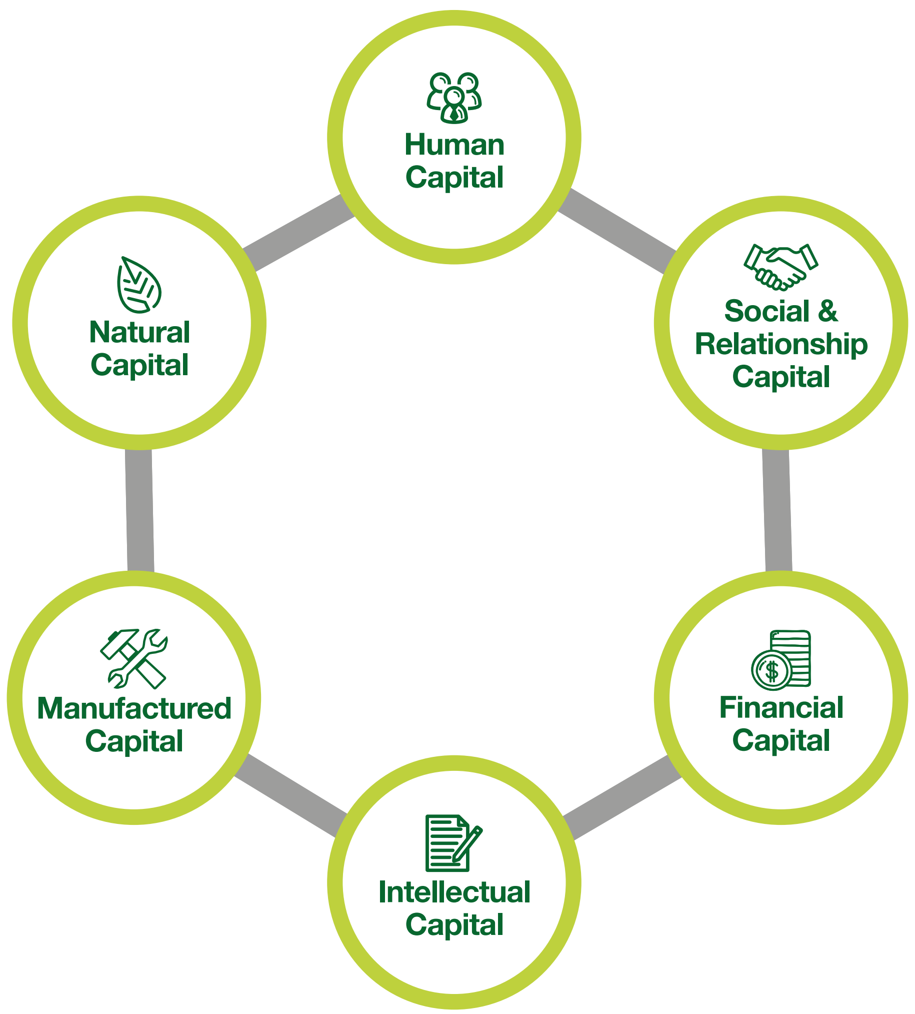
HR MC
Governing/decision-making body that oversees matters specific to HR and meets as and when needed.

resource allocation plan

The Company is committed to achieving its strategic objectives through the efficient utilization of available resources. This involves leveraging the Engro brand, effectively managing financial capital, harnessing the skills of a competent human resource, ensuring manufacturing excellence and maintaining robust Health, Safety and Environment (HSE) standards.

The Company's resource allocation approach ensures that financial, human and operational resources are deployed efficiently to drive business growth, enhance customer satisfaction and support long-term value creation. To achieve this, a structured process is employed to evaluate the criticality, availability and potential synergies of each resource before allocation. Additionally, the management continuously monitors changes in the internal and external environment to capitalize on better resource allocation opportunities.

By leveraging the strength of the Engro brand and its expertise in chemical manufacturing, the Company aims to expand its footprint in both local and international markets. Furthermore, it remains committed to upholding the highest HSE standards while integrating sustainable practices across its operations.



capabilities and resources which provide us sustainable competitive edge

strong market footprint in the domestic PVC market

As the sole manufacturer of PVC in Pakistan, EPCL holds a dominant position in the domestic market, ensuring a reliable source of locally produced PVC. With a production capacity of 295 KT, the Company is well-equipped to meet the domestic demand while also exploring export opportunities. This domestic presence not only reduces reliance on imports but also strengthens Pakistan's industrial self-sufficiency in the chlor-vinyl sector.

integrated production facility

EPCL benefits from an integrated production facility, manufacturing both VCM and PVC. Since PVC is derived from VCM, in-house production offers significant advantages, including cost efficiencies and reduced external dependency.

energy efficiency

At EPCL, resource conservation and operational efficiency are high focus areas to maximize value for stakeholders and contribute positively to the sustainability agenda. In line with this, the Company has made significant efforts in projects like Oxy Vent Recycle and Zero Gap Technology to both, optimize operational processes and contribute to environmental stewardship. Similarly, through ongoing projects such as High-Temperature Direct Chlorination (HTDC), the Company aims to improve energy efficiency and reduce its carbon footprint.

human resources

A highly skilled and experienced human resource base provides EPCL with a competitive edge. The Company possesses unique technical expertise in the chlor-vinyl business, fostering innovation, operational excellence and continuous improvement. By investing in capacity and capability development, the Company empowers employees with the skills needed to drive organizational success and excel in their own roles.


initiatives to promote and enable innovation

EPCL continues to drive innovation by integrating cutting-edge technology and infusing creativity into its operations. In 2024, the Company remained committed to its digital transformation strategy, focusing on workplace safety, operational reliability, customer engagement and employee empowerment.

To optimize plant performance, EPCL implemented Adaptive Advanced Process Control (A-APC), Digital Twin technology, and Multivariate Process Modelling, leveraging AI and big data analytics to enhance ethylene utilization, prevent outages and improve production capacity. Thermal cameras with Computer Vision AI deployed at the EVCM unit continue to proactively detect chemical leakages, while Power BI analytical dashboards minimize process-side leakages and drone-based inspections improve monitoring by eliminating the need for scaffolding and minimizing human exposure. On the customer front, EPCL enhances digital engagement through Salesforce-powered Customer Connect, streamlining digital payments, transaction reconciliation and vehicle tracking for improved service efficiency.

These initiatives reaffirm EPCL's commitment to innovation, operational excellence, and safety, ensuring long-term value creation for all stakeholders.


significant plans and decisions

In 2024, the Company made significant strides on the earlier announced expansion, diversification and efficiency projects despite the challenges stemming from an adverse local and global macroeconomic environment. The Company continued to work towards the completion of its HTDC and HPO projects, achieving successful commissioning of the HPO plant in February 2025. Going forward, the next step for the Company will now be the market development of HPO. The Company's efforts will be focused on promoting this new product, strengthening its market position and building partnerships with key stakeholders.

Having established a strong foothold in the upstream PVC product line over the years, the Company plans on leveraging its experience and expertise to promote the downstream PVC market in Pakistan. The downstream market is a vertical with huge potential given the low per capita PVC consumption and an even lower penetration of diverse PVC applications. To take our plan forward, the Company intends to continue the utilization of the 'thinkPVC' outlet, as a platform to introduce and promote various PVC applications for all downstream stakeholders including consumers, builders, interior designers etc.


statement of value addition & distribution

Wealth Generated

2024	Wealth Generated	2023
Revenue Rs. 89,035	Gross Sales and Other Income	Revenue Rs. 96,310
–		–
Purchases Rs. 56,232	Materials and Services Purchased	Purchases Rs. 54,792
=		=
Wealth Generated Rs. 32,803 100%		Wealth Generated Rs. 41,518 100%

Wealth Distributed

2024	Wealth Distributed	2023
Rs. 3,050 9%	**Employees** Salaries, Wages and other benefits	Rs. 3,040 8%
Rs. 31 0%	**Society** Donations and other CSR activities	Rs. 145 0%
Rs. 1,110 4%	**Shareholders** Dividend	Rs. 7,462 18%
Rs. 7,532 23%	**Providers of Finance** Finance cost	Rs. 4,215 10%
Rs. 6,984 21%	**Government** Income Tax, Sales Tax Output, Duties, WWF and WPPF	Rs. 10,490 25%
Rs. 14,096 43%	**Retained within business** Retained Earnings, Depreciation and Amortisation.	Rs. 16,166 39%
=		=
Rs. 32,803 100%		Rs. 41,518 100%

2024 snapshot figure

boosted Pakistan's forex reserves by

$81Mn

in imports substitution through its local PVC & VCM production and generated

USD 13 Mn

in foreign exchange through exports.

polyvinyl chloride (PVC)

raw material exporting countries:

ethylene

- Middle East, Europe, USA, Northeast Asia, Southeast Asia, and Singapore

ethylene dichloride (EDC)

- Middle East, USA, Europe, China, and Indonesia

Engro Polymer & Chemicals Ltd. primarily produces PVC suspension resin, marketed under the SABZ brand in various grades (AU 58, AU 60, AU 72, AU 67R, and AU 67S). These resins serve as key raw materials for a wide range of PVC-based products across industries such as construction, agriculture, packaging, healthcare, and consumer goods. Common applications include pipes and fittings, footwear, films and packaging, profiles, flooring, roofing, cables, and doors.

Top PVC exporting countries
(EPCL to other countries)

- UAE
- Sri Lanka
- Egypt
- Qatar
- Yemen
- Saudi Arabia
- Oman
- Tanzania
- Kuwait
- Kenya

Top PVC importing countries
(material imported by Pakistani companies/traders)

- Indonesia
- United States
- South Korea
- China
- Sweden

PVC & intermediary plant capacities

PVC: **295 KTA**

EDC: **127 KTA**

VCM: **245 KTA**

PVC downstream initiatives

PVC products were actively promoted at IAPEX 2024 through direct engagement with industry professionals, fostering collaboration and driving innovation in product development.

Strategic engagement initiatives were successfully conducted to enhance community awareness of the PVC downstream sector. These included:

- Women Entrepreneurs' Pop-Up provided a platform for female business owners to showcase their products.
- Leaders@ThinkPVC, a thought leadership series featuring interviews and broadcasts with industry leaders; and craftsman training programs, designed to equip professionals with specialized skills in PVC applications.
- Capacity-building workshops for window profile fabricators were meticulously designed to enhance participants' technical skills, reinforcing EPCL's commitment to improving quality and efficiency.

These initiatives effectively educated stakeholders, increased foot traffic, and highlighted the diverse benefits of PVC-based products.

caustic and allied chemicals

raw materials	production capacities				
Salt is our primary raw material for caustic and allied chemicals.	Caustic Liquid: 106 KTA	Hypo: 30 KTA	HCL: 60 KTA	Caustic Flakes: 20 KTA	Hydrogen Peroxide* 28 KTA

caustic soda flakes

Dyeing and mercerizing in textile sector, free fatty acids removal from edible oil & ghee, soap and water purification

hydrogen

Used in the manufacturing of terephthalic acid

hydrochloric acid

Pickling, oil well acidizing, water treatment, cleaning, food processing and medicine

sodium hypochlorite

Water treatment, detergents, denim bleaching and paper bleaching

Hydrogen Peroxide*

Textile, Mining, Food, Paper, Chemical Processing, Disinfectant

domestic market landscape

caustic soda

- Karachi
- Hub
- Hyderabad
- Multan
- Rahim Yar Khan
- Faisalabad
- Lahore
- Daharki
- Gujranwala
- Quetta
- Rawalpindi

hydrogen

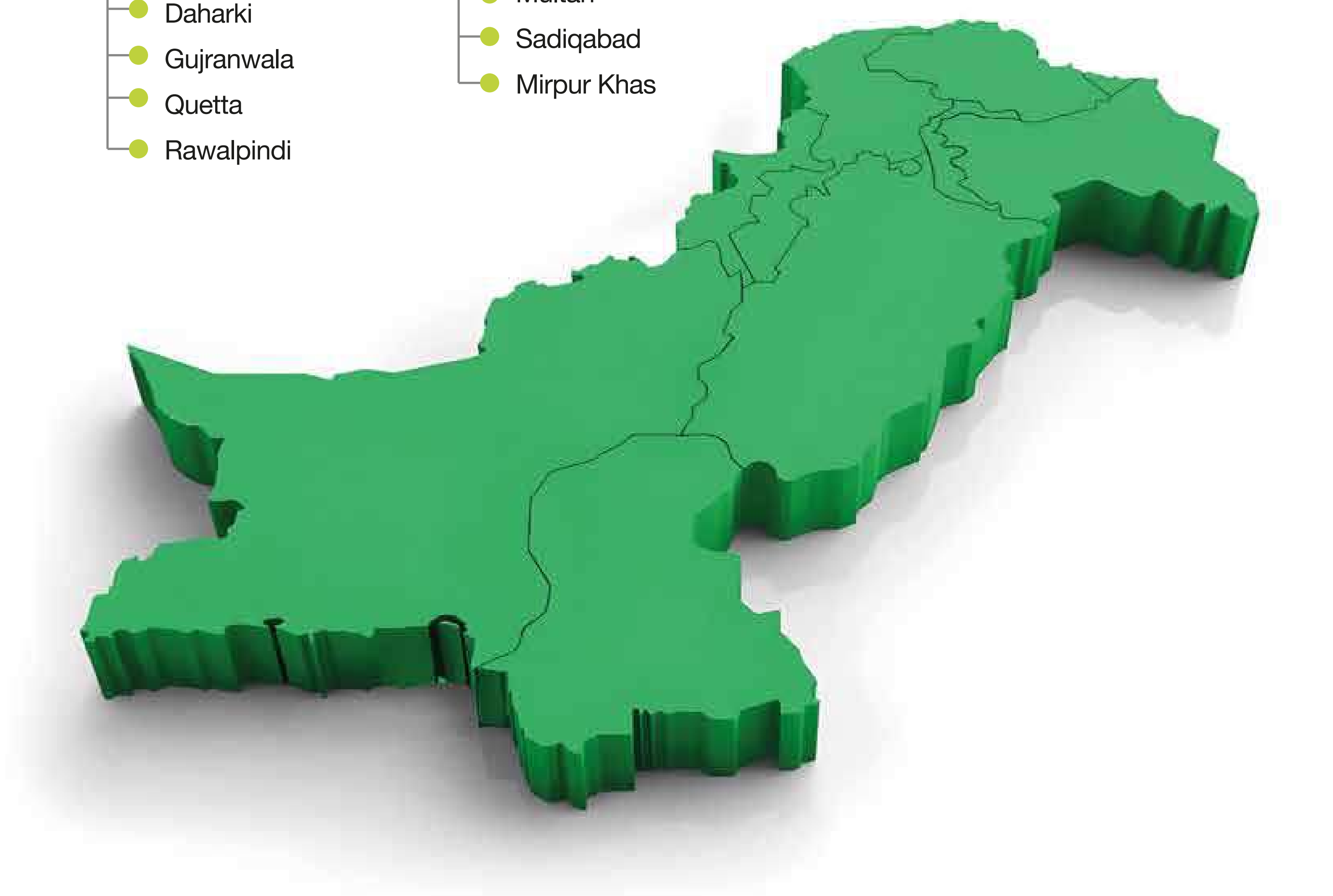
- Karachi

hydrochloric acid

- Hyderabad
- Hub
- Guddu
- Muzaffargarh
- Multan
- Sadiqabad
- Mirpur Khas

sodium hypochlorite

- Karachi
- Hyderabad
- Hub
- Ghotki
- Sadiqabad
- Daharki



*HPO plant commenced commercial operations on February 17, 2025.

stakeholder engagement

policy for engaging stakeholders

media

Our engagement with print and visual media takes place through regular press releases on key achievements and activities as well as through informal conversations on Company news and updates throughout the year.

investors, lenders and shareholders

Investors, lenders and shareholders look forward to our Annual General Meeting as well as Corporate Reports (Annual and Sustainability Reports), which include comprehensive information on both financial and non-financial matters related to the organization.

suppliers and customers

Our suppliers and customers are engaged through periodic formal and informal meetings/conferences. We regularly provide them with technical assistance related to their business, to benefit both the industry and the economy in which we operate.

host communities (local to our facilities and throughout Pakistan)

We consider ourselves responsible for our host communities and hold regular interactions in order to understand how we can improve our relationships. The Company is extremely active in health, education, livelihood and environmental projects for the betterment of these communities.

employees

EPCL focuses on employee engagement as it is key to performance. A survey is carried out every year to assess the levels of engagement and motivation at the workplace and based on feedback, areas of weakness are improved and strengths held stable.

regulators

The Company complies with all regulatory requirements and in this regard closely coordinates with relevant regulators, including the Pakistan Stock Exchange (PSX), Securities and Exchange Commission of Pakistan (SECP) and Federal Board of Revenue (FBR).

analysts

EPCL engages analysts from security markets by conducting analyst briefings at the end of each quarter at least, exceeding the regulatory requirement. EPCL also coordinates with the analysts as and when needed through formals meetings and discussions.

analyst briefing & AGM

EPCL employs a multi-faceted approach towards identifying its key stakeholders which includes analyzing a potential stakeholder's fundamental impact on performance, nature, significance, the dynamic of the relationship and mutual expectations. This methodology allows the Company to determine and categorize its stakeholders.

Details of analyst briefings held during the year:

Period	Date	Place
Q4 2023	21st February 2024	Meeting conducted online
Q1 2024	22nd April 2024	Meeting conducted online
Q2 2024	20th August 2024	Meeting conducted online

brief summary of matters discussed during analyst briefings

Matters discussed during the briefings normally include an overview of the Company's performance from a financial and operational perspective, its stance on any significant ongoing issue that has implications for the wider industry, an update on the projects under progress and an outlook of the market dynamics. In addition to this, a comprehensive Q&A session also takes place towards the end to address queries from the attendees.

management actions to encourage minority shareholders

The notice of the Annual General Meeting is shared with all shareholders of the Company at least 21 days prior to the meeting. The notice is published in both Urdu and English in at least one issue of a daily newspaper with nationwide circulation, for each respective language. Furthermore, a notice of the AGM is sent to the exchange and is also uploaded on the Company's website. The Company encourages minority shareholders to also participate in analyst briefing sessions, the dates of which are announced through the stock exchange.

investors' relations section

For investor queries or complaints please find our contact details on the company information page of this report or go to the investor relations webpage of our website by using the link below:
www.engropolymer.com

AGM issues & responses

The Company's Annual General Meeting (AGM) was held on March 28, 2024, which was attended by the Chairman of the Board, Chairman of Board Audit and Risk Committee, Chief Executive Officer and other senior management of the Company to address queries and clarifications sought by the Board of Directors. During the last AGM, queries and clarifications were sought on the Company's financial statements, which were resolved to the satisfaction of the Shareholders. Apart from the said queries, no significant issues or concern was raised by the shareholders.

highlights about redressal of investors' complaints

Analyst briefings and the Annual General Meeting are good opportunities to address investors' complaints or queries. To ensure communication on an ongoing basis, investor relations section on the company's website provides contact details which can be used for queries or complaints.

swot analysis

S W O T

strengths

- Sole PVC resin manufacturer in Pakistan
- PVC capacity of 295kT, well positioned to serve the domestic market and export
- Integrated production facility capable of operating at high-capacity utilization
- Established brand name known for its quality
- Strong human resource base and unique technical expertise in Chlor-Vinyl business

weaknesses

- High exposure to volatility in international commodity prices
- Dependence on supply of imported raw materials, such as ethylene
- Exposure to debt to meet capital expenditure requirements
- Oversupplied domestic caustic market

opportunities

- Lower per capita PVC consumption in the country creates potential for demand growth
- Uptick in PVC demand with the Government's focus on the construction industry
- thinkPVC outlet providing exposure and awareness to new market segments and applications
- Diversification into new product lines such as Hydrogen Peroxide and leveraging existing manufacturing and marketing strengths
- Alternate energy and operational efficiency projects

threats

- Rationalization in tariff and duty structures
- Uncertainty over continuous gas availability at competitive prices
- Dumping of PVC from regions where anti-dumping duty has not been imposed
- Price war from caustic players leading to reduced margins
- High exposure to volatility in international commodity prices which impacts profitability

significant factors affecting the external environment

One of the key aspects of maximizing shareholder value is to remain vigilant of the ever-changing political, social, and environmental factors affecting the organization. Proactively mitigating these risks and capitalizing on opportunities ensures business sustainability and growth. Below is an overview of how EPCL effectively navigates these external dynamics.

	Factors	Organizational Response
political	Government policies on import duties and tariff structures impact PVC prices and the competitiveness of locally manufactured products.	The Company closely monitors global dumping practices and collaborates with NTC to implement necessary measures for safeguarding the domestic industry.
	Export promotion strategies influence the demand for our Chlor-Alkali products, which are majorly used by the export-oriented textile sector.	Through proactive planning, the Company ensures availability of products as per the changing market dynamics.
	The political landscape affects consumer confidence, which in turn influences overall market demand.	The Company has invested in growth, efficiency and diversification projects to enhance local manufacturing, reducing reliance on imports and conserving the country's foreign exchange.
	Government spending on infrastructure development and public spending on construction projects significantly impacts PVC demand.	The Company actively engages with government authorities and the public through initiatives like the thinkPVC outlet to raise awareness and expand PVC applications.
economic	Macroeconomic conditions, including interest rate and exchange rate fluctuations, impact profitability and future cash obligations.	The Company has secured fixed-rate loans and benchmarked borrowings against LIBOR / SOFR. Additionally, supplier credit arrangements are strategically managed to mitigate financial risks.
	Unavailability of sustainable power solution at competitive rates impacts industrial operations and export-oriented sectors, which is critical to the national economy.	The Company continues to explore long-term energy solutions while advocating for consistent and competitively priced gas supply to ensure business continuity.

	Factors	Organizational Response
	Increasing gas prices raise energy costs, impacting profitability.	Engagement with key government stakeholders is underway to advocate for a prudent gas pricing structure that ensures industry remains competitive.
social	Pakistan's growing population will provide impetus to housing demand which in turn will spur demand for PVC products.	The Company's production capacity is well-positioned to meet the rising market demand.
	Consumer behaviour is shifting towards aligning Pakistan's per capita PVC consumption with global standards.	Through the thinkPVC retail outlet, EPCL intends to showcase the versatility of PVC applications, fostering domestic demand growth.
technological	Introduction of various technological tools and applications in operations can impact the profitability of the Company.	A dedicated digitization team continuously works to automate processes, enhance productivity and minimize manual interventions, ensuring long-term operational improvements.
legal	Risk of GIDC payment which impacts cashflows.	An application has been filed with the SHC, arguing that the GIDC Act has become permanently in-operational, and no recovery can be made on the basis of the same. Case is still to be heard.
environmental	Pakistan remains highly vulnerable to climate change, with extreme weather events such as extended monsoons, rising fog levels and water scarcity posing operational risks.	The Company has invested in several projects such as HTDC and OVR with the view of improving its environmental impact. Minimizing CO2 emissions remains one of the most important KPIs, with tree plantation drives, carbon footprint reduction measures, and enhanced water and plastic recycling programs in place.
seasonality	Fluctuations in demand due to seasonality impacts the sale of PVC. A seasonal slowdown in demand is typically observed in the winter and monsoon seasons as construction activity slows down.	The Company adjusts production levels in line with domestic demand while actively exploring export markets to optimize inventory management during periods of low local demand.

competitive landscape and market positioning

EPCL operates the only integrated chlor-vinyl complex in Pakistan, positioning itself as the sole domestic manufacturer of PVC resin. Our competitive landscape and market positioning vary across the Vinyl and Chlor-Alkali product lines.

intensity of competitive rivalry

In the vinyl segment, EPCL dominates the market as the sole local manufacturer, supplying the majority of PVC demand in Pakistan, while the remaining requirement is met through imports. Given the absence of direct domestic competitors in the vinyl segment, the Company benefits from a strong market position.

In contrast, the Chlor-Alkali market is highly competitive. EPCL competes with commercial manufacturers of Caustic Soda and allied chemicals, primarily based in the northern region of Pakistan. EPCL enjoys a strategic advantage in serving as a major Caustic player in the southern region. The competitive nature of the Caustic Soda market raises the risk of price volatility.

The HPO market is relatively less competitive compared to the Chlor-Alkali market, with only one other manufacturer currently operating in Pakistan. The remaining demand is met through imports, presenting EPCL with a strong opportunity to capture market share. With the recent commissioning of its HPO plant, EPCL is well-positioned to reduce import reliance and cater to the growing domestic industrial demand.

threat of new entrants

The likelihood of new entrants in the vinyl market remains low due to the capital-intensive nature of setting up an integrated chlor-vinyl complex, the requirement for specialized expertise and the challenges in securing key raw materials from global suppliers. Additionally, high market saturation and the competitive landscape in the chlor-alkali sector further deter new entrants.

threat of substitute products

PVC remains the preferred material in pipes and fittings due to its durability, strength and weather resistance compared to alternative products. To increase awareness around PVC's benefits, EPCL launched 'thinkPVC' in 2021, a retail outlet that showcases various PVC applications and their better value proposition over substitute products.

power of suppliers

Raw material availability is critical to our operations and suppliers play a key role in our value chain. To mitigate supply chain risks, the Company has developed strong, long-term partnerships with key suppliers, ensuring consistent and timely procurement of essential materials under mutually beneficial agreements.

power of customers

Despite being the sole manufacturer of PVC resin in Pakistan, EPCL prioritizes customer satisfaction through superior product quality and value-added services. Recognizing that customer relationships are key to sustainable success, we emphasize on building customer relationships beyond commercial terms, such as credit and discount policies.

strengths and weaknesses of competitors

EPCL's strength lies in its position as Pakistan's only PVC manufacturer. On the Chlor-Alkali front, most players are based in the northern region, which gives the Company an advantage to serve the southern region. However, since most of the textile players are in north, the competitors have an advantage to serve the large textile players.

customer demand

The demand for EPCL's products is driven by key industrial and economic activities. The PVC market is closely linked to construction activity, with PVC sales exhibiting strong correlation with cement dispatches. Seasonal factors, such as a slowdown in construction during winter, impact PVC demand.

Similarly, demand for Caustic Soda follows the trend in the soap and textile industries. The winter season typically sees lower soap consumption and reduced textile orders due to the global holiday season, leading to softer demand for Caustic Soda. However, demand rebounds post-winter as economic activity picks up.

Hydrogen peroxide demand is primarily fueled by the textile sector, where it is used as a bleaching agent. With Pakistan's textile industry being a major contributor to exports, stable and growing demand for HPO is expected as manufacturers look to enhance production capacity and maintain high-quality output.

corporate social responsibility

The Corporate Social Responsibility (CSR) approach of the Company prioritizes education, healthcare, skills development, environmental preservation, water conservation, and community engagement in alignment with its foundational values. The program upholds the Company's reputation as a responsible business leader in environmental conservation and sustainable development to support the communities it operates in.

material topics

Following are the material topics for 2024:

economic performance

The wealth generated by EPCL is distributed among key stakeholders, including suppliers, employees, the government, and society (CSR initiatives). The remaining amount is either retained for future projects—contributing to employment generation and economic growth—or distributed as dividends to shareholders, enhancing investor value.

tax

Non-compliance with tax laws can result in reputational and financial risks. Engro is cognizant of these risks and is committed to maintaining a high level of tax compliance. To ensure transparency, the Company has a publicly available tax policy.

By meeting its tax obligations, Engro plays a key role in boosting government revenue, which in turn supports public infrastructure, essential services, and reduces government debt, contributing positively to society.

hiring and turnover

Hiring and turnover rates play a crucial role in maintaining a healthy and productive work environment, directly influencing business performance. Engro's success is driven by its workforce, making talent attraction and retention critical to its bottom line. To position itself as an employer of choice, Engro offers market-competitive benefits and actively invests in hiring top talent at all levels.

A strong employee retention strategy fosters a happy and productive workforce, enabling individuals to contribute meaningfully to the organization. Additionally, higher hiring rates support employment generation, which drives economic progress. By implementing the right strategies, any gaps in talent retention and acquisition can be effectively addressed, ensuring sustained growth and stability.

employee benefits

Providing market-competitive benefits is key to attract and retain top talent, which directly contributes to Engro's overall performance. Engro's benefits and facilities are aligned with market realities, ensuring employees feel valued and supported.

Following are some of the key benefits offered to permanent employees:

- Health & Life Insurance
- Car & Fuel Allowance/ Fuel Card
- Club Membership
- Medical & Dental Benefits
- Parental Leaves & Sabbatical leaves
- Lodges in Northern areas of Pakistan and Beach huts at subsidized rates for employees and families
- Retirement & Separation Benefits
- Service Incentive Program
- Annual Incentive Bonus & Performance Bonus
- Home Ownership Assistance
- Education Assistance
- Travel & Transport Benefits/Careem Allowance
- Interest Free Loans
- Child Education Assistance Program
- Subsidized Accommodation for outstation employees
- Disturbance allowance for all eligible plant site employees
- Early Friday Offs for plant employees
- Daycare facility

Recognizing the societal restraints and acknowledging the diverse needs and responsibilities of the employees, EPCL's family-friendly policies encompass various aspects of our employee's day to day lives and beyond.

health and safety

Ensuring workplace safety is a core priority for Engro, which has made significant monetary and non-monetary investments to uphold the highest Health, Safety, and Environment (HSE) standards. As a result, the Company maintains low incident rates (e.g., TRIR), demonstrating its commitment to safety. With safety as one of Engro's core values, the Company remains strongly committed to maintaining and improving its safety standards.

The health and safety of employees—whether at work or off the job—is of paramount importance to Engro. Workplace accidents can affect productivity, well-being, and quality of life, depending on their severity.

To mitigate such risks, Engro enforces stringent health and safety protocols, ensuring a safe and secure working environment. Any incidents are immediately addressed, with senior management prioritizing safety concerns. Occupational health and safety KPIs are closely tracked and monitored, reinforcing Engro's unwavering commitment to employee well-being.

Key targets and objectives for 2024 included:

Strategic Theme	Goal	Progress in 2024
HSE Systems	Ensure zero lost work injuries for the year.	EPCL completed 43 million safe manhours in 2024 without LWI/LTI.
	ERP Enhancement Projects Implementation	In house development of Fire Hydrants reducing tremendous costs and increase in self-reliability of the site to meet its demands. Foam hydrants installation at HPO for improved fire protection. ECC (Emergency Control Cell) upgradation by implementing live monitoring and coordination capabilities. Thermal Cameras installation at plant for efficient and timely leakage detection.
	EPCL Safety Culture Improvement	Self-reporting culture at site has become part of employees' safety conscience with almost 60% of the incidents being self-reported.
	HSE and Technology	First ever Cyber PHA conducted of EPCL. EPCL is the second company in the world to have this PHA done. Intrusion control software installed at EPCL. First ever physical data diode installed in Pakistan providing foolproof security.
Risk Based HSE Deployment at EPCL	HSE and Technology	EDC VCM Plant successfully completed its first-ever Baseline PHA and SIL study chaired by independent 3rd party lead.

Strategic Theme	Goal	Progress in 2024
	SECE Management	Aligning the site SCD package with all the MAH (Major Accident Hazard) scenario barriers identified in the RBA (Risk Based Analysis) study. Alignment of PM plans and bow ties based on PHA.
	Critical Activity Catalogue Development	Development of Critical Activity Catalogues to handle operations of high risks ensuring well trained staff is put on duty along with red tag drills to keep them up to date.
	Performance Standards Benchmarking	Development of Performance Standards to benchmark maintenance and inspection practices benchmarked with highest international standards to ensure critical equipment for safety are ever green. Alignment of PM plans and bow ties based on PHA.
	Risk Alive deployment and continuous success	EPCL HSE Project “Risk Alive” Won Pakistan Digital Awards 2024.
	PSI system enhancementt	3D iso-models of the plant developed using reverse engineering technique. P&ID updation leading to more reliable information availability.
	Continuous improvement through training	Competency enhancement of site personnel on incident investigation through training on using tripod beta methodology.
Long Term Reliability Improvement Projects	LOPC Reduction Program Implementation	Reduction of LOPC to 150 in Year 2024.
	Emergency Vents Modification	A major project regarding modifications of Emergency Vents (PSVs) was done to ensure no hazards are developed. The modifications were done as a result of "Dispersion Modelling Study" done in 2023.
HSE Program for Expansion Projects	Safe execution of HTDC & HPO Projects	Successful completion of HPO Mechanical Scope without LWI and at the same time HTDC project is racing towards completion without any major injury.

Strategic Theme	Goal	Progress in 2024
Environment & OHIH	Enhancement of Wastewater treatment	PHA of Waste Water Unit Conducted. ETP (Effluent Treatment Plant) UF upgradation improving robustness against a wider range of operating scenarios. The refurbishment and enhancement of the WWTU are geared towards improving the quality of released wastewater for reuse in industrial operations. Aligned with the "Zero Liquid Discharge" philosophy.
	Improved Waste handling	Efficient handling of both hazardous and non-hazardous waste through government defined waste handlers thus ensuring transparent handling and recordkeeping.
	Environment KPI monitoring and reporting	Continued monitoring and reporting of all SEQs defined parameters without any non-conformity throughout the year.
	Tree plantation	EPCL continued its legacy of afforestation by planting new trees at areas around plant.
EPCL Sustainability Projects	Efficiency in Energy Generation	Engro Polymer's UTY & PP team achieved a landmark feat by running the plant on just two gas turbines, optimizing Inlet Guide Vanes (IGVs). This strategic move reduced reliance on the third turbine, saving millions in gas costs, with Tornado offline for 247 days. Combined with periodic chemical washes, we maintained peak turbine performance despite Port Qasim’s air quality challenges.
	Zero Gap Electrolyzer Upgrade	4 cells have been upgraded out of 6 cells. Providing a combined power saving of 2.4 MW.
	APC Installation Benefits	APC installation leading to reduced fuel consumption leading to overall energy saving.
	Hydrogen Venting Optimization	By controlling booster compressor discharge pressure at CA Plant NG requirement at VCM furnaces reduced by ~3MMBTU/hr.

Strategic Theme	Goal	Progress in 2024
	Electrolyte Temperature Increment	By effectively controlling electrolyte temperate at CA plant, Power consumption reduced by ~12kWh/t-NaOH.
	Polish Water Conservation	By affectively using condensate water for brine tanks fill test, polish water was conserved thus positively impacting the entire water cycle at plant.

diversity, equity, and inclusion (DEI)

Engro's commitment to DEI strengthens its position as an attractive employer, fostering a culture of inclusivity and innovation through diverse perspectives. A diverse workforce enhances creativity, collaboration, and productivity, leading to better decision-making and business outcomes. Additionally, Engro's proactive stance on DEI enhances its reputation and brand equity, positioning the Company as a progressive industry leader.

Engro's DEI initiatives empower women by creating opportunities for professional growth and leadership, contributing to greater economic participation. By championing gender diversity, Engro helps address societal challenges related to gender equality, promoting a more equitable workforce and contributing to broader economic prosperity. Through these efforts, Engro plays a vital role in driving societal progress and supporting a more inclusive future.

To shape a conducive workplace environment and encourage inclusivity, EPCL holds mandatory orientation sessions with new joiners on DEI sensitization training. These sessions are conducted each quarter for new joiners.

As an essential move forward, DEI sensitization training video module was launched for new inductees in our third-party workforce at our plant site. The module is facilitated by an external trainer and features tailored content for better comprehension.

To support and empower women employees in their career progression, EPCL launched "Breaking the Glass Ceiling," (BTGC) coaching program. The first batch of eleven rigorously selected women employees were coached for leadership roles. The participants of BTGC-Chapter 1 successfully graduated in 2023.

After the successful completion of BTGC-Chapter 1, BTGC-Chapter 2 was launched in 2024. The BTGC-Chapter 2 was designed to address the needs and challenges faced by high-performing women employees to advance in their careers.

BTGC Chapter 2, was a one-on-one coaching program designed to empower women employees for career advancement. Nine participants were part of the program and during their six-month journey they engaged in one-on-one sessions along with interactive group discussions.

Our dedication to advancing equity extends beyond our organization and into the broader community, with a strong focus on empowering women and promoting inclusion. In alignment with this commitment, we introduced the 'Umeed E Nouh' Training Program—the first initiative of its kind in Pakistan—in collaboration with Engro Foundation and Descon Training Institute as the technical partner. This program aimed to break traditional barriers by providing women with the technical skills needed to operate forklifts in manufacturing and supply chain environments, opening doors to non-traditional career paths and fostering financial independence. After a rigorous selection process, 22 candidates were chosen from a pool of 172 applicants to participate in an intensive eight-week training. To address societal challenges and ensure their success, participants received comprehensive support, including a weekly stipend, meals during training, and safe transportation. Through this initiative, we are creating equitable opportunities for skill development and economic empowerment, paving the way for a more inclusive workforce.

Our Khudi Program is designed to provide mentorship and on-the-job training opportunities for persons with disabilities (PWDs). This one-year traineeship equips participants with industry-relevant skills, enabling them to build meaningful careers. Our current associate, inducted into the program, is placed within our finance team and is receiving hands-on training in dedicated SAP modules. This ensures that he develops a strong functional skillset applicable across the broader industry.

EPCL provides a supportive and connected workplace environment through internal support and connect groups across multiple platforms. One such initiative is our online Employee Resource Group (ERG) titled "Aik Engro Kayie Kahaniyan", which focuses on sharing inclusion stories. This group serves as a safe space for employees to share their experiences, amplifying diverse voices, inspiring change, and building connections.

projects with societal impact

Engro's continued investment in Corporate Social Responsibility (CSR) programs aligns with its philosophy of creating shared value and making a meaningful impact. These initiatives strengthen Engro's reputation, enhance goodwill within neighbouring communities, and reinforce its position as a socially responsible organization. By actively contributing to social development, Engro fosters long-term stakeholder trust and engagement, ensuring sustainable business growth.

The Company has set its goal to transform the villages of Ghaggar Pathak, located in the vicinity of EPCL's manufacturing plant, into model villages. On the education front, EPCL operates three primary schools in partnership with "The Citizens Foundation" and one micro-school with "Teach the World Foundation (TTWF)" in the villages of Ghaggar Pathak.

EPCL, in partnership with SINA Welfare Trust, has established a healthcare facility in the Ghaggar Pathak area by constructing a hospital at a cost of PKR 15.7 million. Furthermore, the Company has a Community Engagement Team in place to educate the nearby villages about the availability of free healthcare services at the SINA Clinic, and regularly conducts medical camps to encourage regular check-ups and address health concerns.

EPCL established a mental health clinic with its execution partner 'Karwan-e-Hayat'. This clinic not only provides free therapy and medicines to the patients but also conducts regular awareness sessions to educate the local community on the need to get medical help when challenged with various mental health conditions. Moreover, the Company operates 5 water filtration plants through its partner "The Water Foundation", which plays a crucial role in preventing the spread of waterborne diseases within the community.

water

Water is a critical resource for Engro's business operations, particularly in manufacturing and industrial processes. The non-availability of water can significantly disrupt plant operations, leading to financial and operational risks. Given that Pakistan is a water-stressed country, Engro must make substantial investments to ensure sustainable water management by balancing freshwater utilization, recycling, and reuse. Additionally, responsible water discharge is essential to mitigate environmental and social risks, prevent regulatory penalties, and uphold Engro's sustainability commitments. Efficient and robust water management remains crucial for business continuity.

Engro's water withdrawal, particularly from water-stressed areas where most of its sites are located, impacts local water availability for surrounding communities. If not managed properly, water discharge containing contaminants can harm ecosystems, wildlife, and human health. To mitigate these risks, Engro continues to invest in advanced water management systems, ensuring responsible consumption and discharge practices. These efforts contribute to reducing environmental impact while promoting long-term water sustainability.

At EPCL, our unwavering commitment to sustainable water and energy management drives our efforts to optimize resource utilization and minimize environmental impact. Highlighted below are key initiatives demonstrating progress in water conservation and energy efficiency:

AWS certification for EPCL

EPCL is actively pursuing the Alliance for Water Stewardship (AWS) Certification as part of an ongoing commitment to water conservation and sustainable resource management within and around the operational footprint. This certification underscores EPCL's dedication to implementing best practices in water stewardship, aligning with international standards to ensure responsible water use and community engagement.

As a significant milestone in this journey, EPCL's Environment Lead completed the AWS Professional Credential Exam with distinction. This accomplishment highlights the team's expertise and positions EPCL as a leader in advancing sustainability goals within the industry.

effluent treatment plants (ETP)

EPCL's commitment to sustainability is reflected in the Company's efforts to reuse treated water, significantly reducing freshwater intake. This initiative not only conserves water resources but also has a notable environmental impact by minimizing the volume of plant effluent. The facility incorporates advanced technologies, including a dual-train Coagulation-Flocculation System (CFS), Activated Carbon Filters (ACF), Ultrafiltration (UF), and Reverse Osmosis (RO), highlighting dedication to efficient resource management and environmental stewardship.

optimization of the cooling water system through chemical treatment

Minimizing water consumption through technological advancements is a cornerstone of our sustainability efforts to reduce freshwater intake. As part of this commitment, we have introduced closed-circulation cooling towers equipped with advanced chemical treatment systems, optimizing the performance of our cooling water systems and significantly reducing freshwater use. Building on this foundation, EPCL aims to implement the NexGen 3D TRASAR technology, which enables precise control and optimization of chemical dosing, reducing chemical consumption while maintaining system performance. In addition, it minimizes water wastage through improved blowdown control, contributing to significant savings in both water and chemicals. These benefits are anticipated to be fully realized by 2025, reflecting our dedication to sustainable resource management and operational excellence.

optimized operation of cooling tower fans

EPCL has introduced a strategic approach to optimize the operation of cooling tower fans, adjusting their performance in response to changing ambient conditions and heat load. This tailored solution has led to considerable water savings.

water tap retrofitting

EPCL implemented a strategic initiative to reduce potable water consumption by retrofitting water taps, which led to a significant 70% reduction in water usage while maintaining full functionality. This initiative translates to a notable annual saving of 1 million liters of water, reflecting the Company's commitment to resource conservation.

enhancement of wastewater treatment unit

The ongoing refurbishment and enhancement of the wastewater treatment unit aims to elevate the quality of treated wastewater, transforming it into a reusable resource within our industrial operations. In line with the "Zero Liquid Discharge" strategy, this initiative focuses on ensuring the thorough treatment of wastewater to maximize its potential for reuse and recycling. By targeting specific wastewater streams with qualities matching the feed requirements of the effluent treatment plant, the Company is enabling timely rehabilitation while working toward a comprehensive upgrade of the treatment unit.

Water Management - Mega Liters						
	Water Withdrawn		Water Consumed		Water Discharge	
Group Company	2024	2023	2024	2023	2024	2023
EPCL	5,123	5,168	4,268	4,262	855	906

utilization of materials

The availability of high-quality materials is essential for Engro's continuous and efficient production. To ensure operational stability and cost-effectiveness, Engro invests in robust procurement systems and resource optimization strategies. Efforts to enhance efficiency in material procurement, explore alternatives, and improve resource utilization remain a key focus. Given its critical role in business operations, the likelihood of Engro continuing to prioritize material availability and efficiency remains high.

Efficient resource utilization, including materials like gas and water, helps minimize the Company's environmental footprint. By optimizing resource efficiency and reducing waste, Engro contributes to sustainable industrial practices. Additionally, procuring materials locally supports economic development, fostering job creation and strengthening supply chains within the communities where Engro operates.

energy

Ensuring a stable and reliable energy supply is critical for business continuity and efficient plant operations. Energy intensity serves as a key metric for assessing operational efficiency, and any inefficiencies can lead to increased costs, affecting the bottom line. Inefficient energy use not only raises operational expenses but also results in higher emissions and excessive consumption of natural resources.

Total Energy Consumption (GJ)		
Group Company	2024	2023
EPCL	6,109,981	6,451,776

Below, we highlight some of the key initiatives and achievements that demonstrate our progress in sustainable energy management.

cooling tower pump load optimization

In pursuit of operational excellence and sustainable practices, EPCL has successfully implemented a machinery load optimization initiative. This strategic effort focused on determining the optimal number of pumps required to operate the cooling tower, resulting in substantial electricity savings which include:

- **Cooling Tower-3:** During the September outage, we successfully transitioned to a one-pump operation, saving by 500 kWh over 20 days, without compromising process parameters.

- **PVC-2 Cooling Water Pumps:** We further optimized our system by shutting down pumps for 20 days and switching exchangers to dry layup. This measure saved 600 kWh of power, while ensuring the continuity of operations.

gas turbine and HRSG optimization
By running one gas turbine and one Heat Recovery Steam Generator (HRSG) and shutting down package boilers for 20 days, we were able to optimize the heat rate, resulting in an improvement of 660 BTU/kWh.

steam trap leakages rectification
An essential part of our energy-saving strategy was the identification and rectification of steam trap leakages. In Q1, we successfully repaired 47 steam traps (representing 19% of the total 205 traps in operation). As a result, we reduced steam losses by 0.8 tons per hour, leading to notable energy savings across our operations.

HRSG and tornado thermal insulation rectification
To further reduce energy losses, we focused on improving the thermal insulation systems of the Heat Recovery Steam Generator (HRSG) and Tornado gas turbines. Key actions included:

- Rectification of HRSG Insulation Liners and Plates These upgrades improved insulation properties, significantly reducing heat loss.
- Sealing Plate Repairs We enhanced the sealing efficiency of HRSG bypass dampers, further optimizing our systems for energy savings.

zero-gap electrolyzer upgrade
As part of EPCL's continued efforts to enhance energy efficiency, the Electrolyzer system was upgraded to Zero Gap technology. Four out of six cells were upgraded, resulting in a combined power saving of 2.4 MW. This upgrade plays a crucial role in reducing overall energy consumption.

These enhancements led to notable reductions in natural gas consumption, contributing both to cost reductions and a smaller environmental footprint. EPCL's sustainability initiatives demonstrate commitment to creating value not only for business but also for the environment and society.

emissions

By optimizing energy use and investing in high-efficiency systems, Engro contributes to reducing overall emissions and conserving natural resources. Sustainable energy management helps mitigate environmental impact while supporting long-term energy security for the business and the broader community. Through responsible energy consumption, Engro plays a role in fostering sustainable industrial growth.

Emissions, including greenhouse gases (GHGs) and air pollutants, have a negative impact on the environment. As a responsible business, Engro remains committed to reducing its environmental footprint through investments in energy efficiency and emission reduction initiatives.

Metric tonnes of carbon dioxide equivalent (tCO2e) GHG Protocol Scope 1 and Scope 2 emissions.

GHG Emissions - TCO $_2$e								
Group Company	2024				2023			
	Scope 1	Scope 2	Total	Other Emissions	Scope 1	Scope 2	Total	Other Emissions
EPCL	307,721	90	307,811	-	324,557	124	324,681	-

The above table outlines Scope 1 and Scope 2 greenhouse gas (GHG) emission calculations, specifically capturing three key GHGs: carbon dioxide (CO2), methane (CH4), and nitrous oxide (N2O). These are among the seven GHGs identified under international standards, which also include sulfur hexafluoride (SF6), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), and nitrogen trifluoride (NF3).

The primary source of emissions accounted for in these calculations is the usage of natural gas for power generation. However, fugitive emissions have not been included in the current scope of calculations. The data presented is based on our existing data collection systems and methodologies.

waste

Excess waste generation results in inefficient resource utilization and increased costs. Additionally, waste presents potential opportunities for repurposing by-products into new products or alternative uses, which can enhance efficiency and sustainability. For waste that cannot be repurposed, Engro invests in waste management systems to ensure safe and responsible disposal.

Effective waste management is a critical focus area due to its environmental and societal impacts. Poor disposal practices can harm ecosystems, contribute to pollution, and pose risks to human health. Recognizing these challenges, Engro continues to invest in waste reduction initiatives and sustainable waste management solutions to mitigate its environmental footprint.

The Company's waste management practices exceed provincial and national legal requirements, aligning with global best practices. Hazardous waste is collected, securely stored in a designated hazardous waste yard, and then disposed of by SEPA-approved vendors, adhering to environmentally sound disposal methods. Similarly, non-hazardous waste is carefully segregated and disposed of according to waste type, fully complying with local regulations and industry benchmarks for best-in-class practices.

Total Waste (T)		
Group Company	**2024**	**2023**
EPCL	6,496	5,861

Hazardous Waste (T)		
Group Company	**2024**	**2023**
EPCL	5,399	5,210

Non - Hazardous Waste (T)		
Group Company	**2024**	**2023**
EPCL	1,097	651

financial risks and opportunities due to climate change

EPCL is cognizant of the fact that climate change presents physical and financial risks and opportunities to its operations, profitability, future growth and overall enterprise value.

To better capture these, we have conducted a preliminary assessment of climate-related risks and opportunities and classified them as physical or transition risks, guided by the TCFD framework. This exercise is cross cutting across businesses and is aimed at providing insights to broaden our understanding of climate-related risks and opportunities and prepare strategies and action plans to be put in place. Given the exercise is at a nascent stage, the financial implications of the risk or opportunity or the costs of taking these actions are not available but will be worked on in the future.

We are mindful of the growing importance of reporting climate-related disclosures through credible frameworks such as the IFRS standards and will align our climate-related reporting in due course.

ISO certifications

ISO certifications acquired by EPCL are:

- ISO 9001 – Quality Management System
- ISO 14001 – Environmental Management System
- ISO 45001 – Occupational Health and Safety

corporate governance

board of directors

board of directors

Ahsan Zafar Syed
Chairman

Ahsan Zafar Syed is the 5th President and CEO of Engro Corporation and the 7th Chief of Engro since the exit of Exxon. Today, Engro is one of Pakistan's largest conglomerates, with a business portfolio spanning across four verticals including petrochemicals, energy, telecommunication infrastructure and food & agriculture, and a steadfast commitment to helping solve some of the country's most pressing issues.

Ahsan began his journey with Engro in 1991 as a young engineer, accumulating three decades of experience in operations, project management, and strategic leadership across the petrochemical, energy, and food & agriculture sectors. He is regarded as a mettle of Engro and has achieved significant milestones for the Company; he was the driving force behind the $1.1 billion fertilizer expansion project and played a pivotal role in executing the $2 billion Thar dream, aimed at indigenizing energy for Pakistan. Ahsan's journey is synonymous with Engro's enduring legacy and is a testament to Engro's robust organizational prowess, serving as a source of inspiration for aspiring young graduates in the wider industry.

Before his appointment as President and CEO of Engro Corporation, Ahsan led Engro's flagship fertilizer business. Under his leadership, Engro Fertilizers became the most valuable fertilizer company on the Pakistan Stock Exchange. The increase in valuation is attributable to portfolio optimization where the Company divested low return noncore businesses, improved market positioning of Engro urea, scaled up specialty fertilizers, enhanced digital presence to better serve the farmers, and completed one of the largest turnaround activities at the Plant site focused on driving efficiencies and debottlenecking urea capacity. In his earlier role in the Company, Ahsan led the construction of the $1.1 billion Enven Plant, a milestone achievement for Engro and one of the largest projects completed in Pakistan.

During his tenure as CEO of the Energy vertical, Ahsan played a pivotal role in realizing Pakistan's Thar dream by unearthing indigenous coal and operationalizing a 660MW power plant at mine mouth. This project has been instrumental for Pakistan's energy security, achieving import substitution of $1.5 billion till date and providing electricity to 9 million people annually.

In recognition of his engineering contributions to Pakistan, Ahsan was awarded the prestigious "National Engineering Excellence Award" by the Institution of Engineers Pakistan in 2024. He has also rendered his honorary services to Engineering Development Board, entity under Ministry of Industries & Production, Pakistan, entrusted to strengthen engineering base in the Country.

Ahsan is an alumnus of NED Karachi and Manhattan College New York, USA. Additionally, he has attended advanced management program at INSEAD in France.

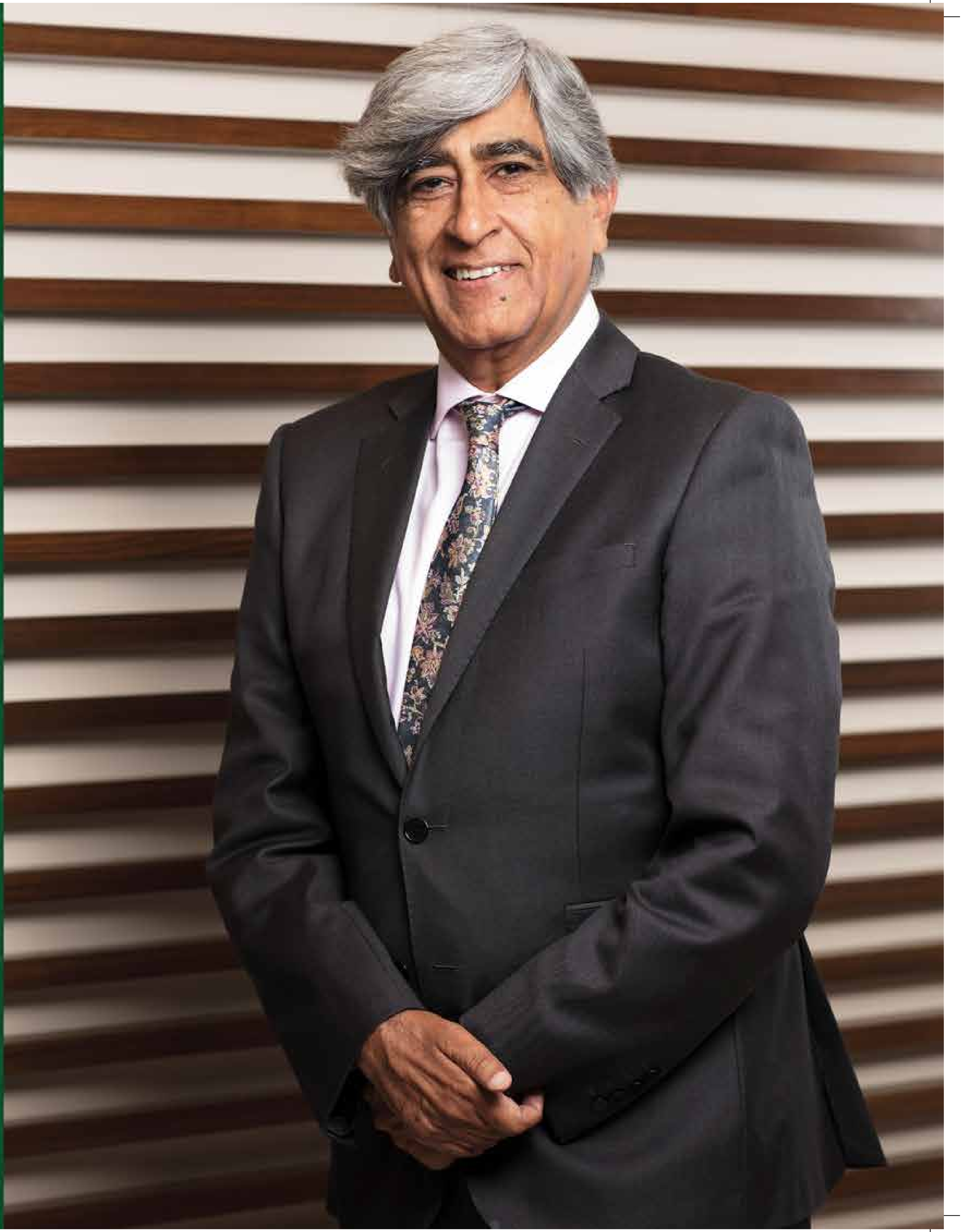
board of directors

Kamran Nishat
Independent Director

Mr. Kamran Nishat is a fellow member of ICAP (Institute of Chartered Accountants of Pakistan) and a Chartered Accountant by profession. With over 40 years of professional experience, he serves as the Managing Director & Chief Executive Officer (CEO) of Muller & Phipps Pakistan (Private) Limited. Additionally, he holds the position of CEO at associated companies of Muller & Phipps Pakistan (Private) Limited, including M&P Express Logistic (Private) Limited, Tech Sirat Technologies (Private) Limited, Logex (Private) Limited, Tech Sirat (Private) Limited, Veribest Brands Pakistan (Private) Limited. Furthermore, Mr. Nishat is a member of the boards of AGP Limited, Briogene (Private) Limited, OBS AGP (Private) Limited, Muller & Phipps (Singapore) PTE. LTD and Hugo Bank Limited.

He has actively contributed to the professional community, serving as a Member of the Accounting and Auditing Standards Committee (South) of ICAP, the Information Technology Committee (South) of ICAP, the Management Association of Pakistan, and the Executive Committee of the American Business Council (ABC). He has also held the position of President at ABC. He is serving his contributions at the National Skills University Islamabad as a member of the Advisory Council. He is on The Board of Trustees of Developments in Literacy (DIL).

Throughout his career, Mr. Nishat has held various key positions, including Senior Manager at Sidat Hyder Morshed Associates (Private) Limited, Group Financial Controller at MIMA Group, General Manager Corporate Affairs at Dawood Hercules Chemicals Limited, Deputy Managing Director at Central Cotton Mills Limited, and Manager Finance at Al-Ghazi Tractors.



board of directors

Tariq Nisar
Non Executive Director

Mian Tariq Nisar, a prominent figure in Pakistan's business landscape, brings over four decades of unmatched experience and expertise to his roles as a Chief Executive Officer and Director. His distinguished career spans multiple industries, including manufacturing, petrochemicals, and spinning, leaving a lasting impact on each sector.

Currently, he serves as the Chief Executive Officer of Nimir Chemicals Pakistan Limited, a leading name in the chemical sector. He also holds key directorships in Nisar Synthetic Ltd, Nisar Spinning Mills (Pvt) Limited, and Pakistan Vinyl Industries, demonstrating his far-reaching influence in the business domain. With a BSc degree and an innate leadership acumen, Mian Tariq Nisar has excelled in diverse areas, including Operations, Business Development, Sales, Customer Service, and Supply Chain Management.

Mian Tariq Nisar is renowned for his leadership ethos, which emphasizes teamwork, trust-building, and aligning organizational values with employee aspirations. His dedication and exceptional contributions to the business world have earned him multiple accolades, including the prestigious "Businessman of the Year Gold Medal" in 2005, 2006, and 2011. In 2014, he was recognized as Pakistan's top taxpayer, underscoring his commitment to national progress.

Beyond his professional achievements, Mian Tariq Nisar is deeply committed to philanthropy. As the Chairman of Life Care Hospital, Lahore, he actively supports societal welfare initiatives, embodying his passion for giving back to the community.

His extensive contributions to industries such as Textile Spinning, Artificial and Synthetic Leather, Plastics, and Chemicals highlight his unwavering dedication to fostering industrial growth and economic stability in Pakistan.

Mian Tariq Nisar is a paragon of leadership, integrity, and excellence, making significant strides toward shaping Pakistan's business landscape and societal development.

board of directors

Ayesha Aziz
Independent Director

Ms. Ayesha Aziz has 30 years of financial sector experience in leadership positions. Her area of expertise is strategy and financial engineering, and her functional roles have been in Investment Banking, Treasury, Credit, and Planning. As the founding Managing Director of Pak Brunei Investment Company, Ms. Aziz helped position it as a leading development finance institution with a focus on project finance, SMEs and distressed asset financing.

Over the course of her career, she oversaw the establishment of two new DFIs as well as Non-Banking Finance Companies for Microfinance, Asset Management, Islamic Finance, and Leasing.

Apart from Engro Polymer and Chemicals Ltd, Ms. Aziz serves on the Board of Haleon Pakistan (formerly GSK Consumer Healthcare), Exim Bank of Pakistan, KSB Pumps Company Ltd., Alfalah Asset Management Ltd. and a Not-for-Profit Trust Empowering Communities for Change, which uplifts lives through education, and women's health & hygiene.

Ms. Aziz is also a director on the board of Privatisation Commission of Pakistan and is the Managing Partner in White Clover Consulting, a platform for sustainability and financial advisory services. She is a qualified Chartered Financial Analyst who completed her MBA from the Institute of Business Administration in 1991.

board of directors

Syed Shahzad Nabi
Non Executive Director

Syed Shahzad Nabi is currently serving as the Advisor to the CEO on Technical Matters for all assets, at Engro Corporation Ltd.

Shahzad is a Mechanical Engineer with over +33 years of corporate experience in functions of Plant Management, Maintenance, Human Resource, Projects, Technical Services, Administration, Industrial Relations, Planning & Contract Management, Warehouse & Inventory Management, his forte being Machinery Diagnostics & system development for capacity building of resources.

He has diverse hands-on experience in Fertilizers, Polymers, Power industry, HR & acted as a change agent in bringing transformation all across conglomerate. With his passion for institutionalized skill development, he founded the Transitional Training Model (TTM), the flag ship training program of Engro. In addition, he also revamped process safety regimes & audit regimes (hold-point concepts).

He has also worked on international assignments including Project's due diligence, reliability audits and has represented Engro in various international conferences and symposiums.

board of directors

Nazoor Ali Baig
Independent Director

Mr. Baig is a retiree from Detroit Edison Company a subsidiary of DTE Energy Company, where he managed power generation division. He returned to Pakistan to assist HUBCo, in development and implementation of Coal Power Projects. He is an Electrical Engineer by profession and has worked in the industry for over 45 years.

His experience includes working in Operations, Maintenance, Engineering, Project Development/Management, Business Management, Large Systems Change Management, Implementation of ERP system, etc. He has served on various boards as director including EPCL board since 2020.

board of directors

Masaaki Yokoyama
Non Executive Director

Masaaki Yokoyama works for Mitsubishi Corporation and has over 30 years of trading and investment experience in chemicals business, primarily in olefins and aromatics petrochemicals. He has worked in Malaysia and Canada on investment ventures and was based in the U.S. for trading assignment.

He has a Bachelor of Science Degree in Applied Mathematics Operations Research and Economics from Carnegie Mellon University located in Pittsburgh, Pennsylvania.

He is serving EPCL Board since May 2024.

board of directors

Abdul Qayoom Shaikh
Chief Executive Officer

Mr. Abdul Qayoom Shaikh is a seasoned business professional with over two decades of experience in technical, commercial, and business development domains. He began his career as a graduate trainee engineer at Engro Polymer & Chemicals in 2000. Rising through the ranks, he served in strategic roles, including Head of Technical, Operations, and Chief Commercial Officer.

He has also served as Vice Chairman of the Pakistan Chemical Manufacturers Association (PCMA) and has been a member of the Asian Pacific Vinyl Network. He has a strong global and local network spanning across technology licensors, engineering houses, PVC manufacturers, capital providers, and regulators.

Given his techno-commercial credentials in the petrochemical vertical, he was transferred to Engro Corp in 2019 to lead the feasibility study of a multi-billion-dollar, world-scale polypropylene facility in Pakistan. His precision in crafting a detailed business case and offering objective recommendations proved instrumental for Engro. As the VP of Special Projects, he explored several internationalization opportunities for Engro.

Mr. Abdul Qayoom Shaikh graduated from Dawood University of Engineering & Technology (DUET), completing his Bachelor's in Chemical Engineering. He also attended the High Potential Leadership Program at Harvard University in 2015.

Mr. Abdul Qayoom Shaikh serves as a Director on the boards of Engro Polymer & Chemicals Limited, Engro Peroxide (Pvt.) Limited, Engro Plasticizer (Pvt.) Limited, and Think PVC (Pvt.) Limited.

management committee

management committee

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Rabia Wafah Khan

Chief Financial Officer

Rabia Wafah Khan has over 20 years of corporate experience in a career spanning Finance, Business Development and Human Resources roles in different verticals including Chemicals, Fertilizers and Energy.

During her time in the Fertilizer vertical, she worked with key banking partners on product structuring initiatives including dealer credit financing, agri finance and other initiatives to increase financial outreach down the value chain, as well as business development efforts to grow the Fertilizer Calvin. As part of the Energy vertical, she worked with NEPRA, CPPA-G and other ministries on tariff trueup for the Thar project and PPA renegotiations.

Currently serving as CFO of Engro Polymer & Chemicals, Rabia has stewarded EPCL's long-term strategy project, which envisages future milestones for the Company, and has led strategic cost management initiatives leveraging investments made in 1-SAP and Digitization efforts.

After completing her Bachelor's in Computer Science from IBA, Rabia pursued her MBA in Finance & Management Information Systems from the same institute. Along with her degree in Investments & Securities from Golden Gate University, Rabia is also a CFA Charterholder.

management committee

Adeel Qamar

Vice President Projects

Adeel Qamar currently holds the position of VP Projects at EPCL. Adeel embarked on his journey with Engro in 2003 as a Graduate Trainee Engineer at Engro Fertilizers, where he has consistently demonstrated unwavering dedication, expertise, and exemplary leadership throughout his remarkable career. Adeel's extensive experience of more than two decades encompasses senior roles in plant maintenance, project management, business development, and supply chain management.

His last position at EPCL was of VP HR, and he played a pivotal role in the implementation of Strategic workforce plan as well as DE & I strategy for Polymers as well as the launch of technical competency framework. As General Manager of Maintenance at Engro Fertilizers, Adeel led his team through major plant turnarounds, navigating challenges posed by the COVID-19 pandemic while achieving remarkable milestones such as a speckless ZERO TRIR and record-high urea production in 2020. He played a pivotal role during the EnVen Project by successfully leading the Owner's Scope Engineering & Procurement and was awarded the Manufacturing Excellence Award for his outstanding contributions.

With a solid technical background in DuPont safety and health management systems, project management practices, and ASME codes, Adeel consistently delivers exceptional results. Adeel holds a Bachelor's in Mechanical Engineering from GIK Institute which he received with the Faculty Gold Medal for academic excellence.

Beenish Kajani

Head of HR & Corporate Communications

Beenish Kajani is the Head of HR and Corporate Communications at Engro Polymer & Chemicals (EPCL). With over 14 years of experience in HR and Sales, she specializes in Business Partnering, Talent Management, and Organizational Development.

Before joining EPCL, Beenish served as General Manager HR Business Partnering at Engro Fertilizers, where she led the reorganization of the HR Business Partnering function and Marketing Division, and championed gender diversity initiatives to significantly increase women’s workforce participation.

Previously, she held key leadership roles at Foodpanda, British American Tobacco, Shell Pakistan, Mondelez Pakistan, and Lucky Core Industries (formerly ICI Pakistan), focusing on talent transformation, HR strategy, and business growth.

Beenish is passionate about giving back to the community. She volunteers for various AKDN initiatives and also mentors students through guest speaker sessions at the Bay View College and the Karachi School of Business and Leadership.

Beenish holds a Bachelor's in Marketing and an MBA in Human Resources from the Institute of Business Management.

management committee

Mahmood Siddiqui
Vice President Manufacturing

Mahmood Siddiqui started his career with Engro Chemicals Pakistan Limited as a Graduate Trainee Engineer and is currently leading Engro Polymer & Chemicals' Manufacturing Division as the Vice President.

With more than 28 years of operations, commissioning, health & safety and business development experience, he has immensely contributed in building the backbone of Engro's health & safety systems of all the subsidiaries, manufacturing operations of Engro Polymer and Engro Fertilizers, new projects at fertilizers, energy, digital and foods segments of Engro. In his current role, he has also been instrumental in enabling gender diversity, digitization, and operational technology advancements at Engro Polymer, strengthening the site's future readiness and innovation capabilities.

Apart from leading business departments, Mahmood has also led Engro's key community programs, including the Sahara Welfare Society, schools in Kacha, the Community Emergency Response Program, and Engro Model School. Mahmood is a Chemical Engineer from the University of the Punjab.

Muhammad Idrees
Chief Commercial Officer

Muhammad Idrees is currently working as the Chief Commercial Officer at Engro Polymer & chemicals Limited. Prior to this he was leading the Business Development department at Engro Energy Limited where he was responsible for scoping and developing new business opportunities for the energy vertical ranging from investments in renewables to cultivating opportunities in allied industries.

Idrees joined the Engro group in 2003 in the fertilizers business where he served in multiple roles gaining rich experience in project management, business development, human resources, and engineering amongst other departments. He has also worked as General Manager Construction projects at the mega-scale open-pit mining project of Sindh Engro Coal Mining Company (SECMC) where he was responsible for providing cost and governance oversight for the USD 845 million mine project.

During his tenure at SECMC, Idrees was also instrumental in developing various ancillary projects that were critical to the success of the Thar coal project such as the construction of the water resource management plan; construction of the resettlement village at New Senhri Dars in Thar (Sindh); development of the school and hospital network in Thar and other such key development initiatives.

Idrees also serves on the Steering Committee of the United Kingdom's most prestigious conference – Nitrogen & Syngas of CRU and the Industry Advisory Board at Lahore University of Management Sciences (LUMS). He is also a published author in 11 international publications. In his free time, he likes to remain physically active and is a fitness enthusiast who likes to run and cycle.

management committee

Najam Saeed

Head of Digital Transformation

Najam Saeed spearheads the Digital Transformation at Engro Polymer & Chemicals Limited, bringing with him over 24 years of corporate experience. His multifaceted background encompasses pivotal roles across Operations, HSE, Maintenance, Project Management, Supply Chain, Instrument & Electrical, Business Development, and Digital Transformation domains.

Previously, Mr. Najam held prominent positions such as Director Commercial operations & strategic partnerships at Engro Digital (EmpiricAI), General Manager Business Development at Engro Corporation Limited and General Manager overseeing Instrument and Electrical functions at Engro Polymer and Chemicals Limited. He has also made significant contributions to Engro Fertilizer, serving in diverse capacities including Material Management.

Najam Saeed is an alumnus of NED University of Engineering and Technology, holding a bachelor's degree in electrical engineering. He brings forth specialized knowledge in Design Thinking and Six Sigma methodologies, enriching his approach towards driving organizational excellence and innovation.

Arif Jalil

Vice President Operations

Arif joined Engro Fertilizers in 2003. Throughout his tenure, he took on various roles and diverse assignments across Engro affiliates, including Fertilizers, Polymer, Central Technical Division, Qadirpur and Thar power plants. He remained part of some notable projects such as the world-scale fertilizer expansion, Qadirpur power plant, Thar power plant major equipment acceptance testing and pre-commissioning audits, and engineering review of the Brunei Fertilizers project.

At Engro Fertilizers and Engro Polymer, Arif actively contributed to the development of Long-Term Reliability investment plan, aimed at enhancing reliability, addressing obsolescence, and ensuring business continuity. In his role at Engro Central Technical Division, he spearheaded Operational Technology Cyber Security framework and Equity Engineering practices initiatives. He also collaborated with McKinsey & Central Procurement Function in the development of capital expenditure review guidelines for the group. As the Administration Head at Daharki plant, he successfully concluded six labour agreements and significantly enhanced community facilities and quality of life.

Arif holds a bachelor's degree in electrical engineering from NED University of Engineering and Technology. He is a proud recipient of two manufacturing excellence awards and a prestigious President award.

principal board committees

board audit and risk committee

The Board Audit & Risk Committee meets at minimum once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of Internal Control, Risk Management, and the Audit Processes. The BARC has the power to call for information from the Management and to consult directly with external auditors or their advisors, as considered appropriate. The BARC meetings are regularly attended by the Head of Internal Audit and the Chief Financial officer (by invitation) to discuss matters relating to financial statements and audits. The Committee also meets with the external auditors independently.

The Members of the Committee are as follows:

Mr. Kamran Nishat
Chairperson & Independent Director

Mr. Nazoor Ali Baig
Independent Director

Mr. Masaaki Yokoyama
Non-Executive Director

Mr. Kalimuddin A. Khan
Secretary

board people committee

The Board People Committee meets to review and recommend all elements of the compensation system, as well as, the organization and employee development policies relating to Senior Executives, including Members of the Management Committee. It reviews the key human resource initiatives and the organisational structure of the Company.

The Members of the Committee are as follows:

Ms. Ayesha Aziz
Chairperson & Independent Director

Mr. Nazoor Ali Baig
Independent Director

Mr. Tariq Nisar
Non-Executive Director

Ms. Beenish Kajani
Secretary

management committee

Abdul Qayoom Shaikh
Chairperson

Mahmood Siddiqui
Member

Rabia Wafah Khan
Member

Muhammad Idrees
Member

Adeel Qamar
Member

Beenish Kajani
Member

Arif Jalil
Member

Najam Saeed
Secretary

govt. relations and regulatory affairs

Abdul Qayoom Shaikh
Chairperson

Syed Zaheer Mehdi
Member

Mahmood Siddiqui
Member

Rabia Wafah Khan
Member

Muhammad Idrees
Member

Col Syed Ali Majid Shah
Member

Mubeen Ahmed
Secretary

project steering committee

Abdul Qayoom Shaikh
Chairperson

Mahmood Siddiqui
Member

Rabia Wafah Khan
Member

Arif Jalil
Member

Adeel Qamar
Member

Muhammad Hasan Bashir
Secretary

corporate HSE committee & sustainability

Abdul Qayoom Shaikh
Chairperson

Mahmood Siddiqui
Member

Rabia Wafah Khan
Member

Muhammad Idrees
Member

Adeel Qamar
Member

Arif Jalil
Member

Rizwan Ahmed Taqi
Secretary

workplace harassment committee

Rabia Wafah Khan
Chairperson

Arif Jalil
Member

Shanze Afreen
Member & Secretary

contracts review committee (above Rs. 10 million)

Rabia Wafah Khan
Chairperson

Aamir Aslam
Member

Qamar Jaleel
Member

Khawaja Haider Abbas
Member

Col. Syed Ali Majid Shah
Member

Waqar Zia
Secretary

human resource management committee

Abdul Qayoom Shaikh
Chairperson

Mahmood Siddiqui
Member

Rabia Wafah Khan
Member

Muhammad Idrees
Member

Adeel Qamar
Member

Beenish Kajani
Member

Amash Sajid
Secretary

chairman's review

On behalf of the Board of Directors, I am pleased to present the Annual Report of Engro Polymer & Chemicals (EPCL/the Company), highlighting the Company's performance for the year ended 2024.

The global PVC industry faced a challenging landscape in 2024, driven by economic and geopolitical uncertainties. Demand remained subdued amid an over supply situation globally, particularly as sluggish recovery in China added further pressure on global prices. Domestically, Pakistan's PVC market showed encouraging signs of recovery, supported by stabilizing economic conditions. However, volatility in international prices created headwinds.

In 2024, the domestic economy showed signs of recovery, growing by 2.5% after a contraction the previous year. Inflation, which remained high at the start of the year, steadily declined to single digits by August, driven by strict fiscal and monetary policies. This stability enabled the State Bank to gradually lower policy rates from 22% in January to 13% by December.

Despite higher domestic sales volumes of PVC and Caustic, the Company's revenue declined by 7% compared to 2023, primarily due to a drop in average PVC prices amid global economic and geopolitical headwinds. The caustic soda segment also faced margin pressures from rising energy costs, though demand remained resilient, supported by a recovering export-oriented textile sector.

To sustain market confidence, the Company ensured consistent product availability and implemented strategic initiatives. With Pakistan's per capita PVC consumption still lagging behind regional peers, significant growth potential remains. As economic stability improves, a revival in the construction sector is expected to further drive demand. Additionally, the industry continues to evolve, with PVC-based solutions expanding beyond traditional applications, offering new opportunities for growth.

This year, we were honoured with the Employer Federation of Pakistan Women Empowerment & Gender Equality Recognition Award in the prestigious Diamond category. Organized by the Employer Federation of Pakistan in collaboration with the International Labor Organization (ILO) and UNICEF, this award underscores our unwavering commitment to excellence in Diversity, Equity, and Inclusion (DEI).

EPCL's commitment to sustainability has delivered both CSR and financial benefits through key efficiency initiatives. Projects such as the optimization of Inlet Guide Vanes (IGVs), the Zero-Gap project and the installation of Advanced Process Controls (APC) have contributed to energy savings and operational efficiency. These initiatives have resulted in cost savings for the Company and strengthened our commitment to sustainable operations.

The Company contributed to foreign exchange savings through $81 million in import substitution and $13 million in exports, reinforcing its commitment to strengthening the local economy.

Amidst these dynamics, a key milestone was achieved with the successful commencement of commercial operations at Engro Peroxide (Private) Limited, a wholly owned subsidiary of EPCL. This strategic expansion into the hydrogen peroxide market underscores the Company's focus on diversification, operational excellence, and long-term value creation.

Despite the challenges faced, the Company remains steadfast in its commitment to resilience, innovation, and sustainable growth. Moving forward, a disciplined approach to operations, financial prudence, and strategic investments will continue to guide its progress in an evolving market landscape.

I extend my sincere appreciation to the Board of Directors and its committees for their invaluable guidance and support. My heartfelt thanks also go to our investors, employees, and loyal customers whose continued trust plays a vital role in our journey. This collective commitment will remain the cornerstone of our sustained growth and success.

Ahsan Zafar Syed
Chairman

ceo’s review

2024 was a year of extraordinary challenges, met with equal resilience and determination. In the face of unprecedented global and domestic challenges, Engro Polymer & Chemicals Limited (EPCL/the “Company”) not only weathered the storm but emerged stronger, more agile and future ready. Our teams continue to uphold the highest safety standards, reinforcing our commitment to protecting our people, ensuring operational continuity, and driving long-term sustainability.

The global PVC market experienced considerable headwinds, driven by economic uncertainty and geopolitical instability. Demand remained subdued amidst an oversupply situation, particularly in China, where sluggish demand recovery further intensified pressure on global prices. Domestically, however, Pakistan’s PVC market showed encouraging signs of recovery, growing by 8%, supported by stabilizing macroeconomic conditions. The Company secured an 84% market share by ensuring product availability and introducing targeted incentives to bolster market confidence. With Pakistan’s per capita PVC consumption still lagging behind regional counterparts, there remains substantial room for market expansion. As the economy is projected to grow by 3% in 2025, supported by monetary adjustments and strengthening economic indicators, the construction sector is expected to gradually recover, further driving PVC demand.

The industry is also witnessing diversification, with an expanding range of finished products such as PVC flooring, roofing, window profiles, and garden furniture. This evolution, coupled with improving macroeconomic trends, underpins a positive long-term demand outlook.

Throughout the year, ethylene prices fluctuated due to volatility in oil and energy costs, peaking in March before stabilizing in the latter half as supply conditions improved. To mitigate these challenges, the Company implemented cost optimization measures, strategic raw material sourcing, and efficiency-driven initiatives.

In Pakistan, caustic soda demand remains closely linked to the textile industry’s performance. While energy price hikes exerted pressure on margins, overall demand improved, particularly within the export-oriented textile sector. Given its strong correlation with GDP growth, caustic demand is projected to increase by 3% annually over the next three years. However, the Chlor-Alkali industry will continue to face challenges related to reliable gas supply and energy affordability.

A key milestone was the successful commissioning of our Hydrogen Peroxide project in February 2025. While the project faced unprecedented external challenges and delays, the Company remained steadfast in its commitment to ensuring its completion. This achievement underscores our strategic focus on growth, product diversification, and operational excellence. With this plant coming online, we are well-positioned to meet domestic demand more effectively, reduce imports, and drive long-term value creation.

In line with our commitment to national economic growth, the Company generated foreign exchange savings through $81 million in import substitution and $13 million in exports.

Our digital transformation continues to drive efficiency, reliability, and sustainable growth. Through AI, automation, and data-driven solutions, we have enhanced plant performance with Adaptive Advanced Process Control, optimized operations with Digital Twin technology, and strengthened asset management with 3D intelligent modeling. Additionally, AI-powered thermal cameras are improving emergency response, drone-based inspections are enhancing monitoring efficiency while minimizing human exposure, and AI-driven process safety systems are mitigating operational risks. These advancements reflect our dedication to innovation while driving operational excellence.

Further reinforcing its financial position, the Company secured a Rs. 2,000 million Musharaka agreement with Dubai Islamic Bank Pakistan Limited and an additional Rs. 6,000 million Musharaka agreement with Meezan Bank Limited.

This year, we were recognized in eight categories at the GDEIB Awards 2024, along with the Employer Federation of Pakistan Women Empowerment & Gender Equality Recognition Award 2024 in the prestigious Diamond category. Reflecting on our progress in fostering an inclusive workplace, our diversity ratio grew to 13%.

Safety remains a top priority, and in 2024, the Company achieved a record-breaking milestone of over 43 million safe manhours while successfully executing major projects, including HPO and HTDC. This remarkable achievement reflects our team’s relentless dedication to maintaining a rigorous safety culture.

The Company remains committed to sustainability, continuously working to reduce its carbon footprint through site improvements and large-scale tree plantation initiatives. Water conservation remains a key focus, with ongoing projects aimed at minimizing freshwater consumption. Our collaboration with KSBL through the Circular Plastics Institute is advancing plastic waste recycling in Pakistan, reinforcing our vision for a circular economy.

Our strong business performance and growth outlook have enabled the Company to retain its AA long-term credit rating and A1+ short-term rating from PACRA, with a ‘Stable’ outlook—further affirming our financial strength and resilience.

As we move into 2025, we remain committed to fostering economic growth and delivering long-term value for our shareholders. Our priorities include advancing sustainability, ensuring the long-term reliability of our operations, and leveraging technological innovations—all while maintaining the highest standards of ethics and safety. By fostering a culture of trust, humility, and accountability, we empower our people to rise above challenges and drive meaningful change.

We deeply appreciate the trust and support of our stakeholders—shareholders, customers, employees, suppliers, lenders, technology partners, business associates, regulatory authorities, and the Government. Their continued confidence has been instrumental to the Company’s success. As we build on this strong foundation, we remain committed to further strengthening these partnerships and driving sustained growth in the years ahead.

Abdul Qayoom Shaikh
Chief Executive Officer

key highlights and major achievements

- The Account Response Rate award 2024.
- Employer Federation of Pakistan Women Empowerment & Gender Equality Recognition Award 2024 (EFP WEGER) in the Diamond category, awarded in collaboration with the International Labor Organization (ILO) and UNICEF.
- 8 awards at the GDEIB Awards 2024 for DE&I efforts and gained recognition for sponsoring the 'Directory of Women Leaders for Boards 2024'.
- PSX Top 25 Companies Award 2024.
- 'Best Emerging Technology' award for pioneering 3D Intelligent Modelling at the Pakistan Digital Awards 2024.
- Merit Award at the Best Corporate and Sustainability Report (BCSR) Awards 2023.
- EPCL has been ranked 'Outstanding' for the first time in the NEPRA Annual HSE Rankings 2024, among over 150 licenses.
- EPCL achieved 43 million man hours without lost workday cases in 46 months of operation, with large scale expansion projects, long term reliability, and massive turnarounds.
- Pakistan Credit Rating Agency (PACRA) maintained EPCL's long-term credit rating at AA and its short-term rating at A1+.
- EPCL successfully completed the SEDEX SMETA Audit.
- Over 1,000 tons of PVC resin was transported by rail from Karachi to Lahore, marking EPCL's first rail shipment.
- Out of 100+ esteemed customers, EPCL proudly stands as one of the top two most progressive clients of Aspen.
- Achieved global recognition at Association for Talent Development awards (ATD-USA), IChemE UK, and International Learning Award for Integrated Capability Model (ICM) – End-to-End Talent Development Framework.

history of major achievements

2023
- Highest annual VCM production in 2023 (224 kT).
- 1.8 MW energy conserved post installation of Zero Gap Technology membranes.
- AspenTech go-live – ProMV and digital twin go-live (added benefit of 5 kT production increment in 2024 envisaged).

2024
- 1,000+ tons of PVC resin were transported by rail from Karachi to Lahore, marking EPCL's first rail shipment.
- Achieved mechanical completion of HPO plant in Dec 2024.

2020
- Preference shares issuance of PKR 3 billion. IPO was oversubscribed by 5.4 times

2021
- PVC capacities reached 100 KTA and 50 KTA respectively.
- Hydrogen Peroxide signing and Project kick-off
- Highest-ever profitability

2022
- AA long-term rating and A1+ short-term rating achieved (PACRA)
- Highest-ever PVC sales

2017
- Further debottlenecking increased plant capacity to 195 KT
- Announcement of an extensive expansion plan, including increase of PVC capacity by 100 KT & VCM by 50 KT

2018
- Announcement of Hydrogen Peroxide diversification project
- Rights shares issuance of PKR 5.4 billion

2019
- Commencement of Caustic Flakes plant with a capacity of 20 KT
- Announcement of HTDC efficiency and LABSA diversification projects

2008
- PVC-II plant (50 KT) started up in Q4 2008
- Listed on the Stock Exchange

2010
- Back-integration completed
- Commercial production declared

2014
- Debottlenecking of PVC capacity to 174 KT completed

1997
- Engro Asahi Polymer & Chemicals Limited was established

1999
- PVC-I plant commissioned with 100 KT capacity

2006
- Expansion/backward integration project launched
- Asahi Glass divested its shareholding

UN sustainable development goals

The United Nations' Sustainable Development Goals (SDGs) aim to address critical global challenges. EPCL has incorporated several key targets into its operations to contribute to these objectives. While governments lead the way in setting priorities and executing strategies for SDG achievement, businesses like EPCL also play a vital role in driving progress. Achieving these goals requires a united and cooperative approach. In line with this, EPCL is committed to supporting the SDGs and acknowledges its responsibility in this global effort. The Company recognizes that all SDGs are relevant to its business in some way and is already actively contributing to several of them.

goal 1: no poverty
goal 2: zero hunger

The Company's Expansion, Efficiency, and Diversification projects have created jobs for various labour groups and specialists. EPCL has provided training to develop local skills and expertise. We strive to generate more employment opportunities locally and empower our people while contributing to foreign reserves. With thinkPVC, the first-of-its-kind branded PVC outlet, the Company has successfully supported its downstream industries. Additionally, capacity-building workshops were conducted for window profile fabricators to enhance their technical skills.

goal 3: good healthcare and well-being

The Company, in partnership with SINA Welfare Trust, has established a healthcare facility in the Ghaggar Phattak area by constructing a hospital at a cost of PKR 15.7 million. The clinic provides various services, including consultation, OPD, ultrasound, vaccination, lab testing, and free medication, to the community at no charge as all the expenses are borne by EPCL. Furthermore, the Company has a Community Engagement Team in place to educate the nearby villages about the availability of free healthcare services at the SINA Clinic. Furthermore, medical camps are regularly conducted to encourage check-ups and address health concerns. The medical facility is staffed by three doctors, one family health consultant, and four community health workers.

key highlights from 2024
- 44,000+ patients were treated
- Over 18,500 children were treated at the facility, 43% of the total patient population
- 17,000+ women patients were treated at the facility
- ~120 patients were treated per day

The Company also realized the need for the lack of mental health facilities available in Ghaggar Phattak and its neighbouring communities. Therefore, to address psychological challenges in the community, the Company established a mental health clinic with its execution partner 'Karwan-e-Hayat'. This clinic not only provides free therapy and medicines to the patients but also conducts regular awareness sessions to educate the local community on the need to get medical help when challenged with various mental health conditions.

key highlights from 2024
- 2,900+ patients were treated
- Women amounted to 58% of the patient population
- 70 community awareness sessions were conducted which were attended by over 2,000 residents of Ghaggar Phattak

In addition to safe work practices, special focus is given to occupational health by monitoring acute and chronic impacts of workplace activities and chemicals on employee's health.

OHIH programs mentioned below are in place to ensure that the wellbeing of the employees is ensured through timely hazard identification, risk assessment and then by implementing adequate controls and monitoring regimes.

- Annual Medical check-up of employees
- Cyclic HRA covering health risk assessment of all plant activities
- Periodic Environment and OHIH audits.

We are committed to fostering a culture of continuous learning and integrating HSE management into the daily activities of both employees and contractors. Additionally, we actively promote off-the-job safety awareness, extending the reach of HSE practices to our employees' families. Our comprehensive HSE policies and manuals are introduced during the onboarding process and reinforced through regular training sessions and roadshows.

EPCL lays the utmost importance on the health and safety of its employees. Our HSE program is also embedded in our compliance program to ensure that we comply with all laws and regulations and practice transparent public reporting on our HSE performance.

HSE compliance framework
At EPCL, the health and safety of our employees remain a top priority, forming the foundation of our operations and organizational values. Our comprehensive HSE program is seamlessly integrated into our compliance framework, ensuring strict adherence to all applicable laws and regulations while upholding transparency in public reporting of our HSE performance. This commitment underscores our dedication to maintaining the highest standards of safety and accountability in everything we do.

The list of appliable laws and standards complied by EPCL HSE are:
- ISO 9001 – Quality Management System
- ISO 14001 – Environmental Management System
- ISO 45001 – Occupational Health and Safety
- Hazardous Substances Rules
- Sindh Occupational Safety and Health Rules
- Sindh EPA Act

The Corporate HSE Committee plays a pivotal role in driving excellence across the health, safety, and environmental domains. Chaired by the Company's CEO, the committee underscores the organization's unwavering commitment to HSE initiatives, strategic actions, and continuous learning, reflecting its critical importance to the Company's overall mission and values.
The Total recordable Injury Rate (TRIR) of EPCL during 2024 closed at 0.12.

employment & employee well being
Employee well-being is at the core of all the employee-related interventions that are implemented. The goal is to engage and retain the unique set of home-grown talent that is appreciated and valued for its unwavering commitment to EPCL.

These efforts are exemplified in the following interventions:

EPCL cares: EPCL believes that the personal milestones of employees (birthdays of employees and immediate family members, childbirth, anniversaries, and work anniversaries) are momentous occasions that need to be celebrated. EPCL Cares allows us the opportunity to mark these moments that matter through gifts and other various tokens helping us be part of the celebrations.

travel facility: Realizing the societal context that EPCL operates in ensuring the safety of our employees spills beyond the workplace premise for us. To ensure smooth and secure travel arrangements, EPCL has extended a monthly Careem wallet facility to all our women employees stationed across our corporate offices who are not eligible for a car allowance. While all our plant-based employees avail company transport, for women employees this goes a step further with door-to-door pickup.

accommodation facility: All our plant-based single outstation graduate trainees and M1 employees are also offered subsidized, safe, and secure housing options. These guesthouses have all the facilities and are manned by dedicated security staff with our HSE principles extending to the daily operations of these guesthouses to ensure that the stay at these facilities is not only comfortable but safe.

nutritional wellbeing program: The organization hosts monthly webinars focused on different topics related to nutritional health that are open to the employees' immediate families as well. The employees and their immediate families can avail one on one consultation sessions with our certified nutrition coach for free.

mental wellbeing program: EPCL in collaboration with Saaya Health offers mental health consultation sessions with certified professionals to the employees and their immediate family members. These services are provided free of charge to our employees.

benefits & policies
Engro's compensation policies ensure competitive and appropriate employee remuneration based on their role, experience, and performance. Payment for management employees is determined by relevant competitive markets and guided by company policies. Our rewards structure also includes an array of benefits to boost morale and enrich employee experience and satisfaction.

Following are some of the key benefits offered to permanent employees:

- Health & Life Insurance
- Car & Fuel Allowance
- Club Membership
- Medical & Dental Benefits
- Parental Leaves & Sabbatical leaves
- Retirement & Separation Benefits
- Service Incentive Program
- Annual incentive bonus & Performance Bonus
- Home ownership assistance
- Education Assistance
- Travel & Transport Benefits

- Interest Free Loans
- Child Education Assistance Program
- Subsidized Accommodation for outstation employees

goal 4: quality education

04 QUALITY EDUCATION

On the education front, the Company operates four primary school units in partnership with 'The Citizens Foundation' and two digital micro-schools with 'Teach the World Foundation (TTWF)' in the villages of Ghaggar Phattak and Railway Colony near the TDF Magnifiscience Center. These schools serve a population that previously did not have access to quality education in the area. The primary schools with TCF are part of Engro's long-term plan to develop and improve the socio-economic conditions of the residents by improving literacy rates in the area. The digital micro-schools aim to help out of school children integrate back into the formal education system by providing basic literacy till the fifth-grade level.

EPCL's efforts to promote education are more than just a corporate responsibility. The Company views education as a key driver of sustainable economic development and social progress. By providing access to quality education, the Company is investing in the future of the communities it serves, empowering them with the knowledge and skills they need to succeed and thrive. EPCL's commitment to promoting education and empowering communities is a testament to the Company's values and its belief in the power of education to transform lives and communities.
key highlights from 2024

- 850+ students were receiving education from these schools, of which 40% were girls
- Approximately PKR 25 million in funding was provided during 2024 between all campuses

goal 5: gender equality
goal 10: reduced inequalities

05 GENDER EQUALITY

10 REDUCED INEQUALITIES

EPCL is steadfast in its dedication to fostering equal employment opportunities and advancing professional development for all individuals. We are tirelessly pursuing our commitment to Diversity, Equity, and Inclusion (DEI) by implementing a range of initiatives and programs. Our goal is not only to attract top talent but also to nurture and retain it, ensuring a diverse leadership pipeline.

recruitment

EPCL prioritizes Diversity, Equity, and Inclusion (DEI) in its recruitment strategies, particularly aiming to increase female representation in the workforce. The Company conducts nationwide traineeship drives, collaborating with academic institutions and technical education boards to attract talent from various backgrounds. Additionally, EPCL's website features a dedicated section highlighting its DEI commitment and family-friendly policies, fostering an inclusive culture. An online Employee Resource Group provides a safe space for employees to share experiences and promote inclusion.

retention

EPCL prioritizes employee sensitization on DEI issues, achieving 100% sensitization across its workforce through tailored training sessions delivered by dedicated DEI Ambassadors. The 3rd party workforce has also attained 50% sensitization status. These sessions cover topics relating to equity, inclusion, and diversity concepts, ensuring understanding and commitment to DEI principles at all levels. Furthermore, EPCL implements initiatives like the 'Steam Safeer Program' and the 'Umeed E Nouh' Training Program, engaging employees in community activities and empowering women through skill development initiatives. These efforts enhance retention by fostering a culture of inclusivity and social responsibility.

EPCL is committed to fostering inclusion at all levels, providing a merit-based, supportive environment with family-friendly benefits. This commitment is reflected from our trainee batches (GTEs in 2024 were onboarded with a diversity ratio of 48%) to our diverse management committee which includes our CFO and Head of HR.

development

EPCL invests in the development and advancement of underrepresented groups, particularly women and people with disabilities (PwDs). Initiatives like the 'Breaking the Glass Ceiling' program empower women for leadership roles, with successful graduates celebrated on International Women's Day. The "ENableall" internship program provides opportunities for PwDs to gain skills and work experience. Collaborations with external organizations offer additional training opportunities, such as the 'Women Leadership Development' program and the Khudi Program for PwDs' employment.

community engagement

EPCL's commitment to inclusion extends beyond its corporate walls, with initiatives aimed at empowering women and fostering community development. Through the 'Umeed E Nouh' Training Program, conducted in collaboration with Engro Foundation and Descon Training Institute, women are equipped with forklift operation skills, enabling access to unconventional job roles and financial stability. Additionally, initiatives like the Steam Safeer program engage EPCL employees in community outreach efforts, inspiring and motivating students in government schools. Thereby, fostering a passion for learning and career aspirations.

EPCL's partnership with the Pakistan Business Council (PBC) to sponsor the SDG Leadership Program demonstrates its dedication to responsible business practices and sustainable development. Focused on Goal 8: "Decent Work and Economic Growth," this program recognizes members' exceptional commitment to local communities and environmental sustainability, promoting inclusive workplaces and climate action. Through these collaborations and initiatives, EPCL not only empowers individuals but also contributes to the social and economic development of communities while advancing environmental stewardship

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, years of 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.

For reporting gender parity, we have used the following calculation assumptions to determine the Male-to-Female pay ratio, which stands at 1:0.99 (mean) and 1:1.04 (median).

- Band-wise breakup
- Age-wise brackets based on averages

Grade	Mean	Median
L1	1.04	1.10
M4	0.92	0.86
M3	0.92	0.90
M2	1.10	1.09
M1	1.01	0.97
P6	1.21	1.21
P5	0.73	0.97
P4	0.87	0.76
P3	1.04	0.95
Average	**0.99**	**1.04**

The CEO and leadership endorse these numbers and remain committed to ensuring pay equity —regardless of gender— so that all employees are recognized and rewarded equitably for their contributions.

goal 6: clean water and sanitation

06
CLEAN WATER
AND SANITATION

The Company addressed a major health concerns in the Ghaggar Phattak community: the lack of clean and safe drinking water. The public water supply system was unreliable, scarce, and contaminated with dangerous bacteria such as e-coli and fecal e-coli, posing significant risks to public health. This resulted in the loss of millions of working hours and incurred high healthcare costs. To combat this issue, the Company now operates 5 water filtration plants through its partner "The Water Foundation", which plays a crucial role in preventing the spread of waterborne diseases within the community. The water filtration process also helps efficiently utilize water resources in the locality.

key highlights from the facility

- Over 7+ million liters of clean drinking water processed and provided in the year 2024
- ~155,000 members of the community benefited from the water filtration plants
- An average of 22,000 liters of clean water is provided per day to the communities

At EPCL, our unwavering commitment to sustainable water and energy management drives our efforts to optimize resource utilization and minimize environmental impact. Highlighted below are key initiatives demonstrating progress in water conservation and energy efficiency:

AWS certification for EPCL

EPCL is actively pursuing the Alliance for Water Stewardship (AWS) Certification as part of an ongoing commitment to water conservation and sustainable resource management within and around the operational footprint. This certification underscores EPCL's dedication to implementing best practices in water stewardship, aligning with international standards to ensure responsible water use and community engagement.

As a significant milestone in this journey, EPCL's Environment Lead completed the AWS Professional Credential Exam with distinction. This accomplishment highlights the team's expertise and positions EPCL as a leader in advancing sustainability goals within the industry. By pursuing the AWS Certification, EPCL reaffirms its pledge to environmental stewardship and its role in fostering positive change in water conservation on a local and national scale.

package boiler reliability enhancement

Enhancing the reliability of our package boilers has delivered substantial financial savings. The implementation of targeted upgrades and rigorous maintenance protocols have significantly reduced unplanned downtime, improved operational efficiency, and lowered repair costs. These efforts have ensured the consistent performance of the boilers, leading to optimized fuel usage and enhanced productivity across operations. This achievement underscores EPCL's dedication to operational excellence and cost-effectiveness, demonstrating the value of proactive investments in reliability improvements for long-term sustainability and profitability.

chlorine dioxide utilization for chemical treatment

Following a detailed techno-commercial analysis, we resumed the Chlorine Dioxide treatment program for our cooling towers, achieving a blowdown reduction of 5 m^3/hr equivalent to an annual water savings of 132,000 m^3. This initiative optimized cooling water chemistry minimized water withdrawal, and improved system efficiency, while maintaining operational integrity. However, due to the limited availability of specialized chemical reserves in Pakistan, the program could only be sustained for about a month. Despite this limitation, the initiative demonstrated commitment to innovative water conservation solutions and operational efficiency.

effluent treatment plants (ETP)

EPCL's commitment to sustainability is reflected in the Company's efforts to reuse treated water, significantly reducing freshwater intake. This initiative not only conserves water resources but also has a notable environmental impact by minimizing the volume of plant effluent. The facility incorporates advanced technologies, including a dual-train Coagulation-Flocculation System (CFS), Activated Carbon Filters (ACF), Ultrafiltration (UF), and Reverse Osmosis (RO), highlighting dedication to efficient resource management and environmental stewardship.

optimization of the cooling water system through chemical treatment

Minimizing water consumption through technological advancements is a cornerstone of our sustainability efforts to reduce freshwater intake. As part of this commitment, we have introduced closed-circulation cooling towers equipped with advanced chemical treatment systems, optimizing the performance of our cooling water systems and significantly reducing freshwater use. Building on this foundation, EPCL aims to implement the NexGen 3D TRASAR technology, a cutting-edge system designed to enhance the efficiency of cooling water systems. This technology enables precise control and optimization of chemical dosing, reducing chemical consumption while maintaining system performance. In addition, it minimizes water wastage through improved blowdown control, contributing to significant savings in both water and chemicals. These benefits are anticipated to be fully realized by 2025, reflecting our dedication to sustainable resource management and operational excellence.

optimized operation of cooling tower fans

EPCL has introduced a strategic approach to optimize the operation of cooling tower fans, adjusting their performance in response to changing ambient conditions and heat load. This tailored solution has led to considerable water savings, demonstrating our commitment to sustainability and efficient resource use.

water tap retrofitting

EPCL implemented a strategic initiative to reduce potable water consumption by retrofitting water taps, which led to a significant 70% reduction in water usage while maintaining full functionality. This initiative translates to a notable annual saving of 1 million liters of water, reflecting the Company's commitment to resource conservation.

enhancement of wastewater treatment unit

The ongoing refurbishment and enhancement of the wastewater treatment unit aims to elevate the quality of treated wastewater, transforming it into a reusable resource within our industrial operations. In line with the "Zero Liquid Discharge" strategy, this initiative focuses on ensuring the thorough treatment of wastewater to maximize its potential for reuse and recycling. By targeting specific wastewater streams with qualities matching the feed requirements of the effluent treatment plant, the Company is enabling timely rehabilitation while working toward a comprehensive upgrade of the treatment unit. This project reflects dedication to environmental conservation, which supports long-term sustainability goals and aligns with a commitment to meet global sustainable development objectives.

goal 8: decent work and economic growth

08
DECENT WORK AND ECONOMIC GROWTH

EPCL's partnership with the Pakistan Business Council (PBC) to sponsor the SDG Leadership Program demonstrates its dedication to responsible business practices and sustainable development. Focused on Goal 8: "Decent Work and Economic Growth," this program recognizes members' exceptional commitment to local communities and environmental sustainability, promoting inclusive workplaces and climate action.

In 2024 EPCL under this program held a one day training workshop in collaboration with Centre of Excellence in Responsible Business. The event commenced with insights from the CEO of EPCL and the CEO of the Pakistan Business Council, who discussed the challenges and opportunities for implementing decent work in Pakistan. Additionally, the CCO and the Head of HR emphasized the significance of decent work practices, sharing EPCL's strategic approach to fostering a responsible work environment.

Key highlights included a panel discussion on Capacity Building in the Supply Chain. The panel featured experts from various fields who underscored the critical role of skill-building, with a focus on green skills, digitalization, ethics, and financial inclusion as essential components for developing a resilient supply chain.

Moreover, two modules were conducted to provide participants with valuable strategies for integrating decent work practices across their operations and supply chains.

Through these collaborations and initiatives, EPCL not only empowers individuals but also contributes to the social and economic development of communities while advancing environmental stewardship.

goal 9: industry, innovation, and infrastructure

Over the past decade, technological advancements have continued to reshape the way industries operate, and 2024 is no exception. EPCL firmly believes that the strategic adoption and integration of technology with business processes remain critical drivers of business success. This commitment enables us to sustain our competitive advantage in a rapidly evolving economic and technological landscape.

At EPCL, technology remains a cornerstone of our operational excellence. In 2024, our corporate plan identifies four strategic priorities: strengthening workplace safety, enhancing operational reliability, advancing customer experience, and empowering our workforce with innovative tools and capabilities.

Our digital transformation journey continues to be guided by an unwavering commitment to staying at the forefront of technological advancements. By leveraging emerging technologies, EPCL aims to further improve our efficiency, reliability, and productivity, while ensuring sustainable growth.

As we persist in our journey of digital transformation, our unwavering commitment revolves around staying at the forefront of technology adoption. This emphasis is directed towards incorporating technologies that contribute significantly to our efficiency, reliability, and productivity. In alignment with EPCL's vision, the Digital Transformation team has successfully implemented a range of cutting-edge digital solutions at site, that are as follows:

adaptive advance process control, digital twin & multivariate modelling | optimizing plant performance & improving equipment reliability

Adaptive Advanced Process Control (A-APC), a cutting-edge solution that improves efficiency by automating optimal operator actions. Using AI and machine learning, A-APC minimizes human error and ensures precise process adjustments. This has led to an increase in plant's capacity factor and significant improvements in ethylene utilization.

Building on the success of A-APC, Engro has optimized plant processes further by implementing Digital Twin technology at the Vinyl Chloride Monomer (VCM) unit. This technology integrates real-time and historical data with scenario-based simulations, enabling actionable insights and process optimization.

Additionally, EPCL has also integrated multivariate process modeling, allowing analysis of over 100 variables simultaneously using big data and AI. This approach has helped detect inefficiencies early, prevented annual distillation-column outages and increased production capacity.

3d intelligent modelling | revolutionizing plant's asset management

EPCL introduced 3D modeling using laser scanning to map 85,000m^2 of plant assets, creating isometric drawings through reverse engineering. This initiative reduced significant capital expenditure, improved operational efficiency, and ensured better alignment with the physical layout.

thermal cameras leveraging computer vision ai | improving site emergency response time

EPCL has installed 12 state-of-the-art thermal cameras at the EVCM unit, integrating Computer Vision AI for preemptive detection of hazardous chemical leakages and fires, monitoring temperature variations in critical process equipment, and close surveillance of inaccessible plant zones, leading significant reduction in emergency response time.

process safety risk management system using AI

EPCL's process safety risk management system, powered by AI, optimally utilized Process Hazard Analysis data to elevate process safety barrier management and mitigate risk using advanced analytical features, resulting in significant reduction in site's PSTIR, number of PHA recommendations at HPO & SECE defeat time.

advanced analytical dashboards | strengthening asset integrity

The adoption of Power BI has revolutionized our analytical processes, replacing traditional, time-intensive methods with real-time, data-driven insights. EPCL has successfully identified key root causes, including procedural gaps, metallurgical issues, and recurring equipment challenges. This enhanced visibility has enabled targeted corrective actions, resulting in a significant reduction in leakages and heat exchanger failures, while also improving the site's Mean Time Between Failures (MTBF).

drone based visual inspections

EPCL has revolutionized tank and vessel inspections by leveraging drone technology, eliminating the need for scaffolding and significantly reducing inspection man-hours. This innovation enhances operational efficiency by enabling real-time monitoring, minimizing human exposure, and providing seamless access to areas that are otherwise challenging to reach through traditional methods.

salesforce driven growth at EPCL | revolutionizing customer experience

EPCL's Customer Connect Channel (Salesforce) empowers customers with seamless digital payments, streamlining transactions, efficient reconciliation and an online vehicle tracking system for real-time visibility, which significantly improved customer experience.

goal 12: responsible consumption and production

EPCL remains committed to responsible consumption, striving to create a sustainable environment for future generations. To this end, the company has made significant investments in projects such as Oxy Vent Recycle (OVR) and high-efficiency Zero Gap membranes, realizing their benefits between 2022 and 2024. Additionally, the commissioning of high-efficiency equipment including the High-Temperature Direct Chlorination (HTDC) unit, progressed throughout 2024 and is set to go online in Q1 2025, delivering substantial energy savings for EPCL.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

These initiatives aim to reduce the Company's energy consumption, ease the strain on the country's depleting natural gas reserves, lower its carbon footprint, and enhance raw material efficiency. With these projects in full swing, EPCL continues to advance sustainable operations and resource conservation.

Looking ahead, EPCL plans to further enhance wastewater recycling by introducing a second Effluent Treatment Plant (ETP) in the coming years.

Advanced Adaptive Process Control: EPCL leads the way in digital excellence across Pakistan, leveraging Aspen's technological advancements to optimize raw material and power consumption at the EVCM Plant. By developing a model for the Oxy Air Compressor PC-201, vent flow optimization has already reduced power consumption by 100 kWh. Further refinements to the model and process are in progress to achieve additional reductions in vent air flow, enhancing electricity conservation even further.

Zero Gap Technology- In our ongoing commitment to operational excellence and sustainability, the modification of three electrolyzers to Zero-Gap technology has proved successful with our electrolysis process now having enhanced power efficiency. In continuation, in 2024 a 4th cell was converted to Zero Gap technology successfully. This technological advancement has led to a commendable annual saving of 2.4 MWh, contributing to a substantial reduction in overall energy consumption. Furthermore, the positive impact extends beyond energy efficiency, with a noteworthy 9,000 tons per annum reduction in CO2 emissions. These accomplishments underscore our dedication to not only optimizing our operational processes but also actively contributing to environmental stewardship. As we continue to pioneer advancements in our technology, these achievements serve as a testament to our commitment to sustainability and responsible resource management.

Cooling tower pump load optimization- In pursuit of operational excellence and sustainable practices, EPCL has successfully implemented a machinery load optimization initiative. This strategic effort focused on determining the optimal number of pumps required to operate the cooling tower, resulting in substantial electricity savings which includes:

- Cooling Tower-2: Operated full year on a four out of five pump operation without any impact on the tower's efficiency, continuing to be one of the best energy saving initiatives taken at EPCL.
- Cooling Tower-3: During the September outage, we successfully transitioned to a one-pump operation, saving 500 kWh over 20 days, resulting in 7 million PKR in cost savings without compromising process parameters.
- PVC-2 Cooling Water Pumps: By shutting down pumps for 20 days and switching exchangers to dry layup, we saved 600 kWh of power, generating 9 million PKR in monetary savings.

Chlorine Dioxide Utilization for Chemical Treatment

We resumed Chlorine Dioxide treatment program at our cooling towers after detailed techno-commercial analysis, achieving a blowdown reduction of 5 m^3/hr, which translates to 132,000 m^3 of annual water savings. This program optimizes cooling water chemistry, reduces water withdrawal, and enhances system efficiency while maintaining operational integrity. This program however continued only for about a month due to its special chemical limited inventory reserves in Pakistan.

Gas Turbine and HRSG Optimization

Running one gas turbine and one HRSG while shutting down package boilers for 20 days improved the heat rate by 660 BTU/kWh, resulting in energy cost savings of approximately 39 million PKR. This initiative also minimized water usage by reducing steam generation requirements.

Steam Trap Leakages Rectification

A focused effort to address steam trap leakages led to the identification and repair of 47 traps (19% of the total 205 traps) in Q1. This rectification reduced steam losses by 0.8 tons/hr, leading to notable energy savings.

HRSG and tornado thermal insulation rectification

We enhanced the thermal insulation systems of the Heat Recovery Steam Generator (HRSG) and Tornado gas turbines to reduce energy losses and improve operational efficiency. Key actions included:

- Rectification of HRSG insulation liners and plates: Improved insulation properties, reducing heat loss.
- Sealing plate repairs: Enhanced the sealing efficiency of HRSG bypass dampers.

goal 13: climate action
goal 7: affordable and clean energy

At EPCL, our dedication to sustainability is central to every aspect of our operations. We are committed to continuously improving energy efficiency, reducing our environmental impact, and optimizing resource utilization. This commitment not only supports our business objectives but also contributes to the global effort towards a more sustainable future.

13 CLIMATE ACTION

07 AFFORDABLE AND CLEAN ENERGY

Below, we highlight some of the key initiatives and achievements that demonstrate our progress in sustainable energy management.

cooling tower pump load optimization

In pursuit of operational excellence and sustainable practices, EPCL has successfully implemented a machinery load optimization initiative. This strategic effort focused on determining the optimal number of pumps required to operate the cooling tower, resulting in substantial electricity savings which include:

- Cooling Tower-3: During the September outage, we successfully transitioned to a one-pump operation, saving by 500 kWh over 20 days, without compromising process parameters.
- PVC-2 Cooling Water Pumps: We further optimized our system by shutting down pumps for 20 days and switching exchangers to dry layup. This measure saved 600 kWh of power, while ensuring the continuity of operations.

gas turbine and HRSG optimization

By running one gas turbine and one Heat Recovery Steam Generator (HRSG) and shutting down package boilers for 20 days, we were able to optimize the heat rate, resulting in an improvement of 660 BTU/kWh.

steam trap leakages rectification

An essential part of our energy-saving strategy was the identification and rectification of steam trap leakages. In Q1, we successfully repaired 47 steam traps (representing 19% of the total 205 traps in operation). As a result, we reduced steam losses by 0.8 tons per hour, leading to notable energy savings across our operations.

HRSG and tornado thermal insulation rectification

To further reduce energy losses, we focused on improving the thermal insulation systems of the Heat Recovery Steam Generator (HRSG) and Tornado gas turbines. Key actions included:

- Rectification of HRSG Insulation Liners and Plates These upgrades improved insulation properties, significantly reducing heat loss.
- Sealing Plate Repairs We enhanced the sealing efficiency of HRSG bypass dampers, further optimizing our systems for energy savings.

zero-gap electrolyzer upgrade

As part of EPCL's continued efforts to enhance energy efficiency, the Electrolyzer system was upgraded to Zero Gap technology. Four out of six cells were upgraded, resulting in a combined power saving of 2.4 MW. This upgrade plays a crucial role in reducing overall energy consumption. These enhancements led to notable reductions in natural gas consumption, contributing both to cost reductions and a smaller environmental footprint. EPCL's sustainability initiatives demonstrate commitment to creating value not only for business but also for the environment and society.

As part of our commitment to the environment, Engro engages in plantations of key tree and plant species all over Pakistan through our afforestation program with the World Wildlife Fund (WWF).

key highlights from 2024

- A total of 106 ha of land was added to plantations through assisted natural regeneration, dry afforestation, and restocking
- Preliminary Assessment of the Phadial, Diyal, and Kohalah areas in Jhelum for the Key Biodiversity Area was carried out and a report developed
- A total of 21,000 seed balls were disseminated over barren lands
- Fencing and protection activities were carried out at 3 plantation sites to improve security and protection

The Company also funds the Circular Plastics Institute (CPI) at the Karachi School of Business and Leadership (KSBL) which focuses on researching and promoting sustainability through circular economy.

In a short time span, CPI has achieved substantial progress, conducting pioneering research and successfully securing over USD 85,000 in international funding. Some examples of studies conducted or being conducted include:

- 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

goal 15: life on land

15
LIFE ON LAND

UNDP Workshop on National Biodiversity Strategy and Action Plan (NBSAP)
EPCL demonstrated its continued leadership in sustainability and environmental stewardship through active participation in key national initiatives. The Company was honored to be invited by the Government of Sindh, in collaboration with the United Nations, to participate as a private sector representative in a workshop focused on aligning the National Biodiversity Strategy and Action Plan (NBSAP) framework. This high-level session, hosted by the United Nations Development Program (UNDP), provided a platform for EPCL to share its expertise and contribute valuable insights toward strengthening Pakistan's biodiversity conservation strategy in line with evolving national and international priorities. EPCL's involvement underscores its commitment to advancing sustainability objectives on a national scale.

afforestation and ecosystem restoration project

As part of our commitment to the environment, Engro engages in plantations of key tree and plant species all over Pakistan through our afforestation program with the World Wildlife Fund (WWF).

- A total of 106 ha of land was added to plantations through assisted natural regeneration, dry afforestation, and restocking
- Preliminary Assessment of the Phadial, Diyal, and Kohalah areas in Jhelum for the Key Biodiversity Area was carried out and a report developed
- A total of 21,000 seed balls were disseminated over barren lands
- Fencing and protection activities were carried out at 3 plantation sites to improve security and protection

goal 16: peace, justice and strong institutions

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 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, anti-corruption practices, and Speak Out platform, etc.

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 accord 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 grievance mechanism which helps us identify risk, and conduct due processes for risks assessed, based on which appropriate actions are taken. The grievance platform is available for both internal and external stakeholders. Facilitating dialogue, providing channels for reporting grievances, 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, employment-related matters, 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 Unit. The hotline and 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 negative impacts, grievances, and complaints, whether reported through Speak Out, audits and reviews, or identified otherwise, are investigated through the Internal Investigation Procedure which is a structured and systematic approach by the Ethics & Compliance department whereby independent people/teams are appointed to investigate cases confidentially. The investigations result in corrective, remedial, and/or disciplinary action being taken along with feedback to the complainant at the time of case closure.

goal 17: partnerships for the goals

EPCL is part of various industry associations and forums, reflecting our commitment to long-term, sustainable value creation and global cooperation. We are members/signatories for the following:

Direct Membership

- The Overseas Investors Chamber of Commerce & Industry (OICCI)
- Pakistan Business Council (PBC)
- Peshawar Chamber of Commerce
- All Pakistan PVC & Plastic Pipe Manufacturer's Association (PPPMA)
- Pakistan Chemical Manufacturers Association (PCMA)
- Pakistan Japan Business Forum
- Bin Qasim Association of Trade & Industry (BAQTI)
- Asia Pacific Vinyl Network

Additionally, for our philanthropic activities, EPCL, through Engro Foundation works in collaboration with multiple civil society organizations. Some of these include the WWF, TCF, TTWF (Teach The World Foundation), SINA, DTI (Descon Technical Institute) & TWF (The Water Foundation).

statement of best practices

- Overall, work towards creating an environment that promotes the realization of our Vision and Values, by focusing on behavioral modification and systematic changes
- Challenge the status quo by experimenting and taking reasonable and calculated risks
- Think EPCL, by placing Company interest above individual, sectional, and departmental interests
- Collectively develop clear, concise, and realistic goals, while simultaneously aligning on the process of achieving these before implementation
- Balance task, team, and individual needs, by taking the helicopter view
- Work through teams, by valuing all ideas and effectively including people through consensus building and active involvement
- Remind each other on the importance of using participatory processes, just as much as emphasizing attention on safety, quality, and continuous improvement
- Recognize individual needs and help fulfill them
- Trust each other by delegating authority and decision making to the lowest possible level
- Encourage sharing clear, consistent, and timely feedback for learning and growth
- Give everyone a chance by listening patiently and thinking before speaking
- Recognize team and individual efforts to change by celebrating both lessons and successes

code of conduct

The policy of EPCL is one of the strict observances of all laws applicable to its business. Our policy does not stop there. Even where the law is permissive, EPCL chooses the course of the highest integrity. Local customs and traditions differ from place to place, and this must be recognized. But honesty is not subject to criticism in any culture. Shades of dishonesty simply invite demoralizing and reprehensible judgments. A well-founded reputation for scrupulous dealing is itself a priceless Company asset.

An overly-ambitious employee might have the mistaken idea that we do not care how results are obtained, as long as they get results. They might think it's best not to tell higher management all that they are doing, not to record all transactions accurately in their books and records, and to deceive the Company's internal and external auditors. They would be wrong on all counts.

We do care about how we get results. We expect compliance with our standards of integrity throughout the organization. We will not tolerate an employee who achieves results at the cost of violation of laws or unscrupulous dealing. By the same token, we support and we expect you to support, an employee who passes up an opportunity or advantage which can only be secured at the sacrifice of principle.

Equally important, we expect candor from managers at all levels and compliance with accounting rules and controls. We don't want employees to misrepresent facts, whether they are misrepresenting in a mistaken effort to protect us or to make themselves look good.

One of the kinds of harm that result when a manager conceals information from higher management and the auditors is that subordinates within his organization think they are being given a signal that Company policies and rules, including accounting and control rules, can be ignored whenever inconvenient.

This can result in corruption and demoralization of an organization. Our system of management will not work without honesty, including honest bookkeeping, honest budget proposals and honest economic evaluation of projects.

It has been and continues to be EPCL's policy that all transactions shall be accurately reflected in its books and records. This, of course, means that falsification of its books and records and any off-the-record bank accounts are strictly prohibited.

implementing governance practices exceeding legal requirements

Being a responsible corporate citizen, the Company has always conducted itself in a responsible and ethical manner. To foster transparency the Company:

- Benchmarks reporting requirements against ICAP / ICMAP and SAFA prescribed guidelines
- Has adopted a stringent insider trading policy which goes beyond the legal requirement
- Holds quarterly analyst briefings and regularly interacts with all stakeholders
- Has implemented a health, safety, and environment policy as a testimony of our commitment to protect our people, community, and environment.
- Undertakes several health and education projects for improving the livelihood of surrounding communities
- Places an obligation on employees of group companies to follow the close period requirements
- Ensures its Privately owned subsidiaries comply with benchmark governance practices

governance framework

Our Governance Framework is designed to ensure that the Company embodies its core values and principles, institutionalizing excellence in everything that we do. Driven by the highest standards of integrity, transparency, and a zeal to protect stakeholder value, EPCL has ordinated its Governance Framework on the industry's best practices. The Board of Directors and the Senior Management place significant emphasis on internal controls, which trickles down to each and every employee in the Company.

Our Corporate Governance is grounded on the basis of proper management policies and the organization conforms to accepted guidelines of the Pakistan Stock Exchange Limited as well as the Securities and Exchange Commission of Pakistan (SECP). The Board of Directors is committed to honest, ethical, knowledgeable, and comprehensive management and to implement good Corporate Governance as a means of accomplishing maximum success and effectiveness for the Company. Corporate Governance is a tool for enhancing and reinforcing our values and sustainable growth. Developing good Corporate Governance is an iterative process and aims to incorporate standards that are universally practiced and appreciated.

internal environment & internal control framework

The organization is structured in a way that corresponds well to its business plan, and responsibilities are clearly assigned to each department. High-quality personnel are hired and given continuous opportunities to develop knowledge, competencies and represent the Company's commitment to ethical and professional business standards. The organization also encourages employees to participate as well as understand their work, while instilling in them the responsibility of reducing risk. Work is consistently being upgraded, improved and fashioned in such a way that internal controls form an integral part of operations. Operating manuals of key functions have been produced to ensure efficiency of operations and avoid duplication of effort.

responsibility

The Board is ultimately responsible for EPCL's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure in achieving business objectives and provides reasonable assurance against material misstatements or losses that the Company could possibly face.

The Board, whilst maintaining its overall responsibility for managing risk within the Company, has delegated the detailed design and operation of the system of internal controls to the Chief Financial Officer.

framework

An established control framework is maintained by the organization, constituting clear structures, authority limits and accountabilities. All policies and standard operating procedures are properly documented in operating manuals. Both corporate strategy and the Company's business objectives are established by the Board, after which they are integrated by divisional management into business strategies with supporting financial objectives.

risk assessment

EPCL conducts its operations keeping in view the risks involved and has instituted measures to control risk and ensure that it remains manageable. In this way, damage due to risk is minimized and stability is ensured. Long-term and annual plans are designed ensuring that concrete measures of success can be obtained. Audit operations and insurance measures are also continuously improved with the help of various tools in the effort to reduce risk.

control activities

The Company has determined several control activities that are in accordance with the nature of business operations and has assigned responsibilities in such a way that mutual supervision is in effect.

operating paradigm of EPCL board

The Board of the Company sets the strategic direction for the Company and monitors its implementation plans and progress. Meanwhile, the core responsibility of the management is to ensure the implementation of the strategies approved by the Board. The management is empowered by the Board to take the necessary decision to manage the operations of the Company.

evaluation of board, committees, ceo & the chairman

As of December 31, 2024 the Board, that has the collective responsibility for ensuring that the affairs of the Company are managed competently and with integrity, comprises of one Executive Director, three Independent Directors, and four Non-Executive Directors, two of whom are executives in other Engro Group companies. A Non-Executive Director, Mr. Ahsan Zafar Syed, Chairs the Board, and the Chief Executive Officer is Mr. Abdul Qayoom. Biographical details of the Directors are given on page 67 of the annual report.

A Board of Directors' meeting calendar is issued annually that schedules the matters reserved for discussion and approval. The Board met 4 times this year and discussed matters relating to inter alia long-term planning and giving consideration to the opportunities and risks of future strategy.
All Board members are given appropriate documentation in advance of each Board meeting. This normally includes a detailed analysis on businesses and full papers on matters where the Board will be required to make a decision or give its approval.

evaluation

The Listed Companies (Code of Corporate Governance) Regulations 2019 mandatorily requires evaluation of the Board of Directors as a whole, its Committees, and the contribution of each Director to the strategic direction and steerage of the Company. In this regard, a comprehensive range of self-evaluation surveys were conducted in the Company with respect to the performance of its Board of Directors and Board Committees. Purposive feedback from all Board members was solicited on areas of strategic clarity & beliefs, direction of business plan, and functional adequacy of its role.

Equal emphasis is given to evaluate and assess the individual contribution of each Director during the year by the Chairman of the Board highlighting significant areas of development for them.
The evaluation of the members of the Board and its committees (i.e. Board Audit and Risk Committee and Board Peoples Committees) is carried out internally on the following premise:

- Timeliness: The Board Members receive timely meeting notices, clearly describing the agenda of the meetings, followed by the duly circulation of its minutes.
- Preparedness: The Board members are provided with the well-structured financial and non-financial reports on significant matters at least seven days before the meeting.
- Participation and inclusivity: The Board meetings are conducted in a manner that ensures open communication, meaningful participation, and timely resolution of issues. The Board Members respect the difference between the Board's policy making role and CEO's management role
- Transparency: The Board Members determine goals, expectation, and concerns and ensure it due communication to the CEO.

The evaluation of CEO and Chairman is also carried out on above criteria.

The overall performance of the Board, its committees, Chairman and CEO measured based on approved criteria remained satisfactory.

formal orientation of our board

The Human Resource department chalks out a formal orientation plan, which is followed at the induction of a new Board member. The orientation plan is devised to familiarise the new member with the business. Each Divisional Head of the Company takes them through a presentation pertaining to their own divisions and macro-level policies are discussed. During the year, orientation of Mr. Ahsan Zafar Syed, Mr. Kamran Nishat and Mr. Masaaki Yokoyama was conducted by the Management.

training program for directors

The Directors Training program has been completed by Mr. Ahsan Zafar Syed, Mr. Kamran Nishat, Mr. Syed Shahzad Nabi, Mr. Nazoor Ali Baig, Mr. Tariq Nisar and Ms. Ayesha Aziz during the preceding years from recognized institutions of Pakistan, approved by the SECP.

role of chairman & ceo

Responsibilities of the Chairman

Every meeting of the Board is to be headed by a Chairman. The chairman of a board is responsible to lead the board and its proceedings and ensure that it plays an effective role in fulfilling its responsibilities. The chairman is empowered and responsible to:

- Issue letter to directors setting out their role, obligations, powers, and responsibilities in accordance with the Company's Act, 2017, and the Articles of Association, their remuneration, and entitlement.
- Set the agenda of the board meetings and ensure sufficient time is allocated for discussion of the same;
- Ensure that statutory requirements are fulfilled including the issuance, authentication and maintenance of the minutes of meetings of the board of directors; and
- Regulate and monitor the process of voting, including making demand of a poll.

responsibilities of the chief executive officer (ceo)

The Board of Directors set the role and responsibilities of the company's CEO. The CEO is entrusted with the general management of the company's operations and to do all acts which include:

- Compliance with regulations and best practices
- Ensuring effective functioning of internal control system
- Identifying risks and designing mitigation strategies
- Safeguarding of Company assets
- Development of human capital and good investor relations
- Sustainable growth of shareholder value
- Identification of potential diversification / investment projects
- Implementation of projects approved by the Board
- Preservation and promotion of the Company's image
- Endorse quarterly, half-yearly, and annual financial statements, after external auditors initials in case of half yearly and annual financial statements, prior to placing and circulating for consideration and approval of the Board
- Placement of significant issues for the information, consideration, and decision, as the case may be, to the Board or its committees

presence of chairman at the annual general meeting

The Company's Annual General Meeting (AGM) was held on March 28, 2024 which was attended by the Chairman of the Board along with the other Board members including CEO and other senior management.

external consultancy for appointment of the chairman

No external search consultancy has been used in the appointment of the Chairman or a Non-Executive Directors.

chairman's significant commitments

Mr. Ahsan Zafar Syed was appointed as a non-executive Director and Chairman of the Board of EPCL on May 03, 2024. Mr. Ahsan is the CEO of Engro Corporation Limited and serves on the board of several companies. The details of his other engagements as Director, Trustee are given in his profile. He does not have any significant commitment other than the one mentioned in his profile.

sponsors, directors & executives shareholding

Information relating to shares held by Sponsor, directors and executives have been disclosed in Directors' report on page 159.

companies where executive directors are serving as non-executive directors

Mr. Abdul Qayoom is the only Executive Director of the Company. The details of his directorships on the Board of other companies are mentioned in his respective profiles in this Report.

board audit and risk committee

The members of the Board Audit and Risk Committee are as follows:

Board Audit and Risk Committee	
Mr. Kamran Nishat	Chairperson
Mr. Masaaki Yokoyama	Member
Mr. Nazoor Ali Baig	Member

The committee appoints secretary of the committee who shall either be the Company Secretary or Head of Internal Audit. Presently, this role is exercised by Mr. Kalimuddin A. Khan – General Manager Internal Audit.

The CEO, CFO and other Department Heads are invited to attend the Committee's meetings as appropriate.

The terms of reference of the Committee include inter alia the following:

- Determination of appropriate measures to safeguard the Company's assets.
- Review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors.
- Ensuring coordination between the internal and external auditors of the Company.
- Monitoring management's compliance with all Company's policies including complaints received through the Speak Out – Whistle Blower system.

attendance of board audit and risk committee

During the year, five meetings were held:

Board Audit and Risk Committee	Meetings Attended
Mr. Kamran Nishat	5
Mr. Nazoor Ali Baig	5
Mr. Tomoya Kondo*	3
Mr. Masaaki Yokoyama*	2

*Mr. Masaaki Yokoyama was appointed on May 13, 2024 replacing Mr. Tomoyo Kondo.

board people committee

Following Directors served in the Board People Committee during the year:

Board People Committee	
Ms. Ayesha Aziz	Chairperson
Mr. Nazoor Ali Baig	Member
Mr. Tariq Nisar	Member

The Secretary of the Committee is nominated by the Chairman and is either the Chief People's Officer (or duly authorized delegate) or the Company Secretary to the Board. Presently, this role is exercised by Ms. Beenish Kajani – Head of HR and Corporate Communications. The Chief Executive Officer is invited to attend the Committee's meetings as appropriate. The terms of reference of the Committee include the following:

- Recommend Human Resource Management Policies to the Board of Directors.
- Recommend to the Board of Directors the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.
- Recommend to the Board of Directors the selection, evaluation, compensation (including retirement benefits) of all CEO direct reports, including but not limited to; COO, CFO, Company Secretary and Head of Internal Audit.
- Recommend to the Board of Directors a compensation framework for Directors.
- To put in place a framework for evaluation of the performance of the Board of Directors as a whole and its various sub-committees as required under the Code of Corporate Governance.
- Recommend bonus programs.
- Approve comparator basket of companies for annual salary program.
- Recommend salary program.
- Attendance of Board People's Committee. During the year, two meetings were held:

Director's Name	Meeting attended
Ms. Ayesha Aziz	2
Mr. Nazoor Ali Baig	2
Mr. Tariq Nisar	1

details of board meetings held outside Pakistan during the year

During 2024, all board meetings were held in Pakistan.

beneficial (including indirect) ownership and flow chart of group shareholding

Complete disclosure of Engro Polymer & Chemicals Limited shareholders have been provided in directors' report on page 186. In addition, group shareholding and direct & indirect ownerships of the Company are demonstrated on page 7 and 8.

compliance with best practices of code of corporate governance

Information relating to compliance with the best practices of Code of Corporate Governance have been provided on page 198.

board approved policies

board remuneration policy
The remuneration paid to the members of the Board for attendance of Board and Committee meetings has been duly approved by the Board of Directors. The details of the aggregate amount of remuneration paid to the Directors is disclosed in the Financial Statement.

The Board of Directors has duly approved the policy and procedure for remuneration of the Directors for attendance of Board and Committee meetings in accordance with the Companies Act, 2017 and the listed companies (Code of Corporate Governance) Regulations, 2019.

The remuneration of Directors is determined by the Board considering the following parameters:

a) The remuneration shall be appropriate and commensurate with the level of responsibility and expertise of the Directors.
b) It shall not be at a level that could be perceived to compromise or influence in any way the independence of the Director.
c) No Director shall determine his/her own remuneration nor of a Director who may be a related party.
d) No remuneration shall be paid to Executive Directors, Chief Executive Officer and Non-Executive Directors who are employees in other Engro entities, for attending meetings of the Board and its committees.
e) The Board, if deems appropriate, may engage independent consultant to determine the appropriate level of remuneration of its Directors and recommend to the Board for consideration and approval.

policy for security clearance of foreign directors
The Company follows the SECP guidelines for appointment of any foreign Director and subject to issuance of security clearance from the Ministry of Interior, foreign Directors are appointed.

contracts/ transactions with related parties
The Company has an established and approved policy of governing transactions between the Company and its Related Parties, in compliance with the requirements of Section 208 of the Companies Act, 2017 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018.

The policy provides a framework for governance and reporting of Related Party Transactions, and is intended to ensure due and timely approval, disclosure including its pricing policy and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws.

During the period, the Company has not entered into any contract or arrangement, other than ordinary course of business on an arm's length basis, with its related parties.

conflict of interest policy
At Engro Polymer & Chemicals Limited, every employee, Director, and Executive is required to avoid any direct or indirect interests, which might conflict with the interests of the Company when dealing with customers, suppliers, contractors, competitors or any other person or organization doing or seeking to do business with the Company or any affiliate.

Additionally, in the event of such conflicts arising in the conduct of employees', executives' or directors' personal affairs, including transactions in securities of the Company, of any affiliate, or any unaffiliated company having a business relationship with Company interests, full compliance with the restrictions and set of disclosures requirements laid down by the Management should be ensured. A robust mechanism to report exceptions, if any, has been established within the Company.

investors' grievance policy
The Company values the relationship it has with all its stakeholders and continuously strives to take measures to strengthen the same. To facilitate all stakeholders and provide them with access to communicate any query or complaint to the Company, a dedicated investor complaint section is maintained at Company's website www.engropolymer.com and Company contact details are also disclosed in "Company Information" section of this report. In addition, the Finance department of the Company dedicatedly monitors all the queries and resolves them it timely manner. The complaints which mandate attention of the senior management are timely escalated to the relevant individuals with complete details.

communication to investors
The investors' relations section on the Company's website (https://www.engropolymer.com/) is updated regularly to provide detailed and latest company information including financial highlights, investor information and other requisite information. In addition, the Company holds analyst briefings where the CFO of the Company brief the stakeholders about the financial and operational performance of the Company and hold a comprehensive Q&A session to address all queries and clarifications.

Period	Date	Place
Q4 2023	21st February 2024	Meeting conducted online
Q1 2024	22nd April 2024	Meeting conducted online
Q2 2024	20th August 2024	Meeting conducted online

The Company holds its Annual General Meeting (AGM) of the shareholders considering the Companies Act, 2017, Rule Book of Pakistan Stock Exchange (PSX), Listed Companies (Code of Corporate Governance Regulations), 2019 and its Articles of Association.

During the meeting, several questions pertaining to the Company's business were asked by the shareholders which were answered satisfactorily by the CEO & CFO. Thereupon, the meeting was concluded without any pending query on the unresolved issue.

policy for safety records of the company

The Company has a policy in place relating to records retention for periods that exceeded the minimum requirement prescribed by Companies Act, 2017 and other applicable regulatory requirements. The Company has also strived to retain documents electronically through its Digitization drive.

The Company also has a policy governing the safety of business records maintained in the ERP system which covers the following aspects:

- Roles and responsibilities of all functions and departments to ensure that a proper mechanism is in place within their department for backup of electronic data and digitization and archival of critical hard copy documents.
- Arrangements for storage of ERP systems and business data at secure location with state-of-the-art protections against physical deterioration, fire, natural disasters.
- Availability of suitable alternate site for backup of critical information systems including defining the methodologies for replication of applications on the alternate site based on industry‘s best practices.
- Mechanism and arrangements for digitization (through a Document Management Solution) and archival of critical hard copy data and for backup of critical electronic data

Moreover, the Company has a structed and an approved Business Continuity Plan (BCP) to deal with unforeseen circumstances disrupting the operations of the Company. This plan encompasses our response strategy, minimum operating requirements, BCP team organization, damage assessment, and primary site restoration activities. It ensures preservation of critical data by mapping out key elements of the process of disaster recovery.

EPCL has implemented SAP S/4HANA, which serves as the centralized ERP system, integrating multiple business functions, including:

- Finance & Controlling (FICO) – Manages financial reporting, budgeting, and compliance.
- Human Resources (HCM) – Automates employee records, payroll, and performance management.
- Supply Chain Management (SCM & MM) – Optimizes procurement, inventory, and logistics.
- Production Planning (PP) – Enables real-time production tracking and planning.
- Sales & Distribution (SD) – Enhances customer order management and sales tracking.

This integration ensures data consistency, real-time analytics, and improved decision-making across departments.

The executive leadership provides ongoing oversight and investment in ERP enhancements. A dedicated team as SAP Center of Excellence (SAP CoE), at group level, is responsible for ensuring continuous improvements, system updates, and aligning ERP capabilities with business needs.

Management periodically reviews ERP performance metrics and implements updates in alignment with evolving business strategies. SAP provided software tools, SAP Process insights and Value Life Manager, are used to monitor ERP usage effectiveness and value creation as global best practices.

EPCL has an ongoing SAP user training program, which includes:

- Role-based training for functional users.
- DATA owners, as per SAP best practices, are assigned across all organizational functions.
- SAP Learning Hub access for employees to enhance their ERP skills.

Training is delivered through focus groups, hands-on sessions, and user manuals to ensure effective adoption.

EPCL’s ERP risk management framework includes:

- Role-Based Access Controls (RBAC) – Prevents unauthorized data access.
- Audit Logging & Monitoring – Tracks system changes for compliance.
- Segregation of Duties (SoD) – Prevents conflicts of interest in financial transactions.
- Backup & Disaster Recovery – Ensures system availability and data protection.
- Third-Party Reviews – External audits assess vulnerabilities in ERP configurations.
- Centralized Security Operation Center is in place at group level to mange Information security operations

The Company assesses system security, access to sensitive data, and segregation of duties through the following:

- Multi-Factor Authentication (MFA) is enforced for ERP logins.
- User Access Reviews are conducted periodically to prevent unauthorized privilege escalation.
- System encryption (AES-256) secures sensitive data at rest and in transit.
- Audit Trails maintain a log of all ERP system activities for compliance and investigations.

The Board of Directors actively oversees cybersecurity through the Board Risk & Compliance Committee (BRCC). Board discussions include quarterly cybersecurity risk assessments aligned with ISO 27001, IEC 62443 and NIST cybersecurity frameworks.

In case of a cyber breach, an Incident Response Protocol (IRP) is followed, involving:

- Immediate threat containment.
- Forensic analysis to determine the impact.
- Legal and regulatory compliance reporting.
- Post-incident review and security enhancements.

IT governance policy

Information Technology (IT) Governance is an integral part of enterprise governance and consists of the Leadership, Organizational Structures and Processes at EPCL. IT Governance aims to ensure that IT activities are aligned with business objectives and that stakeholder requirements of Value Delivery, Risk Optimization, and Resource Optimization are addressed. The Enterprise IT Governance Framework aims to achieve the following objectives:

- Alignment of IT goals with business
- Enable execution of Digital Transformation Strategy
- Achieve cross subsidiary synergies
- Meet stakeholders’ requirements relating to risk optimization, resource optimization and value delivery

- Support the decision-making process regarding governance and management of IT by providing sufficient information and reports
- Achieve effective and prudent IT project management and IT resources management processes
- Enabling enterprise business strategies by developing technological infrastructure and information systems
- Ensure the necessary protection of assets through optimization of IT Risk Management
- Comply with legal and regulatory requirements, internal controls and monitoring, and related policies and procedures
- Maximize the satisfaction level of end user with respect to IT services
- Employ a comprehensive sourcing strategy to manage third parties/vendors relationship

EPCL has implemented SAP S/4HANA, which serves as the centralized ERP system, integrating multiple business functions, including:
- Finance & Controlling (FICO) – Manages financial reporting, budgeting, and compliance.
- Human Resources (HCM) – Automates employee records, payroll, and performance management.
- Supply Chain Management (SCM & MM) – Optimizes procurement, inventory, and logistics.
- Production Planning (PP) – Enables real-time production tracking and planning.
- Sales & Distribution (SD) – Enhances customer order management and sales tracking.

This integration ensures data consistency, real-time analytics, and improved decision-making across departments.

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- Post-incident review and security enhancements.

EPCL recognizes the importance of having well defined IT governance framework which focusses on enterprise governance, IT leadership, IT strategy implementation, framework & IT processes.

Key cybersecurity initiatives include:
- Zero Trust Security Model implementation.
- Next-Gen Firewalls and Intrusion Detection Systems (IDS/IPS).
- Endpoint Detection & Response (EDR) tools for threat monitoring.
- Compliance with SBP cybersecurity regulations.

The Audit & Risk Committee receives quarterly cybersecurity risk reports. The Board members attend cyber risk awareness briefings. Also, companywide Cyber Attack Scenario simulations are conducted frequently to simulate cyber-attack scenarios and assess organizational awareness, followed by implementation of recommendations after each exercise.

The Board Risk & Compliance Committee (BRCC) directly oversees IT governance and cybersecurity. The committee reviews cyber risk exposure, approves IT security policies and ensures compliance with industry regulations.

EPCL has implemented a Security Information & Event Management (SIEM) system, providing real-time threat detection and alerts. Dark web monitoring tools are used to identify compromised credentials. AI-driven anomaly detection helps identify suspicious activities before they escalate. EPCL conducts annual penetration testing and third-party security audits. External audits focus on network vulnerabilities, phishing resilience, and data security policies.

EPCL's Business Continuity Plan (BCP) and Disaster Recovery (DR) Framework includes:
- Geo-redundant data centers for resilience.
- Automated failover systems for critical IT infrastructure.
- Annual DR drills to ensure operational readiness.

EPCL leverages AI-driven predictive analytics, robotic process automation (RPA), and IoT-based condition monitoring to enhance transparency and governance. ONE SAP implementation improved accessibility and efficiency across all functions.

Annual cybersecurity awareness programs for employees, cover phishing simulations to reduce cyber threats, secure coding practices for development teams and incident response training for IT security teams. In addition, employee participation in Cybersecurity Awareness Campaigns to reinforce secure behavior.

human resource management policies

EPCL's Human Resource policy is designed to attract, induct, develop, retain and motivate high caliber talent who are qualified, capable and willing to contribute towards the company's long-term and short-term objectives. To accomplish this, the HR policies have been developed encompassing following principles:

- Equal Opportunity
- Training and Development
- Performance Management
- Compensation and Benefits
- Diversity and Non-Discrimination

succession planning

Every year at Engro Polymer & Chemicals Limited "Talent Review Sessions" are conducted. The main objective of talent review process is to map the succession plan of a department with the capacity, potential, and career development needs of employees to develop a comprehensive Talent Management Plan. Talent review process is a series of structured, facilitated discussions where employees are reviewed in terms of their key strengths, career goals, stage of readiness, and areas for development and action plans. The outcome of these sessions has helped the Company in increasing the rate of internal moves as well as replacements.

diversity at EPCL

We at EPCL believe that we want to 'Deliver through Diversity.' And we embrace all forms of diversity. However, to begin with we are focusing on the biggest contender from our demographics and that is women.

As we look back at the last year, we have come a long way. Our Diversity ratio increased to 13% in our overall population (including Trainees/Graduate Trainee Engineers and contractual staff).

We have been quite vocal about our Diversity agenda and it is through strong communication that we have established our seriousness towards it. Our strength in communication has been recognized by external bodies as well, as we have been recognized across multiple platforms over the years.

We will continue to strive towards this end, and we envision a day not very far off when our workforce will be representative of current external environment and demographics as we are striving to make our culture more and more inclusive, by creating affinity networks and bonds across the business.

To achieve this aim, internally D & I would continue to be a key agenda item on the table whenever we are discussing hiring, promotions, development, retention, and engagement. Externally, we will be focusing on building relationship and strategic partnerships with diverse associations and universities to enhance our talent outreach.

social and environmental responsibility policy

The Company's community development and uplift policy focuses mainly on basic healthcare, education, environment and water conservation-related initiatives. It has various diversified programs in place and is on its way to create visible social impact on communities within which it operates. It invests in programs that address the environmental and social challenges faced by its business, thus mitigating impact of its operations through taking these initiatives.

It also focuses on the element of sustainable business development and that is what is most visible in its key social investments.

HSE policy

To be recognized as a world class performer in the field of Health, Safety and Environmental Management, Engro Polymer will:

- Conduct its business in a manner that protects the health and safety of employees, contractors, others involved in our operations and the community in which we operate.
- Continuously improve environmental performance to achieve sustainable development.
- Strengthen its business by making Health, Safety & Environment (HSE) considerations an integral part of all business activities.
- Comply with all laws & regulations.

- Practice transparent public reporting of the HSE performance.
- Ensure that HSE is a major responsibility of appropriately trained, empowered & accountable employees & management.
- Promote a culture of learning & practicing HSE management among employees and contractors.
- Encourage off the Job HSE awareness among employees and families.

health

- Identify and evaluate health risks related to its operations that potentially affect its employees, contractors, or the public.
- Provide structured, risk based occupational health and industrial hygiene program, with a focus on health promotion and prevention, reporting and investigation of Occupational illnesses.
- Implement programs and appropriate protective measures to control such risks, including appropriate monitoring of its potentially affected employees. Carry out pre-employment and periodic medical check-up of its employees.
- Provide or arrange for medical services necessary for the treatment of employee occupational illness or injuries and for handling medical emergencies.

safety

- Implement a rigorous system of Process Safety Risk Management.
- Institutionalize behavioral safety practices using the Personnel Safety Management system.
- Keep abreast of the latest international codes, standards and practices and adopting the same where applicable.

environment

- Comply with all applicable environmental laws, regulations and apply responsible standards where law and regulations does not exist.
- Conserve natural resources & energy by continuously improving our processes and measuring performance.
- Continuously improve our processes to minimize pollution and waste.

cardinal rules

- Mandatory to report all on-the-job unsafe acts / conditions, near misses and incidents.
- Mandatory to follow Company Policies, Safety Rules, and all applicable laws. Contractors engaged by the Company shall strictly adhere and cause its employees to strictly adhere to Company Policies, Safety Rules, and all applicable laws.
- Work with a valid work permit.
- Wear mandatory PPEs in designated areas.
- Bypassing Safety Critical device without authorization is prohibited.
- Lighting a flame without authorization is prohibited.
- Carrying lighter is not permitted at the plant site.
- Smoking & vaping (e-cigarette) is not allowed inside vehicles, plant operating areas & office premises except designed approved areas.
- Walking under a suspended load is prohibited.
- Ensure that there is no violation of work at height protocols (not latching harness, not using protection like handrails, nets, lifelines, etc.).
- Engaging in or provoking horseplay or fighting within Company premises is prohibited.
- Damaging Company property intentionally is prohibited.
- Sleeping & carrying mobile phones in Plant operating areas are prohibited.
- Mobile phones (even on airplane mode) are not allowed in operating areas. Use IS rated cameras for photography only.
- Bringing weapon or any form of intoxicant on site is prohibited.
- Making a video or taking a picture of plant site areas is not allowed.

Willful negligence of all above protocols will be treated as misconducts and liable to penalties / accountability as per company's progressive motivation principals or any other action as the Company may deem fit.

ethics & compliance

statement of ethics

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.

ethics & compliance

EPCL has a strong internal control system that encourages its employees, customers and suppliers to report any suspected misconduct, fraud and violation of law or ethical standards. There are a number of avenues to do so including the whistleblower complaint system called "Speak-Out", a transparent system that reviews all complaints and guarantees confidentiality and protection from any form of retribution. Apart from this, Engro Polymers & Chemicals has an internal system of voluntary reporting called "Irregularity reporting" that allows employees to voluntary disclose actual or suspected non-compliance through the Irregularity Reporting system. Employees are encouraged to raise red flags and help strengthen the control environment.

whistleblower policy – "speak out!"

The Board of Directors of the Company have established a Whistleblower system which allows employees, suppliers, customers and contractors to speak out about any concerns they have regarding business ethics, safety, environmental performance, harassment and other employment-related matters or other possible breaches of compliance. The company also has specific procedures in place to increase awareness of the policy.
In order to further strengthen the Company's Ethics compliance program and promote adherence to sound business conduct, all employees, customers, suppliers and contractors are encouraged to report serious concerns that could have a significant impact on these organizations, such as actions that:

- are unlawful or may damage the reputation of the Corporation or an affiliate
- are fraudulent and lead to a loss of assets
- may be intended to result in incorrect financial reporting
- are in violation of various corporate policies governing business conduct
- are in violation of Safety Health & Environmental standards applicable to the business
- give rise to harassment, discrimination, or other unfair employment practices

As per the requirements of the policy, confidentiality of complainants is maintained to protect them from any form of retaliation or victimization for genuinely held concerns that are raised in good faith. Below is the number of whistleblows reported during the year 2024:

- No. of whistle-blower complaints investigated and closed during the year: 12 compared to 08 in 2023.
- No. of whistle-blower complaints in progress: 01

governance

The Ethics and Compliance department is housed within the Internal Audit Function whereby all concerns reported are investigated confidentially by the Ethics & Compliance Department which are also presented on a quarterly basis to the Board Audit & Risk Committee (BARC). Further, the Ethics and Compliance department monitors compliance against all ethics related policies, interalia the following:

- Code of Conduct
- Fraud Risk Management
- Governance of Conflicts of Interest
- Statement of Ethics and Business Practices
- Whistleblower Policy
- Gift & Business Entertainment Policy
- Anti-corruption Policy
- Governance of transactions/contracts with related parties

internal audit

At EPCL, Internal Audit is an independent department functionally reporting to the Board Audit & Risk Committee and administratively to the CEO.

The Internal Audit department is responsible for impartially assessing the key risks of the Organization, appraising, and reporting on the adequacy and effectiveness of EPCL's Risk Management and Internal Controls in financial, information systems, and other business and operational areas. Internal Audit at EPCL provides recommendations that are taken up by the Management to remediate control lapses. The observations are shared regularly with the Board Audit & Risk Committee, Chief Executive Officer, and the concerned Divisional Management. The role of the Internal Audit Function continues to change in reaction to events, risks, and regulations affecting the Company while ensuring that its mandate is aligned with the organizational objectives and risks.

salient features of internal audit charter

Internal Audit provides independent, objective assurance, and advisory services to evaluate and improve the effectiveness of the control environment, risk management, and compliance processes and assesses whether these are adequate and functioning appropriately as intended to ensure:

- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Significant statutory or regulatory issues impacting the Company are recognized and addressed appropriately.
- Resources are acquired economically, used efficiently, and protected adequately.
- Quality and continuous improvement are fostered in the Company's control process.
- Risks are appropriately identified and managed.
- Employees' actions comply with policies, standards, procedures, and applicable laws and regulations.

dear shareholder,

On behalf of the Board, I am pleased to present the Board Audit and Risk Committee's Report for the financial year ended December 31, 2024. Our key focus was to assist the Board of Directors in fulfilling their governance and stewardship responsibilities, ensuring integrity of financial reporting and robustness of internal controls and risk management process at Engro Polymer & Chemicals Limited.

Composition of the Committee:

- Mr. Kamran Nishat (Chairperson) - Independent Director
- Mr. Nazoor Ali Baig (Member) - Independent Director
- Mr. Masaaki Yokoyama (Member) - Non-Executive Director
- Mr. Kalimuddin A. Khan (Secretary) - Head of Internal Audit

These Committee members possess sufficient business and commercial knowledge and have extensive experience in the field.

meetings of board audit & risk committee

The Committee meetings take place ahead of Board meetings and the Committee Chairperson provides an update to the Board on the key issues discussed during each Committee meeting. The minutes of the Committee meetings are provided to the Board on regular basis and also to the External Auditor on request. The CFO and other departmental Heads are invited on a need basis for matters pertaining to their respective areas.

During the year 2024, the Committee met 5 times. Furthermore, as required by the code, the Committee also independently met external and internal auditors during the year.

charter of the committee

The terms of The Audit and Risk Committee mandate are governed by the Board of Directors and the Code of Corporate Governance. The terms of reference of the Committee are clearly defined in the Charter of the Committee which is duly approved by the Board of Directors. The salient features are stated below:

- To recommend to the Board the appointment, removal and remuneration of external auditors.
- To review quarterly, half-yearly and annual financial statements.
- To review the internal control systems and internal audit function.
- To monitor management's compliance with all Company's policies including complaints received through the Speak Out – Whistle Blower System.
- To monitor compliance of statutory requirements.
- To review and recommend Board for approval of annual sustainability report.
- To review the overall risk coverage and mitigation plans of the Company.

role of board audit & risk committee

The Committee assists the Board to effectively carry out its supervisory oversight responsibilities on risk management, internal controls, financial reporting, compliance, and internal & external audit functions. The Committee believes that it has carried out all its responsibilities, in accordance with the Terms of Reference approved by the Board. The evaluation of the Board performance, which also included members of the Audit and Risk Committee, was carried out separately.

During 2024, the following key responsibilities were satisfactorily carried out by the Board Audit and Risk Committee:

- Ensured compliance with the listed companies (Code of Corporate Governance) regulations 2019
- Reviewed quarterly, half-yearly, and annual financial statements of the Company prior to their approval by the Board of Directors, focusing on major judgmental areas, financial estimates, going concern assumption, compliance of accounting standards, local regulations, and other statutory / regulatory requirements
- Reviewed Related Party Transactions, ensuring that the pricing methods used were on terms equivalent to those that prevail on arm's length basis or appropriately disclosed otherwise.
- Ensured that proper, accurate, and adequate accounting records have been maintained by the Company.
- Recommended the appointment of the external auditors to the Board to be confirmed by the Company shareholders in the Annual General Meeting.

- Reviewed new policies / modifications to existing policies and Management's compliance with all Company's policies, procedures, and guidelines
- Reviewed and investigated whistleblower complaints lodged during the year
- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy
- Closed periods were duly determined and announced by the Company, preventing the directors, executives and all employees of all Engro companies from dealing in the shares of the Company, prior to each Board meeting.

risk management and internal controls

The Company has developed a sound mechanism for identification of risks, assigning appropriate criticality level and devising appropriate mitigation measures, which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Audit and Risk Committee for information and review. The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function. The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with operations of the Company.

external audit

The statutory auditors of the Company, A. F. Ferguson & Co., Chartered Accountants, have completed their audit of the Company's financial statements and the statement of compliance with the Code of Corporate Governance for the year ended December 31, 2024 and shall retire on the conclusion of the 27th Annual General Meeting. Being eligible for reappointment under the Code of Corporate Governance, The Audit and Risk Committee has recommended to the Board the reappointment of A.F. Ferguson and Co., Chartered Accountants for the year 2024. A resolution to this effect has been proposed at the forthcoming Annual General Meeting.

The Committee has reviewed and discussed audit observations with the external auditors; a meeting was also held with the external auditors in the absence of the management.

The external auditors have direct access to the Committee and Internal Audit Department, thereby ensuring the effectiveness, independence, and objectivity of the audit process.

A.F. Ferguson & Co., Chartered Accountants also provided taxation services to the Company; the statutory auditors have no financial or other relationship of any kind with the Company except that of an External Auditor and Taxation Consultant. The performance, cost, and independence of the external auditors are reviewed annually by the Committee. The Committee obtained confirmation from the external auditors in its meeting that the engagement team, other partners and staff in the firm, and the firm have complied with the applicable requirements regarding independence.

financial statements 2024

The Audit and Risk Committee assessed the 2024 Financial Statements as fair, balanced, and understandable, and provided sufficient information to enable the shareholders to assess the performance.

enterprise risk management

risk management framework and methodology

EPCL launched Lean Enterprise Risk Management (ERM) in 2011. Our policy enshrines risk management as a cornerstone of creating, safeguarding, and amplifying shareholder value. We achieve this by strategically mitigating critical uncertainties and potential threats that could impede corporate ambitions while astutely seizing opportunities with vision and foresight.

Operating in a dynamic and complex business environment necessitates a thorough evaluation of strategic direction and the level of risk the Company is prepared to accept. Responsibilities are clearly delineated across the organization to ensure robust risk management. EPCL 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 EPCL, fostering the right culture for risk management is a fundamental priority. To ensure that all levels of management not only comprehend the principles of risk management but also seamlessly integrate them into daily operations, regular training sessions and consistent reinforcement of key messages are conducted. This ongoing commitment strengthens awareness, embeds accountability, and promotes a proactive approach to managing risks across the organization.

board's assessment of the principal risks

The Board has reviewed the risks facing the Company, including but not limited to those that would threaten the business model, future performance, solvency or liquidity.

principal risks facing the business and mitigating strategies

Following are the major risks which may affect the Company's operations, including their nature, source and impact on capital, and mitigating strategies for controlling these risks.

Risk	Capital Impacted	Nature	Source	Mitigating Action
Disruptions in plant operations Disruptions in plant operations will impact availability of product and profitability	Manufactured	Short-term	External	The Company has a strong maintenance paradigm to ensure smooth functioning of plant operations. Furthermore, we also have a Business Interruption Insurance policy to neutralize the adverse impacts of unanticipated disruptions.
Dumping of PVC in Pakistan Unfair practices exercised by global PVC players, including PVC dumping, threaten domestic market stability	Financial	Long-term	External	The Company engages with regulatory bodies, including NTC, to ensure protective measures remain in place. As a result, Anti-Dumping Duty has been imposed on China, Taiwan, South Korea, and Thailand in 2018. The sunset review is due in 2025.
Availability of gas for captive power production / competitive power price Uncertainty about availability of gas for captive power production at competitive rates	Financial Manufactured	Medium-term	External	The Company continues to explore alternative power sources at competitive pricing and implement energy efficiency projects, which would partially insulate the bottom line from the impact of increasing energy prices.
Volatility in international commodity prices The Company's profitability is linked to global PVC and ethylene price movements, where a decline in international core delta will directly impact profitability	Financial	Long-term	External	The Company actively monitors global market trends to make informed procurement and pricing decisions. It maintains strong relationships with international olefin market analysts to gain timely insights on international market dynamics.
Rationalization of tariff on PVC products Reduction in import duties on PVC resin products can lead to higher imports, negatively impacting EPCL's market position	Financial	Medium-term	External	The Company actively engages with stakeholders, including the Pakistan Business Council (PBC) and OICCI, to maintain the protective duties on PVC products.
Impact of weather / climate change Disruption in road network due to heavy rainfall – affecting both incoming and outgoing transportation from the plant	Manufactured	Long-term	External	The Company monitors adequate inventory levels in central and north regions prior to Monsoon season. Alternate routes have been identified within Karachi for movement within the city.

financial risk management

liquidity risk management / strategy to overcome liquidity problem

Liquidity management is a critical aspect of EPCL's financial strategy, influenced by external factors such as volatility in international commodity prices, currency exchange rates and gas prices. To mitigate liquidity risk, the Company diligently monitors its current and future cash position, ensuring financial stability amidst these challenges.

Cash flow projections are regularly analysed to identify short-term and long-term financing needs and investment opportunities. The Company employs frequent cash forecasting to determine liquidity requirements, making a clear distinction between short-term and long-term financing needs. Long-term requirements are assessed within the Corporate Planning Cycle over a five-year horizon, incorporating scenario analysis and stress testing to ensure resilience against financial shocks. Peak cash cycles are managed through approved lines of credit with partner banks, and short-term liquidity gaps are addressed by leveraging these facilities. Additionally, long-term financing arrangements are in place to support upcoming projects and capital expenditure (CAPEX) needs. The Company also entered into financing agreements with multiple banks for additional facilities to fund CAPEX requirements. To optimize liquidity, the options of getting extended supplier credit and discounting the customer credit have been tested and integrated into a regular feature of the business.

Excess cash is strategically placed in Board approved investment instruments to maximize returns, including savings accounts, government securities and mutual fund units. The Company's working capital cycle remains positive, as sales are predominantly cash-based, while raw material procurement benefits from supplier credit arrangements. Operating cash flows are robust, ensuring smooth debt-servicing and financial stability.

foreign exchange risk management

EPCL's revenue and import liabilities are subject to foreign exchange fluctuations. Since PVC revenue is determined in USD with reference to international PVC pricing, the revenue model provides a natural hedge against foreign exchange risk, specifically exposure on USD denominated liabilities. The Company closely monitors its net foreign currency liability exposure and takes necessary actions to mitigate risks associated with foreign currency devaluation. This includes hedging foreign currency loans and booking forward contracts on usance import LCs, where available, to limit potential downsides arising from exchange rate fluctuations.

interest rate risk management

EPCL's capital structure includes a significant level of leverage, primarily used for expansion and efficiency projects, which exposes the Company to interest rate risk. As of December 31, 2024, outstanding KIBOR based borrowings stood at PKR 22,937 Mn, whereas outstanding long-term LIBOR / SOFR based borrowings stood at PKR 4,102 Mn. The Company actively evaluates hedging options, where available, to mitigate interest rate risks. A portion of its borrowings is secured under concessionary financing schemes such as the Islamic Long-Term Financing Facility (ILTFF) and Islamic Temporary Economic Refinance Facility (ITERF), totalling PKR 4,613 Mn. These measures help stabilize borrowing costs and manage financial exposure effectively.

credit risk management

EPCL diligently monitors and manages the credit quality of its financial assets. Exposure to credit risk is minimal due to the Company's policy of restricting unsecured receivables from customers and advances to vendors. Trade debt is largely secured through bank guarantees, accepted only from financial institutions with strong credit ratings. Credit risk with regards to investments is limited, as the Company places its surplus funds in government securities and with Board-approved financial institutions possessing the requisite credit ratings. This prudent approach ensures that EPCL's investments remain secure while optimizing returns.

opportunities

Opportunity	Capital Impacted	Nature	Source	Strategy to Materialize
Expand domestic PVC market Per capita PVC consumption in Pakistan is lower compared to other South Asian countries, signaling significant growth potential	Financial	Short-term	External	The Company continues to invest in its 'thinkPVC' retail outlet which acts as a forum to raise awareness and promote new PVC products to all stakeholders of the downstream PVC market
Diversify allied chemicals' portfolio The Company continues to diversify its chemicals portfolio beyond polymers	Financial Manufactured	Medium-term	External	The Company aims to make a mark not only in the polymer market but also in allied chemicals. The Company has recently commissioned its Hydrogen Peroxide plant as part of its ongoing effort to diversify its portfolio
Alternative energy sources & energy efficiency The Company aims to reduce energy costs and improve energy efficiency	Financial Manufactured Intellectual Natural	Long-term	External	The Company is currently evaluating alternative energy solutions as it looks to reducing its energy cost and finding a sustainable power solution. Meanwhile, EPCL continues to invest in efficiency projects, for example, HTDC, to reduce power consumption in the manufacturing process.

composition of local versus imported material and sensitivity analysis due to foreign exchange fluctuations

Ethylene and EDC are major primary raw materials required for PVC production, which are imported by the Company, making it cost sensitive to foreign exchange fluctuations. However, the impact of foreign exchange volatility on raw material prices and net profit is partially offset, as our PVC pricing is benchmarked with international PVC prices. Cost of primary raw materials imported during the year approximates to 80% of the total raw material consumption.

In contrast, caustic soda production relies mainly on locally sourced inputs, shielding it from foreign exchange fluctuations. Nevertheless, future obligations in the form of FX letters of credit (LCs) and foreign currency-denominated debt, remain vulnerable to exchange rate volatility.

forward looking statement

analysis of last year's forward-looking statement

The year 2024 was marked by persistent volatility and challenges at both global and domestic levels. While the global economy was projected to grow at a moderate pace of 3.2%, inflation, energy price fluctuations and geopolitical uncertainties created headwinds, leading to supply chain disruptions and commodity price volatility.

Domestically, Pakistan's economy showed signs of recovery, achieving a 2.5% growth rate in fiscal year 2024 after contracting the previous year. The year began with high inflation before dropping down to single digits in August and reaching 4.1% by December. This decline allowed the State Bank of Pakistan (SBP) to initiate monetary easing in the latter half of the year, reducing the policy rate to 13% by year-end, further easing inflationary pressure. Additionally, the current account balance saw a positive shift, recording a surplus of $1,210 million in 1H FY 25 driven by higher remittances and an improved trade balance.

The domestic PVC market faced challenges as a result of declining global prices, subdued construction activity, and limited government infrastructure spending. However, demand showed signs of recovery, supported by improving macroeconomic conditions. The Company's sales increased by 4%, through market development efforts, ensuring product availability and implementing various incentives to boost market confidence. The PVC industry in Pakistan has been gradually diversifying into new applications such as doors, window profiles, flooring, and garden furniture, positioning itself for long-term growth.

The global Chlor-Alkali market remained under pressure due to oversupply and weak demand, though caustic soda prices showed signs of recovery in the latter half of the year. In Pakistan, caustic soda demand strengthened, particularly in the export-driven textile sector. With GDP growth projected to rise, caustic soda demand, which is closely correlated with GDP growth, is expected to grow at a steady pace of 3% annually over the next three years.

status of projects

In 2024, EPCL continued to work towards executing its previously announced projects and seeking new projects and markets despite the country's economic challenges. The Company's vision is to become a leading player in polymers and allied chemicals with a global presence. The following is an update on the Company's existing projects:

- **Hydrogen Peroxide (HPO)**: The Company generates hydrogen as a by-product of its Caustic manufacturing process, which was used as a fuel in its power plant. This project aims to divert hydrogen to the production of hydrogen peroxide, which is primarily used as a bleaching agent in the textile industry.

This investment represents an important milestone not only for the Company but also for Pakistan's textile sector. HPO is a key input for the textile industry, which forms the backbone of our country's economy. By producing this essential raw material locally, we aim to reduce Pakistan's reliance on imports, enhance industrial efficiency and contribute positively to the national exchequer.

The Company has achieved commercial operations of its Hydrogen Peroxide plant on February 17, 2025. The commissioning of this plant aligns with the Company's growth objectives towards diversifying product line, enhancing operational efficiencies and meeting market demand more effectively.

- **High Temperature Direct Chlorination (HTDC):** The Company is focused on energy efficiency and aims to reduce its carbon footprint with the HTDC project. The project coming online will significantly save costs for EPCL on the energy front. The Company targets to achieve COD within Q1 2025.

looking towards FY 2025

The Company remains dedicated to delivering high shareholder value by investing in the long-term reliability of its existing operations. It will continue to identify and address major safety, reliability, operability and maintenance issues which will result in safer plant operations, sustained service, a reduction in unplanned outages, and the minimization of unforeseen expenses. Additionally, the Digital Transformation department will focus on delivering tangible value by optimizing operations and enhancing safety measures.

With the successful commissioning of the Hydrogen Peroxide plant, the Company is now entering its market development phase in 2025. HPO represents a strategic diversification for EPCL, offering new opportunities in the domestic market. The Company's efforts will be focused on promoting this new product, strengthening its market position and building partnerships with key stakeholders.

Furthermore, recognizing the potential impact of government policies and regulations, we remain engaged with governmental bodies and stakeholders at various levels. This ongoing dialogue enables us to share insights into business dynamics and industry challenges, playing a crucial role in shaping sustainable and progressive policies in the country.

The Company is also committed to implementing targeted sustainability initiatives that create value for all stakeholders in the coming year. As part of this commitment, the Company is exploring ways to reduce carbon emissions. Additionally, the Company is focusing on water conservation by optimizing current water usage, managing groundwater consumption and improving its capacity to recycle water.

With continued support of the government and dedication of its people, EPCL remains committed to create exciting possibilities in the domestic PVC and Caustic Soda markets and maximizing value for its shareholders.

source of information and assumptions used for projections / forecasts

EPCL recognizes the importance of proactive planning to ensure sustainable growth. For this purpose, the Company follows a structured approach to analyse and assess the assumptions that are being used for quantitative and qualitative analysis and forecasts. It has an established network with international olefins analysts to gain deeper insights into global market dynamics. Macroeconomic assumptions are primarily derived from publications issued by the State Bank of Pakistan and the Pakistan Bureau of Statistics. The Company also relies heavily on primary data collection, conducting customer surveys, market visits and other activities to develop an understanding of domestic market dynamics and integrate these insights into its forecasts.

All assumptions used in forecasts and projections are closely monitored and rigorously discussed by the top management in decision-making processes.

organization's capability in responding to potential critical challenges and uncertainties

EPCL remains cognizant of the evolving internal and external environment, recognizing potential challenges and uncertainties that may impact its operations. To address these risks, the Company has put in place a comprehensive Enterprise Risk Management framework which enables the Company in the identification, assessment and mitigations of key risks. These risks and their mitigation plans are regularly reviewed and presented to the Board of Directors. Additionally, to ensure business resilience, the Company initiated its Business Continuity Plan in 2013 and has been regularly updating it since 2018, reinforcing its commitment to safeguarding business operations against potential disruptions.

directors' report and financial review

directors' report

The Directors of Engro Polymer & Chemicals Limited ("the Company") are pleased to submit their Annual Report and audited accounts for the year ended December 31, 2024.

financial statement

During the year, the Company posted a Revenue of PKR 75,708 million and Loss after Tax of PKR 161 million as compared to last year's Revenue of PKR 81,270 million and Profit after Tax of PKR 8,932 million. This translates into Loss per Share of PKR 0.40 in 2024 against Earning per Share of PKR 9.12 last year.

principal activities

The Company is a subsidiary of Engro Corporation Limited which is a subsidiary of Engro Holdings Limited (formerly known as Dawood Hercules Corporation). The company was established in 1997 as a Public Limited Company under the repealed Companies' Ordinance, 1984 and commenced commercial operations in 1997. The shares of the Company are listed on Pakistan Stock Exchange for trading.

The principal activity of the Company is production and distribution of Chlor-Vinyl products, including Poly Vinyl Chloride (PVC), Caustic Soda Liquid, Caustic Soda Flakes, Hydrochloric Acid and Sodium Hypochlorite. SABZ, a flagship brand of the Company, has gained widespread recognition as a symbol of exceptional PVC quality in the country. The Company adheres to its philosophy of balancing three key priorities in its business operations: People, Planet and Profit.

nature of business & business model

The Company operates in the Chlor-Vinyl segment, and its performance is influenced by the dynamics of the business environment in which it operates.

macroeconomic environment

The year 2024 was marked by continued volatility and challenges at both global and domestic levels. While the global economy was expected to grow at a more moderate pace of 3.2%, factors like inflation, energy prices, and geopolitical tension have dampened growth prospects.

On the domestic front, the economy showed signs of recovery, growing by 2.5% in fiscal year 2024 after contracting in the previous year. The year began with lingering economic challenges including political uncertainty, high inflation and fiscal constraints. Inflation, though down from its peak of 38% in mid-2023, remained elevated earlier in the year, before dropping down to single digits in August 2024, on the back of stringent fiscal and monetary policy discipline exercised by the Central Bank. This decline prompted the Central Bank to begin reducing policy rates in the second half of the year, further easing inflationary pressure. During its December 2024 meeting, the State Bank of Pakistan reduced its key policy rate to 13%, marking the fifth consecutive rate cut this year from 22% in January 2024.

The current account recorded a surplus of $582 million in December 2024, marking the fifth consecutive month of surplus, driven by higher remittances and improved trade balance. This takes the 1H FY25 current account to a surplus of $1,210 million as compared to a deficit of $1,397 million in the same period last year. A new loan tranche of $7 billion under the International Monetary Fund (IMF) program has also been crucial in achieving fiscal stability and facilitating essential reforms.

Key industries primarily in the construction and textile sectors, presented a varied picture. The cement industry, a major driver of domestic construction demand, saw a 4.8% YoY decline in domestic cement dispatches in December 2024 compared to last year. Meanwhile, the textile sector, a key consumer of caustic soda, exhibited partial recovery, with exports growing by 9.6% in the second half of 2024 despite ongoing challenges such as high energy costs.

Going forward, Pakistan's economy is expected to experience modest GDP growth of 3% in 2025, supported by improving economic indicators and monetary adjustments that are paving the way for recovery. However, sustaining this growth will require a supportive policy environment, including strategic tariff protection for key industries such as petrochemicals and textiles. These sectors play a vital role in contributing to Pakistan's economic stability, foreign exchange savings and job creation. A holistic, sector-wide approach to tariff rationalization will ensure a balanced path to economic growth, fostering both import substitution and export-led development.

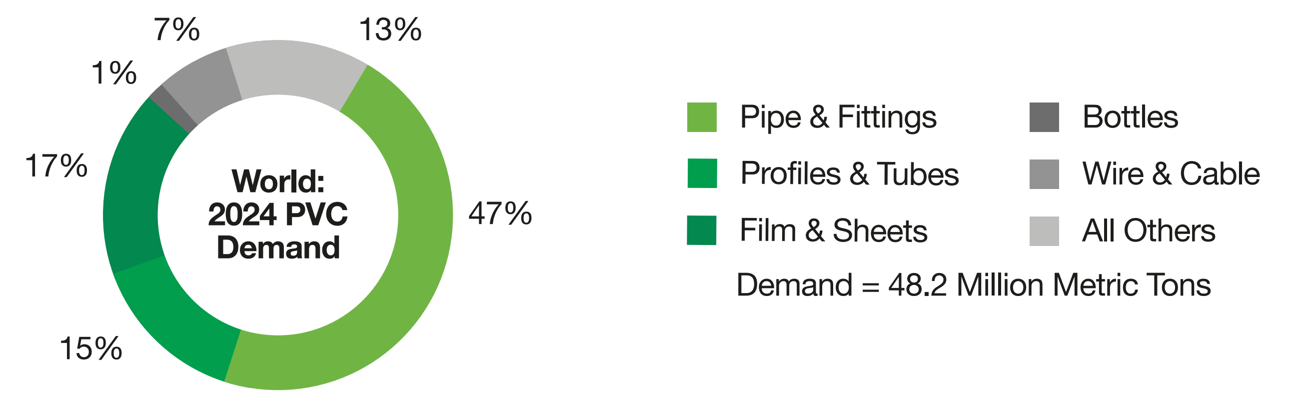
vinyl market overview

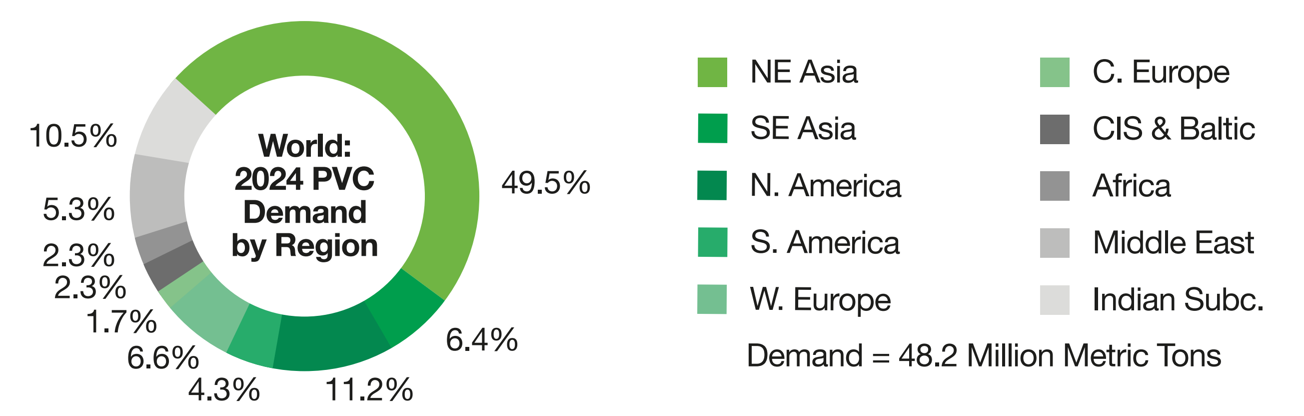
The global polyvinyl chloride (PVC) industry in 2024 faced another challenging year as market dynamics continued to be shaped by economic uncertainty and geopolitical factors. The Vinyl industry is highly competitive with 22% of the world's total PVC production traded globally in 2024. PVC is gaining market share in various new segments, as it replaces traditional materials such as wood, ceramics, carpet, and other plastics. The demand for PVC is closely tied to global GDP growth, particularly in the construction industry.

The year began with a slow recovery in demand across various regions. In North America, PVC demand in 1Q 2024 increased 18% vs 4Q 2023. In Asia, the demand growth center has slowly shifted from Northeast Asia to Southeast Asia and the Indian Subcontinent, both of which saw an uptick in demand in 2024. In contrast, Europe experienced stagnant demand with no meaningful demand pickup in sight.

In China, although the government announced a series of stimulus policies for the real estate industry, it has not yet reflected meaningfully in the downstream PVC demand. With the Chinese PVC market under pressure due to oversupply following additional capacities coming online in 1H 2024, and a weak domestic construction sector, the global PVC market saw a slowdown due to slowing Chinese demand. Increased freight cost provided an uplift in resin prices, but not margins. Freight cost peaked in July but has since come down, even though volatility remains for certain routes.

These global economic challenges led to depressed growth in world PVC demand. Weak demand, oversupply and high input costs negatively impacted margins in 2024, which remained weak in all regions, some more than others. However, Southeast Asia and Indian Subcontinent emerged as bright spots, recording the strongest demand growth of 6 – 7%, due to a growing population and need for infrastructure investments.





North America

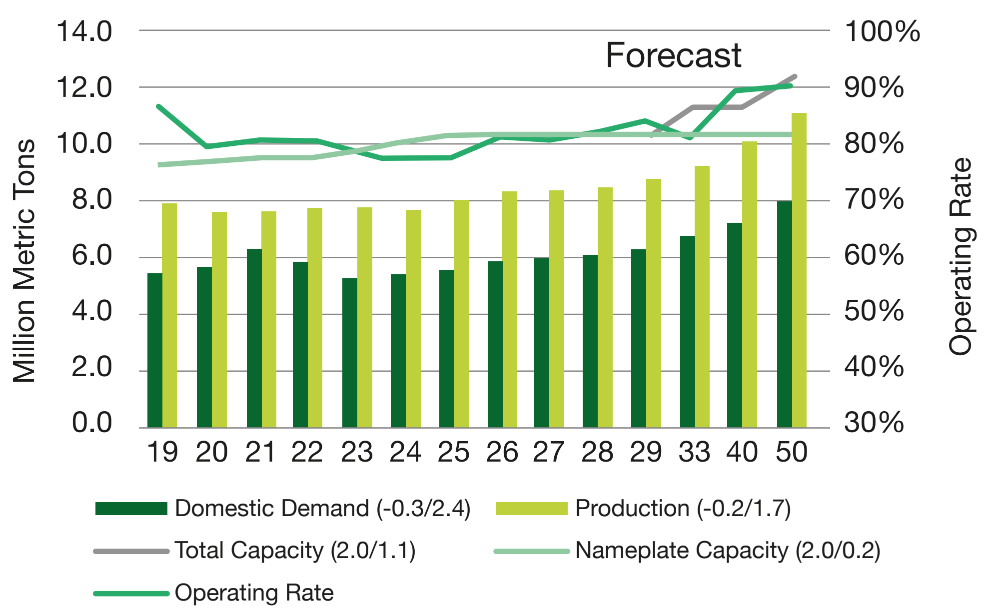
The North American PVC market in 2024 continued to face challenges from subdued domestic demand and stagnant export activity. The region's total PVC demand remained stable at 5.4 million metric tons, while domestic consumption continued to be impacted by high interest rates and a slow housing market. The construction sector, a major consumer of PVC, saw slow growth due to elevated mortgage rates and slow housing starts, reducing demand for products like pipes, profiles, and wires.

The United States accounted for 82% of North America's PVC demand, remaining its largest PVC consumer and dominating the construction market. However, in 2024, US PVC producers continued to face increasing competition, further intensifying pricing pressures in an already oversupplied market. PVC export volumes from the US reduced following anti-dumping duties imposed by EU. Operating rates for PVC fell to 77%, reflecting the effects of oversupply and thin margins.

North America accounts for 16% of the world's PVC production capacity in 2024, with a total nameplate capacity of 10.2 million metric tons per year of which the US accounts for 90%. Further capacity expansions for 2025 have been announced by companies such as Shintech and Formosa Plastics, which will increase capacity by 284,000 and 18,000 tons, respectively.

As North America transitions into 2025, domestic demand may see a modest growth of 5%. Easing monetary policy cycle that began in September 2024 is expected to boost residential construction activity in the US in 2025. The total regional demand, including exports, however, is expected to grow at a faster pace of 6%, as PVC exports are projected to increase by 8% in 2025.

North America: pvc supply & demand



China

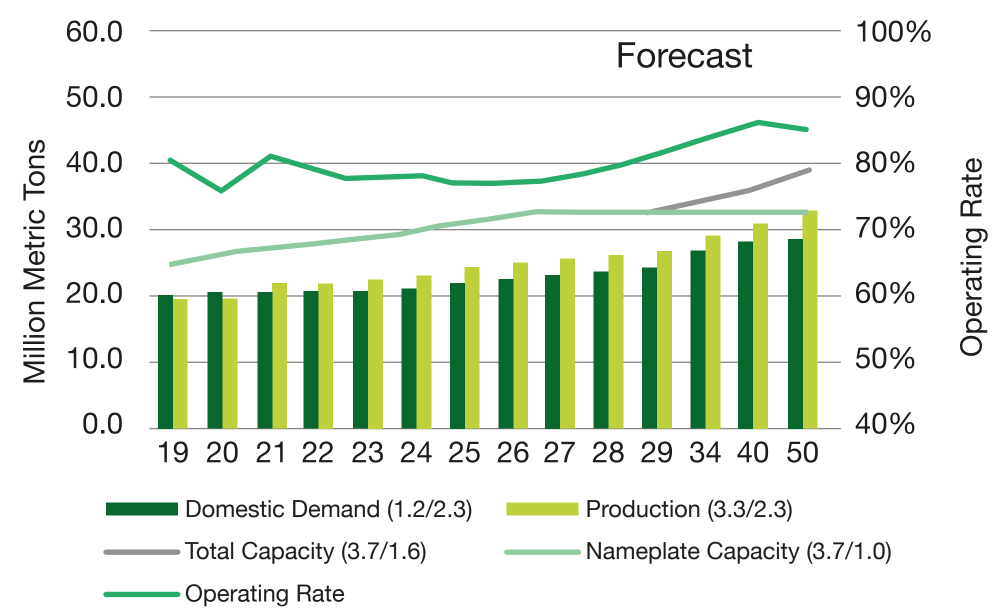
In 2024, the Chinese PVC market continued to face significant challenges stemming from oversupply and a sluggish recovery. While the Chinese economy grew by 5% YoY, the persisting struggles of the real estate sector negatively impacted downstream PVC consumption. As a result, PVC prices declined to their lowest in the last 10 years.

Most domestic PVC producers worked on negative margins, operating at rates below 80%, as production capacity continued to increase and overall inventory among both producers and traders remained high. Despite these challenges, the domestic demand-supply gap was partially offset by an 11% increase in exports compared to the previous year. The Indian subcontinent remained the largest export market for Chinese PVC, accounting for 52% of total exports.

China's PVC production capacity reached 30 million metric tons in 2024, representing 47% of global production capacity. China is expected to add an additional 1.3 million metric tons of capacity in 2025, and an overall 11% over the next three years. The continued expansion of production capacity is expected to exacerbate the oversupply situation in 2025 and beyond, while producer margins will also remain under pressure.

Looking ahead, the government's stimulus policies aimed at boosting the real estate market are expected to drive annual PVC domestic demand growth of 3% through 2029 but is still expected to remain below GDP growth rate. Chinese PVC exports face risk of increased trade barriers, particularly from India, following implementation of BIS quality controls and anti-dumping duties.

China (mainland): pvc supply & demand

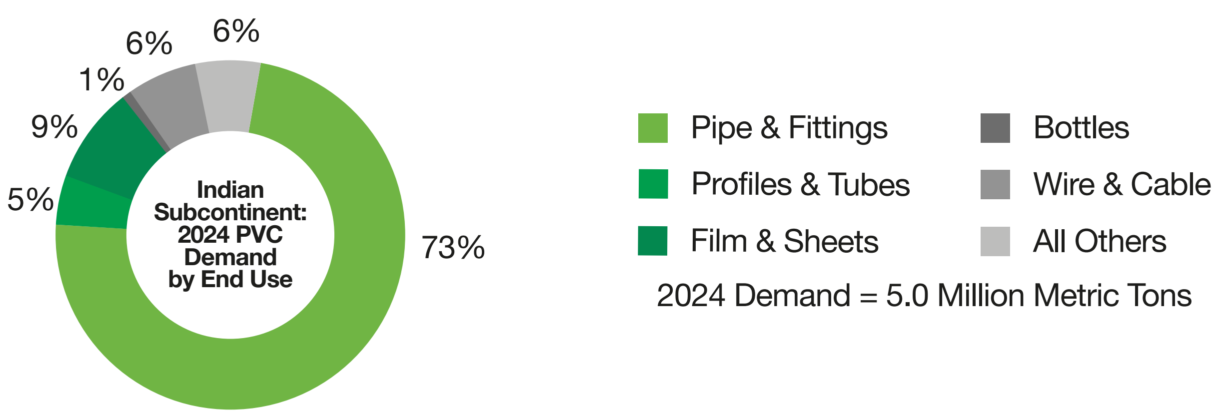


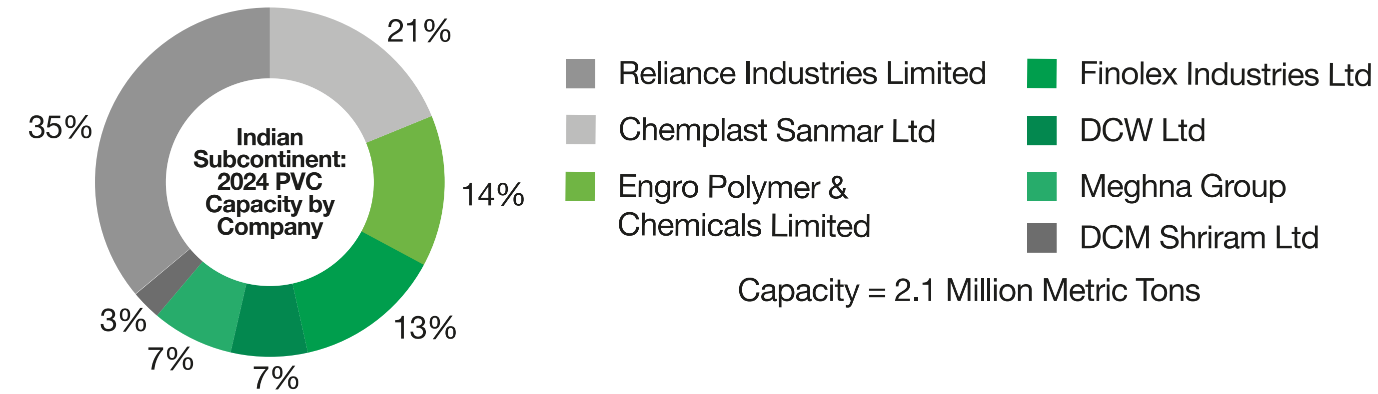
South Asia

The Indian Subcontinent, primarily India, continues to experience significant growth in PVC demand, projected to increase at an average of 6% annually until 2034. This growth is fueled by robust economic growth, urbanization, and government initiatives supporting infrastructure development and domestic manufacturing. The region's per capita PVC consumption stands at 2.6 kg in 2024, which is significantly lower than the global average of 7.2 kg, indicating immense growth potential. India, with the highest per capita consumption in the region, is a key driver of PVC demand, driven by infrastructure investments and expanding consumer markets.

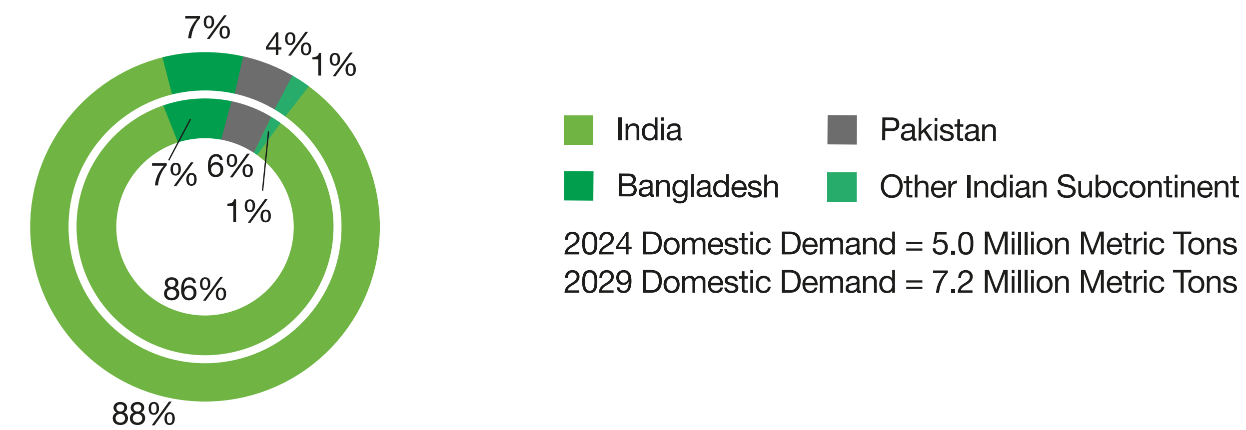
India, the largest consumer and producer in the region, accounts for nearly 80% of both regional demand and capacity but still heavily relies on imports to meet domestic demand, as production capacity lags the rising demand. In 2024, India was a major importer of PVC, sourcing primarily from China and the US. However, planned capacity additions of 2.25 million metric tons between 2025 and 2027 aim to bridge the supply-demand gap. These expansions are led by Mundra Petrochemicals and Reliance Industries, which are among the five major producers operating in India, while Meghna Group in Bangladesh and Engro Polymer & Chemicals Limited in Pakistan are the only other producers in the region.

The outlook for the South Asian PVC market remains highly promising, with planned capacity increases and significant demand potential. With new trade barriers expected to come in place in 2025, the region could potentially reduce its imports. The regional economy is projected to grow by 6.2% in 2025, presenting a dynamic and rapidly growing market for PVC.

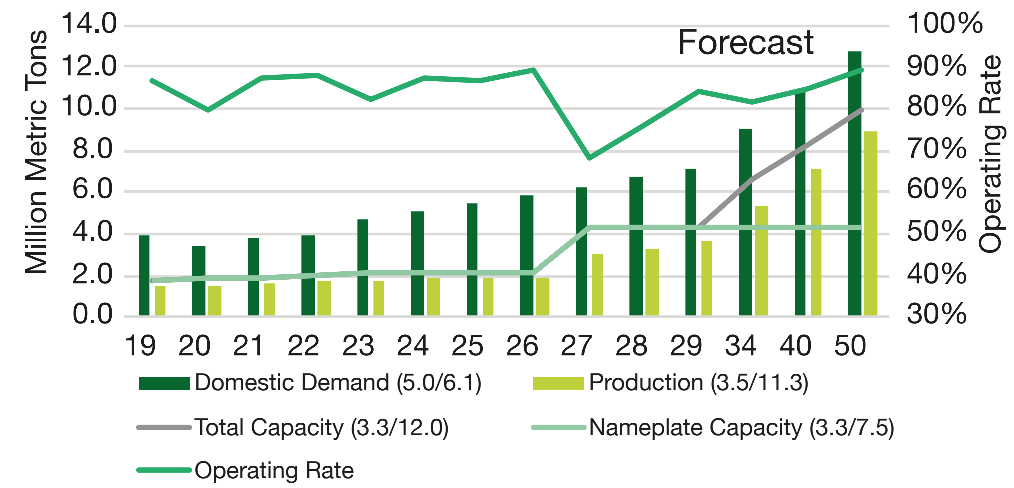




Indian Subcontinent: pvc demand by geography



Indian Subcontinent: pvc supply & demand



Pakistan

In 2024, the domestic PVC market in Pakistan experienced volatility due to decreasing international PVC prices. Domestic demand showed some signs of recovery, growing by 8%, marking a positive shift after demand contracted last year. The rebound was supported by gradual improvement in economic conditions post-election, along with stabilizing inflation and easing monetary policy in the latter half of the year. The Company secured a market share of 84%, by ensuring product availability and implementing various incentives to boost market confidence.

The PVC industry in Pakistan is gradually diversifying and the range of finished products available domestically is expanding to include PVC flooring, roofing, doors and window profiles, wall panels and garden furniture. The outlook for PVC demand growth remains positive due to improving leading economic indicators expected to result in a boost in construction activity.

Further demand recovery is expected to take place in 2025, as rationalization of policy rates will attract investment into the construction sector. The domestic PVC market is also still growing, which provides opportunities for further diversification and growth.

market development activities

This year, the Market Development team took a proactive approach in reshaping the perception of PVC, positioning it firmly as the "Material of Choice" across key stakeholder groups. Building on the momentum of previous years' successful awareness campaigns, the Company launched targeted initiatives in 2024, engaging architects, subcontractors, and the general public through digital outreach and thoughtfully designed awareness campaigns.

Active participation in exhibitions like IAPEX 2024 and direct interactions with industry professionals through focused meetings, aimed at fostering collaboration and driving innovation in product development. Other engagement initiatives, such as the Women Entrepreneurs' Pop-up and craftsman training programs, were also conducted to enhance community awareness of the PVC downstream sector.

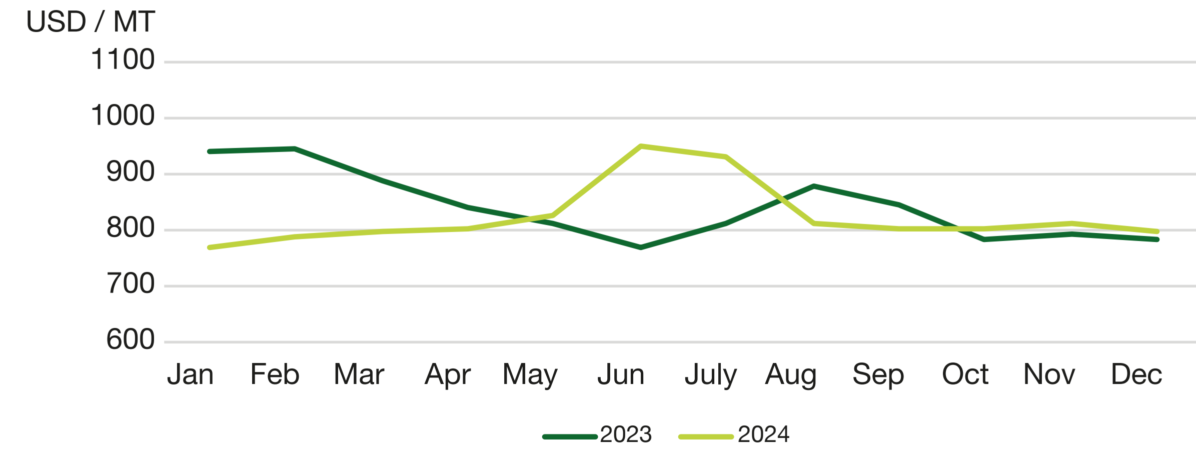
Meanwhile, the Technical Services team played a pivotal role in advancing industry standards by conducting capacity-building workshops for window profile fabricators, aimed at improving the quality of downstream products and enhancing the operational efficiency of downstream manufacturers. These efforts reflect EPCL's dedication to driving sustainable growth and innovation across all facets of the business.

international vinyl chain prices

Despite being a globally traded commodity, PVC prices vary across regions. For Pakistan, the relevant pricing benchmark is CFR South Asia, which is applicable to India, Pakistan, Bangladesh and Sri Lanka. In 2024, international PVC prices experienced significant volatility, reflecting dynamic market conditions. Prices showed an upward trajectory during the first half of 2024, driven by steady underlying demand, rising freight costs and restocking activity in the region. The market saw a sharp surge in mid-2024, with prices peaking at $948 in June, primarily due to higher freight rates as well as supply constraints from maintenance shutdowns and production cuts by key producers.

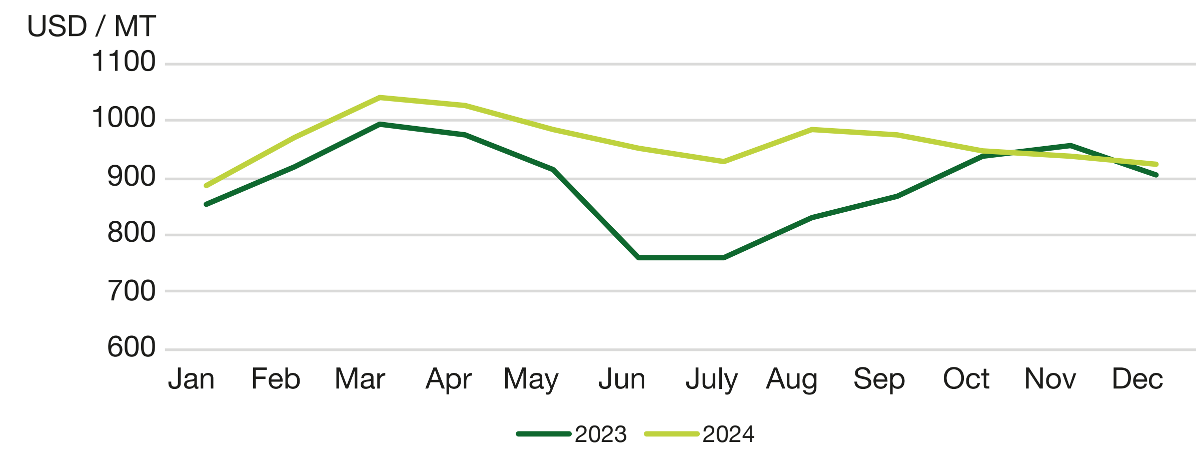
However, the latter half of the year witnessed decline in prices amid a decline in freight costs, as tightness in container availability across Asia began to ease, and subdued demand in China and the region. Dampened domestic demand in China, along with excess inventory in the region, limited price recovery despite some restocking activity in South Asia.

PVC International Prices (South Asia)



Ethylene, the primary raw material for PVC, is also used in the production of other polymers, including Polyethylene. During the outgoing year, ethylene prices were volatile due to instability in oil and energy costs. Ethylene prices peaked around March due to supply tightness. However, as the year progressed, ethylene prices gradually softened due to stabilizing supply conditions and weak downstream demand, and remained rangebound throughout much of the year.

Ethylene Prices



outlook

Going forward, we expect PVC prices to remain stable as new capacities coming online will increase global capacity by 4%, alongside an increase in demand of 4% as well in 2025. As for ethylene, prices will continue to be influenced by crude oil prices and overall ethylene supply. The start-up of new crackers later in the year is projected to increase supply, which may put some downward pressure on prices. Stable PVC prices, coupled with rangebound ethylene prices will keep core delta and margins on the lower side.

chlor-alkali market

Chlor-Alkali is primarily used in the manufacturing of Alumina which in turn is used in the construction and aviation industries. The global Chlor-Alkali market remained under pressure in 2024 as ample supply was available and demand remained soft. International caustic soda prices remained depressed in the first half, but picked up October onwards, due to an increase in demand from the alumina sector and favorable arbitrage opportunities in regional markets.

In Pakistan, caustic soda is a key input for the textile sector and its demand is largely linked to the performance of the textile industry. Company's margins were negatively affected due to increased energy prices, which remained a critical concern for Pakistan's economy in 2024. However, overall caustic demand improved, especially in the export-oriented textile sector, which recorded a growth of 10% in the latter half of the year. Caustic demand is closely correlated with GDP growth and is expected to grow by 3% annually for the next 3 years.

The Company's Chlor-Alkali portfolio includes Sodium Hypochlorite and Hydrochloric Acid. Sodium Hypochlorite is primarily used by the textile industry as a bleaching agent and has other applications in disinfection and water treatment. While Hydrochloric Acid is used in the steel-galvanizing industry, waste-water treatment, power plants and the gelatin segment, along with others. The Company believes that there is growth potential in the downstream applications of these chemicals, particularly in the water purification segment for Sodium Hypochlorite and in the power sector for Hydrochloric Acid.

outlook

The Chlor-Alkali industry in the local market is primarily influenced by energy costs. The domestic demand outlook is positive, determined by factors such as the recovery in the Large-Scale Manufacturing sector and the government's increased focus on textile exports. The domestic market for caustic is expected to grow by 3% in 2025 on the back of growth in the textile sector. However, reliable supply of gas and affordable energy cost will remain a challenge for the Chlor-Alkali industry.

hydrogen peroxide

The Company generates hydrogen as a by-product of its Caustic manufacturing process, which is currently used as fuel in its power plant. The project aims to divert hydrogen to the production of hydrogen peroxide, which is primarily used as a bleaching agent in the textile industry.

This investment represents an important milestone not only for the Company but also for Pakistan's textile sector. HPO is a key input for the textile industry, which forms the backbone of our country's economy. By producing this essential raw material locally, we aim to reduce Pakistan's reliance on imports, enhance industrial efficiency and contribute positively to the national exchequer.

While the Company stood by its unwavering commitment to execute this project, it has faced unprecedented external challenges over the past few years. Global supply chain disruptions, including port congestion during the pandemic and extended COVID-related lockdowns led to delays on the procurement front. These challenges were further exacerbated by contractor issues, restrictions on L/C payments on the back of domestic macroeconomic difficulties and delays in equipment delivery. In spite of these obstacles, the Company has remained focused on ensuring the highest standards of safety and execution, achieving commercial operations of its Hydrogen Peroxide plant on February 17, 2025.

operational efficiencies

At the Company, resource conservation and operational efficiency are high focus areas to maximize value for stakeholders and contribute positively to the sustainability agenda. In line with this, the Company has made significant investments in projects like Oxy Vent Recycle (OVR) and Zero Gap Technology to not just optimize our operational processes but to also actively contribute to environmental stewardship. Similarly, the Company continued the implementation of its High Temperature Direct Chlorination (HTDC) project, which will significantly save cost for EPCL on the energy front. The Company is focused on energy efficiency and aims to reduce its carbon footprint with the HTDC project. The Company has also worked on optimizing variable cost with efficiencies resulting in cash flow conservations for 2025. Additionally, the Company engaged in various key digitization initiatives such as Adaptive Advanced Process Control, and advanced analytical dashboards, which optimize plant performance and improve efficiency through data-driven insights.

financial overview & management

sales review

In 2024, the Company's revenue decreased by 7% compared to 2023, despite increased domestic sales volume of PVC and Caustic. The increase in volumes was offset by lower PVC prices, which decreased in 2024 due to adverse global macroeconomic and geopolitical developments.

profitability

The Company reported a net loss of PKR 161 million on the back of decrease in revenue due to lower PVC prices while the cost of sales increased following a surge in energy costs.

contribution to the national exchequer

During 2024, the Company contributed over PKR 6,984 million to the government treasury in the form of taxes, including excise duty, custom duty, income tax and sales tax. Additionally, the Company generated foreign exchange savings, through $81 million in import substitution and $13 million in exports.

liquidity and cash flows

During the year, the Company generated a cash flow of PKR 6,943 million from its operating activities.

financing
The Company has successfully entered into a musharaka agreement with Dubai Islamic Bank Pakistan Limited for a loan facility amounting to Rs. 2 billion. The terms of financing include a repayment period of 7 years, with a grace period of 2 years.

The Company also entered into a musharaka agreement with Meezan Bank Limited for a loan facility amounting to Rs. 6 billion. The terms of financing include a repayment period of 7 years, with a grace period of 2 years.

credit rating
In 2024, Pakistan Credit Rating Agency (PACRA) maintained the Company's long-term credit rating at AA and its short-term rating at A1+. The credit rating agency evaluated the Company's rating as 'Stable', highlighting its good credit worthiness. The agency based the ratings on the Company's ability to enhance its business, financial profile and maintain stable operations.

capital structure
The assets of the Company were financed by long-term debt and equity in the ratio of 52:48 in 2024, compared to 45:55 in 2023. During the year, the Company saw a slight shift towards debt as new loans obtained exceeded the amount of loan repayment, leading to a slight increase in the Company's leverage.

risk assessment and management
The Company employs the Lean Enterprise Risk Management framework to systematically assess and manage risks. This framework underscores the importance of risk management in creating, protecting and enhancing shareholder value by managing uncertainties that may impact the achievement of corporate goals and objectives. The Company recognizes the complexity of the business environment it operates in and believes it is necessary to regularly assess the organization's strategy and the risk appetite while clearly defining responsibilities across all levels.

The Company 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 risks are identified, strategies are developed to mitigate their impact, monitored by the Management Committee and the Board.

assessment & management of sustainability-related risks
The Company believes environmental consideration is critical in upholding responsible business operations. The Company strives to manage and utilize its resources and operations in a way that the health safety & environment of its people, neighbors, customers and visitors is consistently ensured. We believe our HSE responsibilities extend beyond the protection and enhancement of our own facilities. As environmental challenges become more complex and demanding, the Company ensures that appropriate processes and controls are in place to ascertain, measure and manage the risk involved. We use a precautionary approach to identify risks and take preventive measures to mitigate the potential harm to the people and the environment and continuously monitor resource optimization opportunities.

The Company has a well-established environmental management system including detailed technical standards and an extensive audit and inspection program. The systematic monitoring of environmental performance and process safety measures is in place, including tools such as Hazard and Operability Studies (HAZOP), Layers of Protection Analysis (LOPA), qualitative risk assessment studies, impact risk assessments, dispersion modelling and real-time monitoring of emissions and discharges.

Major environment risks are included in the Enterprise Risk Management process and are managed and stewarded on a regular basis. Environmental performance is monitored and reported regularly, internally on a periodic basis and externally on a monthly basis to Sindh Environmental Protection Agency (SEPA) and as part of our Sustainability Reporting on an annual basis.

financial risks and opportunities due to climate change
The Company is cognizant of the fact that climate change presents physical and financial risks and opportunities to its operations, profitability and future growth and overall enterprise value.

To better capture these, we have conducted a preliminary assessment of climate related risks and opportunities and classified them as physical or transition risk, guided by the Task Force on Climate-related Financial Disclosure (TCFD) framework. This exercise is cross-cutting across businesses and is aimed at providing insights to broaden our understanding of climate-related risks and opportunities and preparing strategies and action plans to be put in place. Extensive data with respect to financial implications based on scenario planning and cost of actions needed to mitigate the risk of benefit from the opportunity will be prepared as a corollary to the preliminary exercise which will help us align our methodology and reporting with the TCFD framework requirements, which we intend to implement in the future. As a responsible corporate organization, we 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, technological improvements, awareness sessions, enriching biodiversity etc.

We are mindful of the growing importance of reporting climate related disclosures through credible frameworks such as the IFRS standards and will align our climate related reporting in due course.

business continuity plan
The Company has put in place a comprehensive Business Continuity Plan (BCP) outlining policies and procedures aimed at mitigating the potential impact of any disruptive event. The plan was launched in 2013 and has been regularly updated since 2018 to ensure its effectiveness. Its primary objectives are as follows:

- To provide a framework for building resilience and capability for an effective response that safeguards the interests of key stakeholders, company reputation and brand image, and protects value-creating activities.
- To assess the risks to the Company's operations and understand the impact of those risks, if they materialize, while considering business priorities and organizational interdependencies.

- To ensure financial stability by ensuring the business can overcome any catastrophic event in a cost-effective manner.
- To effectively manage the response in case of any potential disruption and minimize the impact on business operations.
- To recover business operations to an acceptable level in the shortest possible time, in the event of an incident that results in disruption to critical business operations or support services.
- To regularly test and review the plans supporting Business Continuity and revise them as needed.

Since 2013, the Business Continuity Plan (BCP) has been successfully implemented and tested annually by the management to ensure seamless and safe continuity of operations.

As part of the Company's response strategy, the BCP includes minimum operating requirements, team organization, damage assessment, and primary site restoration activities. It ensures the preservation of critical data and outlines key elements of disaster recovery. The management regularly evaluates potential threats to its business and infrastructure and develops strategies to respond to any unforeseen challenges effectively.

responsible citizenship & CSR activities

The Corporate Social Responsibility (CSR) approach of the Company prioritizes education, healthcare, skills development, environmental preservation, water conservation, and community engagement in alignment with its foundational values. The program upholds the Company's reputation as a responsible business leader in environmental conservation and sustainable development and to support the communities it operates in. To further our cause, we partner with Engro Foundation to conduct our CSR activities, investing in sustainable projects that drive positive social and economic change.

The Company is committed to promoting a safe, healthy, and enabling environment beyond its boundaries, to empower underprivileged communities by imparting education. The Company has set its goal to transform the villages of Ghaggar Pathak, located in the vicinity of the Company's manufacturing plant, into model villages.

education

On the education front, the Company operates four primary school units in partnership with "The Citizens Foundation (TCF)" and two digital micro-schools with "Teach the World Foundation (TTWF)" in the villages of Ghaggar Pathak and Railway Colony near the TDF Magnifiscience Center. These schools serve a population that previously did not have access to quality education in the area. The primary schools with TCF are part of Engro's long-term plan to develop and improve the socio-economic conditions of the residents by improving literacy rates in the area. The digital micro-schools aim to help out-of-school children integrate back into the formal education system by providing basic literacy till the fifth-grade level.

The Company's efforts to promote education are more than just a corporate responsibility. The Company views education as a key driver of sustainable economic development and social progress. By providing access to quality education, the Company is investing in the future of the communities it serves, empowering them with the knowledge and skills they need to succeed and thrive. The Company's commitment to promoting education and empowering communities is a testament to the Company's values and its belief in the power of education to transform lives and communities.

Key highlights from 2024 are:
- 850+ students were receiving education from these schools, of which 40% were girls.
- Roughly PKR 25 million funding was provided during 2024 across all campuses.

healthcare

The Company, in partnership with SINA Welfare Trust, has established a healthcare facility in the Ghaggar Pathak area by constructing a hospital at a cost of PKR 15.7 million. The clinic provides various services, including consultation, OPD, ultrasound, vaccination, lab testing, and free medication, to the community at no charge as all the expenses are borne by Engro Polymer and Chemicals. Furthermore, the Company has a Community Engagement Team in place to educate nearby villages about the availability of free healthcare services at the SINA Clinic, while regularly conducting medical camps to encourage regular check-ups and address health concerns. The medical facility is staffed by three doctors, one family health consultant, and four community health workers.

Key highlights from 2024 are:
- 44,000+ patients were treated
- Over 18,500 children were treated at the facility, 43% of the total patient population
- 17,000+ women patients were treated at the facility
- ~120 patients were treated per day

The Company also recognized the lack of mental health facilities available in Ghaggar Phattak and its neighboring communities. To address this critical need, the Company established a mental health clinic with its execution partner 'Karwan-e-Hayat'. This clinic not only provides free therapy and medicines to the patients but also conducts regular awareness sessions to educate the local community on the importance of seeking medical help for mental health condition. Previously, diseases such as depression and anxiety were often dismissed as social taboos. However, the clinic has played a pivotal role in improving the well-being of the people in the community.

Key highlights from 2024 are:
- 2,900+ patients were treated.
- Women amounted to 58% of the patient population.
- 70 community awareness sessions were conducted which were attended by over 2,000 residents of Ghaggar Phattak

skills development

The Company, in partnership with Descon Technical Institute (DTI), conducted a series of skills development workshops, aimed at improving livelihood opportunities in Karachi. Recognizing that skills development is one of the key drivers of social mobility, the Company conducted two programs in 2024. The Women's Forklift Training Program provided certification to female forklift drivers, promoting Diversity, Equity and Inclusion (DEI), by increasing women participation in the workforce.

To further support community development and strengthen the PVC business value chain, the Company conducted training sessions on PVC downstream usage for carpenters, plumbers and fabricators. These sessions did not only serve as an avenue to further improve the value chain, but also contributed to improving employment opportunities and economic well-being within local communities.

Key highlights from the programs include:
- 22 women graduated with technical training on forklift operations.
- 380+ plumbers, 80+ carpenters and 40+ fabricators from all over Pakistan were trained to bridge overall skillset gap in the PVC value chain.

water conservation

The Company addressed major health concern in the Ghaggar Pathak community: the lack of clean and safe drinking water. The public water supply system was unreliable, scarce and contaminated with dangerous bacteria such as e-coli and fecal e-coli, posing serious risks to public health. This resulted in the loss of millions of working hours and increased healthcare costs. To combat this issue, the Company, in partnership with "The Water Foundation", now operates 5 water filtration plants to provide safe drinking water to the community. These facilities play a crucial role in preventing the spread of waterborne diseases within the community, while also promoting the efficient use of water resources in the locality.

Key highlights from the facility include:
- Over 7+ million litres of clean drinking water processed and provided in 2024.
- ~155,000 members of the community benefited from the water filtration plants.
- An average of 22,000 litres of clean water is provided per day to the communities.

environmental initiatives

As part of our commitment to the environment, Engro engages in the plantation of key tree and plant species all over Pakistan through our afforestation program with the World Wildlife Fund (WWF).

Key highlights from 2024 include:
- A total of 106 ha of land was added to plantations through assisted natural regeneration, dry afforestation, and restocking.
- Preliminary Assessment of the Phadial, Diyal, and Kohalah areas in Jhelum for the Key Biodiversity Area was carried out and report developed.
- A total of 21,000 seed balls were disseminated over barren lands.
- Fencing and protection activities were carried out at 3 plantation sites to improve security and protection.

The Company also funds the Circular Plastics Institute (CPI) at the Karachi School of Business and Leadership (KSBL) which focuses on researching and promoting sustainability through circular economy.

In a short time span, CPI has achieved substantial progress, conducting pioneering research and successfully securing over USD 85,000 in international funding. Some examples of studies conducted or being conducted include:
- 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.

business ethics & anti-corruption

Transparency and accountability are cornerstones of the Company's approach to governance. We have implemented a robust framework of policies and standards, rigorously monitored by high-level committees, fostering a culture rooted in character, integrity, and trustworthiness. This ensures every action aligns with ethical and operational best practices, guided by truthfulness, humility, and a commitment to striving responsibly even in challenging times. Such policies include:

- Code of Conduct
- Fraud Risk Management
- Governance of Conflicts of Interest
- Statement of Ethics and Business Practices
- Whistleblower Policy
- Gift & Business Entertainment Policy
- Anti-corruption Policy
- Governance of transactions/contracts with related parties

During the year, detailed sessions were held on Ethics and Compliance at the Company which focused on our "Speak Out" platform, anti-corruption practices, conflict of interest and insider trading policies.

health, safety and environment

The Company sustained its highest ever run-rate of safe manhours in 2024, clocking over 43 million safe manhours while safely executing massive projects including TA-2024, HPO and HTDC projects.

Continuing its Process Safety Transformation Journey, the Company completed the first baseline PHA of the EDC VCM plant on the DuPont RBA philosophy followed by SIL study of the plant to assess the adequacy of the safety layers of protection. The exercise provided a comprehensive road map towards reducing the operating risk of the EDC VCM plant to 0% non-ALARP scenarios by 2027. Moreover, various process safety capacity building trainings including Tri-pod Beta technique for Process Safety Incidents investigation were held to improve the overall process safety knowledge base of site resources.

The Company also recorded the lowest ever PSTIR (Process Safety Total Incident Rate), owing to the one-of-its-kind LOPC Reduction program rolled out in 2021 which has been recognized at various international platforms including the Chlorine Institute and AICHE.

In 2024, the Company's HSE systems remained distinguished amongst various companies of Pakistan, a testament to the robust frameworks implemented. The Company has been ranked outstanding in NEPRA HSE Rankings for the second consecutive year which compares the HSE frameworks of over hundred companies of Pakistan registered with NEPRA. Furthermore, the Company also won the 10th International Award on Environment Health and Safety 2024 in the "Health & Safety Risk Assessment & Control" category for the year 2024. Similarly, its AI Based Process Safety and Barrier Management system won at the Pakistan Digital Awards 2024 in the category "User and Entity Big Data Analytics" Award.

The Company made numerous improvements to its Environment and Sustainability framework in 2024. The Company was invited by the Government of Sindh to participate as the private sector representative to perform the alignment of the national biodiversity strategy and action plan (NBSAP) framework. Moreover, the Company is pursuing AWS Certification, demonstrating its commitment towards water conservation. In this regard, the Company's Environment Lead successfully completed the Professional Credential Exam with a distinction.

The non-manufacturing HSE system remained a focus area with various advances made, including the establishment of an integrated organization structure for off-site workplaces including offices and warehouses, dedicated HSE training calendars, and safety KPIs for management stewardship. The Company also focused on improving its Transport Safety Framework, which was revamped by performing a gap analysis against international standards of IOGP, OSHA-39001, developing dedicated KPIs and carrying out route risk assessments for dedicated fleet and commute vehicles.

Outstanding efforts were made during the first half of 2024 to manage the Heat Stress situation in the city, with heat index peaking over 54 Degrees Celsius. This was achieved by optimizing the work-to-rest ratios and establishing dedicated shelters and hydration stations. Further on the OHIH front, the Company also completed its cyclic Health Risk Assessment (HRA) covering the plant site, offices and supply chain units, facilitated by Occupational Health and Industrial Hygiene SME.

The Company also dedicatedly completed the remaining construction and commissioning of its HPO and HTDC expansion projects safely. The project safely completed 04 million Safe Manhours without LTIs despite massive contractor turnover and heat wave situation. This was achieved with robust training protocols and strategic safety program covered in the Construction and Commissioning Safety Manual of Expansion Projects.

As part of its efforts to enhance the Emergency Response System on site, the Company revamped its Emergency Control Center, introducing a dedicated Production Cell and Administration Cell for smooth crisis management, while also establishing a digital wall with a holistic view of the site using the widespread CCTV system, with added feature of Thermal Cameras in high hazard operating areas. To further strengthen its head count system, head count scanners and butterfly gates have been added at strategic locations as part of the phase-wise plan. The company also took the initiative to introduce in-house fabricated ERP gadgets including fire hydrants and hose boxes, among others.

To further upscale its HSE Systems, the Company performed 100% Gap Assessment of its Safety Procedures, benchmarking them against Engro Corp's HSE Standards which are aligned with global best practices, standards, and codes while also being validated by a renowned US-based consultancy. The scope of the exercise extends from Process Safety Management to Behavioral Safety, Environment Management, Occupational Health, and Industrial Hygiene. The Company aims to seamlessly integrate these practices into its operations.

information systems

Technology remains a cornerstone of the Company's operational excellence. In 2024, our corporate plan identifies four strategic priorities: strengthening workplace safety, enhancing operational reliability, advancing customer experience, and empowering our workforce with innovative tools and capabilities.

Our digital transformation journey continues to be guided by an unwavering commitment to staying at the forefront of technological advancements. By leveraging emerging technologies, the Company aims to further improve its efficiency, reliability, and productivity, while ensuring sustainable growth. In alignment with the Company's vision, the Digital Transformation team has successfully implemented a range of cutting-edge digital solutions at site, that are as follows:

adaptive advance process control, digital twin & multivariate modelling | optimizing plant performance & improving equipment reliability

Adaptive Advanced Process Control (A-APC) is a cutting-edge solution that improves efficiency by automating optimal operator actions. Using AI and machine learning, A-APC minimizes human error and ensures precise process adjustments. This has led to an increase in the plant's capacity factor and significant improvements in ethylene utilization.
Building on the success of A-APC, Engro has optimized plant processes further by implementing Digital Twin technology at its Vinyl Chloride Monomer (VCM) unit. This technology integrates real-time and historical data with scenario-based simulations, enabling actionable insights and process optimization.

Additionally, the Company has also integrated multivariate process modeling, allowing analysis of over 100 variables simultaneously using big data and AI. This approach has helped detect inefficiencies early, prevented annual distillation-column outages and increased production capacity.

3d intelligent modelling | revolutionizing plant's asset management

The Company introduced 3D modeling using laser scanning to map 85,000m^2 of plant assets, creating isometric drawings through reverse engineering. This initiative reduced significant capital expenditure, improved operational efficiency, and ensured better alignment with the physical layout.

thermal cameras leveraging computer vision ai | improving site emergency response time

The Company has installed 12 state-of-the-art thermal cameras at the EVCM unit, integrating Computer Vision AI for preemptive detection of hazardous chemical leakages and fires, monitoring temperature variations in critical process equipment and close surveillance of inaccessible plant zones, leading significant reduction in emergency response time.

process safety risk management system using AI

The Company's process safety risk management system, powered by AI, optimally utilized Process Hazard Analysis data to elevate process safety barrier management and mitigate risk using advanced analytical features, resulting in significant reduction in site's PSTIR, number of PHA recommendations at HPO & SECE defeat time.

advanced analytical dashboards | strengthening asset integrity

The adoption of Power BI has revolutionized our analytical processes, replacing traditional, time-intensive methods with real-time, data-driven insights. The Company has successfully identified key root causes, including procedural gaps, metallurgical issues, and recurring equipment challenges. This enhanced visibility has enabled targeted corrective actions, resulting in a significant reduction in leakages and heat exchanger failures, while also improving the site's Mean Time Between Failures (MTBF).

drone based visual inspections

The Company has revolutionized tank and vessel inspections by leveraging drone technology, eliminating the need for scaffolding and significantly reducing inspection man-hours. This innovation enhances operational efficiency by enabling real-time monitoring, minimizing human exposure, and providing seamless access to areas that are otherwise challenging to reach through traditional methods.

salesforce driven growth at epcl | revolutionizing customer experience

The Company's Customer Connect Channel (Salesforce) empowers customers with seamless digital payments, streamlining transactions, efficient reconciliation and an online vehicle tracking system for real-time visibility, which significantly improved customer experience.

human resources

The Company is committed to fostering an inclusive workplace. As an equal opportunity employer, we consistently review our culture and practices to create a secure and thriving environment where every employee feels included.

As the only fully integrated chlor-vinyl complex in Pakistan, the Company possesses a unique talent landscape. Our strategic focus revolves around the in-house development of technical talent, with a strong emphasis on the nurturing and grooming of our trainees. Their development is significant as they form an integral part of the talent pipeline for senior leadership positions. The focus is on developing and aligning their skillset with the complex technical capabilities required for our plant.

We are dedicated to promoting business excellence, placing a strong emphasis on the development and well-being of our employees.

talent and leadership

Recognizing the importance of deploying technological advancements with effective leadership, we strive to foster a workplace culture where individuals seamlessly integrate both aspects to drive innovation and success.

PMGM (Performance & Goal Management) is regarded as a valuable tool that supports us in aligning talent development with our strategic focus. Beyond just considering the 'what' part of the objective achievement, PMGM also considers the 'how' part, ensuring that the behaviors behind these decisions are accounted for as well. The Leadership Competency Model (LCM) was updated in 2023 to ensure alignment with our core values.

In addition, Development Forums serve as a key platform for evaluating and enhancing the leadership potential of our talent. These forums provide a structured environment for reviewing behavioral performance throughout the year, benchmarked against the Leadership Capability Model (LCM). Through in-depth discussions and assessments, the forum identifies individual strengths and areas for improvement, ensuring personalized leadership feedback. This process is instrumental in preparing employees for future leadership roles, fostering a pipeline of capable and high-performing leaders.

Continuous growth and development of our workforce are important in surviving a dynamic, complex, and challenging business environment. To further this agenda, the Talent Development Program plays a significant role by identifying high-potential employees across the business and provides them with targeted mentorship and training opportunities.

culture & engagement

2024 at EPCL was a year of feedback and consolidation. Throughout the year, the leadership reached out to employees through various platforms, i.e. townhalls, CEO connects and the annual engagement survey to understand their areas of concern and ensure that the coming year is now focused on delivering interventions based on their feedback.

The leadership connects culminated in formation of the Synergy Symposium. This forum is focused on 5 streams of employee experience:

- Career Development
- Culture
- Leadership and Systems
- Wellness
- Compensation and Benefits

Each stream is headed by a management committee executive, and they, along with their teams, are working on delivering action plans on key points consolidated through the Leadership connects.

Regular employee engagement surveys and feedback mechanisms help management understand and address the needs and concerns of the employees. The HR team works closely with the department heads to ensure that employee engagement initiatives are aligned with the feedback received and our overall goals. We continuously work on improving employee engagement mechanisms.

The DX Champion Program that was launched in 2023 has progressed with new DX champions being introduced in 2024 to this platform. These digital champions developed solutions for 63 business use cases in their respective divisions. Next year they will focus on implementing these solutions to drive cost efficiencies.

Throughout the year, the HR team marked important occasions of global significance like Global Parents Day, the International Youth Day where we celebrated our trainees through mentoring sessions with the leadership and external guests, and International Mental Health Day which saw our leadership sharing their insights and tips into ensuring a balance between the various competing priorities that employees juggle within their daily lives. These and another connect like the EPCL Cares program ensured that we remain connected with our employees through various interventions.

The Human Resources Department also gives regular updates to the Board of Directors, offering insights into the progress made in this area. To further support our cultural initiatives, the Board and senior management actively engage in appointing and promoting individuals who align with the organization's value.

capacity and capability development

The significance of maintaining a suitable talent pipeline is that it is equipped with the required capabilities and is recognized across all levels. In alignment with this goal, the focus in 2024 remained on enhancing the technical training capacity at the Company.

The Integrated Capability Model (ICM) was launched to ensure implementation of an end-to-end technical talent development framework across the organization. The framework is focused on employees acquiring skills and competencies that prepare them for future challenges and leadership roles while ensuring that talent development directly supports the organization's business objectives, fostering a more agile and responsive workforce.

In 2024 another area of focus was consolidation and implementation of SME programs like Craft in-charges and Skill Pool Managers.

Learning initiatives like accessibility of Skillsoft and Udemy licenses continued to provide employees with the opportunity to work on their development through self-learning module. While Skillsoft focused on leadership capability development, the Udemy platform was leveraged by the engineering talent at EPCL to enhance their technical skill set.

In-person learning programs for the year were designed to equip employees with essential leadership and functional skills. Sessions focused on critical areas such as Strategic Thinking, enabling participants to navigate complex business landscapes, and Conflict Resolution, fostering effective communication and problem-solving. Additionally, functional expertise was strengthened through programs like Finance for Non-Finance that had participants attending from across the Engro Group, ensuring broader financial acumen among employees. These targeted learning experiences empower employees with the skills needed to drive organizational success and excel in their roles.

diversity, equity & inclusion

The inclusion of diverse talent is the key objective behind the Company's DE&I vision, demonstrated by an increase in gender diversity ratio to 13% in 2024. This is emphasized throughout all HR practices with a key commitment area being equal-opportunity recruitment and remuneration leading to retention of diverse talent in unconventional roles. Our DE&I strategy aims for a 16% diversity ratio by 2025, reflected in multiple initiatives like gender-inclusive leadership, leadership coaching programs such as "Breaking the Glass Ceiling" and with programs like "Umeed E Nouh", where we focused on providing sustainable employment avenues through the launch of the first ever women forklift operators program in Pakistan.

Recruitment strategies such as gender-neutral job ads and targeted reach to under-represented areas are adopted to ensure equal opportunity.

The presence of women in positions across all cadres exemplifies our commitment to supporting career progression of women based on merit. This commitment extends to promoting women employees in key roles, and breaking gender barriers in areas like assistant engineers, apprentices, and sales managers.

Our family-friendly policies extend beyond the workplace, offering comprehensive support in multiple aspects throughout an employee's life cycle, including secure accommodation, transportation, and unique returnship programs like "Break Kay Baad" and the Off-track policy for long-term sabbaticals whether for education or care giving needs. Moreover, we actively engage in community outreach, contributing to societal development through initiatives like the Steam Safeer Program. The focus of these initiatives is to empower employees to make a positive impact at grassroot level by establishing a connection with their communities for the betterment of the country.

In summary, our holistic approach encompasses recruitment, career progression, family support, community engagement, and governance, creating a workplace that values diversity and actively supports employees throughout various life situations.

stakeholder engagement & relations

The Company is dedicated to engaging with its stakeholders at all levels, and we have used various platforms over the past year to communicate and collaborate with them. This includes quarterly analyst briefings, press releases, plant visits, disclosure to the stock exchange regarding strategic matters, and informal conversations. To comply with all regulatory requirements, the Company has maintained close coordination with relevant authorities, including tax agencies, Pakistan Stock Exchange, and the Securities and Exchange Commission of Pakistan. We engage with our vendors and customers through formal and informal media, including meetings and conferences, to provide technical assistance and business development services.

As employees play a vital role in the Company's growth, we regularly evaluate their motivation and compare our findings with industry standards. We then share this information with relevant managers and HR to develop appropriate strategies.

support required from government

The Company requests support from the government in the following areas:

- **Gas Price Increase:** Since 2018, the domestic industry has experienced multiple rounds of gas price increase which has impaired shareholder value. To ensure the local industry's competitiveness against international players and continued growth in the domestic industrial base, it is imperative for the government to control the continuous increase in energy prices.

- **Gas Availability:** Uncertainty over gas availability, especially during the winter season, exposes the Company and downstream industries to significant operational risks.. Hence, it is essential for the government to find a long-term solution to this issue to ensure the continuity of local industry's operations.

- **GIDC Case:** In 2020, the Supreme Court issued an order in the GIDC (Gas Infrastructure Development Cess Act) matter, as a result of which the Company is liable to make GIDC payments in 48 monthly instalments. A review petition in this regard has been dismissed. The Company did not pass on the impact of GIDC to customers as PVC pricing is benchmarked against international prices, while Caustic prices are determined through demand-supply dynamics. Currently, a stay order obtained from the Sindh High Court remains in place. The Company requests the government to intervene in this matter and hold effective negotiations with all stakeholders for a mutually beneficial resolution.

- **Duty on PVC Imports:** Maintaining the current level of import duty on PVC is crucial for the domestic PVC industry. In 2021, the Company invested approximately USD 150 million to increase PVC production capacity to 295,000 tons, which is more than domestic PVC demand. The Company believes any changes in the tariff structure will seriously impact its investment and its aim to reach a world-scale size to be globally competitive. Import substitution saves valuable foreign exchange for the country as well.

corporate review

Categories of Shareholding as at December 31, 2024

S.No.	Category of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their Spouse and Minor Children	9	19,006	0.00
2	Associated Companies, Undertakings and Related Parties	4	703,009,677	77.35
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	4	763,260	0.08
5	Insurance Companies	7	44,557,126	4.90
6	Modarabas and Mutual Funds	11	2,491,540	0.27
7	Shareholder holding 10% or more	3	701,968,837	77.23
8	General Public:			
	a. Local	34,157	140,962,619	15.51
	b. Foreign	-	-	-
9	Others	118	17,120,105	1.88
	Total (excluding shareholder holding 10%	**34,310**	**908,923,333**	**100.00**

Information of shareholding required under reporting framework is as follows:

1. Directors, Chief Executive Officer, and their Spouse and Minor Children

S.No.	Name	No. of Shares Held
1	Mr. Ahsan Zafar Syed	1
2	Mr. Masaaki Yokoyama	1
3	Syed Shahzad Nabi	1
4	Mr. Tariq Nisar	5,000
5	Ms. Ayesha Aziz	501
6	Mr. Nazoor Ali Baig	1
7	Mr. Kamran Nishat	1
8	Mr. Tahir Aziz (Spouse of Ms. Ayesha Aziz)	1,000
9	Mr. Abdul Qayoom	12,500
	Total	**19,006**

2. Associated Companies, Undertakings and Related Parties

S.No.	Name	No. of Shares Held
1	Engro Corporation Limited	510,733,453
2	Mitsubishi Corporation	100,053,563
3	Mr. Nadeem Nisar	91,181,821
4	EPCL Employees' Trust	1,040,840
	Total	**703,009,677**

3. NIT and ICP

S.No.	Name	No. of Shares Held
	Total	-

4. Banks, Development Financial Institutions, Non-Banking Financial Institutions

S.No.	Name	No. of Shares Held
	Total	763,260

5. Insurance Companies

S.No.	Name	No. of Shares Held
	Total	44,557,126

6. Mutual Funds and Modarabas

S.No.	Name	No. of Shares Held
1	TRUST MODARABA	30,000
2	FIRST ALNOOR MODARABA	12,000
3	CDC - TRUSTEE AKD INDEX TRACKER FUND	75,910
4	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	853,752
5	CDC - TRUSTEE KSE MEEZAN INDEX FUND	891,874
6	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	242,038
7	CDC - TRUSTEE NBP SAVINGS FUND – MT	250,132
8	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	50,000
9	CDC - TRUSTEE HBL INCOME FUND – MT	500
10	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I – MT	70,093
11	CDC - TRUSTEE PAK QATAR IPF - EQUITY SUB FUND	15,241
	TOTAL	**2,491,540**

7. Shareholder holding 10% or more voting rights in the Company

S.No.	Name	No. of Shares Held
1	Engro Corporation Limited	510,733,453
2	Mitsubishi Corporation	100,053,563
3	Mr. Nadeem Nisar	91,181,821
	Total	**701,968,837**

8. General Public (Local)

S.No.	Name	No. of Shares Held
	Total	140,962,619

9. Others

S.No.	Name	No. of Shares Held
	Total	17,120,105

Pattern of Shareholding as at December 31, 2024

No of Shareholders	From	To	Total Shares
2,241	1	100	91,109
18,478	101	500	8,433,044
6,043	501	1,000	4,575,452
4,380	1,001	5,000	11,233,067
1,238	5,001	10,000	9,587,732
513	10,001	15,000	6,579,105
329	15,001	20,000	6,006,733
216	20,001	25,000	5,017,342
144	25,001	30,000	4,068,264
92	30,001	35,000	3,063,352
53	35,001	40,000	2,032,009
45	40,001	45,000	1,922,484
81	45,001	50,000	3,974,318
49	50,001	55,000	2,578,096
27	55,001	60,000	1,579,617
24	60,001	65,000	1,506,679
20	65,001	70,000	1,378,967
16	70,001	75,000	1,171,140
17	75,001	80,000	1,343,878
12	80,001	85,000	984,920
14	85,001	90,000	1,230,930
6	90,001	95,000	557,125
42	95,001	100,000	4,187,827
11	100,001	105,000	1,125,308
7	105,001	110,000	766,674
9	110,001	115,000	1,016,369
12	115,001	120,000	1,411,195
5	120,001	125,000	622,853
3	125,001	130,000	385,926
6	130,001	135,000	795,528
5	135,001	140,000	689,886
3	140,001	145,000	434,194

Pattern of Shareholding as at December 31, 2024

No of Shareholders	From	To	Total Shares
9	145,001	150,000	1,332,941
2	150,001	155,000	305,500
3	155,001	160,000	476,000
3	160,001	165,000	487,430
2	165,001	170,000	339,000
2	170,001	175,000	346,301
4	175,001	180,000	709,500
3	180,001	185,000	551,248
3	185,001	190,000	564,500
2	190,001	195,000	384,543
9	195,001	200,000	1,800,000
6	200,001	205,000	1,219,169
1	210,001	215,000	210,334
3	215,001	220,000	654,935
2	220,001	225,000	448,519
2	225,001	230,000	460,000
1	230,001	235,000	232,892
3	235,001	240,000	715,438
2	240,001	245,000	483,016
4	245,001	250,000	996,347
4	250,001	255,000	1,002,787
1	255,001	260,000	255,471
1	260,001	265,000	262,000
3	265,001	270,000	803,649
4	270,001	275,000	1,094,973
1	285,001	290,000	288,000
1	290,001	295,000	294,939
6	295,001	300,000	1,796,963
1	300,001	305,000	305,000
1	320,001	325,000	325,000
1	325,001	330,000	330,000
3	335,001	340,000	1,009,499

Pattern of Shareholding as at December 31, 2024			
No of Shareholders	From	To	Total Shares
1	340,001	345,000	341,300
1	345,001	350,000	350,000
1	350,001	355,000	354,000
4	355,001	360,000	1,438,500
1	360,001	365,000	364,600
3	365,001	370,000	1,102,362
1	370,001	375,000	374,536
1	380,001	385,000	384,000
2	395,001	400,000	797,999
1	405,001	410,000	410,000
1	410,001	415,000	410,986
1	415,001	420,000	415,752
2	425,001	430,000	854,984
3	445,001	450,000	1,347,920
2	455,001	460,000	914,138
1	460,001	465,000	464,733
1	475,001	480,000	479,531
1	480,001	485,000	485,000
1	490,001	495,000	495,000
5	495,001	500,000	2,495,993
1	520,001	525,000	525,000
1	560,001	565,000	565,000
1	565,001	570,000	566,000
1	570,001	575,000	573,018
1	585,001	590,000	587,716
1	590,001	595,000	594,989
3	595,001	600,000	1,800,000
1	600,001	605,000	600,076
1	650,001	655,000	655,000
1	665,001	670,000	666,849
1	675,001	680,000	677,726
1	680,001	685,000	684,978

Pattern of Shareholding as at December 31, 2024			
No of Shareholders	From	To	Total Shares
1	695,001	700,000	700,000
1	780,001	785,000	782,000
1	795,001	800,000	797,664
1	845,001	850,000	846,905
1	850,001	855,000	853,752
1	890,001	895,000	891,874
1	910,001	915,000	914,462
1	920,001	925,000	920,848
1	935,001	940,000	937,000
3	995,001	1,000,000	3,000,000
1	1,015,001	1,020,000	1,020,000
1	1,040,001	1,045,000	1,040,840
1	1,150,001	1,155,000	1,152,405
1	1,250,001	1,255,000	1,255,000
1	1,365,001	1,370,000	1,369,956
1	1,395,001	1,400,000	1,397,214
1	1,410,001	1,415,000	1,414,290
1	1,445,001	1,450,000	1,450,000
1	1,995,001	2,000,000	2,000,000
1	2,345,001	2,350,000	2,350,000
1	4,040,001	4,045,000	4,041,095
1	4,715,001	4,720,000	4,717,023
1	39,485,001	39,490,000	39,487,465
1	91,180,001	91,185,000	91,181,821
1	100,050,001	100,055,000	100,053,563
1	510,730,001	510,735,000	510,733,453
34,310			**908,923,333**

board meetings and attendance

In 2024, the Board of Directors held 4 meetings to cover the complete cycle of activities. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Ghias Uddin Khan	2
Ayesha Aziz	4
Nazoor Ali Baig	4
Jahangir Piracha	1
Tomoya Kondo	2
Tariq Nisar	4
Syed Shahzad Nabi	4
Ahsan Zafar Syed	2
Kamran Nishat	3
Abdul Qayoom	3
Masaaki Yokoyama	2

board composition

Male	7
Female	1

Category	Name
Non-Executive Director	Mr. Ahsan Zafar Syed (Chairman) Mr. Tariq Nisar Mr. Masaaki Yokoyama Syed Shahzad Nabi
Executive Director – CEO	Mr. Abdul Qayoom
Independent Director	Mr. Nazoor Ali Baig Mr. Kamran Nishat
Independent Director – Female	Ms. Ayesha Aziz

Board Audit and Risk Committee	
Mr. Kamran Nishat	Chairman
Mr. Nazoor Ali Baig	Member
Mr. Masaaki Yokoyama	Member

Board Peoples Committee	
Ms. Ayesha Aziz	Chairperson
Mr. Tariq Nisar	Member
Mr. Nazoor Ali Baig	Member

compensation of directors

The Company has a formal policy and transparent procedures for the remuneration of its Directors in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The policy also provides travel and daily allowance entitlements for Non-Executive Directors for business-related travel.

The remuneration, including the director fee for attending the Board or Board Committee Meeting, paid to the Directors and Chief Executive Officer is disclosed on Page No. 383 (Note 41 to the standalone financial statements.)

major judgement areas

The details regarding income taxes, provisions, contingencies and commitments, deferred tax assets, and other significant areas that involve subjective judgments and have a material impact on the financial statements can be found in the notes to the accounts.

accounting standards

The Company's financial statements have been prepared per the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

Where provisions of and directives issued under the Companies Act 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act 2017 have been followed.

provident fund

In the year 2013, the Company transitioned from its prior provident fund arrangement to a new provident fund administered and managed by Engro Corporation Limited, the parent company. The financial information pertaining to this fund is based on the most recent audited financial statements of the fund as of June 30, 2024, and unaudited financial statements as of December 31, 2024, which are maintained by Engro Corporation Limited.

Details of the fund are as follows:

(in PKR)	31-Dec-24	30-Jun-24
Total Assets	6,666,596,686	6,750,158,745
Cost of Investments	5,440,350,890	5,188,708,548
Percentage of Investment made	81.61%	76.87%
Fair Value of Investments	6,516,941,780	5,513,773,016

board's policy on gender diversity

The Board fosters gender diversity at all levels within the organization. In relation to this, Ms. Ayesha Aziz was appointed as an Independent Director on the Company's Board in 2020.

compliance with the code of corporate governance

The Board of Directors reviews all significant matters of the Company. These include, but are not limited to, the Company's strategic direction, annual business plans and targets, decision on long-term investment and borrowings. The Board of Directors is committed to maintaining high standards of Corporate Governance.

The Board of Directors is pleased to report that:

- The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash flows, and changes in equity.
- Proper books of accounts have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts on the ability of the Company to continue as a going concern.
- There have been no departures from the best practices of corporate governance, as detailed in the listing regulations.

board's assessment of the principal risks

The Board has reviewed the risks facing the Company, including, but not limited to, those that would threaten the business model, future performance, solvency or liquidity.

training program for directors

The Directors Training Program has been completed by Mr. Ahsan Zafar Syed, Ms. Ayesha Aziz, Mr. Kamran Nishat, Mr. Nazoor Ali Baig and Syed Shahzad Nabi during the preceding years from recognized institutions of Pakistan, approved by the SECP. Other directors will complete the training during the upcoming year.

director orientation

The Company's Board of Directors comprises individuals from diverse professional backgrounds who bring a wealth of experience to the Company. Upon the appointment of a new director, they receive an orientation to the market forces that affect the Company, its operations, and its long-term strategy. Additionally, they are made aware of their fiduciary responsibilities to all stakeholders.

security clearance of foreign director

The Company follows the SECP guidelines for appointment of any foreign director and subject to issuance of security clearance from the Ministry of Interior, foreign directors are appointed.

implementing governance practices exceeding legal requirements

Being a responsible corporate citizen, the Company has always conducted itself in a responsible and clear manner. To foster transparency, the Company:

- Benchmarks reporting requirements against ICAP/ICMAP and SAFA prescribed guidelines.
- Adopted a stringent insider trading policy, which goes beyond the legal requirement.
- Holds multiple analyst briefings and regularly interacts with all stakeholders.
- Implemented Health, Safety and Environment Policy as a testimony of its commitment to protect its people, community and environment.
- Undertook several health and education projects for improving the livelihood of surrounding communities.
- Imposed obligation on employees of group companies to follow the close period requirements.
- Ensured that privately-owned subsidiaries of the Company comply with benchmark governance practices.

board and management decision matrix

The Board of Directors of the Company is responsible for establishing the Company's strategic direction and monitoring its implementation and progress. The management team, on the other hand, is tasked with ensuring the successful execution of the strategies approved by the Board. The Board has delegated the authority to the management to make necessary decisions for the efficient management and operation of the Company and the implementation of its strategies.

shares traded and average prices

During the year, 306 million shares of the Company were traded on Pakistan Stock Exchange. The average price of the Company's shares based on daily closing rates was PKR 41.06. The 52-week low high during 2024 was PKR 30.01 – 49.79 per share, respectively.

auditors

The current auditors, M/s A. F. Ferguson & Co., are retiring and have offered to stand for reappointment. The Board Audit Committee has made a recommendation for their reappointment, which has been endorsed by the Board of Directors.

Abdul Qayoom Shaikh
Chief Executive Officer

Kamran Nishat
Director

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

year ended december 31, 2024

Engro Polymer & Chemicals Limited (hereinafter referred to as (the " Company")) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, ("Regulations") in the following manner:

1. The total number of directors are eight (8) in the following manner:
   a Male: 7*
   b Female: 1

   *Including the Chief Executive Officer (CEO), who is deemed Director

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Nazoor Ali Baig Mr. Kamran Nishat
Independent Director - Female	Ms. Ayesha Aziz
Non-Executive Directors	Mr. Ahsan Zafar Syed - Chairman Mr. Tariq Nisar Mr. Masaaki Yokoyama Mr. Syed Shahzad Nabi
Executive Director - CEO	Mr. Abdul Qayoom

3. The Directors have confirmed that none of them are serving as a director on more than seven (7) listed companies, including the Company.

4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company, along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. Additionally, the Board has ensured that complete record of significant policies alongwith their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and the Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board, except in two instances, where the circulation was completed within a day beyond the prescribed timeline. The Board remains committed to ensuring timely circulation and has further streamlined its processes to uphold regulatory best practices.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. Out of the 8 directors, 5 directors have successfully completed the Director's Training Program while Mr. Tariq Nisar is in the process of attending Director's Training Program. Mr. Masaaki Yokoyama and Mr. Abdul Qayoom, who were appointed during the year, shall take the training under the stipulated timeline as per the requirement of Regulation 19(2). Furthermore, one female executive Ms. Madiha Taj Siddiqui who also acts as a head of department successfully completed Director's Training Program.

10. The Board has approved appointment of company secretary, including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The Board has also reviewed the remuneration of the existing Chief Financial Officer and Chief Internal Auditor along with the terms and conditions of their employment.

11. The Chief Executive Officer and the Chief Financial Officer duly endorsed the Company's financial statements, prior to approval of the Board.

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

a) Board Audit and Risk Committee	Mr. Kamran Nishat - Chairman Mr. Nazoor Ali Baig Mr. Masaaki Yokoyama*
b) Board People Committee i.e. HR and Remuneration Committee	Ms. Ayesha Aziz – Chairperson Mr. Nazoor Ali Baig Mr. Tariq Nisar

** Mr. Masaaki Yokoyama was appointed a member of the Committee on May 13, 2024 after resignation of Mr. Tomoya Kondo (former member) on April 30, 2024.*

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 of the committees were as follows:

    a) Board Audit and Risk Committee - 5 meetings held during the year; and
    b) Board People Committee - 2 meetings held during the year.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and 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 (ICAP) 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 ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirements and the auditors have also confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

19. Except where explained in the relevant paragraph above, explanations for non compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

    1. **Sustainability Committee (regulation 10A)**
    The responsibilities of the sustainability related matters are currently fulfilled by the Board. Pursuant to the amendment in Listed Companies (Code of Corporate Governance) Regulations, 2019 through Securities and Exchange Commission of Pakistan's (SECP) notification SRO 920(1)/2024 dated June 12, 2024, a new regulation 10A has been inserted and accordingly, an amendment in terms of reference of Board Audit & Risk Committee (BARC) to assign additional responsibilities to discharge sustainability related duties has been recommended by BARC to the Board and will be presented for approval in the upcoming board meeting.

2. **Directors Training Program (regulation 19)**
   One of the directors, Mr. Tariq Nisar who was unable to attend the directors training program within one year of his appointment is currently in process of attending the directors training program.

3. **Nomination Committee and Risk Management Committee (regulations 29 and 30)**
   The responsibilities of the Nomination Committee and the Risk Management Committee are currently fulfilled by the Board and Board Audit and Risk Management Committee respectively. Therefore, establishing separate committees for Nomination and Risk Management are not required.

Mr. Ahsan Zafar Syed
Chairman

Abdul Qayoom Shaikh
Chief Executive Officer

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Polymer and Chemicals 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 Polymer and Chemicals Limited (the Company) for the year ended December 31, 2024 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants

Karachi

Date: March 5, 2025

UDIN: CR202410080qlnVENzF5

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

quarterly analysis

(Based on consolidated session)

first quarter

Profit and loss	Q1-24	Q1-23
	Rs in Mn	
Net revenue	16,572	17,978
Cost of sales	(15,506)	(14,231)
Gross profit	1,066	3,747
Operating profit	396	2,849
Profit before tax and levies	1,272	1,672
Net (loss) / profit	(901)	1,183

PVC pricing remained under pressure in Q1 2024 due to weak market fundamentals and subdued domestic demand, impacted by political uncertainty, high inflation, rising energy costs, and a prolonged winter. The construction sector remained sluggish, with a 13% YoY decline in cement sales, rising steel prices, and high financing costs further dampening demand. The caustic soda export market was slow post-holiday, while domestic demand was affected by high energy prices and inflation. However, caustic soda demand in export-oriented industries improved in the latter half of the quarter.

The Company recorded a revenue of Rs. 16,572 million in Q1 2024, a decrease of ~7.8% compared to the same period last year on the back of lower volumetric sales and global PVC prices. During Q1 2024, the Company recorded an after-tax loss of Rs. 901 million primarily due to lower core delta and volumetric sales.

Balance sheet	Mar-24	Dec-23
	Rs in Mn	
Total assets	89,699	90,598
Total equity	26,581	28,592
Total liabilities	63,118	62,006

Due to the aforementioned challenges, the financial position of the Company remained stable with a slight reduction in working capital on account of loss during the quarter as compared to last quarter.

second quarter

Profit and loss	Q2-24	Q2-23
	Rs in Mn	
Net revenue	17,812	19,044
Cost of sales	(16,376)	(13,379)
Gross profit	1,436	5,665
Operating profit	798	4,963
Profit before tax and levies	(1,328)	3,412
Net (loss) / profit	(688)	1,562

During the quarter, weak market fundamentals, including demand, continued to weigh on PVC pricing while the demand for caustic in domestic export-oriented industry improved in the second quarter.

The Company recorded a revenue of Rs. 17,812 million in Q2 2024, a decrease of ~6.5% compared to the same period last year on the back of lower PVC prices. During Q2 2024, the Company recorded an after tax loss of Rs. 688 million primarily due to lower core delta and higher production & finance costs.

Balance sheet	Jun-24	Dec-23
	Rs in Mn	
Total assets	95,909	90,598
Total equity	25,892	28,592
Total liabilities	70,016	62,006

The financial position for the period witnessed an increase in inventory & total borrowings as compared to the previous quarter on account of lower volumetric sales, business losses and capital expenditure.

third quarter

Profit and loss	Q3-24	Q3-23
	Rs in Mn	
Net revenue	20,067	25,016
Cost of sales	(18,969)	(18,551)
Gross profit	1,098	6,465
Operating profit	517	5,647
Profit before tax and levies	(1,447)	4,411
Net (loss) / profit	(698)	2,642

Global PVC prices remained bearish during the quarter due to weak global macroeconomic fundamentals and reduced demand.

The topline declined by ~19.8% compared to the same period last year, driven by falling global PVC prices and reduced volumetric sales. During this quarter, the company reported an after-tax loss of Rs. 2,288 million, mainly due to a lower core delta, decreased sales volume and increased finance costs.

Balance sheet	Sep-24	Dec-23
	Rs in Mn	
Total assets	97,248	90,598
Total equity	25,194	28,592
Total liabilities	72,054	62,006

The financial position for the period showed further increase in total borrowings as compared to previous quarter to finance business losses and capital expenditure.

fourth quarter

Profit and loss	Q4-24	Q4-23
	Rs in Mn	
Net revenue	21,257	19,232
Cost of sales	(18,266)	(14,557)
Gross profit	2,991	4,675
Operating profit	2,676	4,511
Profit before tax and levies	901	4,262
Net profit	2,128	3,545

In the last quarter, the Company experienced a 6% increase in revenue compared to the previous quarter and an 11% rise from the same period last year. While higher volumes contributed to growth, the impact was partially offset by a decline in average PVC prices in 2024, driven by adverse global macroeconomic and geopolitical factors. Despite these challenges, the Company posted an after-tax profit of PKR 2,128 million, supported by lower production costs and reduced interest rates in Q4 2024.

Balance sheet	Dec-24	Dec-23
	Rs in Mn	
Total assets	100,851	90,598
Total equity	27,322	28,592
Total liabilities	73,530	62,006

The financial position of the Company observed an increase in non-current assets on account of capital expenditure that was partly financed by long-term & short-term borrowings.

six-year summary of financial performance

with horizontal and vertical analysis

Statement of Financial Position	2024 Amount In Mn.	2024 Horizontal In %	2024 Vertical	2023 Amount In Mn.	2023 Horizontal In %	2023 Vertical	2022 Amount In Mn.	2022 Horizontal In %	2022 Vertical	2021 Amount In Mn.	2021 Horizontal In %	2021 Vertical	2020 Amount In Mn.	2020 Horizontal In %	2020 Vertical	2019 Amount In Mn.	2019 Horizontal In %	2019 Vertical
ASSETS																		
Property, plant and equipment	60,699	13	60	53,734	19	59	45,287	17	53	38,703	3	50	37,614	20	54	31,433	62	55
Right-of-use asset	712	(41)	1	1,206	(28)	1	1,684	(17)	2	2,037	(12)	3	2,306	(16)	3	2,748	100	5
Intangible assets	515	(17)	-	620	(10)	1	686	(4)	1	712	598	1	102	29	-	79	(26)	-
Investments at amortised cost	-	-	-	-	(100)	-	1,318	(57)	2	3,093	(34)	4	4,661	(14)	7	5,421	100	9
Long-term loans, advances and deposits	9	(60)	-	23	2,164	-	1	49	-	1	(98)	-	29	(60)	-	72	(14)	-
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-	-	(100)	-	116	100	-
Stores, spares and loose tools	4,911	48	5	3,312	34	4	2,464	21	3	2,042	14	3	1,785	6	3	1,678	7	3
Stock-in-trade	14,439	(15)	14	16,985	63	18	10,416	(17)	12	12,591	103	16	6,195	42	9	4,350	21	8
Trade debts	1,263	(22)	1	1,629	(39)	2	2,679	221	3	834	42	1	586	25	1	470	9	1
Loans, advances, deposits, prepayments and other receivables	6,387	16	6	5,528	57	6	3,515	87	4	1,877	496	2	315	(64)	1	879	(48)	2
Income tax recoverable	6,807	-	7	-	-	-	-	-	-	-	(100)	-	159	87	-	85	100	-
Short-term investments	1,575	(54)	2	3,460	(75)	4	14,059	(1)	16	14,143	(2)	18	14,396	100	21	9,396	20	16
Cash and bank balances	3,534	(14)	4	4,101	25	5	3,292	70	4	1,933	104	2	946	19	1	792	(42)	1
TOTAL ASSETS	**100,851**	**11**	**100**	**90,598**	**6**	**100**	**85,401**	**10**	**100**	**77,966**	**13**	**100**	**69,094**	**20**	**100**	**57,519**	**60**	**100**
EQUITY																		
Ordinary share capital	9,089	-	9	9,089	-	10	9,089	-	11	9,089	-	11	9,089	-	13	9,089	-	16
Preference shares	3,000	-	3	3,000	-	4	3,000	-	3	3,000	-	4	3,000	-	4	-	-	-
Share premium	3,875	-	4	3,875	-	4	3,875	-	5	3,875	-	5	3,875	-	6	3,875	-	7
Hedging reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unappropriated profits	11,357	(10)	11	12,628	13	14	11,158	(20)	13	14,004	38	18	10,162	111	15	4,812	26	8
	27,321	**(4)**	**27**	**28,592**	**5**	**32**	**27,122**	**(9)**	**32**	**29,968**	**15**	**38**	**26,126**	**47**	**38**	**17,776**	**6**	**31**
LIABILITIES																		
Long-term borrowings	29,097	31	29	22,138	12	24	19,835	15	23	17,177	(13)	22	19,790	2	29	19,389	159	34
Government grant	1,015	(22)	1	1,299	123	2	582	271	1	157	100	-	-	-	-	-	-	-
Lease liabilities	438	(68)	-	1,361	(28)	2	1,892	(30)	2	2,713	(25)	4	3,614	(20)	5	4,544	-	8
Provisions	-	-	-	-	(100)	-	637	(65)	1	1,809	(40)	2	2,991	100	4	-	-	-
Deferred tax liability - net	1,783	(40)	2	2,982	40	3	2,131	5	3	2,029	72	3	1,183	100	2	-	(100)	-
Current portion of long-term borrowings	1,302	(58)	1	3,071	(36)	3	4,826	23	6	3,930	114	5	1,837	100	3	-	-	-
Current portion of lease liabilities	853	(27)	1	1,173	(39)	1	1,913	29	2	1,481	37	2	1,081	10	1	987	-	2
Provisions	6,111	-	6	6,111	2	7	6,011	48	7	4,074	66	5	2,456	(57)	3	5,658	22	10
Service benefit obligations	99	16	-	85	15	-	74	(25)	-	98	23	-	80	31	-	61	11	-
Short-term borrowings	11,849	57	12	7,526	1,487	8	474	-	-	474	100	1	-	(100)	-	2,159	-	4
Current portion of government grant	237	9	-	217	123	-	97	261	-	27	100	-	-	-	-	-	-	-
Trade and other payables	19,736	35	20	14,661	(5)	16	15,353	33	18	11,551	22	15	9,483	45	14	6,548	2	11
Unclaimed dividend	284	(60)	-	706	(40)	1	1,174	14	1	1,030	3,579	1	28	(10)	-	31	15	-
Income tax payable	-	(100)	-	151	(95)	-	2,887	184	3	1,016	100	1	-	-	-	-	(100)	-
Accrued interest / mark-up	726	38	1	526	34	1	392	(9)	1	431	2	1	425	16	1	366	463	-
	73,530	**19**	**73**	**62,006**	**6**	**68**	**58,279**	**21**	**68**	**47,998**	**12**	**62**	**42,968**	**8**	**62**	**39,743**	**107**	**69**
TOTAL EQUITY AND LIABILITIES	**100,851**	**11**	**100**	**90,598**	**6**	**100**	**85,401**	**10**	**100**	**77,966**	**13**	**100**	**69,094**	**20**	**100**	**57,519**	**60**	**100**

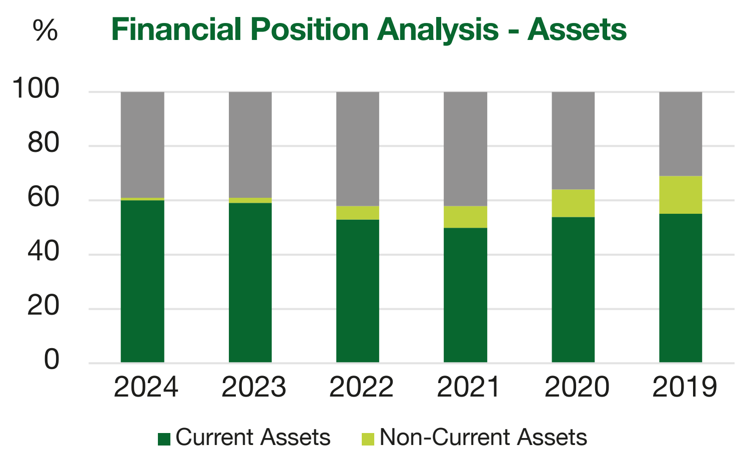
six-year summary of financial performance

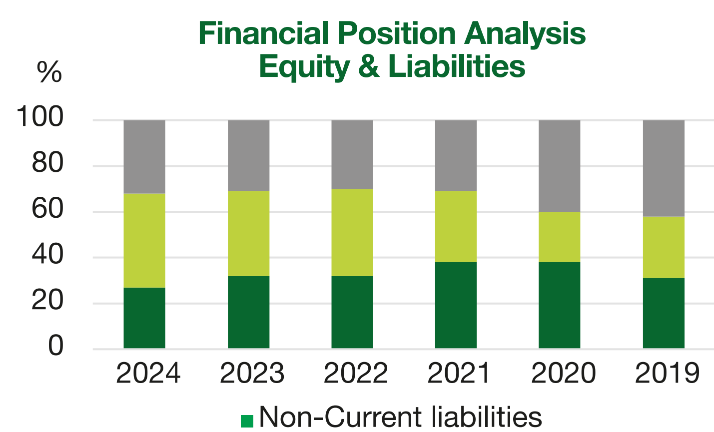
with horizontal and vertical analysis

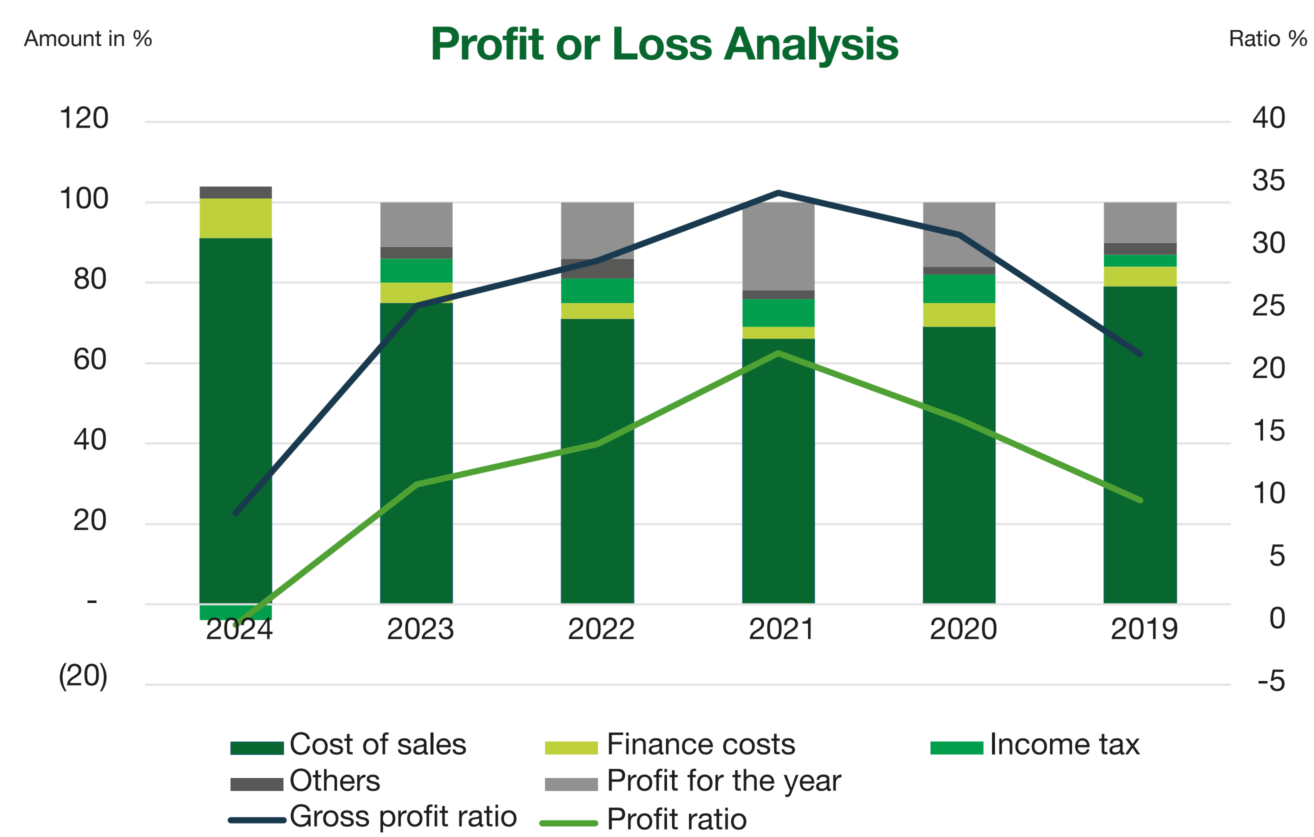
Statement of Profit of Loss	2024 Amount In Mn.	2024 Horizontal In %	2024 Vertical	2023 Amount In Mn.	2023 Horizontal In %	2023 Vertical
Revenue from contracts with customers - net	75,708	(7)	100	81,270	(1)	100
Cost of sales	(69,117)	14	(91)	(60,718)	4	(75)
Gross profit	6,591	(68)	9	20,552	(13)	25
Distribution and marketing expenses	(701)	8	(1)	(650)	11	(1)
Administrative expenses	(2,082)	29	(3)	(1,618)	22	(2)
Other expenses	(216)	(88)	-	(1,863)	(46)	(2)
Other income	795	(49)	1	1,550	5	2
Operating profit	4,387	(76)	6	17,971	(9)	22
Finance costs	(7,532)	79	(10)	(4,215)	36	(5)
(Loss) / profit before minimum tax differential, final tax and income tax	(3,145)	(123)	(4)	13,756	(18)	17
Minimum tax differential	(38)	3,700	-	(1)	(100)	-
Final tax	78	(135)	-	(224)	31	-
(Loss) / profit before income tax	(3,105)	(123)	(4)	13,531	(18)	17
Income tax	2,944	(164)	4	(4,599)	(5)	(6)
(Loss) / profit for the year	**(161)**	**(102)**	**-**	**8,932**	**(24)**	**11**

Statement of Profit of Loss	2022 Amount In Mn.	2022 Horizontal In %	2022 Vertical	2021 Amount In Mn.	2021 Horizontal In %	2021 Vertical	2020 Amount In Mn.	2020 Horizontal In %	2020 Vertical	2019 Amount In Mn.	2019 Horizontal In %	2019 Vertical
Revenue from contracts with customers - net	82,060	17	100	70,022	98	100	35,331	(7)	100	37,837	7	100
Cost of sales	(58,356)	27	(71)	(45,986)	89	(66)	(24,382)	(18)	(69)	(29,731)	7	(79)
Gross profit	23,704	(1)	29	24,036	120	34	10,949	35	31	8,106	7	21
Distribution and marketing expenses	(587)	45	(1)	(406)	38	(1)	(294)	(26)	(1)	(396)	3	(1)
Administrative expenses	(1,329)	94	(2)	(684)	24	(1)	(550)	(3)	(2)	(566)	(2)	(1)
Other expenses	(3,482)	46	(4)	(2,382)	177	(3)	(860)	(31)	(2)	(1,241)	50	(3)
Other income	1,482	12	2	1,327	12	2	1,180	27	3	930	(26)	2
Operating profit	19,788	(10)	24	21,891	110	31	10,425	53	30	6,833	(3)	18
Finance costs	(3,092)	62	(4)	(1,904)	(13)	(3)	(2,191)	22	(6)	(1,794)	196	(5)
(Loss) / profit before minimum tax differential, final tax and income tax	16,696	(16)	20	19,987	143	29	8,234	63	23	5,039	(22)	13
Minimum tax differential	-	(100)	-	(7)	-	-	(7)	(30)	-	(10)	(100)	-
Final tax	(171)	(2)	-	(175)	21	-	(145)	17	-	(124)	136	-
(Loss) / profit before income tax	16,525	(17)	20	19,805	145	28	8,082	65	23	4,905	(23)	13
Income tax	(4,836)	2	(6)	(4,744)	102	(7)	(2,352)	95	(7)	(1,209)	(18)	(3)
(Loss) / profit for the year	**11,689**	**(22)**	**14**	**15,061**	**163**	**22**	**5,730**	**55**	**16**	**3,696**	**(25)**	**10**

vertical analysis - graphical presentation







six-year summary of financial performance

with graphical presentation of horizontal analysis

financial position analysis

non-current assets

Non-current assets of the Company have increased by Rs. 6,351 Mn against last year i.e., by 11%. A diversified range of CAPEX was undertaken by the Company which included Hydrogen Peroxide, High Temperature Direct Chlorination (HTDC) and other operational efficiency and reliability projects.

trend analysis

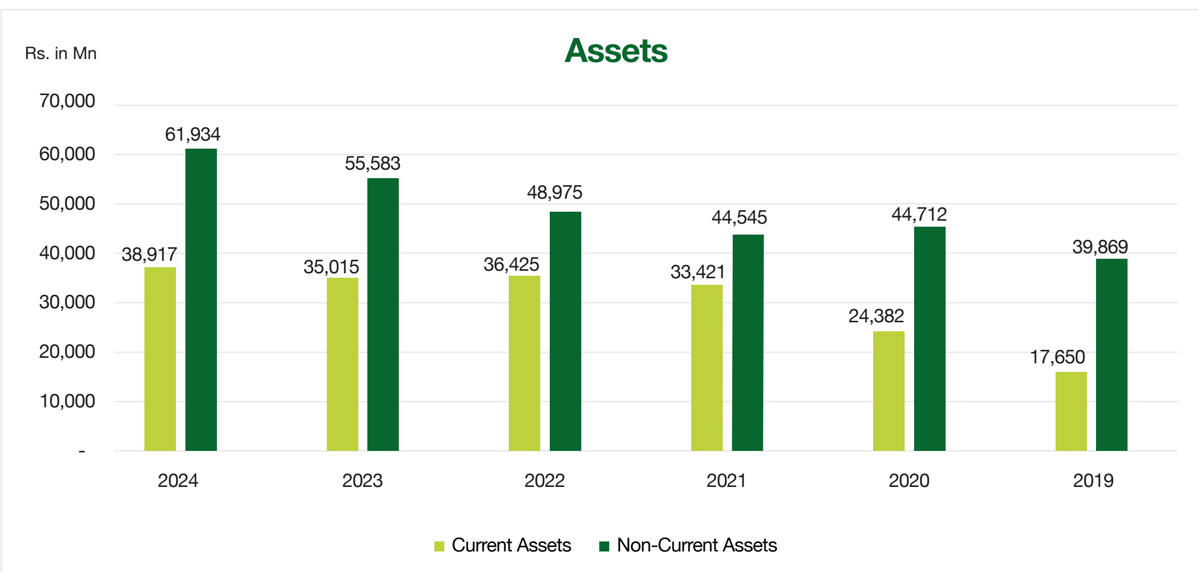
Over the period of six years, the non-current assets of the Company have been increasing due to expansion and diversification projects as well as CAPEX incurred to achieve enhanced reliability, greater efficiency and harness synergies. In 2019, the company obtained TDR of USD 35 Mn, which started maturing in 2021 and completed its tenure in 2024.

current assets

The net increase in current assets amounting to Rs. 3,902 Mn over the previous year is majorly due to increase in income tax payments during the year partly offset by decreased inventory levels.

trend analysis

Current assets have grown up over the period on account of an increase in the cash of the Company as a consequence of profitability of the Company in last 6 years. Additionally, the Company has undertaken various debottlenecking projects and expansion of the existing capacity of PVC by 100KT resulting in an increased overall production capacity that was sufficiently utilized by higher sales volumes. Increase in current assets was witnessed during the year mainly due to income tax payments made partly offset by decrease in short-term investments and bank balances.



non-current liabilities

Non-current liabilities have increased by Rs. 4,551 Mn to Rs 32,333 Mn. This is primarily on account of long-term borrowings obtained during the year.

trend analysis

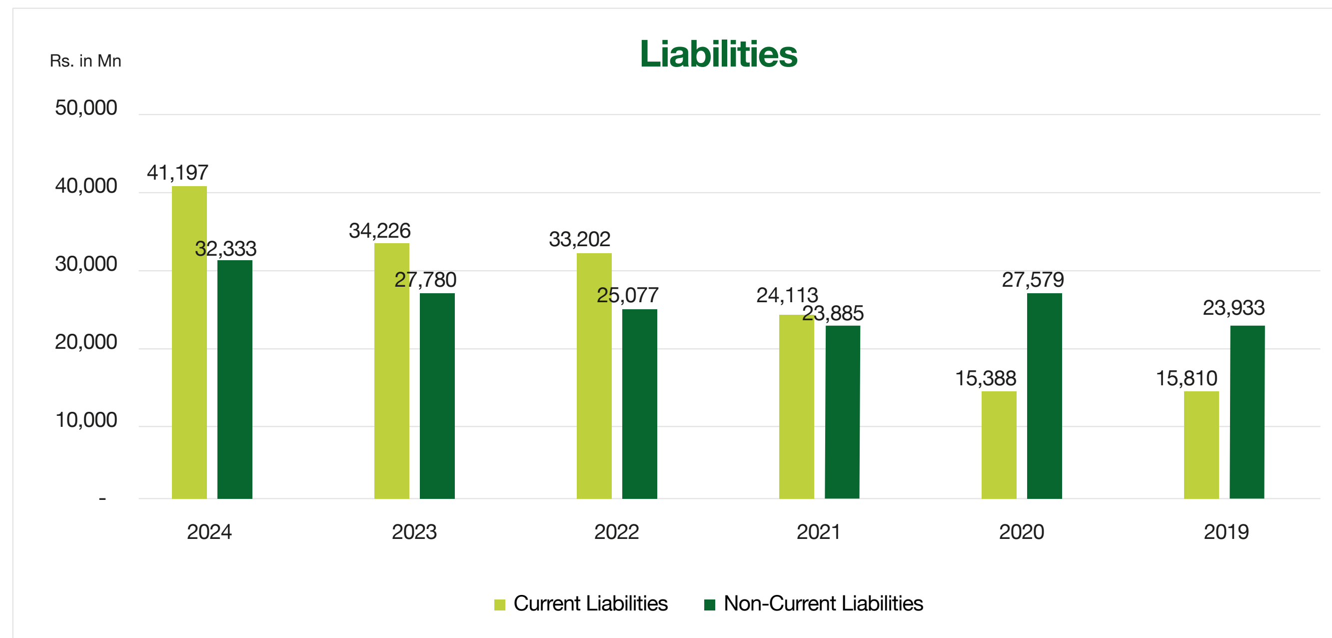
The non-current liabilities remained stagnant during the years 2019-2022. However, these increased in 2023 & 2024 owing to the capital expenditures being made in respect of expansion, diversification and efficiency projects that were financed by long-term loans.

current liabilities

Current liabilities have increased from Rs. 34,226 Mn to Rs. 41,197 Mn in 2024. There has been a significant increase witnessed in short-term borrowings and trade payable balance as at December 31, 2024.

trend analysis

In 2023 & 2024, the Company relied on short-term borrowings to finance the current liabilities of the Company. Since 2021, the increase in current liabilities was also observed due to recorded payable on account of raw material and CAPEX related procurement that was partly offset by reduction in income tax payable balances in 2023 & 2024.



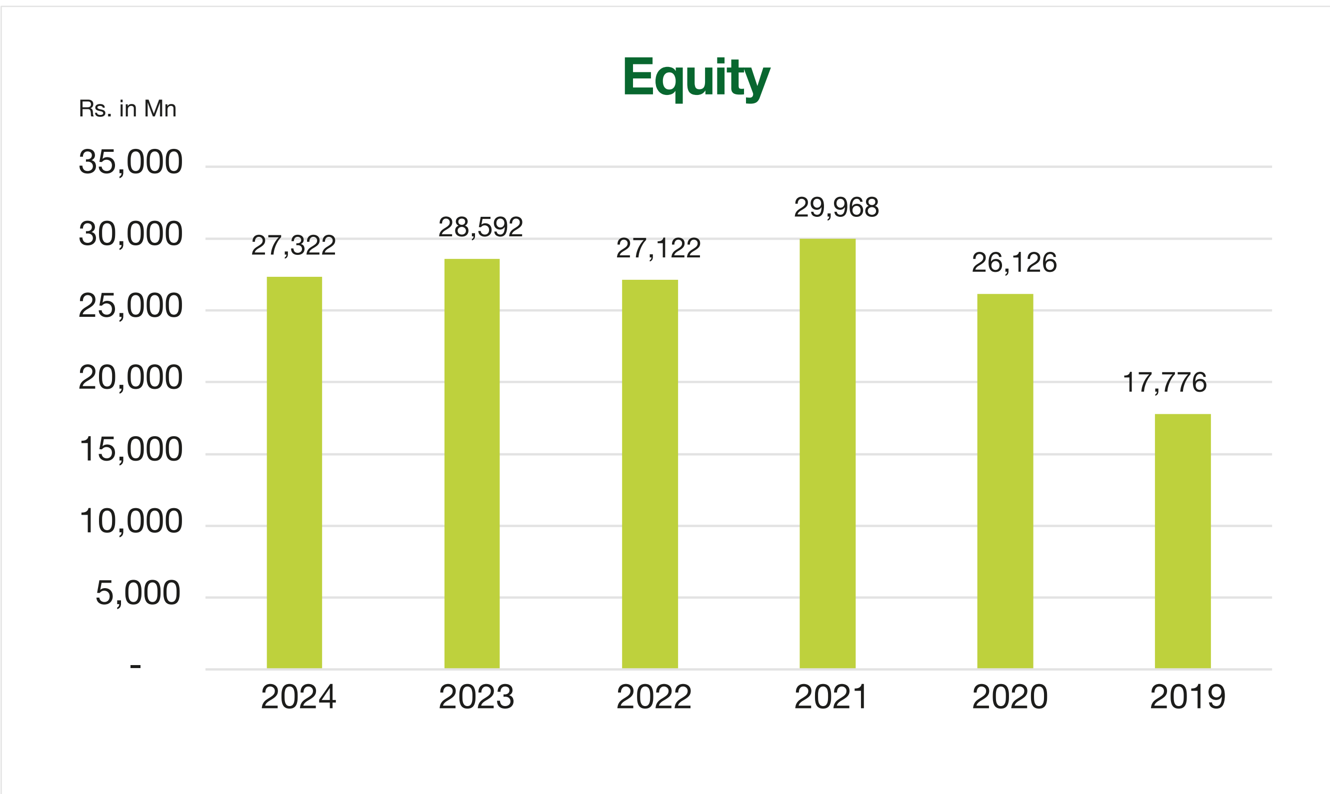
shareholders' equity

Shareholders' equity has decreased during the year by Rs. 1,271 Mn. The variation is attributed to the following events:

1. Net loss reported for the year was Rs. 161 Mn. As compared to Rs. 8,932 Mn profit made last year.
2. Profit appropriation made during the year was Rs. 1,110 Mn. against Rs. 7,462 Mn in the corresponding year.

trend analysis

Equity has been accumulating from Rs. 17,776 Mn. to Rs. 27,322 Mn. due to preference shares issuance in 2020 of Rs. 3,000 Mn to finance PVC III expansion and VCM debottlenecking project. In the last 6 years, the Company has posted after tax profits of Rs 44,947 Mn which has significantly increased shareholders wealth. Additionally, since 2019, the Company has also made dividend disbursements of Rs. 35,326 Mn. In 2019, the application of IFRS 16 resulted in the recognition of a loss of Rs. 1,898 Mn recorded through equity.



profit or loss analysis

revenue:

During the year, the top-line of the Company has decreased by Rs 5,562 Mn from last year on account of lower prices and volumes of PVC due to challenging local & global macroeconomic and geopolitical situation, partly offset by an increase in Caustic volumes.

trend analysis

The Company's revenue has been on an increasing trend up to 2022 due to higher sales driven by PVC capacity expansion and higher prices. In 2023 and 2024, the Company faced a decline in sales volume and prices owing to depressed global dynamics which suppressed increase in revenue.

cost of sales:

Cost of sales have increased by Rs. 8,400 Mn mainly because of higher raw material and gas prices, increasing the cost of production.

trend analysis

Over the period, the fluctuation in raw materials prices and rising gas prices have kept upward pressure on the cost of sales of the Company. Volumetric increases in sales and subsequent production naturally fueled further increase in cost of sales. The company undertook initiatives to improve efficiency in the existing process, restricting the increase in cost.

gross profit:

The Company's gross profitability has experienced a sharp decline of Rs. 13,961 Mn. This is mainly attributable to lower sales and increased cost of production.

trend analysis

The gross profit margin is driven by many factors such as international PVC and ethylene prices, gas prices, demand in domestic and international markets and currency fluctuations. Over the period of last years, gross profit has increased upto the year 2022 on account of various efficiency projects undertaken by the Company coupled with reasonably favorable international market dynamics. However, 2023 and 2024 saw a decline in gross profit due to the aforementioned reasons.

other income:

The other income earned from financial assets have decreased by Rs. 660 Mn which is mainly attributed to lower cash availability during the year coupled with lower average yield rates during the year.

trend analysis

Interest income has been on an increasing trend during 2019 - 2023 due to effective utilization of funds generated from operations along with favorable interest rates trend while in 2024, it reduced primarily on account of lower cash availability.

finance cost:

Finance cost has significantly increased by Rs. 3,317 Mn from the previous year which is mainly attributable to higher running finance utilization & additional long-term borrowings secured during the year, partly offset by decline in interest rates in HY2 2024.

trend analysis

Finance cost of the Company have kept on changing with the change in borrowing structure and fluctuation in prevailing interest rates.

taxation:

Tax charge is a function of profitability. Even though the profit before income tax of the Company has decreased by 123% from the previous year, the income tax charge for the year reduced by 164% on account of finalization of related income tax assessment orders during the year.

trend analysis

Since taxation is a function of profitability, it tends to vary accordingly with it.

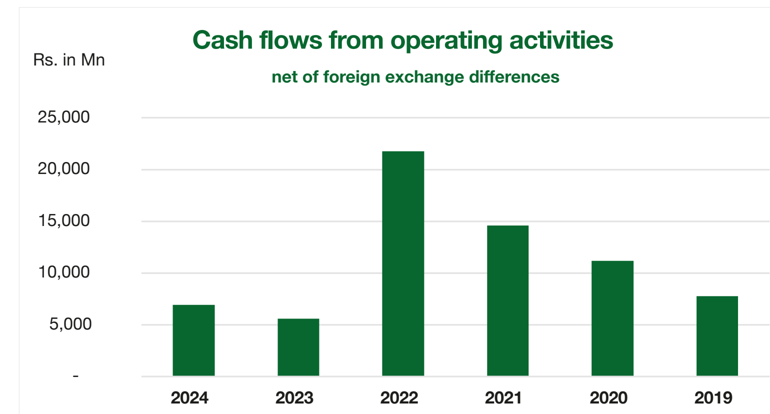
cash flows analysis

cash flows from operating activities

Cash flows from operating activities were recorded at Rs 6.93 billion, 1.34 billion higher compared to 2023, mainly due to:

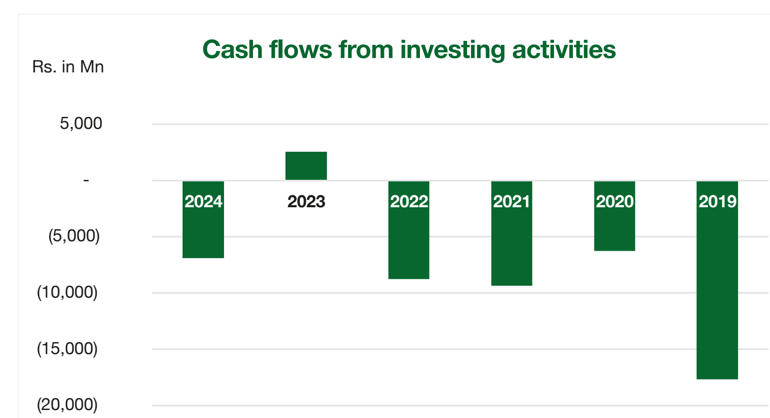
- positive working capital impact of Rs. 5.38bn as compared to negative Rs. 9.05bn last year.
- increase in finance cost by Rs. 3.32bn on account of higher borrowings
- reduction in tax payments by Rs. 1.54bn

Partly offset by loss before tax of Rs. 3.11bn as compared to profit before tax of Rs. 13.53bn in 2023. Cash flows from operating activities remained on an increasing trend since 2019 till 2022 due to improved profitability.



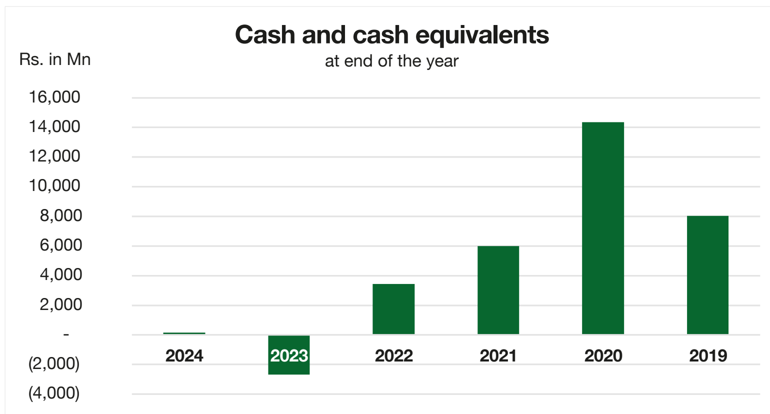
cash flows from investing activities

To maintain business continuity and ensure sustained operations, the Company continued its strategic investments in capital projects, with a capital expenditure of Rs. 9.08 billion in the reporting year, compared to Rs. 13.11 billion in 2019. Cash flows were managed prudently, with investments and divestments aligned to cash availability. Over the past six years, the average annual net cash utilized for investing activities stood at Rs. 7.72 billion, of which Rs. 8.92 billion was allocated to capital expenditure.



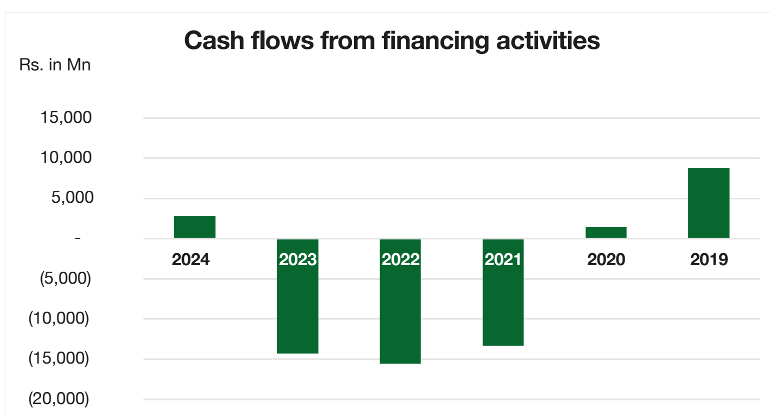
cash flows from financing activities

To meet its capital expenditure needs, the Company secured financing of Rs. 8 billion while repaying Rs. 3.06 billion in debt during the year. Short-term borrowings were utilized to maintain liquidity for operational requirements. As a result of increased borrowings, finance cost payments rose by Rs. 2.63 billion in 2024. Additionally, the Company declared dividends to shareholders, leading to a cash outflow of Rs. 7.93 billion last year, compared to Rs. 1.53 billion in the current year. Over the years, net cash generated from financing activities has shown an inverse relationship with the Company's profitability.

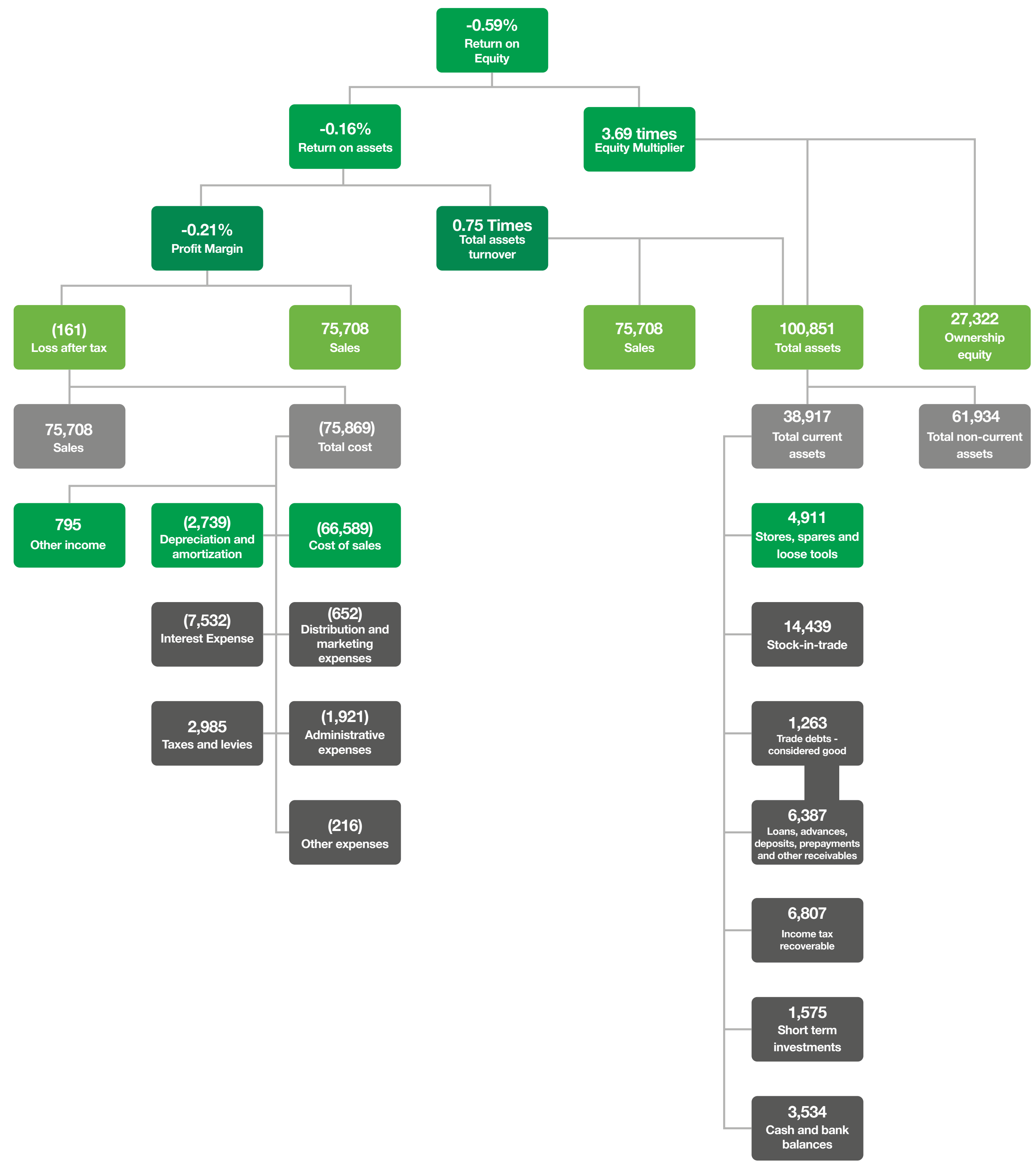


cash and cash equivalent

As of the end of 2024, cash and cash equivalents stood at Rs. 0.15 billion, marking a significant decline from the closing balance of Rs. 8.02 billion in 2019.



dupont analysis



key financial ratios

(Based on consolidated financial statements)

	unit	formula	2024	2023	2022	2021	2020	2019
Profitability ratios								
Gross profit ratio	%	Gross profit / total revenue	8.71	25.29	28.89	34.33	30.99	21.42
Operating margin	%	Operating profit / total revenue	5.79	22.11	24.11	31.26	29.51	18.06
Net profit /(loss) to sales	%	Net profit / total revenue	(0.21)	10.99	14.24	21.51	16.22	9.77
EBITDA	Rs. in M	Operating profit / (loss) - depreciation and amortization	7,125	21,508	22,242	24,176	12,190	8,352
EBITDA to sales	%	EBITDA / total revenue	9.41	26.47	27.10	34.53	34.50	22.07
Operating leverage ratio	No. of Times	% change in EBIT / % change in sales	11.05	9.54	(0.56)	1.12	(7.94)	(0.46)
Return on equity (after tax) / return on shareholders funds	%	PAT / shareholders' equity	(0.59)	31.24	43.10	50.26	21.93	20.79
Return on equity (before tax)	%	PBT / shareholders' equity	(11.37)	47.32	60.93	66.09	30.93	27.60
Return on capital employed	%	PBT / average debt liabilities + average shareholders' equity	(4.65)	23.37	31.58	39.82	18.56	15.42
Shareholders' funds	%	Total shareholders' equity / total assets	27.09	31.56	31.76	38.44	37.81	30.90
Liquidity ratios								
Current ratio	No. of Times	Current assets / current liabilities	0.94	1.02	1.10	1.39	1.58	1.12
Quick / acid test ratio	No. of Times	Current assets - inventories / current liabilities	0.47	0.43	0.71	0.78	1.07	0.74
Cash to current liabilities	No. of Times	Cash + cash equivalents / current liabilities	0.004	(0.08)	0.10	0.25	0.93	0.50
Cash flow from operations to current liabilities	No. of Times	Cash flow from operations/ current liabilities	0.30	0.35	0.75	0.71	0.81	0.57
Cash flow from operations to Sales	No. of Times	Cash flow from operations / sales	0.16	0.15	0.30	0.25	0.35	0.24
Cash flow to capital expenditures	No. of Times	Cash flow from operations / capital expenditure	1.33	1.05	2.73	4.77	1.70	0.69
Cash flow coverage ratio	No. of Times	Cash flow from operations / total debt	0.28	0.35	0.96	0.79	0.58	0.42
Capital structure								
Interest cover ratio	No. of Times	EBIT / finance cost	0.71	4.39	9.67	16.43	6.01	5.26
Long term debt to equity ratio	%	Long-term debt / shareholders' equity	52:48	45:55	43:57	37:63	43:57	52:48
Long term debt to equity ratio at market value	%	Long-term debt / (total number of shares x market value per share)	47:53	36:64	35:65	26:74	31:69	39:61
Total debt to equity ratio	%	Total debt / shareholders' equity	61:39	55:45	49:51	42:58	45:55	55:45
Weighted average cost of debt	%	Interest on debt / weighted average loan balance	15.95	13.62	8.60	6.16	7.89	8.82
Financial leverage	%	Total debt / shareholders' equity	159.21	119.79	95.18	72.63	82.78	121.22
Net assets per share	Rs	Net assets / number of shares outstanding	30.06	31.45	29.84	32.97	28.74	19.56
Employee productivity ratio								
Production per employee	No. of Times	Total production / total number of employees	1.18	1.14	1.11	1.07	1.08	1.18
Revenue per employee	No. of Times	Total revenue / total number of employees	140	139	137	117	63	74
Staff turnover ratio	No. of Times	Employee who left / average no. of employees	0.23	0.12	0.14	0.09	0.07	0.13
Others								
Spares inventory as of assets cost	%	Total spares inventory / total assets	4.87	3.66	2.89	2.62	2.58	2.92
Maintenance cost as % of operating expense	%	Total maintenance cost / total operating expense	7.96	5.71	8.95	5.95	6.28	5.76

key financial ratios

(Based on consolidated financial statements)

	unit	formula	2024	2023	2022	2021	2020	2019
Activity/turnover ratios								
Fixed assets turnover	No. of Times	Revenue / operating assets	2.00	2.35	2.39	2.23	1.83	2.07
Total assets turnover	No. of Times	Revenue / total assets	0.75	0.90	0.96	0.90	0.51	0.66
Inventory turnover	No. of Times	Cost of goods sold / average inventory	4.40	4.43	5.69	6.42	6.18	9.21
Inventory turnover days	No. of Days	365 / inventory turnover	82.97	82.36	64.18	56.84	59.03	39.64
Debtor turnover	No. of Times	Total sales / average accounts receivable	61.68	45.17	55.52	115.91	79.55	98.27
Debtor turnover days	No. of Days	365/debtor turnover	5.92	8.08	6.57	3.15	4.59	3.71
Creditor turnover	No. of Times	Raw and packing materials / average accounts payable	6.65	11.86	13.42	17.04	5.63	7.17
Creditor turnover days	No. of Days	365 / creditor turnover	54.88	30.77	27.21	21.42	64.88	50.90
Operating cycle	No. of Days	Inventory turnover days + debtor turnover days - creditor turnover days	34.01	59.67	43.55	38.57	(1.26)	(7.55)
Investment/market ratios								
Number of outstanding shares at year end	No. in M		909	909	909	909	909	909
Free float shares	%	Free float shares / no. of outstanding shares	21.59	21.62	31.64	31.62	31.59	31.57
Earnings per share - basic	Rs.	PAT - dividend on preference shares / weighted average no. of ordinary shares	(0.40)	9.12	12.37	16.28	6.30	4.07
Earnings per share - diluted	Rs.	PAT - dividend on preference shares / weighted average no. of ordinary shares	(0.40)	7.39	9.67	12.46	6.23	4.07
Price earning ratio	No. of Times	Market value of share / basic EPS	(92.68)	5.11	3.42	3.33	7.54	8.16
Price to book ratio	%	Market value of share / total assets - intangible assets	33.58	47.06	45.41	63.79	62.60	52.56
Break up value per share	Rs.	Total shareholders' equity / total ordinary share outstanding	30.06	31.46	29.84	32.97	28.74	19.56
Market value at the end of the year			37.07	46.59	42.32	54.21	47.51	33.21
Market value per share (highest during the year)	Rs.		49.79	52.39	90.73	65.45	49.17	41.84
Market value per share (lowest during the year)	Rs.		30.01	38.50	40.90	42.84	22.47	29.93
Cash dividend per ordinary shares	Rs.	Cash dividend / number of shares	-	6.00	12.50	16.30	1.25	0.80
Dividend payout ratio	%	Dividend per ordinary share / basic EPS	-	65.79	101.05	100.12	19.79	19.66
Total shareholder return	%	Capital gain + dividend yield	(20.43)	22.97	8.07	44.10	46.06	(8.58)
Dividend cover ratio	No. of Times	Basic EPS / annual total dividend per share	-	1.52	0.99	1.00	5.05	5.09
Dividend yield ratio	%	Annual dividend per share / market value per ordinary shares	-	12.88	30.00	30.00	3.00	2.00
Cash dividend per preference shares	Rs.	Cash dividend / number of shares	-	2.32	1.22	1.11	0.04	-
Preference dividend yield ratio	%	Annual preference dividend per share / market value per preference share	-	23.2	12.20	11.10	-	-
Sustainable growth rate	%	Retention ratio x return on equity	(11.37)	16.19	(0.64)	(0.08)	24.81	22.17

consolidated statement of cash flows

direct method

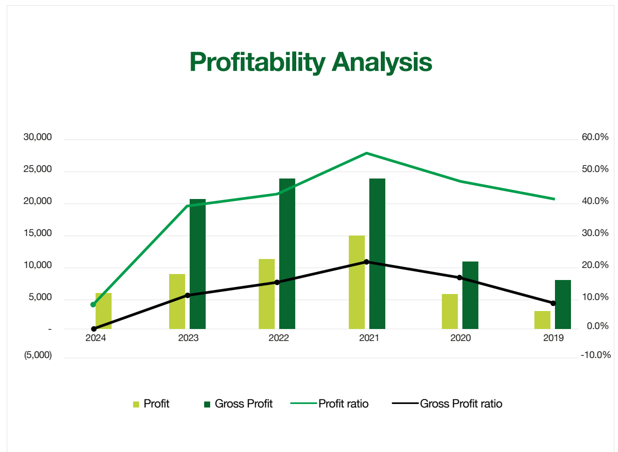
(Rs in million)

	2024	2023	2022	2021	2020	2019
Cash flows from customers	89,751	95,791	93,403	80,889	41,333	37,799
Cash payments to suppliers and others	(77,590)	(83,403)	(68,512)	(63,673)	(28,870)	(28,729)
Cash generated from operations	**12,161**	**12,388**	**24,891**	**17,216**	**12,463**	**9,070**
Long term loans and advances	13	(22)	-	29	43	12
Retirement benefits paid	(70)	(67)	(93)	(42)	(35)	(45)
Income tax and levies paid	(5,173)	(6,708)	(3,035)	(2,905)	(1,279)	(1,280)
Net cash flow from operating activities	**6,931**	**5,591**	**21,763**	**14,298**	**11,192**	**7,757**
Purchases of property, plant and equipment and intangible assets	(9,175)	(11,366)	(9,096)	(3,601)	(7,318)	(13,114)
Proceeds from disposal of property, plant and equipment	95	44	29	3	-	3
Income on investments and bank deposits	511	-	1,312	1,295	1,072	852
Purchase of short-term investments	(2,286)	(40,754)	(340,467)	(10,950)	-	-
Proceeds on sale / maturity of short-term investments	3,968	53,929	337,210	3,000	-	-
Investment in Term Deposit Receipt	-	-	-	(23)	(6)	(5,421)
Maturity of Term Deposit Receipts	-	731	2,258	935	-	-
Net cash flow from investing activities	**(6,887)**	**2,584**	**(8,754)**	**(9,341)**	**(6,252)**	**(17,680)**
Proceeds from long-term borrowings - net of transaction costs	8,000	5,910	9,785	1,061	1,925	19,367
Proceeds from short term borrowings	15,160	324	-	474	-	-
Repayments of long-term borrowings	(3,061)	(5,163)	(12,876)	(1,927)	-	(7,500)
Repayments of short-term borrowings	(7,180)	(474)	-	-	-	-
Proceeds of subordinated loan from the intermediate parent company	1,500	1,700	-	-	-	-
Repayment of subordinated loan to the intermediate parent company	(1,500)	(1,700)				
Finance costs paid	(7,228)	(4,596)	(2,331)	(1,354)	(1,891)	(999)
Lease rentals paid	(1,358)	(2,394)	(1,738)	(1,372)	(1,337)	(1,241)
Dividend paid	(1,531)	(7,931)	(14,390)	(10,213)	(185)	(840)
Proceeds from loan under Diminishing Musharaka Agreement	-	-	6,000		94	-
Shares issuance cost paid	-	-	-	(4)	(199)	-
Issuance of preference shares	-	-	-	-	3,000	-
Issue of share capital	-	-	-	-	-	-
Net cash flow from financing activities	**2,802**	**(14,324)**	**(15,550)**	**(13,335)**	**1,407**	**8,787**
Net increase / (decrease) in cash and cash equivalents	**2,846**	**(6,148)**	**(2,541)**	**(8,378)**	**6,347**	**(1,136)**
Cash and cash equivalents at beginning of the year	**(2,696)**	**3,453**	**5,994**	**14,371**	**8,024**	**9,160**
Cash and cash equivalents at end of the year	**150**	**(2,696)**	**3,453**	**5,993**	**14,371**	**8,024**

ratio analysis
with graphical presentation

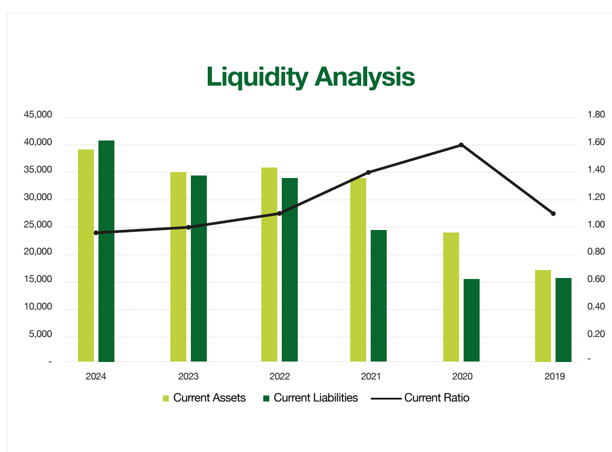
profitability ratios
The gross and net profitability for the year has declined over the last year. PVC Prices showed an upward trajectory during the first half of 2024, driven by steady underlying international demand. The latter half of the year witnessed downward trend in international PVC prices while the cost of sales increased during the year following a surge in energy costs. The tax charge for the year also on account of finalization of related income tax assessment orders during the year, resulting in better profit ratio.

trend analysis
Throughout these six years, the GP ratio improved from 21.4% in 2019 to 34.3% in 2021 and then slightly taking a dip to 25.3% in 2023. Over the years, Company has experienced a surge in energy costs from 17% of revenue in 2019 to 10% in 2021-22 and then reaching to 23% of revenue in 2024. During 2024, the Company has taken cost controlling measures and realised efficiencies from Capex projects that assisted in managing the profitability ratios.



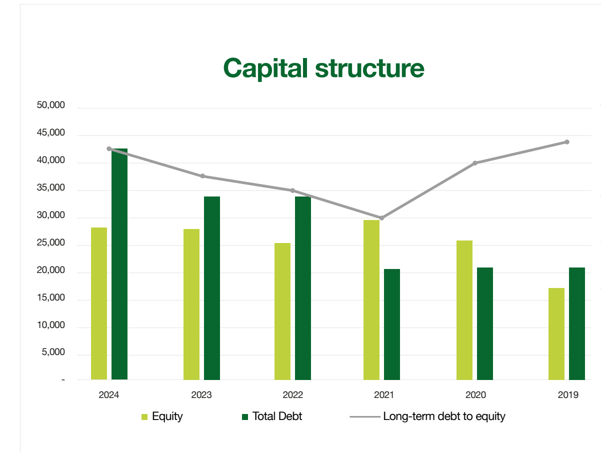
liquidity analysis
During the year, due to reduced profitability, cash flows from operations took a dip resulting in reduction of liquidity ratios. Reliance on short-term borrowings increased during the year to meet operational needs. Current ratio was reduced from 1.02 in 2023 to 0.94 in 2024 whereas quick ratio improved from 0.43 in 2023 to 0.47 in 2024. Trade & other payable balances significantly increased due to changes made in the credit cycle of primary raw material procurement and primary raw material receiving close to year end.

trend analysis
Liquidity ratios are directly linked with the profitability of the Company. Over the 6 years, the Company has heavily invested in Capex projects at an average of 2.05 times of operational cashflows. To finance projects, the Company obtained long-term borrowings whereas for operational needs, short-term borrowings were obtained.



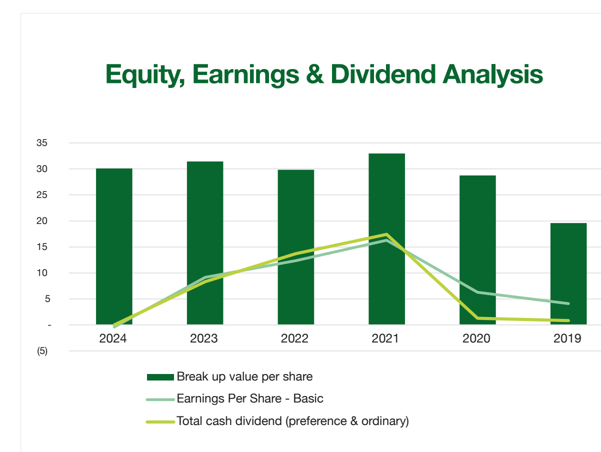
capital structure ratios
During the year, the Company placed reliance on short-term borrowings due to reduced profitability & operational cash flows. The Company also secured long-term borrowings to finance capital expenditures. This resulted in increase in finance cost despite reduction in interest rates in HY2 2024. Resultantly, capital structure ratios swung on account of increased debt and loss after tax.

trend analysis
Over the years, Company's debt to equity ratio improved from 52:48 to 37:63 in 2021 after which additional long-term and short-term borrowings were secured that lead to debt to equity ratio to 52:48 in 2024. Financial leverage ratio followed a similar trajectory. Net Assets value per share increased considerably with an Average Growth rate of 7% during 2019-2024.



investment / market ratios
LPS-basic for the current year is Rs. 0.40 / share as compared to Rs. 9.12 / share in the previous year. Market value of shares traded remained between Rs. 30.01 / share (2023: Rs. 38.50 / share) to Rs. 49.79 / share (2023: Rs 52.39 / share) whereas the closing price was Rs. 37.07 / share (2023: Rs. 46.59 / share). During the year, on account of reduced profitability, the Company did not declare any dividends.

trend analysis
These ratios depend on internal performance of the Company as well as external market dynamics. Since these factors have been fluctuating over the years because of foreseen and unforeseen circumstances, the ratios have changed accordingly.

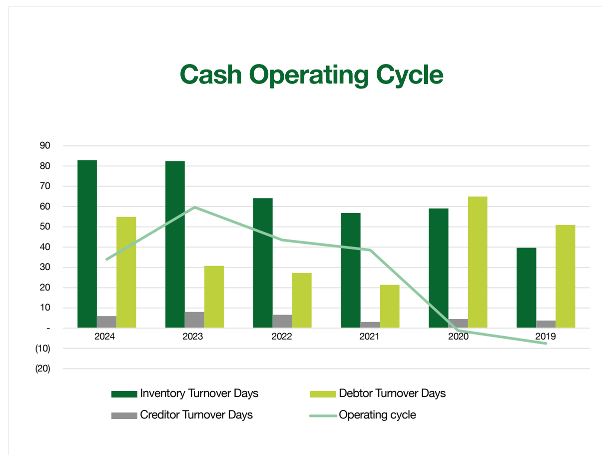


activity/turnover ratios

The cash operating cycle has changed on account of:

- Creditor turnover days have increased from 30.77 to 54.88 because of change in credit terms of primary raw materials procurement.
- Effective collections this year has consequently reduced debtor days to 5.92 as compared to 8.08 last year.

- The inventory days have increased from 39.64 in 2019 to 82.97 days in 2024.
- The debtor turnover days have slightly increased from 3.71 in 2019 to 8.08 days in 2023 and subsequently falling to 5.92 in 2024 depicting strong products' demand and efficient debtors' management controls respectively.
- The creditor days were 50.90 in 2019 to 64.88 in 2020 and then subsequently fallen in 2021 & 2022 on account of high profits and improved operational cash flows. Owing to liquidity challenges faced in 2024 on account of loss, the creditor days witnessed an increase in line with Company's operational circumstances.



explanation of negative change in the performance as compared to last year.

Negative changes in performance over the past six years, including the vertical and horizontal analysis of the statement of profit or loss, statement of financial position, statement of cash flows, and ratios, have been explained in the relevant sections of this report, tables and graphs.

segment analysis

The Company is organized into three business segments based on the products as follows:

polyvinyl chloride (PVC) and allied chemicals

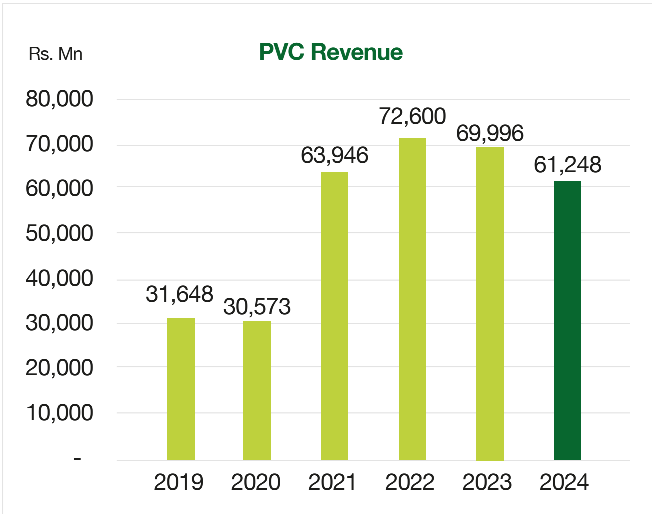
PVC and Allied Chemicals segment was formed to manufacture and sell PVC and allied chemicals to various industrial customers including pipe manufacturers, cable, shoe and packaging industry. The Company supplies PVC domestically as well as through exports.

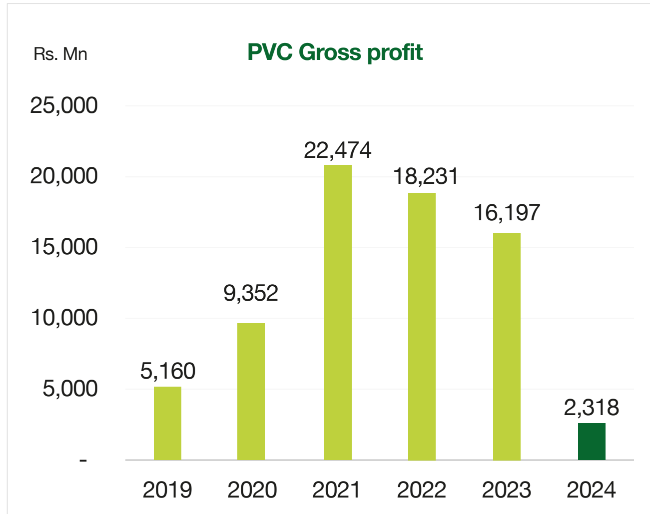
The Company experienced a 13% decline in PVC sales, totaling Rs. 8,748 Mn, due to falling international PVC prices. However, domestic demand showed signs of recovery, increasing by 8%—a positive turnaround following last year's contraction. This rebound was driven by a gradual economic improvement post-election, along with stabilizing inflation and a more accommodative monetary policy in the latter half of the year. Cost of sales also increased due to higher ethylene and gas prices during the year, increasing the cost of production. Resultantly, the gross profit significantly reduced by Rs. 13,879 Mn.

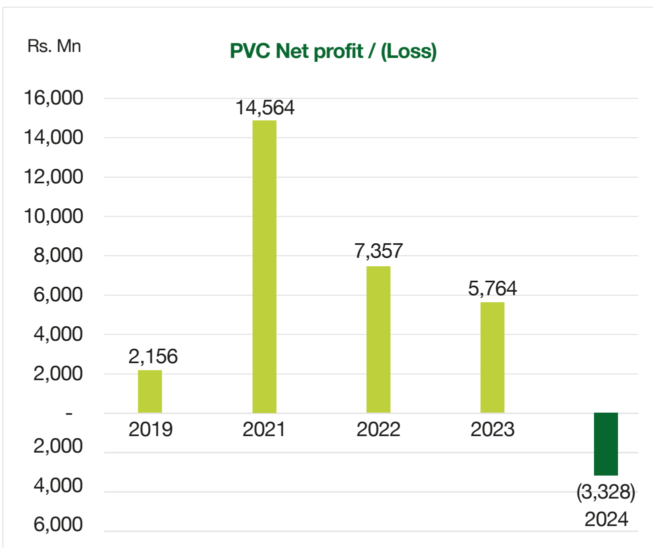
The six years of production and sales trend are given below:

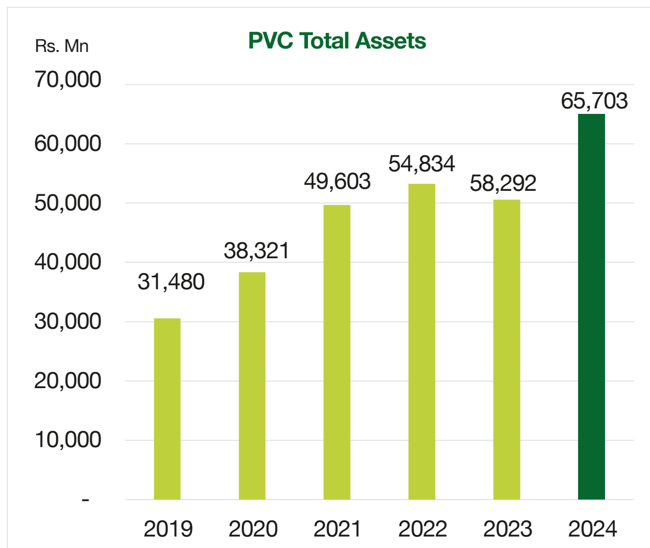
in kT	2024	2023	2022	2021	2020	2019
Production	212	230	239	243	153	197
Sales	212	221	241	227	163	193

Furthermore, the segment assets have constantly been increasing since 2018 when the Company kicked-off investment in efficiency, capacity expansion & diversification projects.







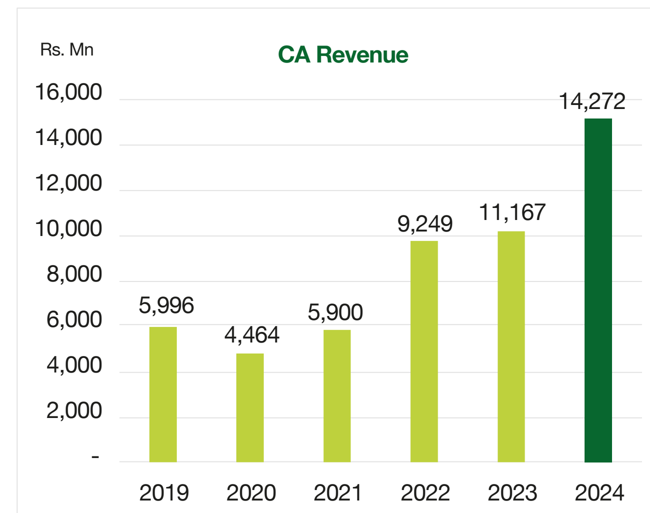


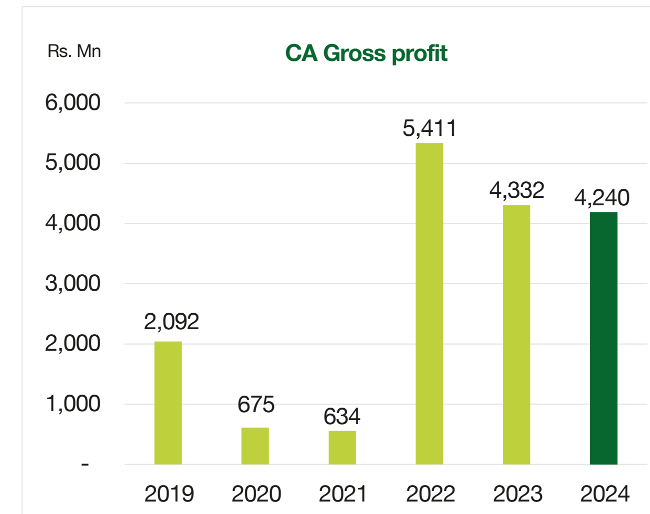
caustic soda & allied chemicals (CA)

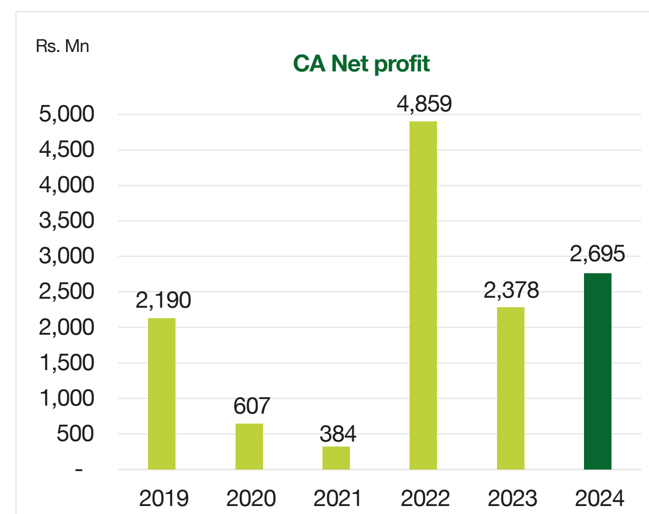
Caustic soda and Allied Chemicals segment were formed to manufacture and sell caustic soda and allied chemicals mostly to the textile and soap industry.

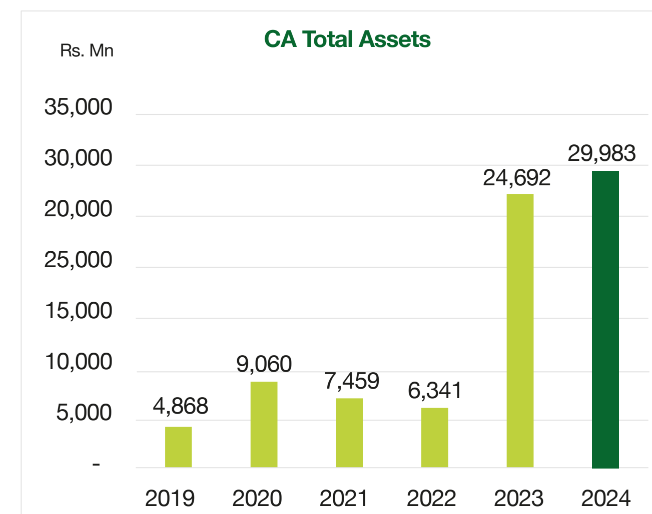
The overall profitability of this segment marginally increased by Rs 317 Mn despite the considerable increase in revenue. This segment witnessed an increase in its total sales volume of primarily because of increased demand in the export-oriented textile sector.

The asset base of this segment has been expanding because of the diversification and efficiency capital projects that have been undertaken.







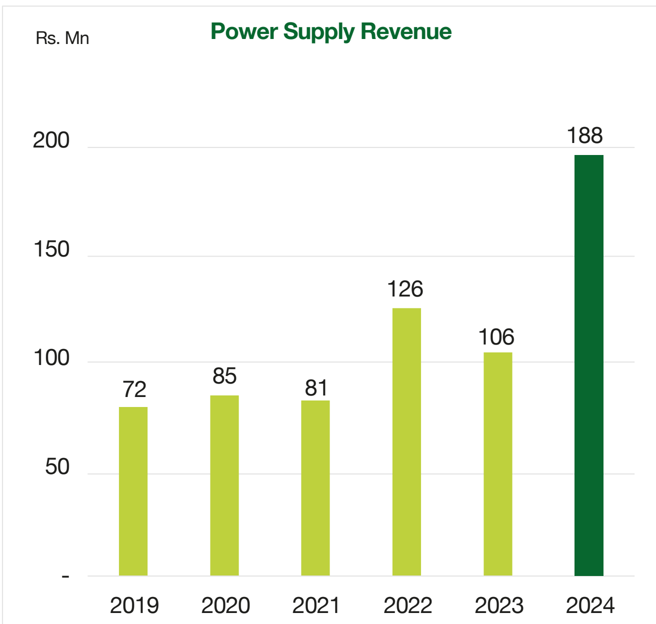


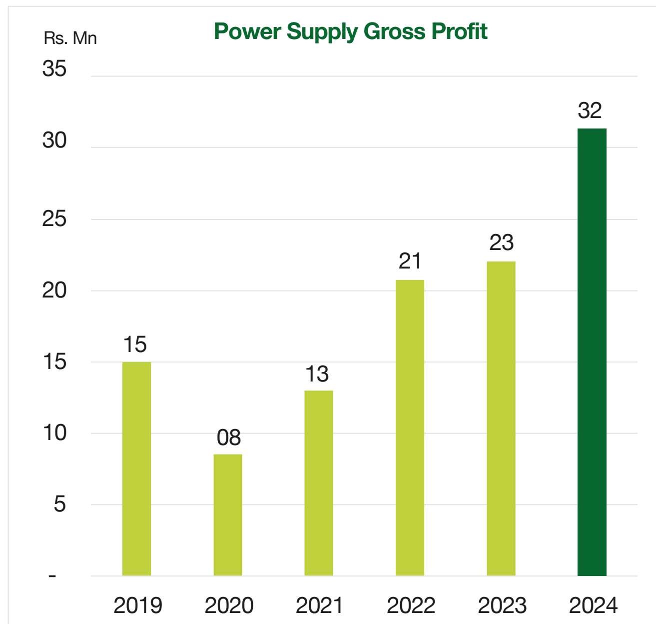
power supply

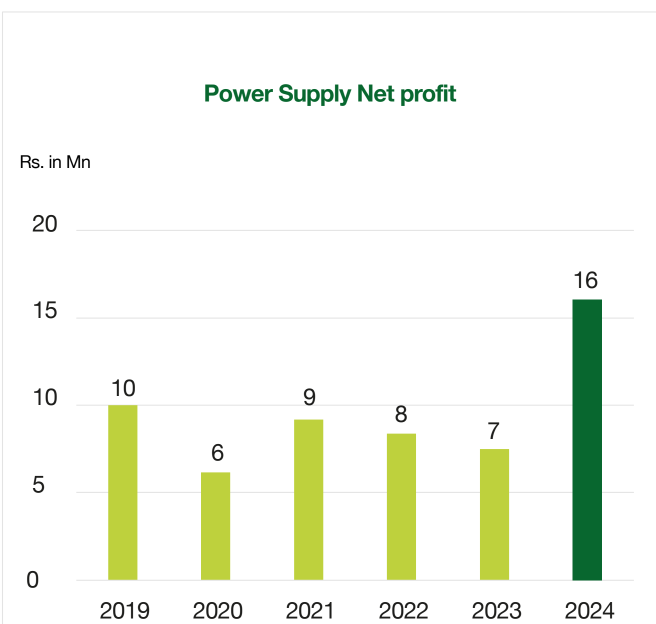
The segment supplies surplus power generated from its power plants to Engro Fertilizers Limited. The Company has managed to increase its supply during the current year. The supply transacted in last six years are given below:

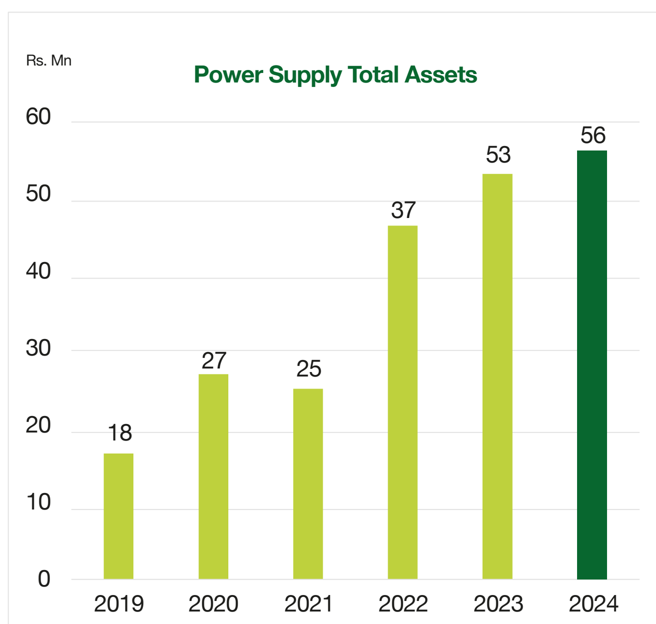
In mega watts						
Power	42	45	55	55	48	48

The segment's asset base mainly includes operating assets and trade receivables.





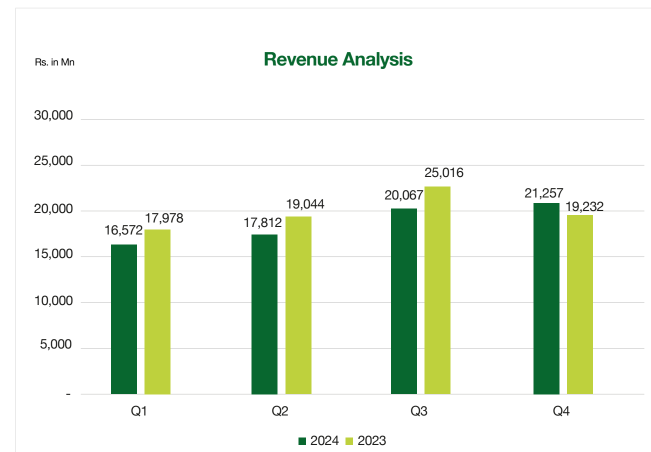


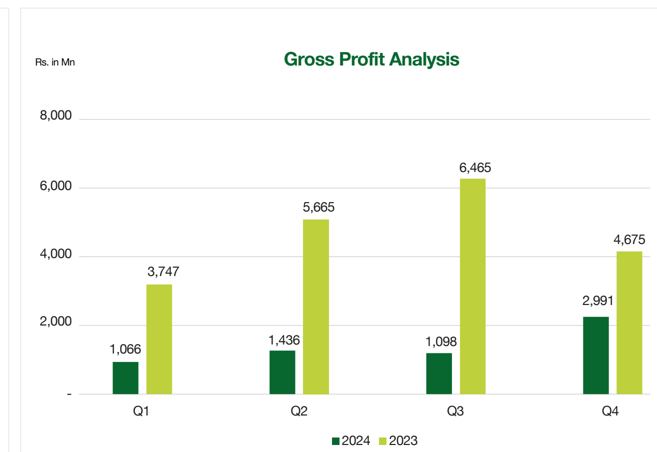


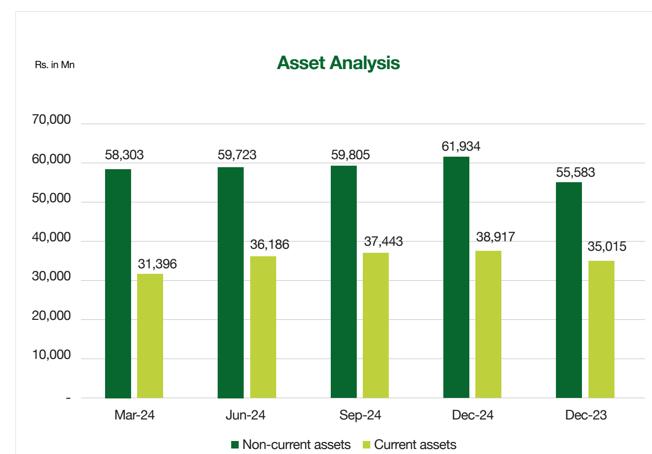
analysis of variation in interim accounts
with annual accounts

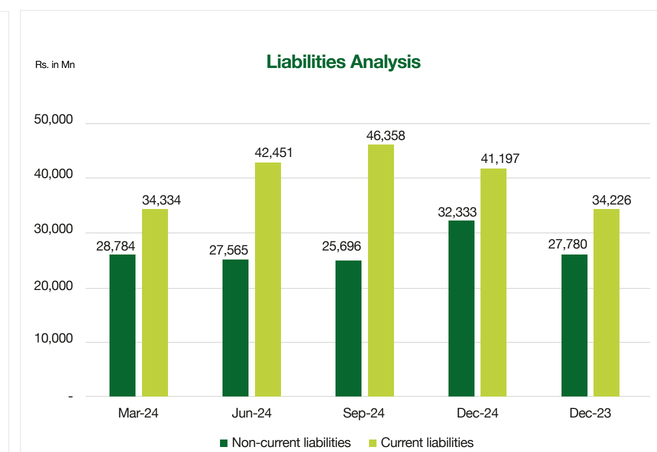
In 2024, the Company's revenue decreased by 7% compared to 2023, on account of lower sales prices and volumes of PVC partly offset by an increase in Caustic volumes, due to challenging local & global macroeconomic and geopolitical developments.

The Company demonstrated sustained financial performance, reporting a net loss of PKR 161m million in 2024, on account of lower margins and a surge in production and finance costs.









summary of consolidated statement of cash flows

indirect method

(Rs in million)

	2024	2023	2022	2021	2020	2019
Net cash generated from operating activities	6,943	5,156	21,734	14,299	11,192	7,757
Net cash (utilised in) / generated from investing activities	(6,887)	2,584	(8,754)	(9,314)	(6,252)	(17,680)
Net cash generated from / (utilised in) financing activities	2,802	(14,323)	(15,550)	(13,335)	1,407	8,787
Net change in cash and cash equivalents	2,858	(6,583)	(2,570)	(8,351)	6,347	(1,136)
Cash and cash equivalents at end of the year	150	(2,696)	3,453	5,994	14,371	8,024

free cash flows

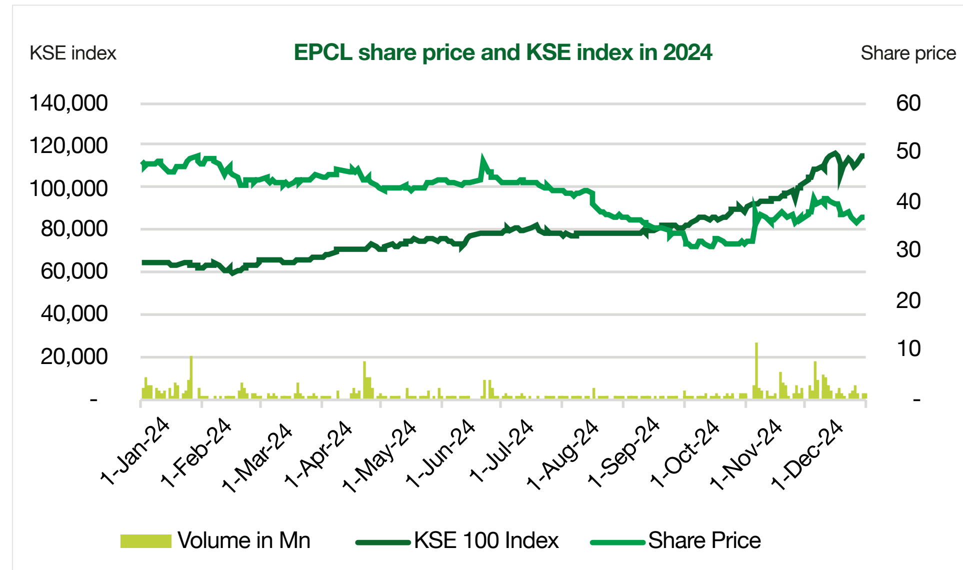
Free cash flows to equity shareholders represent the cash a company can generate after required investment to maintain or expand its asset base and net repayment of debt. It is a measurement of a company's financial performance and health.

	2024	2023	2022	2021	2020	2019
Net cash generated from operating activities	6,943	5,156	21,734	14,260	11,192	7,757
Capital expenditures – net	(9,080)	(11,322)	(9,067)	(3,598)	(7,318)	(13,111)
Rentals paid	(1,358)	(2,394)	(1,738)	(1,372)	(1,337)	(1,241)
Free cash flows	(3,495)	(8,560)	10,929	9,290	2,537	(6,595)
Long term borrowings – net	4,939	747	2,908	(866)	128	10,868
Free cash flows available to equity shareholders	**1,444**	(7,813)	13,838	8,424	2,665	4,273

The cash flows generated from operations are directly linked to profitability. Since 2019, management has actively focused on expanding and diversifying production capacities and product ranges, restructuring the debt profile, and optimizing the working capital cycle. During the year, free cash flow to equity shareholders improved despite reduced profitability, supported by long-term borrowings of Rs. 8 billion to fund capital expenditure projects.

share price sensitivity

During the year 306 Mn shares of the Company were traded on Pakistan Stock Exchange. The average price of the Company's share based on daily closing rates was Rs. 41.06. The 52-week low high during 2024 was Rs. 30.01 – 49.79 per share, respectively. The script performed below the KSE100 Index due to challenging macroeconomic conditions on account of lower margins on PVC coupled with increasing production and financing costs in 2024.



interest rates

The Company finances its projects and operations through a combination of long-term and short-term borrowings. Approximately 80% of its debt is linked to prevailing interest rates. In 2024, interest rates peaked at 22% at the beginning of the year but gradually declined to 13% in the second half, contributing to improved profitability.

exchange rate sensitivity

EPCL's revenues and import liabilities are subject to foreign exchange volatility. PVC revenue is determined in US Dollars with reference to international PVC pricing.
However, PVC revenue determination mechanism provides a natural hedge against foreign exchange fluctuation exposure on USD denominated liabilities.

selling price

The Company's revenue for PVC business is determined by international PVC prices and core delta. Whereas, caustic price is based on local market dynamics. During the year, PVC prices and core delta were on a downward trend resulting in low gross profit margins, thus negatively impacting share prices.

raw material cost

The Company's relies on imports for some of its key raw materials such Ethylene and a portion of EDC. High raw material prices result in lower margins and lower profitability, with a negative impact on share prices.

business rationale for major capital expenditure / projects during the year and for those planned for next year

During the year, the Company incurred a capital expenditure of Rs. 9,175 Mn, where a significant portion of it was spent on Hydrogen Per Oxide and High Temperature Direct Chlorination. The Company continues to work towards other diversification and efficiency related projects to be more cost efficient and competitive.

financial statements

consolidated financial statements

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INDEPENDENT AUDITOR'S REPORT

To the members of Engro Polymer and Chemicals Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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Following are the Key audit matters:

	Key audit matters	How the matter was addressed in our audit
1.	**Review of useful lives and residual values of plant and machinery** (Refer notes 3.4.1, 4.1, 6.1 and 6.5 to the consolidated financial statements) The Holding Company reviewed its estimates of useful lives and residual values of items of plant and machinery which are used for determination of depreciation charge in accordance with International Accounting Standard 16 'Property, Plant and Equipment' (IAS 16). As a result of the review, useful lives and residual values of items of plant and machinery were revised. The change was accounted for prospectively in accordance with International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (IAS 8), which resulted in reduction in depreciation charge for the year by Rs. 1,239,115 thousand with a corresponding increase in the carrying amount of property, plant and equipment. Estimation of useful lives and residual values involves significant management judgment and use of expert considering the scale and complexity of the Holding Company's operations. Accordingly, we have considered this a key audit matter.	Our audit procedures amongst others included the following: - Obtained understanding of management's process to review useful lives and residual values of items of plant and machinery; - Assessed the competence, capabilities, and objectivity of the expert engaged by management to ensure they were appropriately qualified; - Engaged our expert to review the appropriateness of conclusions reached by management including methodology and assumptions used by management's expert; - Tested depreciation charge determined by management to assess accuracy of the same upon revision of estimates; and - Assessed the adequacy of related disclosures in the consolidated financial statements with respect to the applicable accounting and reporting framework.
2.	**Deferred tax asset on tax losses and minimum turnover tax** (Refer notes 3.4.4, 4.15.2 and 21 to the consolidated financial statements) The Group has recognised a net deferred tax liability of Rs. 1,782,531 thousand, which includes deferred tax asset on account of tax losses and minimum turnover tax for the year amounting to Rs. 2,766,477 thousand.	Our audit procedures amongst others included the following: - Obtained understanding of management's process of preparation of profitability forecast, taxable income, tax liability and deferred tax calculation;

	Key audit matters	How the matter was addressed in our audit
	Recognition of deferred tax asset on tax losses and minimum turnover tax requires management to estimate Group's taxable income / tax liability for future tax years. This process relies on the assessment of the Group's profitability forecast, which in turn is based on assumptions concerning future economic conditions and business performance. The preparation of profitability forecasts and assessment of realisability of recognised deferred tax asset requires significant management judgement and estimation. Accordingly, we considered this a key audit matter.	- Made inquiries with the management and reviewed significant underlying assumptions used in preparing the profitability forecast to assess the same for reasonableness; - Checked the appropriateness of tax rates applied in view of the local tax legislation; - Checked mathematical accuracy of the calculations; and - Assessed the adequacy of the related disclosures made in the consolidated financial statements with respect to the applicable accounting and reporting framework.
3.	**Contingent liabilities and provisions relating to income tax** (Refer notes 3.4.4, 3.4.6, 4.14, 27.1.1 and 37.1 to the consolidated financial statements) The Group has recognised provisions and disclosed contingent liabilities in respect of various contentious and uncertain matters relating to income tax including those pending adjudication at various appellate and legal forums. Recognition and disclosure of provisions and contingent liabilities requires management of the Group to make judgments and estimates in relation to interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, for measurement and disclosure in the consolidated financial statements. Due to inherent uncertainties associated with the outcome of the matters, legal forums at which these are currently pending and use of significant judgement and estimates to assess the same including related financial impacts, which may change over time as new facts emerge and matters progress, we have considered contingent liabilities and provisions relating to income tax a key audit matter.	Our audit procedures amongst others included the following: - 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 judgements 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 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 framework.

Information Other than the Financial Statements 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 financial statements 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 the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

A. F. Ferguson & Co.
Chartered Accountants

Karachi

Date: March 5, 2025

UDIN: AR2024100808LxmIJDzi

consolidated statement of financial position
as at december 31, 2024

(Amounts in thousand)	Note	2024 ....Rupees....	2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	6	60,698,859	53,734,049
Right-of-use asset	7	711,745	1,206,266
Intangible assets	8	514,900	620,205
Long-term loans, advances and deposits	9	8,933	22,637
		61,934,437	55,583,157
Current Assets			
Stores, spares and loose tools	10	4,911,457	3,311,772
Stock-in-trade	11	14,438,918	16,985,039
Trade debts	12	1,262,773	1,629,173
Loans, advances, deposits, prepayments and other receivables	13	6,387,465	5,527,958
Income tax recoverable	26	6,807,324	-
Short-term investments	14	1,574,959	3,459,929
Cash and bank balances	15	3,534,104	4,100,782
		38,917,000	35,014,653
TOTAL ASSETS		100,851,437	90,597,810
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital	16	9,089,233	9,089,233
Preference shares	17	3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profits		11,357,393	12,627,899
		27,321,579	28,592,085
Non-Current Liabilities			
Long-term borrowings	18	29,097,177	22,137,566
Government grant	18.15	1,014,922	1,298,853
Lease liabilities	19	438,115	1,361,414
Deferred tax liability - net	21	1,782,531	2,982,382
		32,332,745	27,780,215
Current Liabilities			
Trade and other payables	22	19,736,065	14,660,566
Service benefit obligations	23	98,860	85,166
Current portion of long-term borrowings	18	1,302,324	3,070,726
Current portion of government grant	18.15	236,872	216,632
Current portion of lease liabilities	19	853,154	1,173,036
Short-term borrowings	24	11,848,627	7,526,086
Accrued interest / mark-up	25	726,146	526,224
Unclaimed dividend		284,462	705,550
Income tax payable	26	-	150,921
Provisions	20	6,110,603	6,110,603
		41,197,113	34,225,510
		73,529,858	62,005,725
Contingencies and Commitments	27		
TOTAL EQUITY AND LIABILITIES		100,851,437	90,597,810

The annexed notes 1 to 53 form an integral part of these consolidated financial statements.

Abdul Qayoom Shaikh
Chief Executive Officer

Rabia Wafah Khan
Chief Financial Officer

Kamran Nishat
Director

consolidated statement of profit or loss and other comprehensive income
for the year ended december 31, 2024

(Amounts in thousand except for (loss) / earnings per share)	Note	2024 ....Rupees....	(Restated) 2023
Revenue from contracts with customers - net	28	75,707,941	81,269,534
Cost of sales	29	(69,117,230)	(60,717,562)
Gross profit		6,590,711	20,551,972
Distribution and marketing expenses	30	(701,386)	(650,479)
Administrative expenses	31	(2,082,398)	(1,618,143)
Other expenses	32	(215,569)	(1,863,187)
Other income	33	795,042	1,550,517
Operating profit		4,386,400	17,970,680
Finance costs	34	(7,531,973)	(4,214,708)
(Loss) / profit before minimum tax differential, final tax and income tax		(3,145,573)	13,755,972
Minimum tax differential	35	(38,248)	(1,019)
Final tax	36	77,965	(224,066)
(Loss) / profit before income tax		(3,105,856)	13,530,887
Income tax	37	2,945,273	(4,598,593)
(Loss) / profit for the year		(160,583)	8,932,294
Other comprehensive income for the year		-	-
Total comprehensive (loss) / income for the year		(160,583)	8,932,294
(Loss) / Earnings per share - basic	39	(0.40)	9.12
(Loss) / Earnings per share - diluted	39	(0.40)	7.39

The annexed notes 1 to 53 form an integral part of these consolidated financial statements.

Abdul Qayoom Shaikh
Chief Executive Officer

Rabia Wafah Khan
Chief Financial Officer

Kamran Nishat
Director

consolidated statement of changes in equity

for the year ended december 31, 2024

(Amounts in thousand)

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES – CAPITAL	RESERVES – REVENUE	
	Ordinary share capital	Preference shares	Share premium	Unappropriated profits	Total
	-----------------------	-----------------------	Rupees	-----------------------	-----------------------
Balance as at December 31, 2022	9,089,233	3,000,000	3,874,953	11,157,529	27,121,715
Total comprehensive income for the year	-	-	-	8,932,294	8,932,294
Transactions with owners					
Final dividend for the year ended December 31, 2022					
- Rs. 2.5 per ordinary share	-	-	-	(2,272,308)	(2,272,308)
- Rs. 0.5 per preference share	-	-	-	(150,000)	(150,000)
First interim dividend for the year ended December 31, 2023					
- Rs. 1 per ordinary share	-	-	-	(908,923)	(908,923)
- Rs. 0.5 per preference share	-	-	-	(150,000)	(150,000)
Second interim dividend for the year ended December 31, 2023					
- Rs. 1.5 per ordinary share	-	-	-	(1,363,385)	(1,363,385)
- Rs. 0.5 per preference share	-	-	-	(150,000)	(150,000)
Third interim dividend for the year ended December 31, 2023					
- Rs. 2.5 per ordinary share	-	-	-	(2,272,308)	(2,272,308)
- Rs. 0.65 per preference share	-	-	-	(195,000)	(195,000)
	-	-	-	(7,461,924)	(7,461,924)
Balance as at December 31, 2023	9,089,233	3,000,000	3,874,953	12,627,899	28,592,085
Total comprehensive loss for the year					
Transactions with owners	-	-	-	(160,583)	(160,583)
Final dividend for the year ended December 31, 2023					
- Rs. 1 per ordinary share	-	-	-	(908,923)	(908,923)
- Rs. 0.67 per preference share	-	-	-	(201,000)	(201,000)
	-	-	-	(1,109,923)	(1,109,923)
Balance as at December 31, 2024	9,089,233	3,000,000	3,874,953	11,357,393	27,321,579

The annexed notes 1 to 53 form an integral part of these consolidated financial statements.

Abdul Qayoom Shaikh	**Rabia Wafah Khan**	**Kamran Nishat**
Chief Executive Officer	Chief Financial Officer	Director

consolidated statement of cash flows

for the year ended december 31, 2024

(Amounts in thousand)

	Note	2024	(Restated) 2023
		....Rupees....	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42	12,172,662	11,953,642
Long-term loans and advances, net		13,704	(21,837)
Retirement benefits paid		(70,168)	(67,404)
Minimum tax differential paid		(24,083)	(1,019)
Final tax paid		(8,906)	(224,066)
Income tax paid		(5,140,117)	(6,483,209)
Net cash generated from operating activities		6,943,092	5,156,107
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets		(9,174,643)	(11,366,384)
Proceeds from disposal of property, plant and equipment		94,822	44,328
Purchase of short-term investments		(2,285,818)	(40,754,094)
Proceeds on sale / maturity of short-term investments		3,967,847	53,928,691
Income on short-term investments, intercompany balances and bank deposits		510,760	731,039
Net cash (utilised in) / generated from investing activities		(6,887,032)	2,583,580
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings - net of transaction costs		8,000,000	5,909,581
Repayments of long-term borrowings		(3,061,487)	(5,162,637)
Proceeds from short-term borrowings		15,160,598	324,360
Repayment of short-term borrowings		(7,180,100)	(474,360)
Proceeds of subordinated loan from the intermediate parent company		1,500,000	1,700,000
Repayment of subordinated loan to the intermediate parent company		(1,500,000)	(1,700,000)
Finance costs paid		(7,228,186)	(4,595,554)
Lease rentals paid		(1,358,021)	(2,393,582)
Dividend paid		(1,531,010)	(7,930,739)
Net cash generated from / (utilised in) financing activities		2,801,794	(14,322,931)
Net decrease in cash and cash equivalents		2,857,854	(6,583,244)
Net foreign exchange differences		(11,903)	434,307
Cash and cash equivalents at beginning of the year		(2,695,581)	3,453,356
Cash and cash equivalents at end of the year	43	150,370	(2,695,581)

The annexed notes 1 to 53 form an integral part of these consolidated financial statements.

Abdul Qayoom Shaikh	**Rabia Wafah Khan**	**Kamran Nishat**
Chief Executive Officer	Chief Financial Officer	Director

notes to and forming part of the consolidated financial statements
for the year ended december 31, 2024

(Amounts in thousand)

1. Legal Status And Operations

1.1 The "Group" consists of Engro Polymer and Chemicals Limited (here-in-after referred to as 'the Holding Company') and its wholly owned subsidiary companies, Think PVC (Private) Limited, Engro Peroxide (Private) Limited and Engro Plasticizer (Private) Limited (here-in-after referred to as 'the Group').

The Holding Company was incorporated in Pakistan in 1997 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Holding Company is listed on the Pakistan Stock Exchange Limited (PSX). The Holding Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Holding Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited (a related party).

1.2 The Holding Company is a subsidiary of Engro Corporation Limited (the Intermediate Parent Company). As of the reporting date, the Holding Company's Intermediate Parent Company was a subsidiary of Dawood Hercules Corporation Limited (DHCL), which served as the Ultimate Parent Company (UPC). Effective January 1, 2025, the Intermediate Parent Company, DHCL and DH Partners have implemented a Scheme of Arrangement, wherein shares of the Intermediate Parent Company held by its former shareholders (excluding DHCL) have been transferred to DHCL in exchange of shares of DHCL. Consequently, the Intermediate Parent Company will become a wholly owned subsidiary of DHCL and will no longer be listed on the PSX. The Scheme had been approved by shareholders and creditors of the Intermediate Parent Company in a meeting held on June 26, 2024, and was sanctioned by the Islamabad High Court on July 18, 2024. As part of the Scheme, the UPC has been rebranded as Engro Holdings Limited.

1.3 These are the consolidated financial statements of the Holding Company. The standalone financial statements of the Holding Company and its subsidiaries have been presented separately.

1.4 The geographical location and addresses of all business units of the Group are as follows:

(Amounts in thousand)

Business unit	Geographical location
Head office	8th Floor, The Harbour Front Building, Marine Drive, Block 4 Clifton, Karachi, Pakistan
Manufacturing plant	EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area, Karachi, Pakistan
Regional sales unit	Office No. 601, 6th Floor, Haly Tower, Lalak Jan Chowk, DHA, Lahore, Pakistan
Branded Outlet - Karachi	Plot 41 - C, Bukhari Commercial Lane 2, Phase VI, DHA, Karachi, Pakistan
Branded Outlet - Lahore	Plot 184, Block CCA, Phase 4C, DHA, Lahore, Pakistan

1.5 The Holding Company has investments in the following subsidiaries:

	Percentage of shareholding of the Company	
	2024	2023
- Think PVC (Private) Limited - note 1.5.1	100%	100%
- Engro Peroxide (Private) Limited - note 1.5.2	100%	100%
- Engro Plasticizer (Private) Limited - note 1.5.3	100%	100%

1.5.1 Think PVC (Private) Limited (TPPL) was incorporated in Pakistan on November 6, 1999, as a wholly owned subsidiary of the Holding Company. Currently, TPPL is involved in marketing and trading of PVC products through it's branded outlets.

1.5.2 Engro Peroxide (Private) Limited (EPPL) was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of the Holding Company. The main objective of EPPL is to manufacture and market Hydrogen Peroxide and related chemicals. EPPL is currently engaged in setting up its manufacturing facility which is expected to commence commercial operations in February 2025.

1.5.3 Engro Plasticizer (Private) Limited (EPPPL) was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of the Holding Company. The Holding Company is currently assessing the projects for which EPPPL will be utilised.

2 BASIS OF CONSOLIDATION

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

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

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 recognised in consolidated profit or loss.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over 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 recognised in consolidated profit or loss.

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

3. BASIS OF PREPARATION

3.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention unless otherwise mentioned in accounting policies stated herein.

3.2 Statement of compliance

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

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

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

3.3 Functional and presentation currency

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

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. 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 recognised in consolidated profit or loss.

3.4 Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group'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. The accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.4.1 Useful lives, depreciation / amortisation methods, residual values and impairment of property, plant and equipment and intangible assets - notes 6 and 8

The Group reviews appropriateness of the useful lives, method of depreciation / amortisation and residual values, where applicable, used in the calculation of depreciation / amortisation of operating fixed assets and intangible assets on an annual basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment and if the carrying amount exceeds recoverable amount, assets are written down to the recoverable amount and resultant impairment loss is recognised in consolidated profit or loss. During the year, the Holding Company has revised the useful lives and residual values of items of plant and machinery as disclosed in note 6.5.

3.4.2 Provision for slow-moving stores and spares - note 10

The Group regularly reviews the provision for slow moving stores and spares which have no movement for at least three years and the quantity available is in excess of the minimum stock level, thereby ensuring that items meeting the criteria are provided for.

3.4.3 Provision for stock-in-trade - note 11

The Group regularly reviews the net realisable value of stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

3.4.4 Income taxes - notes 26 and 37

In making the estimates for current income taxes payable by the Group, the management looks at the applicable law and the decisions of appellate authorities on certain issues in the past. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined.

Deferred tax asset is recognised 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 utilised. Significant judgement is exercised to determine the amount of deferred tax asset to be recognised.

3.4.5 Lease accounting - notes 7 and 19

Identifying and processing all relevant data associated with the leases is complex. The measurement of the right-of-use asset and lease liability is based on assumptions such as discount rates and the lease terms, including termination and renewal options. Lease payments to be made under reasonably certain extension options are also included in the

measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group's incremental borrowing rate is used, being the rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

3.4.6 Contingencies and provisions - notes 20, 26 and 27

Recognition and disclosure of provisions and contingent liabilities requires 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, for recognition and measurement of any provision and disclosure in these consolidated financial statements.

3.5 Initial application of standards, amendment or an interpretation to existing standards

3.5.1 Standards, amendments and interpretations to approved accounting and reporting standards that became effective during the year

There are amendments or improvements and interpretations to existing standards which became applicable to the Group for the financial year beginning on January 1, 2024, however, these do not have any material impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements except for:

IAS 12 - Application Guidance on Accounting for Minimum Taxes and Final Taxes':

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 - Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance), resulting in change in accounting policy as disclosed in note 5.

Amendment to IAS 1 - Non-current liabilities with covenants:

An amendment to IAS 1 'Presentation of Financial Statements' (IAS 1) was introduced addressing the classification of non-current liabilities subject to covenants. This amendment clarifies that liabilities should be classified as either current or non-current based on the rights available at the end of the reporting period, without consideration of future expectations or events occurring after this date. The amendment also mandates specific disclosures if a liability is classified as non-current but is subject to covenants that must be complied with within twelve months of the reporting date. The adoption of this amendment did not alter the classification of the Group's non-current liabilities, as the Group was either in compliance or had relevant waivers against covenants as of the reporting date. However, new disclosures have been added to these consolidated financial statements in accordance with the aforementioned requirements.

3.5.2 Standards, ammendments and interpretations to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Group

There are standards and certain amendments or improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Group for the financial year beginning on January 1, 2024. These are not expected to have any material impact on the Group's financial reporting and, therefore, have not been presented in these consolidated financial statements except for:

Amendment to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments':

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 cashflows (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).

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 can not be derecognised. The previous practice of financial liabilities being derecognised upon issuance of cheques would, hence, need to be reconsidered.

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Property, plant and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except capital work-in-progress which is stated at historical cost less accumulated impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to consolidated profit or loss using the straight line method, to allocate their cost less the residual values over their estimated useful lives at rates given in note 6.1. Depreciation on additions is charged from the month following the month in which the asset is available for use and no depreciation is charged in the month of disposal.

The depreciation method, useful lives and residual values of the Group's property, plant and equipment are reviewed and adjusted, if appropriate, at each reporting date. During the year the Holding Company, as a result of review, revised the useful lives and residual values of items of plant and machinery, as disclosed in note 6.5.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount and the resulting impairment loss is recognised in consolidated profit or loss. The recoverable amount is the higher of fair value less cost to sell and value in use. An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense in the period of disposal or retirement.

4.2 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. Upon utilisation, the capital spares and servicing equipment are depreciated over their useful life, or the remaining life of principal asset, whichever is lower.

4.3 Right-of-use asset and lease liabilities

The Group has entered into various rental arrangements, generally ranging in between 5 to 10 years. At inception of a contract, the Group 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 contains a wide range of different terms and conditions.

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

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

The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. They are 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 respective right-of-use asset, or is recorded in consolidated profit or loss if the carrying amount of that right-of-use asset has been reduced to zero.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. 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 carrying amount of the right-of-use asset is 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 recognise 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 recognised as an expense on a straight line basis over the lease term.

4.4 Intangible assets

Costs associated with developing and maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost.

Expenditure, which enhances or extends the performance of computer software beyond its original specification and useful life is recognised as a capital improvement and added to the original cost of the software.

Intangible assets are stated at cost less accumulated amortisation and impairment, if any. Computer software cost treated as intangible assets are amortised from the date the software is available for use on straight-line basis over a period of 3 to 10 years.

The carrying amount of the intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount and is charged to consolidated profit or loss. Reversal of impairment losses are also recognised in consolidated profit or loss, however, these are restricted to the original cost of the asset.

Amortisation on additions is charged from the month following the month in which asset is available for use and no amortisation is charged in the month of disposal.

4.5 Financial instruments

4.5.1 Financial assets

Classification, initial recognition and measurement

The Group classifies financial assets at initial recognition based on the Group’s business model for managing the financial assets and the contractual terms of the cash flows, in the following categories:

i) At amortised cost

Financial assets at amortised cost are held within a business model whose objective is to collect contractual cash flows on specified dates when those cash flows represent solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised in consolidated profit or loss.

ii) At fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income are 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.

iii) At fair value through profit and loss (FVPL)

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt instruments that is subsequently measured at fair value through profit or loss is recognised in consolidated profit or loss in the period in which it arises.

All financial assets are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the settlement-date, the date on which the asset is delivered to or by the Group. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in consolidated profit or loss. Trade debts are measured at the transaction price determined under IFRS 15. Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income. Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in consolidated profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVPL are included in consolidated profit or loss in the period in which they arise.

Derecognition

Financial assets are derecognised 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 recognised in consolidated profit or loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial instruments carried at amortised cost and at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group 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, that 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 loans or receivables 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 recognised in consolidated profit or loss.

4.5.2 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or 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 recognised in consolidated profit or loss.

4.5.3 Offsetting of financial assets and liabilities

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

4.6 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. The management reviews stores items which have no movement for at least three years and if the quantity available is in excess of the minimum stock level. Provision is recognised for such items in consolidated profit or loss.

4.7 Stock-in-trade

These are valued at the lower of cost, determined on weighted average cost basis, and net realisable value. Cost in relation to raw materials represents the weighted average cost, except for raw material in transit and in relation to finished goods and work-in-process represents weighted average cost comprising direct materials, labour and related manufacturing overheads.

Cost of stock-in-transit represents the invoice value plus other charges incurred thereon till the reporting date.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost of completion and costs necessarily to be incurred in order to make the sales. Provision is made for slow moving stocks, where considered necessary.

4.8 Trade debts and other receivables

These are recognised initially at fair value plus directly attributable cost, if any. These are generally due for settlement within 30 to 120 days. The Group holds the trade debts with the objective of collecting the contractual cashflows and therefore measures them subsequently at amortised cost using effective interest rate method less provision for expected credit losses, if any. The amount of provision is charged to consolidated profit or loss. Trade debts and other receivables considered irrecoverable are written-off.

4.9 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows include cash in hand and in transit, balances with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdraft facilities.

4.10 Share capital

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

4.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. Any difference between proceeds net of transaction cost and redemption value is recognised in consolidated profit or loss over the period of borrowing using effective interest rate.

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

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 borrowing at reporting date.

4.12 Retirement and other service benefits

4.12.1 Gratuity fund

The employees of the Holding Company participate in a defined contributory gratuity fund (the Gratuity Fund) operated and managed by Intermediate Parent Company. As per the terms of the defined contribution plan, the Holding Company contributes to the Gratuity Fund at the rate of 8.33% of basic salary.

4.12.2 Provident fund

The employees of the Holding Company participate in defined contributory provident fund (the Provident Fund) operated and managed by Intermediate Parent Company. Equal monthly contributions at the rate of 10% of the basic salary are made both by the Holding Company and the employees to the Provident Fund. Annual contribution by the Holding Company is charged to consolidated profit or loss.

4.13 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

These are classified as current liabilities if payment is due within 12 months or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current.

4.14 Contingent liabilities and provisions

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

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

4.15 Taxation

4.15.1 Current

Provision for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates. The charge for current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

4.15.2 Deferred

Deferred tax is provided using the balance sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is determined using the effective tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is charged or credited in the consolidated profit or loss except to the extent that it relates to the items recognised directly in equity, in which case it is recognised in equity.

4.15.3 Levies

In accordance with Income Tax Ordinance, 2001 (the Ordinance), computation of final taxes and minimum tax differential is not based on taxable income. Therefore, as per the Guidance issued by the ICAP, these fall within the scope of IFRIC 21 - 'Levies' (IFRIC 21) / IAS 37 - 'Provision, contingent liabilities and contingent assets' and accordingly have been classified as levies in these consolidated financial statements.

4.15.4 Sales tax

Expenses and assets are recognised 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 recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When sales tax is recoverable from or is payable to the taxation authority, it is included as part of receivables or payables in the consolidated statement of financial position.

4.16 Revenue / income recognition

i) Revenue from contracts with customers

a) The Group recognises revenue at a point in time when the control of product is transferred to customers. The assessment of transfer of control depends on the contractual terms, which is considered to be transferred either when the product is directly uplifted by customer from the Group's premises or when it is delivered by the Group at customer premises in case of local sales. For export sales, the control is transferred when the product is shipped on board and its insurance risk is borne by the customer. The payment term varies depending on the credit worthiness of the customers, generally ranging from 30 to 120 days.
b) Revenue from the sale of electricity is recognised at a point in time when the agreed output is delivered to Engro Fertilizers Limited, a related party. The payment terms in this case is 15 days.
c) Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. The payment term is within 7 days from invoicing.

(Amounts in thousand)

d) Commission income is recognised when the Group satisfies its performance obligations by arranging for the provision of goods or services by a third party to the customer. The Group acts as an agent in these transactions, and revenue is recognised in the amount of any fee or commission to which the Group expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The payment term for all customers is due upon invoicing.

ii) Other revenues

Income on bank deposits and other financial assets is recognised on an accrual basis.

4.17 Borrowing costs

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

4.18 Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group, (excluding any costs of servicing equity other than ordinary shares) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

4.19 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.

4.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in these consolidated financial statements in the period in which these are approved.

4.21 Government grants

Government grants are recognised 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 recognised as income in consolidated profit or loss on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful lives of the related asset.

5. CHANGE IN ACCOUNTING POLICY

The ICAP has issued the Guidance, whereby unrecoupable minimum taxes in excess of normal tax liability and tax deducted at source under final tax regime are out of scope of IAS 12 'Income Taxes' and fall in the ambit of IFRIC 21 and IAS 37. Accordingly, the Group has changed its accounting policy to recognise such taxes as 'levies' which were previously being recognised as 'income tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows have been restated. The change has no impact on (loss) / profit after tax or (loss) / earnings per share of the Group.

The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Effect on consolidated statement of profit or loss and other comprehensive income			
For the year ended December 31, 2024			
Minimum tax differential	-	(38,248)	(38,248)
Final tax	-	77,965	77,965
Loss before income tax	(3,145,573)	39,717	(3,105,856)
Income tax	2,984,990	(39,717)	2,945,273
For the year ended December 31, 2023			
Minimum tax differential	-	(1,019)	(1,019)
Final tax	-	(224,066)	(224,066)
Profit before income tax	13,755,972	(225,085)	13,530,887
Income tax	(4,823,678)	225,085	(4,598,593)

(Amounts in thousand)

The related changes to the consolidated statement of cash flows have been made as well. However, these changes did not have an impact on the Group's operating, investing and financing cash flows.

6. PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	....Rupees....	
Operating assets - note 6.1	37,910,115	34,567,298
Capital work-in-progress - note 6.6	22,547,700	18,921,324
Capital spares	241,044	245,427
	60,698,859	53,734,049

6.1 Operating assets

	Leasehold land (note 6.2)	Building on leasehold land (note 6.2)	Plant and Machinery	Pipelines: Water	Pipelines: Vinyl Chloride Monomer (VCM)	Pipelines: Ethylene	Pipelines: Ethylene Di Chloride (EDC)	Pipelines: Gas	Furniture, fixtures and equipment	Vehicles	Total
	-----Rupees-----										
Gross carrying value - As at January 1, 2023											
Cost	1,152,179	1,212,885	47,846,447	397,975	26,122	50,023	100,287	33,849	633,415	444,937	51,898,119
Accumulated depreciation	(203,504)	(252,888)	(16,193,705)	(296,296)	(25,724)	(31,955)	(7,903)	(24,127)	(331,423)	(154,868)	(17,522,393)
Net book value	948,675	959,997	31,652,742	101,679	398	18,068	92,384	9,722	301,992	290,069	34,375,726
Year ended December 31, 2023											
Net carrying value											
Opening net book value	948,675	959,997	31,652,742	101,679	398	18,068	92,384	9,722	301,992	290,069	34,375,726
Additions - note 6.6.1	23,000	86,169	2,960,220	-	-	-	-	-	96,493	20,856	3,186,738
Disposals / write-offs - note 6.4											
Cost	-	-	-	-	-	-	-	-	(8,982)	(56,255)	(65,237)
Accumulated depreciation	-	-	-	-	-	-	-	-	8,534	17,275	25,809
	-	-	-	-	-	-	-	-	(448)	(38,980)	(39,428)
Depreciation charge - note 6.3	(39,908)	(56,490)	(2,676,454)	(12,876)	(5)	(2,177)	(3,436)	(1,471)	(102,517)	(60,404)	(2,955,738)
Net book value	931,767	989,676	31,936,508	88,803	393	15,891	88,948	8,251	295,520	211,541	34,567,298
Gross carrying value - December 31, 2023											
Cost	1,175,179	1,299,054	50,806,667	397,975	26,122	50,023	100,287	33,849	720,926	409,538	55,019,620
Accumulated depreciation	(243,412)	(309,378)	(18,870,159)	(309,172)	(25,729)	(34,132)	(11,339)	(25,598)	(425,406)	(197,997)	(20,452,322)
Net book value	931,767	989,676	31,936,508	88,803	393	15,891	88,948	8,251	295,520	211,541	34,567,298
Year ended December 31, 2024											
Net carrying value											
Opening net book value	931,767	989,676	31,936,508	88,803	393	15,891	88,948	8,251	295,520	211,541	34,567,298
Additions - note 6.6.1	-	212,336	4,713,429	-	-	-	-	-	190,119	442,727	5,558,611
Disposals / write-offs - note 6.4											
Cost	-	-	(591,690)	-	-	-	-	-	(31,381)	(131,905)	(754,976)
Accumulated depreciation	-	-	556,423	-	-	-	-	-	28,876	57,162	642,461
	-	-	(35,267)	-	-	-	-	-	(2,505)	(74,743)	(112,515)
Depreciation charge - note 6.3	(42,160)	(80,406)	(1,718,164)	(12,876)	(5)	(2,177)	(3,436)	(1,471)	(120,218)	(122,365)	(2,103,278)
Net book value	889,607	1,121,606	34,896,506	75,927	388	13,714	85,512	6,780	362,916	457,160	37,910,116
Gross carrying value - December 31, 2024											
Cost	1,175,179	1,511,390	54,928,406	397,975	26,122	50,023	100,287	33,849	879,664	720,360	59,823,255
Accumulated depreciation	(285,572)	(389,784)	(20,031,900)	(322,048)	(25,734)	(36,309)	(14,775)	(27,069)	(516,748)	(263,200)	(21,913,139)
Net book value	889,607	1,121,606	34,896,506	75,927	388	13,714	85,512	6,780	362,916	457,160	37,910,116
Annual rate of depreciation (%)	2 to 2.14	2.5 to 10	2.2 to 33.3	3.33 to 5	3.33 to 12.5	3.33 to 5	3.33 to 12.5	3.33 to 5	5 to 33	5 to 25	

(Amounts in thousand)

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

Description of Assets	Address	Total Area of Land (square yards)
- Leasehold land	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	619,520
- Production facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	309,880
- Storage facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	24,220
- Administration facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	10,680

6.3 Depreciation charge has been allocated as follows:

	2024	2023
	....Rupees....	
Cost of sales - note 29	2,020,013	2,899,437
Distribution and marketing expenses - note 30	19,748	7,524
Administrative expenses - note 31	63,517	48,777
	2,103,278	2,955,738

6.4 The details of operating assets disposed / written-off during the year are as follows:

Description of assets	Cost	Accumulated depreciation & impairment	Net book value	Sale proceeds	(Gain) \ Loss	Mode of disposal	Particulars of buyers / Relationships
	-----Rupees-----						
Items having net book value Rs. 500 each or more							
Vehicles	3,484	1,578	1,906	1,906	-	Company Policy	Muhammad Zohaib Sufyan - Employee
Vehicles	5,433	1,090	4,343	5,140	(797)	Company Policy	Babar Mobeen - Employee
Vehicles	3,264	786	2,478	2,478	-	Company Policy	Shanze Afreen - Employee
Vehicles	2,806	875	1,931	2,605	(674)	Company Policy	Rizwan Liaquat - Employee
Vehicles	14,643	11,714	2,929	8,600	(5,671)	Company Policy	Jahangir Piracha - Employee
Vehicles	4,082	925	3,157	3,538	(381)	Company Policy	Zearma Khan - Employee
Vehicles	5,643	3,258	2,385	3,124	(739)	Company Policy	Asghar Ali Khan - Employee
Vehicles	13,385	7,395	5,990	6,185	(195)	Company Policy	Jahangir Piracha - Employee
Vehicles	3,495	1,882	1,613	2,030	(417)	Company Policy	Shaikh Rehan Afaq - Employee
Vehicles	6,943	-	6,943	7,102	(159)	Company Policy	Ali Asif - Employee
Vehicles	4,711	267	4,444	4,567	(123)	Company Policy	Husain Abdullah Syed - Employee
Vehicles	2,641	1,246	1,395	1,840	(445)	Company Policy	Junaid Rafey - Employee
Vehicles	2,873	977	1,896	2,409	(513)	Company Policy	Syed Hasan Murtaza - Employee
Vehicles	2,806	1,113	1,693	1,706	(13)	Company Policy	Karam Ullah - Employee
Vehicles	3,497	2,031	1,466	2,268	(802)	Company Policy	Syed Raza Abbas - Employee
Vehicles	3,488	2,048	1,440	1,829	(389)	Company Policy	Salima Hemani - Employee
Vehicles	2,450	1,228	1,222	1,593	(371)	Company Policy	Osama Jawaid - Employee
Vehicles	2,677	1,258	1,419	1,738	(319)	Company Policy	Essam - Employee
Vehicles	3,565	1,470	2,095	2,604	(509)	Company Policy	Muhammad Rehan - Employee

(Amounts in thousand)

Description of assets	Cost	Accumulated depreciation & impairment	Net book value	Sale proceeds	(Gain) \ Loss	Mode of disposal	Particulars of buyers / Relationships
	-----------------	-----------------	-----------------	Rupees	-----------------	-----------------	-----------------
Items having net book value Rs. 500 each or more							
Vehicles	3,537	1,253	2,284	2,833	(549)	Company Policy	Muhammad Umar Shafiq - Employee
Vehicles	3,254	1,060	2,194	2,697	(503)	Company Policy	Muzzamil Shahzad - Employee
Vehicles	4,913	835	4,078	4,117	(39)	Company Policy	Ahmad Mahmood - Employee
Vehicles	2,755	1,756	999	2,548	(1,549)	Company Policy	Gull Zareen Hasnat - Employee
Vehicles	2,642	1,356	1,286	1,293	(7)	Company Policy	Muhammad Ali Shah - Employee
Vehicles	2,753	1,833	920	952	(32)	Company Policy	Jawad Wahid Mian - Employee
Vehicles	4,685	1,195	3,490	3,490	-	Company Policy	Ahmed Mustafa - Employee
Vehicles	6,609	-	6,609	6,609	-	Company Policy	Ammar Ahmed - Employee
Vehicles	7,299	5,474	1,825	4,465	(2,640)	Company Policy	Auction
Plant and Machinery	101,690	84,504	17,186	-	17,186	Write off	None
Plant and Machinery	490,000	471,919	18,081	-	18,081	Write off	None
Other operating assets having net book value less than Rs. 500	32,953	30,135	2,818	2,556	262		
Year ended December 31, 2024	754,976	642,461	112,515	94,822	17,693		
Year ended December 31, 2023	65,237	25,809	39,428	44,328	(4,900)		

6.5 During the year, the Holding Company engaged an independent expert to review the useful lives and residual values of items of plant and machinery to ensure that the carrying amount of these assets reflect a more accurate deception of their economic utility and value, consistent with the requirement of applicable financial reporting framework. Accordingly, the useful lives and residual values have been revised and this change has been accounted for prospectively as a change in accounting estimates in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Resultantly the depreciation charge for the year decreased by Rs. 1,239,115 and net book value of plant and machinery increased by the same amount. However, for future years the impact of such change has not been disclosed in these consolidated financial statements due to impracticality on account of complexity and scale of the Holding Company's operations.

Had there been no change in the above accounting estimates, the loss after tax for the current year would have been higher by Rs. 755,860.

(Amounts in thousand)

6.6 Capital work-in-progress

	2024	2023
	....Rupees....	
Leasehold land	9,000	9,000
Plant and machinery	21,092,663	13,856,289
Building and civil works including pipelines	262,882	232,555
Furniture, fixture and equipment	66,776	129,556
Softwares	223,086	206,730
Advances to suppliers	142,086	542,086
Capital spares	8,759	3,715,617
Other ancillary costs	742,448	229,491
	22,547,700	18,921,324

6.6.1 The movement in capital work-in-progress is as follows:

	2024	2023
	....Rupees....	
Balance at beginning of the year	18,921,324	10,698,886
Additions during the year including borrowing costs - note 6.6.1.1	9,202,916	11,447,328
Transferred from capital spares	48,967	-
Transferred to:		
- operating assets - note 6.1	(5,558,611)	(3,186,738)
- intangible assets - note 8	(22,312)	(38,152)
- capital spares	(44,584)	-
	(5,625,507)	(3,224,890)
Balance at end of the year	22,547,700	18,921,324

6.6.1.1 This includes net borrowing cost capitalised during the year amounting to Rs. 28,273 (2023: Rs. 114,258).

(Amounts in thousand)

7. RIGHT-OF-USE ASSET

	Storage tanks at Engro Vopak Terminal Limited	Properties	Total
	-----Rupees-----		
Year ended December 31, 2023			
Net carrying value			
Opening net book value	1,570,597	112,943	1,683,540
Depreciation - note 7.1	(449,661)	(27,613)	(477,274)
Closing net book value	1,120,936	85,330	1,206,266
Gross carrying value			
Cost	3,269,835	193,578	3,463,413
Accumulated depreciation	(2,148,899)	(108,248)	(2,257,147)
Net book value	1,120,936	85,330	1,206,266
Year ended December 31, 2024			
Net carrying value			
Opening net book value	1,120,936	85,330	1,206,266
Additions during the year - note 7.2	-	34,473	34,473
Depreciation - note 7.1	(499,501)	(29,493)	(528,994)
Closing net book value	621,435	90,310	711,745
Gross carrying value			
Cost	3,269,835	228,051	3,497,886
Accumulated depreciation	(2,648,400)	(137,741)	(2,786,141)
Net book value	621,435	90,310	711,745
Rate of depreciation (%)	**10 - 20**	**10 - 33**	

7.1 Depreciation charge has been allocated as follows:

	2024	2023
	....Rupees....	
Cost of sales - note 29	499,501	449,661
Distribution and marketing expenses - note 30	27,272	25,392
Administrative expenses - note 31	2,221	2,221
	528,994	477,274

7.2 During the year, the Group has recognised additional right-of-use asset with a corresponding lease liability in respect of rental agreement entered into on August 10, 2024 for a Branded Outlet in Lahore. The term as per the rental agreement of Branded Outlet is 7 years.

(Amounts in thousand)

8. INTANGIBLE ASSETS
- Computer softwares and applications

	2024	2023
	....Rupees....	
Net carrying value		
Balance at beginning of the year	620,205	686,598
Add: Additions at cost - note 6.6.1	22,312	38,152
Less: Transferred to prepayments	(20,975)	-
Less: Amortisation for the year - note 8.2	(106,642)	(104,545)
Balance at end of the year	514,900	620,205
Gross carrying value		
Cost	900,372	899,035
Less: Accumulated amortisation	(385,472)	(278,830)
Balance at end of the year	514,900	620,205

8.1 The cost is being amortised over a period of 3 to 10 years.

8.2 Amortisation charge has been allocated as follows:

	2024	2023
	....Rupees....	
Cost of sales - note 29	8,924	9,851
Distribution and marketing expenses - note 30	2,158	2,158
Administrative expenses - note 31	95,560	92,536
	106,642	104,545

9. LONG-TERM LOANS, ADVANCES AND DEPOSITS
- Considered good

Executives - notes 9.1 to 9.3	34,990	38,660
Less: Current portion shown under current assets - note 13	(27,324)	(16,823)
	7,666	21,837
Long-term deposits	1,267	800
	8,933	22,637

9.1 Reconciliation of the carrying amount of loans and advances to executives is as follows:

Balance at beginning of the year	38,660	12,024
Add: Disbursements	48,904	54,093
Less: Repayments / Adjustments	(52,574)	(27,457)
Balance at end of the year	34,990	38,660

(Amounts in thousand)

9.2 These include interest free loans to executives for house rent and salary advances given in accordance with the terms of employment. Loans for house rent are repayable in 12 to 18 equal monthly installments. Salary advances are repayable within 12 months.

9.3 The maximum aggregate amount due from the executives at the end of any month during the year was Rs. 40,651 (2023: Rs. 38,660).

10. STORES, SPARES AND LOOSE TOOLS

	2024 ....Rupees....	2023
Consumable stores and spares - notes 10.1 and 10.2	5,364,392	3,686,727
Less: Provision for slow moving stores and spares - note 10.3	(452,935)	(374,955)
	4,911,457	3,311,772

10.1 This includes goods in transit amounting to Nil (2023: Rs. 87,208).

10.2 During the year, the Group has written-off, stores and spares amounting to Rs. 4,336 (2023: Rs. 210).

10.3 The movement in the provision for slow moving stores and spares is as follows:

	2024 ....Rupees....	2023
Balance at beginning of the year	374,955	352,915
Add: Provision recognised during the year - note 29	86,813	22,040
Less: Write-off during the year	(8,833)	-
Balance at end of the year	452,935	374,955

11. STOCK-IN-TRADE

Raw and packing materials - notes 11.1 to 11.3	8,659,212	10,752,527
Less: Provision against stock-in-trade - note 11.4	(90,154)	(105,811)
	8,569,058	10,646,716
Work-in-process	327,376	431,254
Finished goods - manufactured products and trading products - note 11.2	5,542,484	5,907,069
	14,438,918	16,985,039

11.1 This includes stocks held at storage facilities of following parties:

	2024 ....Rupees....	2023
- Engro Vopak Terminal Limited, a related party	2,149,078	2,788,703
- Al-Noor Petroleum (Private) Limited	12,198	34,959
- Al-Rahim Trading Company (Private) Limited	1,649,632	1,966,882
	3,810,908	4,790,544

11.2 This includes goods in transit amounting to Rs. 214,575 (2023: Rs. 1,413,903).

11.3 During the year, the Group has written off stock-in-trade amounting to Rs. 114,647 (2023: Nil).

11.4 The movement in the provision against stock-in-trade is as follows:

	2024 ....Rupees....	2023
Balance at beginning of the year	105,811	99,199
Add: Provision (reversed) / recognised during the year - note 29	(15,657)	6,612
Balance at end of the year	90,154	105,811

12. TRADE DEBTS - Considered good

Related parties - notes 12.1, 12.2, 12.3 and 12.4		
Secured	138,280	468,441
Unsecured	21,622	34,915
	159,902	503,356
Others - note 12.3 and 12.4		
Secured - note 12.6	1,071,046	1,070,171
Unsecured - note 12.6	35,689	55,910
Less: Provision for expected credit loss - notes 12.5 and 31	(3,864)	(264)
	31,825	55,646
	1,262,773	1,629,173

(Amounts in thousand)

12.1 Details of amounts due from associated undertakings / related parties are as follows:

	Upto 3 month		3 to 6 months		Total	
	2024	2023	2024	2023	2024	2023
	------------------	------------------	------Rupees------	------------------	------------------	------------------
Engro Fertilizers Limited	10,869	34,915	-	-	10,869	34,915
Engro Eximp FZE - export sales	138,280	435,259	-	33,182	138,280	468,441
FrieslandCampina Engro Pakistan Limited	10,753	-	-	-	10,753	-
	159,902	470,174	-	33,182	159,902	503,356

12.2 Maximum amounts due from related parties at any time during the year with respect to month end balances are as follows:

	2024 ....Rupees....	2023
Engro Fertilizers Limited	55,009	34,915
Engro Eximp FZE	680,673	3,105,978
FrieslandCampina Engro Pakistan Limited	10,753	-

12.3 As at December 31, 2024, trade debts aggregating to Rs. 1,115,757 (2023: Rs. 1,573,600) were neither past due nor impaired.

12.4 As at December 31, 2024, trade debts aggregating Rs. 147,016 (2023: Rs. 55,573) were past due but not impaired. These relate to various customers for which there is no recent history of default.

The ageing analysis of these trade debts is as follows:

	2024 ....Rupees....	2023
Up to 3 months	142,716	55,573
3 - 6 months	599	-
More than 6 months	3,701	-
	147,016	55,573

12.5 Trade debts aggregating to Rs. 3,864 (2023: Rs. 264) are past due and impaired. The movement in provision during the year is as follows:

	2024 ....Rupees....	2023
Balance as at January 1	264	-
Charge for the year - note 31	3,600	264
Balance as at December 31	3,864	264

(Amounts in thousand)

12.6 Trade debts of the Holding Company are secured by way of bank guarantees and letters of credit from customers. The Holding Company maintains letter of guarantee discounting facilities with an approved limit of Rs. 1,850,000. As of December 31, 2024, the Holding Company has utilised Rs. 523,632 and the remaining unutilised amount is Rs. 1,326,368. These facilities carry a markup rate of the prevailing Karachi Interbank Offered Rate (KIBOR) plus a spread ranging from 0.15% to 0.30% per annum.

13. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024 ....Rupees....	2023
Considered good		
Current portion of long term-loans and advances to executives - note 9	27,324	16,823
Advances to employees	5,875	5,050
Advances to suppliers and others - note 13.1	164,197	539,843
Deposits	1,676,697	1,834,520
Less: Provision against bank guarantees - note 13.2	(137,242)	(137,242)
	1,539,455	1,697,278
Prepayments - note 13.3	370,698	328,500
Receivable from Government of Pakistan in respect of Sales tax and Federal excise duty refundables - note 13.10	4,034,150	2,675,222
Due from related parties, unsecured - notes 13.4, 13.5 and 13.10	65,963	8,444
Other receivables, unsecured - notes 13.9 and 13.10	179,803	256,798
	6,387,465	5,527,958
Considered doubtful		
Custom duty claims refundable - note 13.6	18,043	18,043
Less: Provision for impairment - note 13.8	(18,043)	(18,043)
	-	-
Special Excise Duty (SED) refundable - note 13.7	36,687	36,687
Less: Provision for impairment - note 13.8	(36,687)	(36,687)
	-	-
	6,387,465	5,527,958

13.1 This includes advance made to a related party - Nimir Industrial Chemicals Limited amounting to Rs. 34,472 (2023: Rs. 196,910).

13.2 EPPL had applied to obtain status of greenfield undertaking under clause 27(A) of the Income Tax Ordinance, 2001 (the Ordinance) and deposited performance guarantee of Rs. 286,682 to custom authorities. EPPL's application has been rejected by the Commissioner Inland Revenue (CIR) through order dated September 2, 2022 based on the advice of Engineering Development Board - Government of Pakistan (EDB). EPPL being aggrieved filed an appeal before the Appellate Tribunal Inland Revenue and obtained interim relief from the High Court of Sindh against the order of CIR.

(Amounts in thousand)

EPPL, based on the opinion of its legal counsel, owing to the rejection of its application, has recognised a provision of Rs. 137,242 against custom duty payable on import of components of plant and machinery capitalised in capital work-in-progress, which will be settled from deposit maintained with the bank against the guarantees.

13.3 This includes prepaid insurance of Rs. 200,420 (2023: Rs. 199,349).

13.4 Other receivables from related parties comprise of:

	Upto 3 month		3 to 6 months		More than 6 months		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	-----------	-----------	-----------	---Rupees---	-----------	-----------	-----------	-----------
Engro Corporation Limited	2,015	151	11	713	35	-	2,061	864
Engro Energy Limited	-	36	-	-	-	-	-	36
Engro Energy Services Limited	-	12	-	75	205	118	205	205
Engro Fertilizers Limited	12,781	-	2,128	3,030	9,860	553	24,769	3,583
Engro Powergen Qadirpur Limited	6,794	85	-	204	-	133	6,794	422
Engro Powergen Thar (Private) Limited	3,888	50	-	-	-	-	3,888	50
Engro Vopak Terminal Limited	385	928	-	1,357	1,780	534	2,165	2,819
Engro Elengy Terminal (Private) Limited	469	456	-	-	456	-	925	456
Engro Eximp FZE	-	-	-	-	24,297	-	24,297	-
Elengy Terminal Pakistan Limited	-	-	-	-	34	-	34	-
Engro Enfrashare (Private) Limited	-	-	-	-	3	-	3	-
Sindh Engro Coal Mining Company Limited	264	-	-	-	558	9	822	9
	26,596	1,718	2,139	5,379	37,228	1,347	65,963	8,444

13.5 Maximum amounts due from related parties at the end of any month during the year are as follows:

	2024	2023
	....Rupees....	
- Engro Corporation Limited	4,754	864
- Engro Energy Limited	36	524
- Engro Energy Services Limited	205	205
- Engro Fertilizers Limited	28,419	3,583
- Engro Powergen Qadirpur Limited	6,794	422
- Engro Powergen Thar (Private) Limited	7,177	50
- Engro Foundation	11,048	10,749
- Engro Vopak Terminal Limited	3,206	2,819
- Engro Elengy Terminal (Private) Limited	1,622	456
- Engro Eximp FZE	24,297	-
- Elengy Terminal Pakistan Limited	34	-
- Engro Enfrashare (Private) Limited	3	-
- Sindh Engro Coal Mining Company Limited	822	9

13.6 The Customs Appellate Tribunal, Karachi Bench, through its order dated October 31, 2011, disposed of the Holding Company's appeal filed on April 11, 2008 against the order of Collector of Customs, Port Muhammad Bin Qasim, Karachi, for the refund of custom duty paid during the period June 16, 2006 to July 24, 2006 on imports of Vinyl Chloride Monomer (VCM). The Tribunal was informed that all the aforementioned VCM consignments were released after the issuance of SRO 565(1) / 2006 dated June 6, 2006 and the benefit of five percent duty reduction was also passed onto the customers. However, as the price of the Holding Company's product was increased which is linked with international market, the Tribunal inadvertently presumed that the said benefit had not been transferred to the customers and passed an order against the Holding Company.

The Holding Company has filed an appeal with the High Court of Sindh against the aforesaid order of the Tribunal, which is pending adjudication. However, the Holding Company is maintaining full provision against the aforementioned custom duty refundable till such time that all available legal forums are exhausted.

13.7 During 2007, Special Excise Duty (SED) amounting to Rs. 91,616 was paid on import of certain fixed assets. Out of the total SED paid, an amount of Rs. 54,929 was adjusted through input claim in sales tax returns. Later, the remaining amount of Rs. 36,687 could not be adjusted as the said duty was disallowed as adjustment from output tax under section 7 of Sales Tax Act, 1990. Therefore, the Holding Company has fully provided the said amount. However, the Holding Company is pursuing recovery of the remaining amount from the tax authorities based on the view that the SED can be recovered as it was paid prior to the change in the Sales Tax Act.

13.8 As at December 31, 2024, receivables aggregating to Rs. 54,730 (2023: Rs. 54,730) were deemed to be impaired and have been provided for in full (notes 13.6 and 13.7).

13.9 Includes Rs. 143,596 (2023: Rs. 239,327) in respect of insurance claim receivable.

13.10 These balances are neither past due nor impaired.

14. SHORT-TERM INVESTMENTS

	2024	2023
	....Rupees....	
At fair value through profit or loss		
- Mutual funds	-	100,118
At amortised cost		
- Treasury bill - note 14.1	1,284,971	1,148,648
- Term deposit receipts - note 14.2	289,988	519,835
- Current maturity of investment in term deposit receipts - note 14.3	-	1,691,328
	1,574,959	3,359,811
	1,574,959	3,459,929

(Amounts in thousand)

14.1 Carries mark-up at rates ranging from 13% to 21.40% (2023: 21.40% to 21.91%) per annum, having maturities upto May 15, 2025.

14.2 Carries mark-up at rates ranging from 8% to 19.9% (2023: 19.00% to 19.70%) per annum having maturity upto March 13, 2025.

14.3 Represented term deposits receipts aggregating to USD 35,000 maintained with Dubai Islamic Bank Pakistan Limited. These carried profit at the rate of six months LIBOR + 0.89% per annum and matured in six equal semi-annual installments of USD 5,833 starting from July 15, 2021 and ended on January 15, 2024.

15. CASH AND BANK.BALANCES

	2024	2023
	....Rupees....	
Cash in hand	707	704
Cash at bank - note 15.1		
- Conventional		
- in current accounts	724,690	2,120,081
- in savings accounts - note 15.2	401,847	290,427
	1,126,537	2,410,508
- Islamic		
- in current accounts	2,186,818	606,341
- in savings accounts - note 15.2	220,042	1,083,229
	2,406,860	1,689,570
	3,534,104	4,100,782

15.1 These include Rs. 2,343,341 (2023: Rs. 1,920,451) held in foreign currency bank accounts.

15.2 These carry mark-up at rates ranging from 5.02% to 20.50% (2023: 7.5% to 20.50%) per annum.

16. ORDINARY SHARE CAPITAL

	2024	2023
	....Rupees....	
Authorised capital		
1,250,000,000 (2023: 1,250,000,000) ordinary shares of Rs. 10 each	12,500,000	12,500,000
Issued, subscribed and paid-up capital		
908,923,333 (2023: 908,923,333) ordinary shares of Rs. 10 each, fully paid in cash - notes 16.1 and 16.2	9,089,233	9,089,233

16.1 As at December 31, 2024, Engro Corporation Limited (the Intermediate Parent Company) and Mitsubishi Corporation (an associated company) held 510,733,453 and 100,053,563 (2023: 510,733,453 and 100,053,563) ordinary shares of Rs.10 each denoting 56.19% (2023: 56.19%) and 11.01% (2023: 11.01%) of the share capital of the Holding Company.

16.2 There is a shareholders' agreement between the Intermediate Parent Company and Mitsubishi Corporation which includes provisions in respect of Board of Directors selection, voting rights, rights of first refusal and etc.

17. PREFERENCE SHARES

	2024	2023
	....Rupees....	
Authorised capital		
400,000,000 (2023: 400,000,000) preference shares of Rs. 10 each	4,000,000	4,000,000
Issued, subscribed and paid-up capital		
300,000,000 (2023: 300,000,000) preference shares of Rs. 10 each, fully paid in cash - note 17.1	3,000,000	3,000,000

17.1 In 2020, the Holding Company issued perpetual, cumulative, callable and convertible listed preference shares of Rs. 3,000,000 by way of pre-IPO placements and public offer at a price of Rs. 10 per share in cash, carrying mark-up at the rate of 6 months KIBOR + 3.5% per annum. The payment of the same shall be at the discretion of the Board of Directors of the Holding Company. The objective of the preference shares issuance was to finance PVC-III expansion and VCM debottlenecking projects. The Holding Company has an option to call and redeem preference shares in full or in part after the expiry of twelve months from the issue date. The preference shares may be converted into ordinary shares of the Holding Company at the option of the preference shares holder after the expiry of eighty months from December 31, 2020 based on the ratio of 1:1.

(Amounts in thousand)

18. LONG-TERM BORROWINGS

	Mark-up rate per annum	Installments		2024	2023
		Number	Commencing	....Rupees....	
Loan from International Finance Corporation (IFC) - note 18.1	6 months LIBOR + 3.25%	6 half yearly	July 15, 2021	-	1,645,647
Bilateral Loan - note 18.2	6 months KIBOR + 0%	6 half yearly	July 15, 2021	-	903,584
Islamic Long Term Financing Facility (ILTFF) - note 18.3	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,392,830	1,633,332
Loan under diminishing musharka agreement I - note 18.4	3 months KIBOR + 0.4%	8 half yearly	June 28, 2023	200,000	300,000
Syndicated Long Term Islamic Financing Facility - note 18.5	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,736,621	8,733,733
Loan under diminishing musharka agreement II - note 18.6	3 months KIBOR + 0.3%	16 quarterly	March 30, 2026	6,000,000	6,000,000
Ijarah Facility from International Finance Corporation (IFC) - note 18.7	SOFR + 3.68%	7 half yearly	July 15, 2025	4,101,889	4,112,422
Islamic Temporary Economic Refinance Facilities (ITERF) - notes 18.8 to 18.10 and 18.15	Ranging from SBP rate + 0.75% to 1%	32 quarterly	June 2023 to September 2023	3,219,955	3,395,059
Bilateral Loan II - note 18.11	3 months KIBOR + 0.4%	28 quarterly	April 19, 2026	2,000,000	-
Loan under diminishing musharka agreement III - note 18.12	3 months KIBOR + 0.03%	28 quarterly	March 9, 2027	6,000,000	-
				31,651,295	26,723,777
Less: Current portion shown under current liabilities					
- Loans from International Finance Corporation				-	(1,645,647)
- Bilateral Loan				-	(903,584)
- Islamic Long Term Financing Facility (ILTFF)				(243,750)	(243,750)
- Islamic Temporary Economic Refinance Facility (ITERF)				(361,182)	(177,745)
- Loan under diminishing musharka agreement I				(100,000)	(100,000)
- Ijarah facility from International Finance Corporation (IFC)				(597,392)	-
				(1,302,324)	(3,070,726)
Less: Deferred income - Government grant - note 18.15				(1,251,794)	(1,515,485)
				29,097,177	22,137,566

18.1 In 2018, the Holding Company had entered into a financing agreement with IFC for a total of USD 35,000, the draw down of which was made in December 2019. This was secured by way of hypothecation charge of present and future fixed assets of the Holding Company (excluding land and building) to the extent of USD 43,750 which shall rank pari passu with the charges created in favour of the existing creditors. During the year, the outstanding amount was repaid in entirety on the expiry of its contractual term and accordingly hypothecation charge on the Holding Company's assets was released.

18.2 In 2019, the Holding Company entered into a musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL). This was secured by way of hypothecation charge of present and future fixed assets of the Holding Company (except land and building) to the extent of Rs. 1,199,450, ranking subordinate and subservient to the charges created in favour of the existing creditors, and a lien and a right of set-off over the Term Deposit Receipts maintained with DIBPL (note 14). During the year, the outstanding amount was repaid in entirety on the expiry of its contractual term and accordingly hypothecation charge on the Holding Company's assets was released.

(Amounts in thousand)

18.3 In 2020, the Holding Company obtained Islamic Long Term Financing Facility (ILTFF) of the State Bank of Pakistan through musharaka agreement entered with financial institutions to finance its PVC-III expansion project. This is secured by way of hypothecation charge of present and future fixed assets of the Holding Company (excluding land and buildings), to the extent of Rs. 2,437,500 which shall rank pari passu with the charges created in favour of the existing creditors.

18.4 In 2021, the Holding Company made a draw down of Rs. 400,000 under diminishing musharka agreement entered with Bank of Khyber to finance its long term expenditure. The borrowing is secured by the way of hypothecation charge of present and future fixed assets of the Holding Company (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.

18.5 On December 28, 2022, the Holding Company made a draw down of Rs. 8,750,000 under syndicate long term islamic financing facility to finance buyback of its sukuk bonds. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Holding Company, to the extent of Rs. 11,666,667 which shall rank pari passu with the charges created in favor of existing creditors.

18.6 On December 12, 2022, the Holding Company 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 the way of hypothecation charge of present and future fixed assets of the Holding Company, to the extent of Rs. 7,833,333 which shall rank pari passu with the charges created in favor of existing creditors.

18.7 In 2021, the Holding Company had entered into a ijarah agreement with IFC for a total of USD 15,000, the draw down of which was made during the year in November 2023. This is secured by way of hypothecation charge of present and future fixed assets of the Holding Company (excluding land and building) to the extent of USD 18,750 which shall rank pari passu with the charges created in favour of the existing creditors.

18.8 In 2021, the Holding Company obtained Islamic Temporary Economic Refinance Facility (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 the way of hypothecation charge of present and future fixed assets of the Holding Company (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.

(Amounts in thousand)

18.9 In 2021, EPPL entered into a musharaka agreement with MCB Bank Limited and MCB Islamic Bank Limited amounting to Rs. 550,000 and Rs. 100,000, respectively, under the Islamic Temporary Economic Refinance Facility (ITERF) of State Bank of Pakistan (SBP). The borrowing is secured by the way of hypothecation charge of present and future movable fixed assets of EPPL (except land and building), which shall rank pari passu with the charges created in favor of existing creditors.

18.10 In 2022, EPPL entered into a musharaka agreement with Faysal Bank Limited amounting to Rs. 2,000,000 under the ITERF of SBP. The borrowing is secured by the way of hypothecation charge over plant and machinery of EPPL with 20% margin.

18.11 During the year, the Holding Company 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 the Holding Company (except land and building) to the extent of Rs. 2,500,000, ranking subordinate and subservient to the charges created in favour of the existing creditors.

18.12 During the year, the Holding Company entered into a musharaka agreement with Meezan Bank Limited 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 the Company (except land and building) to the extent of Rs. 7,200,000, ranking subordinate and subservient to the charges created in favour of the existing creditors.

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

	2024	2023
	....Rupees....	
Balance at beginning of the year	26,723,777	25,339,872
Add: Loans received - net of transaction costs	8,000,000	5,909,581
Add: Amortisation of transaction costs - note 34	46,214	68,161
Add: Exchange (gain) / loss - net	(57,209)	568,800
Less: Loans / Installments repaid	(3,061,487)	(5,162,637)
Balance at end of the year	31,651,295	26,723,777

18.14 The proceeds from the aforementioned loans are carried net of unamortised balance of transaction cost of Rs. 101,945 (2023: Rs. 124,857).

18.15 The value of benefit of below-market interest rate on the loans disclosed in notes 18.8 to 18.10 has been accounted for as government grant. The movement of carrying amount of deferred grant in respect of these loans is as under:

(Amounts in thousand)

	2024	2023
	....Rupees....	
Balance at beginning of the year	1,515,485	678,666
Add: Recognised during the year	-	1,020,075
Less: Amortisation during the year charged to profit or loss - note 34	(63,323)	(58,521)
Less: Amortisation of deferred income capitalised	(200,368)	(124,735)
Balance at end of the year	1,251,794	1,515,485
Less: Current portion	(236,872)	(216,632)
	1,014,922	1,298,853

18.16 In respect of the above facilities, as stated in notes 18.1 to 18.8 and notes 18.11 to 18.12, the Holding Company 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 incase 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 - 1.2x
Debt to Equity Ratio	75:25
Interest Coverage Ratio	Minimum 0.6x - 3.0x
Debt to EBITDA Ratio	Maximum 2.5x - 4.0x
Liabilities to Total tangible net worth	Maximum 2.0x - 2.5x
Gearing Ratio	Maximum 2.5x
Security coverage ratio	Minimum 1.25x

During the year, operating losses caused by subdued PVC demand and rising raw material costs led to increased short-term borrowing requirements as market conditions did not practically allow the Holding Company to pass additional costs to its customers through price increases in the short term. As a result, the Holding Company 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. The Holding Company based on its projections remains confident that there are no indicators that the Holding Company will have difficulties in complying with the required financial covenants when these will be next tested.

(Amounts in thousand)

18.17 In respect of the above facilities, as stated in notes 18.9 to 18.10, 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 1x
Debt Service Coverage Ratio	At least 1.5x
Debt to Equity Ratio	75:25
Interest Coverage Ratio	Maximum 3.0x

These ratios become applicable once the EPPL reaches its Commercial Operations Date. As a result, they will not impact EPPL's classification for the next twelve months. EPPL based on its projections remains confident that there are no indicators that the EPPL will have difficulties in complying with the required financial covenants when these will be next tested.

19. LEASE LIABILITIES

	2024	2023
	....Rupees....	
Total lease liabilities - note 19.1	1,291,269	2,534,450
Current portion	(853,154)	(1,173,036)
Non-current portion	438,115	1,361,414

19.1 This includes lease liability in respect of storage arrangements with Engro Vopak Terminal Limited, a related party, amounting to Rs. 1,186,100 (2023: Rs. 2,435,722).

19.2 The movement in the lease liability during the year is as follows:

	2024	2023
	....Rupees....	
Balance at beginning of the year	2,534,450	3,804,982
Additions during the year	33,715	-
Mark-up on lease liabilities - note 34	108,419	209,453
Exchange loss on foreign currency denominated leases - note 33.1	(27,294)	913,597
Lease rentals paid	(1,358,021)	(2,393,582)
Balance at end of the year	1,291,269	2,534,450

20. PROVISIONS

Provision for		
- Gas Infrastructure Development Cess - note 20.1	5,593,211	5,593,211
- Gas price revision - note 20.2	517,392	517,392
	6,110,603	6,110,603
Less: Current portion of provisions	(6,110,603)	(6,110,603)
	-	-

20.1 Under the Gas Infrastructure Development Cess Act, 2011, the Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on all industrial gas consumers at the rate of Rs. 13 per MMBTU. Later, the GIDC rates were enhanced through notifications under OGRA Ordinance 2002, Finance Act, 2014 and GIDC Ordinance 2014 against which the Holding Company had obtained ad-interim stay orders from the SHC. However, on prudent basis the Holding Company recognised a provision of Rs. 1,345,789 till May 21, 2015.

On May 22, 2015 the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs.100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumption, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and the GIDC Ordinance, 2014.

The Holding Company, based on the advice of its legal counsel, was of the view that as per GIDC Act, 2015, the uncollected portion of cess levied through GIDC Act, 2011 and GIDC Ordinance 2014, shall not be collected from the industrial sector. Therefore, the Holding Company reversed the provision relating to industrial portion of GIDC amounting to Rs. 753,664 for the period prior to promulgation of GIDC Act, 2015 and retained GIDC provision amounting to Rs. 592,125 in respect of captive power.

On August 13, 2020, the Supreme Court of Pakistan (SCP) announced the decision rendering the GIDC Act 2015 intra vires to the constitution and directed the gas supplying companies to recover the dues in 24 monthly installments. A review petition was filed against the said order which was disposed-off in November 2020. The SCP in review petition, elaborated that deliberation on any provision of GIDC Act, 2015 can be contested on appropriate forum and mentioned that the installments period can be extended to 48 months. The Holding Company has obtained ad-interim stay order dated October 5, 2020 against the GIDC Act, 2015 from the SHC which has restrained Sui Southern Gas Company Limited (SSGC) from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on this matter.

Considering the aforementioned developments in GIDC case (including the Judgement and the Review petition decision on GIDC), 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. monthly installment rather than lump sum amount), the Holding Company had remeasured its previously undiscounted provision at its present value using risk free discount rate to incorporate the effect of time value of money arising from the expected settlement based on an installment plan and had accordingly, recognised remeasurement gain on provision for GIDC of Rs. 680,996 in 2020 which was fully recognised by 2023.

20.1.1 The movement in the provision for GIDC is as follows:

	2024	2023
	....Rupees....	
Balance at beginning of the year	5,593,211	6,131,294
Remeasurement loss on provision for GIDC	-	140,281
(Reversal of Provision) / Provision for default surcharge - note 34	-	(678,364)
Balance at end of the year	5,593,211	5,593,211
Less: Current portion of provision for GIDC	(5,593,211)	(5,593,211)
	-	-

20.2 In 2017, the Holding Company 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, the Company cited the increase as illegal and unconstitutional. On September 6, 2024, the SHC disposed off the aforementioned suit in the Holding Company's favour, however, the same was subsequently challenged by OGRA in a high court appeal for which judgement has now been reserved. The Holding Company, therefore on account of prudence has continued to recognise a provision of Rs. 517,392 for the period from December 2017 to September 2018 in these consolidated financial statements.

(Amounts in thousand)

21. DEFERRED TAX LIABILITY - net

	2024	2023
	....Rupees....	
Credit balances arising due to:		
- accumulated depreciation	7,569,430	6,007,188
Debit balances arising due to:		
- unpaid liabilities	535,115	451,480
- leases	226,184	440,128
- provisions	2,181,352	1,989,393
- shares issuance cost	77,771	77,771
- tax losses - notes 21.1	2,039,122	66,034
- minimum turnover tax - note 21.1	727,355	-
	(5,786,899)	(3,024,806)
	1,782,531	2,982,382

21.1 The Group has recognised a deferred tax asset for minimum turnover tax, accumulated depreciation losses and accumulated business losses amounting to Rs. 727,355, Rs. 1,656,433, and Rs. 382,689, respectively. This recognition is based on the Group's financial projections, which indicate availability of sufficient future taxable profits to realise the assets.

22. TRADE AND OTHER PAYABLES

	2024	2023
	....Rupees....	
Trade and other creditors - note 22.1	8,488,199	2,961,867
Accrued liabilities - notes 22.1 and 22.2	9,070,200	9,455,261
Advances from customers - note 22.3	2,080,930	1,876,800
Retention money	22,511	12,208
Security deposits - note 22.4	17,400	20,400
Payable to provident fund	84	-
Payable to gratuity fund	2,406	1,933
Payable to pension fund	1,775	1,775
Workers' Welfare Fund - note 22.5	-	255,955
Workers' Profits Participation Fund - note 22.6	8,364	22,742
Withholding tax payable	3,717	12,510
Others	40,479	39,115
	19,736,065	14,660,566

(Amounts in thousand)

22.1 Includes due to following related parties:

	2024	2023
- Engro Corporation Limited	80,318	292,606
- Engro Fertilizers Limited	380,922	150,569
- Engro Energy Limited	160,139	250
- Engro Elengy Terminal (Private) Limited	22	-
- Engro Foundation	-	125,000
- Engro Vopak Terminal Limited	137,733	289,925
- Engro Eximp FZE	6,986,584	1,739,751
- Engro Powergen Qadirpur Limited	403	
- Sindh Engro Coal Mining Company Limited	4,550	
- Nimir Industrial Chemicals Limited	-	46,292
	7,750,671	2,644,393

22.2 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. The Holding Company filed a petition against the judgment before the SCP challenging the SHC judgement. Later, on September 2021, the SCP suspended the judgement of SHC along with the recovery of the Cess. For all future consignments, the Holding Company and EPPL is required to furnish fresh bank guarantees equivalent to the full amount of levy. The Group is confident that ultimate outcome of the case will be decided in its favor, however, on prudence basis, has recognized Rs. 2,769,432 (2023: Rs. 2,259,321) in respect of the Cess in these consolidated financial statements.

22.3 This represents advances received by the Holding Company from customers and distributors for goods to be delivered. The advances outstanding as at December 31, 2023 have been fully recognised as revenue during the year.

22.4 These represent interest-free deposits from dealers for the performance of their service as defined in the dealership agreements. The deposits are refundable on termination of dealership agreements and are payable on demand. The amount is fully utilised in business in accordance with the requirement of written agreements and in terms of section 217 of the Act.

22.5 The movement in Workers' Welfare Fund payable is as follows:

	2024 ....Rupees....	2023
Balance at beginning of the year	255,955	379,289
Charge for the year - note 32	12,949	138,993
	268,904	518,282
Less: Payments made during the year	(268,904)	(262,327)
Balance at end of the year	-	255,955

22.6 The movement in Workers' Profit Participation Fund payable is as follows:

	2024 ....Rupees....	2023
Payable / (receivable) balance at beginning of the year	22,742	(27,182)
Allocation for the year - note 32	-	460,924
Interest charges during the year - note 34	1,580	-
	24,322	433,742
Less: Payments made during the year	(15,958)	(411,000)
Payable balance at end of the year	8,364	22,742

23. SERVICE BENEFIT OBLIGATIONS

	2024	2023
Service incentive plan - note 23.1	98,860	85,166

23.1 Represents provision for annual employment benefits payable to eligible employees who have successfully completed 3 years of vesting period with the Holding Company.

24. SHORT-TERM BORROWINGS

	2024 ....Rupees....	2023
Conventional running finance facility - note 24.1	1,543,858	2,618,621
Islamic running finance facility - note 24.1	1,999,911	4,583,105
Conventional money market finance facility - note 24.2	1,980,000	-
Islamic money market finance facility - note 24.2	6,324,858	-
Conventional export refinance facility - note 24.3	-	324,360
	11,848,627	7,526,086

24.1 The aggregate facilities for running finance available from various banks as at December 31, 2024, amounted to Rs. 23,850,000 (2023: Rs. 12,500,000), out of which Rs. 20,306,231 (2023: Rs. 5,298,274) remained unutilised as at year end. These facilities carries mark-up of 6, 3 and 1 month KIBOR plus a spread ranging from -1% to 0.5% per annum. These facilities are secured through hypothecation charges against the current assets of the Holding Company and are payable on demand.

24.2 Represents money market loan facility carrying mark-up of 6, 3 and 1 month KIBOR plus a spread ranging from -2% to 0.1% per annum. These facilities are secured through hypothecation charges against the current assets of the Holding Company.

24.3 Represented export refinancing facility which carried mark-up at 19% (2023: 19%) on rollover basis for a period of six months. This facility was secured by a floating charge over stocks and book debts of the Holding Company and expired during the year.

(Amounts in thousand)

25. ACCRUED INTEREST / MARK-UP

	2024	2023
	....Rupees....	
Mark-up accrued on:		
- long-term borrowings	411,465	516,286
- short-term borrowings	314,681	9,938
	726,146	526,224

26. INCOME TAXES RECOVERABLE / (PAYABLE)

26.1 The Deputy Commissioner Inland Revenue (DCIR) through his order dated November 30, 2010 raised a tax demand of Rs. 163,206 for tax year 2009. The demand arose as a result of disallowance of finance costs of Rs. 452,665, additions to income of trading liabilities of Rs. 21,859 under section 34(5) of the Income Tax Ordinance, 2001 (the Ordinance), disallowance of provision for retirement benefits of Rs. 14,239, disallowance of provision against Special Excise Duty (SED) refundable of Rs. 36,689, addition of imputed interest on loans to employees and executives of Rs. 20,599 and not considering net loss.

In 2013, the Appellate Tribunal Inland Revenue (ATIR) issued an order whereby the aforementioned appeal was disposed of by accepting Holding Company’s position except for additions on account of SED provision of Rs. 36,689 and imputed interest on loans to employees and executives to the extent of Rs. 218, which were maintained. The Holding Company filed a reference in the Sindh High Court (SHC) against the additions maintained by ATIR. Likewise, the tax department has also filed reference in SHC against the order passed by the ATIR in favour of the Holding Company. The management of the Holding Company, based on the advice of its tax consultants, is confident that the ultimate outcome of the aforementioned matters would be favourable and, accordingly, no provision has been recognised in these consolidated financial statements.

26.2 Through Finance Act 2015, Section 4B of the Ordinance was inserted which levied super tax at specified rates on income for the tax year 2015. This levy was subject to the threshold of taxable income of Rs. 500,000. The levy was extended uptil tax year 2020 vide subsequent Finance Acts. Through Finance Supplementary Act, 2019, the super tax rate has been amended to 0% from tax year 2020 and onwards for companies other than the banking companies. On August 1, 2018, the Holding Company filed petition against the levy of super tax in the SHC, however, based on the opinion of its legal advisor, the Holding Company has made provision for the full amount of super tax of Rs. 328,000. In 2020, super tax was declared intra vires by the SHC and has been declared a tax rightly introduced through Finance Act and vacated all the stays filed in this respect. Consequently, the Holding Company received various notices from tax authorities for recovery of super tax for tax years 2017 to 2019. The Holding Company filed appeals against the said notices with the Commissioner Inland Revenue Appeals [CIR(A)] whereby the action of the tax officer has been confirmed by the CIR(A) for tax years 2017 to 2019. The Holding Company has filed an appeal thereagainst before the ATIR against the decision of the CIR(A) which is pending adjudication.

In the meanwhile, the Holding Company also filed petition in the Supreme Court of Pakistan (SCP) against the order of the SHC, which is pending adjudication. In November 2020, the SCP conditionally granted stay subject to deposit of 50% of super tax demand.

26.3 Through the notice dated January 20, 2020, the Additional Commissioner Inland Revenue (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 the Holding Company to pay Rs. 552,331 being the amount short paid with the income tax return. The Holding Company filed a Constitutional Petition in the SHC challenging the notice. SHC through its order dated February 4, 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 the Holding Company to approach the SCP. The Holding Company has filed Civil Petition for Leave to Appeal against SHC order in the SCP, which was heard on March 18, 2020 and an interim stay has been granted to the Holding Company. The Holding Company, based on the advice of legal advisor, is confident of a favourable decision. Accordingly, no provision has been recognised in these consolidated financial statements.

26.4 In accordance with section 4C 'Super tax on high earning persons' introduced in the Ordinance through the Finance Act, 2022, super tax at the rate of 10% has been imposed on specified industry sectors (including the chemical sector) in case the taxable income exceeds Rs. 300,000 for the year ended December 31, 2021 (tax year 2022) while for certain other sectors super tax has been levied at the rate of 4%. The Holding Company filed a petition against the imposition of super tax before the SHC. The SHC in its judgement dated December 22, 2022, declared that the super tax levy shall only be applicable from the tax year 2023 and that the imposition of higher rate on the specified sectors is discriminatory. The Federal Board of Revenue (FBR) filed an appeal against the order of the SHC in the SCP, whereby, SCP through an interim order dated February 16, 2023, directed Nazir of the SHC to encash bank guarantees to the extent of 4% of super tax, resultantly, bank guarantees equivalent to Rs. 665,210 has been encashed during the prior year in favour of the Nazir of SHC. The Holding Company’s management, in this respect has recognised provision of super tax at the rate of 4% amounting to Rs. 632,543 in these consolidated financial statements on account of prudence and, based on advice from its consultants, considers that the chances of additional super tax levy of 6% amounting to Rs. 957,494 to be remote and, therefore, no provision is recognised thereagainst in these consolidated financial statements.

26.5 Through Finance Act, 2023, super tax rate under section 4C of the Ordinance has retrospectively been increased to 10% on companies whose taxable income exceeds Rs. 500,000 for tax year 2023 (financial year ended December 31, 2022) and onwards. Accordingly, the Holding Company has recognised an additional super tax charge at the rate of 6% amounting to Rs. 808,351 in prior year pertaining to tax year 2023. The Holding Company along with other petitioners had challenged the amendment relating to retrospective increase in the super tax rate for tax year 2023 in the Islamabad High Court (IHC), which granted an interim stay order against the increase in super tax rate without submission of any bank guarantees as well.

During the year, the FBR had filed an appeal before the SCP stating that the IHC had no jurisdiction to entertain petitions of Sindh based companies, hence the petition and interim stay order passed by the IHC with respect to the retrospective rate enhancement of super tax charge of 6% should be annulled. SCP remanded the case back to IHC with the direction to pass a speaking order justifying the reasons for inapplicability of incremental 6% retrospective rate enhancement. Later, IHC passed an order dated March 15, 2024, as per the directive of SCP, whereby the IHC decided that 6% incremental super tax is not applicable retrospectively on tax year 2023 and prior periods. Further, the IHC also ruled that super tax should be calculated excluding all the income which falls under the Final Tax Regime. The FBR has currently filed an intra court appeal in IHC against the said order, which is pending adjudication. Hence, the Holding Company on account of prudence has continued to maintain its provision in respect of 6% incremental super tax in these consolidated financial statements

26.6 In 2023, income tax department finalised the monitoring proceedings for tax years 2018 to 2022 against the Holding Company 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 the Holding Company under protest and the Holding Company, subsequently preferred an appeal before the CIR(A) to contest the aforementioned monitoring proceedings.

During the year, the CIR(A) had passed an order in the favor of the Holding Company 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 FBR has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the said decision of CIR(A). As at December 31, 2024, appeal for tax year 2020 in the above case is still pending before the ATIR. The Holding Company, based on the advice from its tax consultant expects a favourable outcome in this respect and hence, no provision has been recognised in these consolidated financial statements.

26.7 In 2023, the income tax department amended the assessment filed by the Holding Company for tax year 2019. The Holding Company preferred an appeal thereagainst before the CIR(A) against the disallowances, which mainly pertains to the adjustment of minimum tax carried forward resulting in excess demand of Rs. 532,754. The Holding Company had paid demand of Rs. 200,000 under protest. During the year, the Holding Company has further paid demand of Rs. 200,000 under protest. However, the Holding Company based on the advice of its tax consultant is still confident of a favourable outcome, accordingly, no provision in this respect has been recognised in these consolidated financial statements.

(Amounts in thousand)

26.8 During the year, the income tax department amended the assessment filed by the Holding Company for tax year 2022. The Holding Company 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 the Holding Company under protest. However, the Holding Company based on the advice of its tax consultant is confident of a favourable outcome, accordingly, no provision in this respect has been recognised in these consolidated financial statements.

26.9 In 2023, in accordance with section 59B (Group relief) of the Ordinance, the Holding Company had purchased tax losses from Engro Corporation Limited (the Intermediate Parent Company) and Engro Eximp Agriproducts (Private) Limited for the year ended December 31, 2020 (tax year 2021) and December 31, 2022 (tax year 2023), respectively for a consideration of Rs. 373,489 and Rs. 228,688, respectively, being equivalent to resultant tax benefit. The Holding Company, accordingly, had adjusted the aforementioned losses against its taxable income for the year 2023 and has adjusted the taxes payable in these consolidated financial statements. The recoupment of these losses against taxable income of the Holding Company is subject to certain conditions as specified in Section 59B the Ordinance.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Income tax related contingencies are disclosed in notes 26.1 to 26.8.

27.1.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Group as at December 31, 2024 amounts to Rs. 10,046,000 (2023: Rs. 7,300,000). The amount utilised thereagainst as at December 31, 2024 is Rs. 8,326,369 (2023: Rs. 6,391,001).

The 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 regard to greenfield status, EPPL is of the view that if payment on account of sales tax and income tax amounting 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 recognised in this respect.

27.2 Commitments

27.2.1 The facility for opening letter of credits as at December 31, 2024 aggregates to Rs. 46,285,500 (2023: Rs. 36,237,214) out of which Rs. 16,010,399 (2023: Rs. 7,707,035) have been utilised.

(Amounts in thousand)

27.2.2 In 2021, EPPL entered into a contract with China National Air Separation Engineering Company Limited for design, procurement and engineering services for Hydrogen Peroxide Plant at a consideration of CNY 104,400. As at December 31, 2024, outstanding commitment for civil works and equipment procurement amounts to Nil (2023: CNY 12,547).

27.2.3 In 2021, EPPL entered into a contract with Etimaad Engineering (Private) Limited for construction and installation services in respect of Hydrogen Peroxide Plant at a consideration of Rs. 927,000. During the year, additional price escalations were agreed with the contractor amounting to Rs. 365,000. As at December 31, 2024, outstanding commitment amounts to Nil (2023: Rs. 196,265).

27.2.4 In 2022, EPPL entered into a contract with Suria Engineering (Private) Limited for purchase of Hydrogen Peroxide Steel Structure in respect of the Hydrogen Peroxide manufacturing plant for a consideration of Rs. 470,000. As at December 31, 2024, outstanding commitment for equipment procurement amounts to Rs. 15,000 (2023: Rs. 146,138).

27.2.5 During the year, EPPL entered into a contract with Descon Engineering Limited for engineering services in respect of Hydrogen Peroxide manufacturing plant at a consideration of Rs. 270,000. As at December 31, 2024, outstanding commitment amounts to Rs. 45,000 (2023: Nil).

27.2.6 Commitments in respect of rentals of storage tanks at EVTL for the handling of (i) Ethylene aggregating to USD 3,870 (2023: USD 10,584) are valid till March 31, 2026, (ii) Ethylene Di Chloride (EDC) aggregating to USD 2,224 (2023: USD 8,270) are valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregating to USD 644 (2023: USD 667) are valid till December 31, 2024.

	2024 ....Rupees....	2023
27.2.7 Commitments in respect of expenditure of capital and other operational items	6,035,471	4,587,857

28. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	2024	2023
Gross local sales - note 28.1	85,375,414	89,902,736
Supply of electricity - 28.4	221,912	125,289
Less:		
- Sales tax	12,531,612	13,489,805
- Discounts	975,150	2,575,010
	13,506,762	16,064,815
	72,090,564	73,963,210
Commission income - note 28.2	23,196	5,785
Export sales - note 28.3	3,594,181	7,300,539
	75,707,941	81,269,534

28.1 Include sales of trading goods amounting to Nil (2023: Rs. 185,348).

28.2 This represents commission income earned by TPPL from customers on marketing of PVC products through the Branded Outlet.

28.3 The Group has made exports in the Middle East.

28.4 This represents revenue against supply of surplus power to Engro Fertilizers Limited - a related party.

29. COST OF SALES

	2024 ....Rupees....	2023
Opening stock of work-in-process	431,254	-
Raw and packing materials consumed	38,075,275	39,839,676
Salaries, wages and staff welfare - note 29.1	2,318,834	2,202,300
Fuel, power and gas	17,586,839	11,856,064
Repairs and maintenance	1,292,536	644,369
Depreciation on operating assets- note 6.3	2,020,013	2,899,437
Depreciation on right-of-use asset - note 7.1	499,501	449,661
Consumable stores	622,363	549,730
Purchased services	1,422,555	1,309,378
Storage and handling - note 29.2	582,413	907,416
Training, conveyance and travelling	304,562	304,235
Communication, stationery and other office expenses	138,650	74,106
Rent, rates and taxes - note 29.3	165,775	94,710
Product transportation	2,846,394	2,149,189
Insurance, fees and subscription	578,584	505,194
Provision against slow moving stores and spares - note 10.3	86,813	22,040
(Provision reversed against) / provision for stock-in-trade - note 11.4	(15,657)	6,612
Write-off of:		
- stores and spares - note 10.2	4,336	210
- stock-in-trade - note 11.3	114,647	-
Amortisation of intangible assets - note 8.2	8,924	9,851
	68,653,357	63,824,178
Closing stock of work-in-process	(327,376)	(431,254)
Cost of goods manufactured	68,757,235	63,392,924
Opening stock of finished goods	5,902,479	3,062,264
Closing stock of finished goods	(5,542,484)	(5,902,479)
	359,995	(2,840,215)
Cost of sales - trading goods - note 29.4	-	164,853
	69,117,230	60,717,562

(Amounts in thousand)

29.1 Includes Rs. 173,507 (2023: Rs. 161,448) in respect of staff retirement and other service benefits.

29.2 Includes expense relating to variable lease payments not included in lease liabilities amounting to Rs. 196,654 (2023: Rs. 210,229).

29.3 These include rentals for short-term leases amounting to Rs. 104,295 (2023: Rs. 83,193).

29.4 Movement of trading goods:

	2024	2023
	....Rupees....	
Opening trading stock	4,590	169,443
Write-off of trading goods	(4,590)	-
Closing trading stock	-	(4,590)
Consumption during the year	-	164,853

30. DISTRIBUTION AND MARKETING EXPENSES

	2024	2023
Salaries, wages and staff welfare - note 30.1	226,890	272,055
Dealer commission	278,523	224,863
Sales promotion	15,253	19,748
Rent, rates and taxes - note 30.2	8,087	11,026
Purchased services	33,386	19,930
Depreciation - note 6.3	19,748	7,524
Depreciation on right-of-use asset - note 7.1	27,272	25,392
Training, conveyance and travelling	66,727	50,278
Communication, stationery and other office expenses	22,959	16,853
Amortisation of intangible assets - note 8.2	2,158	2,158
Others	383	652
	701,386	650,479

30.1 Includes Rs. 15,864 (2023: Rs. 19,322) in respect of staff retirement and other service benefits.

30.2 These include rentals for short-term leases amounting to Rs. 1,456 (2023: Rs. 6,185).

(Amounts in thousand)

31. ADMINISTRATIVE EXPENSES

	2024	2023
	....Rupees....	
Salaries, wages and staff welfare - note 31.1	504,300	565,928
Rent, rates and taxes - note 31.2	166,040	96,249
Purchased services	1,010,487	600,137
Depreciation - note 6.3	63,517	48,777
Depreciation on right-of-use asset - note 7.1	2,221	2,221
Amortisation of intangible assets - note 8.2	95,560	92,536
Training, conveyance and travelling	96,602	112,185
Communication, stationery and other office expenses	113,329	81,445
Provision for expected credit loss - note 12	3,600	264
Others	26,742	18,401
	2,082,398	1,618,143

31.1 Includes Rs. 31,206 (2023: Rs. 32,335) in respect of staff retirement and other service benefits.

31.2 These include rentals for short-term leases amounting to Rs. 57,336 (2023: Rs. 39,881).

32. OTHER EXPENSES

	2024	2023
	....Rupees....	
Legal and professional	127,168	88,160
Auditor's remuneration - note 32.1	26,891	35,756
Donations - note 32.2	30,868	145,216
Foreign exchange loss (net) - note 32.3	-	994,138
Loss on disposal of operating assets - note 5.4	17,693	-
Workers' Welfare Fund - note 22.5	12,949	138,993
Workers' Profit Participation Fund - note 22.6	-	460,924
	215,569	1,863,187

32.1 Auditor's Remuneration

	2024	2023
Fee for:		
- Annual statutory audits	3,872	3,125
- Reviews of half yearly financial information	1,082	865
- Review of compliance with the Code of Corporate Governance	88	75
- Taxation and other advisory services	17,605	23,120
- Certifications and other services	1,720	7,613
Reimbursement of expenses	2,524	958
	26,891	35,756

(Amounts in thousand)

	2024 ....Rupees....	2023
32.2 This includes donations made to:		
- Engro Foundation - note 32.2.1	-	125,000

32.2.1 Mr. Ahsan Zafar Syed (the Chairman of the Board of Directors) is the trustee of Engro Foundation.

32.3 Includes Nil (2023: Rs. 913,597) arising on translation of foreign currency denominated lease liabilities.

33. OTHER INCOME

	2024 ....Rupees....	2023
On financial assets		
Profit on bank deposits	152,118	179,249
Income from investments	287,969	957,228
Income on intercompany balances due from associate	23,160	47,158
Foreign exchange gain (net) - note 33.1	60,572	-
	523,819	1,183,635
On non-financial assets		
Scrap sales	256,899	111,134
Gain on disposal of operating assets - note 6.4	-	4,900
Insurance claim	-	239,327
Others	14,324	11,521
	271,223	366,882
	795,042	1,550,517

33.1 Includes Rs. 27,294 (2023: Nil) arising on translation of foreign currency denominated lease liabilities.

34. FINANCE COSTS

	2024 ....Rupees....	2023
Interest / mark-up on:		
- long-term borrowings	4,013,763	3,903,082
- lease liabilities - note 19.2	108,419	209,453
- short-term borrowings and other facilities	2,250,066	245,353
Less: Amortisation of deferred income		
- Government grant - note 18.15	(63,323)	(58,521)
	6,308,925	4,299,367
Guarantee commission	31,221	19,059
Amortisation of transaction costs note - 18.13	46,214	68,161
(Reversal of Provision) / Provision for default surcharge on GIDC	-	(678,364)
Letter of credit and related charges	982,537	237,492
Interest on WPPF - note 22.6	1,580	-
Bank and others charges	161,496	268,993
	7,531,973	4,214,708

(Amounts in thousand)

35. MINIMUM TAX DIFFERENTIAL

	2024 ....Rupees....	(Restated) 2023
- for the year - note 35.1	23,843	674
- for prior years - note 37.1	14,405	345
	38,248	1,019

35.1 This represents unrecoupable minimum tax paid under section 154 of the Ordinance, as amended through Finance Act, 2024.

36. FINAL TAX

	2024 ....Rupees....	(Restated) 2023
- for the year - note 36.1	8,906	171,352
- for prior years - note 37.1	(86,871)	52,714
	(77,965)	224,066

36.1 This includes final tax paid under section 154 of the Ordinance till June 30, 2024. This levy was subsequently amended to a minimum tax through Finance Act, 2024.

37. INCOME TAX

	2024 ....Rupees....	(Restated) 2023
Current		
- for the year	797,375	3,520,531
- for prior years - note 37.1	(2,542,795)	226,360
	(1,745,420)	3,746,891
Deferred		
- for the year	(1,208,629)	596,124
- for prior years	8,776	255,578
	(1,199,853)	851,702
	(2,945,273)	4,598,593

37.1 Includes a reversal aggregating to Rs. 2,362,945 against tax provisions, based on finalisation of related income tax assessment orders.

(Amounts in thousand)

	2024	(Restated) 2023
	....Rupees....	

37.2 Relationship between tax (income) / expense and accounting (loss) / profit

	2024	2023
(Loss) / profit before income tax	(3,105,856)	13,530,887
Tax calculated at applicable rate of 29% (2023: 29%)	(900,698)	3,923,957
Tax effect of super tax, presumptive tax regime, tax credits and income subject to lower tax rates	489,684	52,834
Prior year tax charge - net	(2,534,019)	481,938
Effect of deferred tax not recognised on tax losses	-	10,489
Effect of inadmissible expenses / permanent differences	-	104,862
Others	(240)	24,513
	(2,945,273)	4,598,593

38. SHARIAH RELATED DISCLOSURES

	Note	2024 Conventional	2024 Shariah Compliant	2024 Total	2023 Conventional	2023 Shariah Compliant	2023 Total
		Rupees					
Statement of financial position							
Short-term investments	14	1,414,924	160,035	1,574,959	2,954,448	505,481	3,459,929
Cash and bank balances	15	1,126,687	2,407,417	3,534,104	2,410,658	1,690,124	4,100,782
Long-term borrowings	18	-	30,399,501	30,399,501	-	25,208,292	25,208,292
Lease liabilities	19	1,291,269	-	1,291,269	2,534,450	-	2,534,450
Short-term borrowings	24	3,523,858	8,324,769	11,848,627	2,942,981	4,583,105	7,526,086
Accrued interest / mark-up	25	363,369	362,777	726,146	188,084	338,140	526,224
Statement of profit or loss and other comprehensive income							
Revenue from contracts with customers - net	28	-	75,707,941	75,707,941	-	81,269,534	81,269,534
Foreign exchange loss (net)	32	-	-	-	994,138	-	994,138
Profit on bank deposits	33	141,232	10,886	152,118	29,803	149,446	179,249
Income from investments	33	238,186	49,783	287,969	726,207	231,021	957,228
Income on intercompany balance due from associate	33	23,160	-	23,160	47,158	-	47,158
Foreign exchange gain (net)	33	60,572	-	60,572	-	-	-
Scrap sales	33	-	256,899	256,899	-	111,134	111,134
Gain on disposal of operating assets	33	-	-	-	-	4,900	4,900
Insurance claim	33	-	-	-	239,327	-	239,327
Other income	33	1	14,323	14,324	-	11,521	11,521
Finance cost	34	1,964,875	5,567,098	7,531,973	248,380	3,966,328	4,214,708

(Amounts in thousand)

39. EARNINGS PER SHARE - basic and diluted

39.1 Basic earnings per share has been calculated by dividing the profit attributable to ordinary share holders of the Group by weighted average number of ordinary shares in issue during the year.

39.2 Diluted earnings per share presents the effect of conversion of potential ordinary shares (preference shares) where it leads to decrease in earnings per share or increase in loss per share.

39.3 The information necessary to calculate basic earnings per share is as follows:

	2024	2023
	....Rupees....	
(Loss) / profit for the year	(160,583)	8,932,294
Less: Dividends on convertible preference shares	(201,000)	(645,000)
	(361,583)	8,287,294
	........Number in thousands........	
Weighted average number of shares outstanding at year end for determination of basic EPS	908,923	908,923

39.4 The information necessary to calculate diluted earnings per share is as follows:

	2024	2023
	....Rupees....	
(Loss) / profit for the year	(160,583)	8,932,294
	........Number in thousands........	
Weighted average number of shares outstanding at year end for determination of basic EPS	908,923	908,923
Add: Adjustment for conversion of convertible preference shares	300,000	300,000
Weighted average number of potential ordinary shares outstanding at year end for determination of diluted EPS	1,208,923	1,208,923

(Amounts in thousand)

40. RETIREMENT AND OTHER SERVICE BENEFITS

40.1 In 2013, the Group replaced its provident fund with the provident fund operated and managed by the Intermediate Parent Company.

40.2 The investments out of the provident fund have been made in accordance with the provisions of section 218 of the Act, and the conditions specified there under.

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts for remuneration, including all benefits, to the Chief Executive, Directors and executives of the Group are given below:

	2024			2023		
	Director			Director		
	Chief Executive (note 41.2)	Others	Executives	Chief Executive	Others	Executives
	Rupees					
Managerial remuneration - note 41.1	50,292	-	1,322,095	51,484	-	1,192,952
Retirement benefit funds	6,407	-	204,407	10,377	-	188,982
Bonus	28,180	-	542,466	18,642	-	273,095
Other benefits	415	-	406,798	1,338	-	394,233
Directors fee	-	15,705	-	-	21,364	-
Total	85,294	15,705	2,475,766	81,841	21,364	2,049,262
Number of persons including those who worked part of the year	2	7	344	1	6	305

41.1 The Group also provides vehicles for the use of the Chief Executive and certain executives.

41.2 Included herein remuneration of Ex-Chief Executive.

(Amounts in thousand)

42. CASH GENERATED FROM OPERATIONS

	2024	(Restated) 2023
	....Rupees....	
(Loss) / profit before income tax	(3,105,856)	13,530,887
Adjustments for non cash-charges and other items:		
Staff retirement and other service benefits	83,862	78,292
Depreciation:		
- operating assets - note 6.3	2,103,278	2,955,738
- right-of-use asset - note 7.1	528,994	477,274
Amortisation of intangible assets - note 8.2	106,642	104,545
Write-off of:		
- stores and spares - note 29	4,336	210
- stock-in-trade - note 29	114,647	-
Provision made / (reversed) against:		
- slow moving stores and spares - note 10.3	86,813	22,040
- stock-in-trade - note 11.4	(15,657)	6,612
- expected credit loss - note 12	3,600	264
Unrealised foreign exchange (gain) / loss on financial assets and liabilities	(102,619)	439,463
Income on financial assets - note 33	(523,819)	(1,183,635)
Finance costs - note 34	7,531,973	4,214,708
Loss / (gain) on disposal of operating assets	17,693	(4,900)
Remeasurement loss on provision against GIDC - note 20.1.1	-	140,281
Minimum tax differential	38,248	1,019
Final tax	(77,965)	224,066
Working capital changes - note 42.1	5,378,492	(9,053,222)
	12,172,662	11,953,642

42.1 WORKING CAPITAL CHANGES

	2024	2023
Decrease / (Increase) in current assets		
Stores, spares and loose tools	(1,690,834)	(869,909)
Stock-in-trade	2,447,131	(6,575,659)
Trade debts	362,800	1,097,133
Loans, advances, deposits, and other receivables - net	(816,104)	(2,013,012)
	302,993	(8,361,447)
Increase / (Decrease) in current liabilities		
Trade and other payables	5,075,499	(691,775)
	5,378,492	(9,053,222)

(Amounts in thousand)

43. CASH AND CASH EQUIVALENTS

	2024	2023
	....Rupees....	
Short-term investments - note 14	160,035	405,363
Cash and bank balances - note 15	3,534,104	4,100,782
Running finances - note 24	(3,543,769)	(7,201,726)
	150,370	(2,695,581)

44. FINANCIAL INSTRUMENTS BY CATEGORY

44.1 Financial assets at amortised cost

	2024	2023
Short-term investments	1,574,959	3,359,811
Trade debts	1,262,773	1,629,173
Loans, deposits and other receivables	1,785,221	1,962,520
Cash and bank balances	3,534,104	4,100,782
	8,157,057	11,052,286
Financial assets at fair value through profit or loss		
Short-term investments	-	100,118
	8,157,057	11,152,404

44.2 Financial liabilities at amortised cost

	2024	2023
Long-term borrowings	31,651,295	26,723,777
Lease liabilities	1,291,269	2,534,450
Trade and other payables	17,638,789	12,488,851
Service benefit obligations	98,860	85,166
Short-term borrowings	11,848,627	7,526,086
Accrued interest / mark-up	726,146	526,224
Unclaimed divided	284,462	705,550
	63,539,448	50,590,104

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

45.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Group's financial performance. The Group uses financial instruments to hedge certain risk factors, where it deems appropriate. Risk management is carried out by the Group's finance division under the guidance of the Group's Board of Directors.

a) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market prices. It comprises of the following risks:

i) Currency risk

Currency risk represents the risk that the fair values of future cash flows of financial instruments will fluctuate because of changes in foreign currency rates. The Group is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollar. The risk arises from outstanding payments for imports, assets and liabilities denominated in foreign currencies and future commercial transactions. In the current economic environment, the Group is significantly exposed to currency risk because of the expected volatility in exchange rates. The Group, at its discretion, manages the currency risk by matching foreign payments with foreign receipts.

At December 31, 2024, the financial assets and liabilities exposed to foreign exchange risk amount to Rs. 2,477,888 (2023: Rs. 4,075,480) and Rs. 12,524,505 (2023: Rs. 12,971,011), respectively.

At December 31, 2024, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, post-tax loss for the year would have been higher / lower by Rs. 343,695 (2023: Rs. 304,316). However, this change in losses would be partially offset by a corresponding change in margins as majority of revenue is linked with movements in exchange rates.

ii) Yield / interest rate risk

Yield / interest rate risk represents the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk arising from investments in government securities, bank balances maintained in saving accounts, borrowings and running finance facilities and term deposits, utilised under mark-up arrangements. Variable rate financial instruments expose the Group to cash flow interest rate risk, whereas, fixed rate financial instruments expose the Group to fair value interest rate risk.

As at December 31, 2024, if interest rate on Group's borrowings had been 1% higher / lower with all other variables held constant, post tax loss for the year would have been higher / lower by Rs. 259,773 (2023: Rs. 172,151).

(Amounts in thousand)

iii) Other price risk

Price risk represents the risk that the fair vale of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financials instruments or its issuers or factors affecting all similar investments in financial instruments traded in the market. As at reporting date, the Group does not have any material price sensitive instruments.

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge their obligations. Credit risk arises from deposits with banks and financial institutions, trade debts, loans, deposits, other receivables financial assets at amortised cost and financial assets at fair value through profit or loss. The maximum exposure to credit risk is equal to the carrying amount of these financial assets.

The Group is not materially exposed to credit risk, as unsecured credit is provided to selected parties, with limited or no history of default. The Group considers that a financial asset is in default when contractual payment are 90 days past due. Moreover, major part of trade debts are secured by bank guarantees and letters of credit from customers. Furthermore, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings, or investments are made in government securities.

The Group 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 exposed to credit risk, which are neither past due nor impaired, are as follows:

	2024	2023
	....Rupees....	
Short-term investments	1,574,959	3,459,929
Trade debts	1,115,757	1,573,600
Loans, deposits and other receivables	1,785,221	1,962,520
Bank balances	3,533,397	4,100,078
	8,009,334	11,096,127

The credit quality of receivables can be assessed with reference to their historical performance with no major defaults in recent history. As at the reporting date, the credit quality of the Group's bank balances and investments can be assessed with reference to external credit ratings assigned to the respective financial institutions as follows:

Bank	Rating agency	2024 Ratings		2023 Ratings	
		Short-term	Long-term	Short-term	Long-term
Conventional					
Allied Bank Limited	PACRA	A-1+	AAA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+	A-1+	AA+
Bank Alfalah Limited	PACRA	A-1+	AAA	A-1+	AA+
Bank Al Habib Limited	PACRA	A-1+	AAA	A-1+	AAA
Bank of China	FITCH	P-1	Aa3	F1+	A
Citibank N.A.	FITCH	F-1	A+	P-1	Aa3
Habib Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	A-1+	AA+
Industrial and Commercial Bank of China	FITCH	F1+	A	P-1	A
JS Bank Limited	PACRA	A1+	AA	A-1+	AA-
MCB Bank Limited	PACRA	A-1+	AAA	A-1+	AAA
National Bank of Pakistan	PACRA	A-1+	AAA	A-1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	A-1+	AAA
Bank Makramah Limited (Formerly: Summit Bank Limited)	VIS	A-3	BBB-	A-3	BBB-
SAMBA Bank Limited	PACRA	A1	AA	A-1	AA
The Bank of Punjab	PACRA	A-1+	AA+	A-1+	AA+
United Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-	A1+	AA-
Islamic					
Allied Bank Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AAA
Al Baraka Bank (Pakistan) Limited	VIS	A-1	A+	A-1	A+
Bank Alfalah Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AA+
Bank Al Habib Limited (Islamic)	PACRA	A1+	AAA	A-1+	AAA
Pak Oman Investment Company	VIS	A-1+	AA+	A1+	AA+
Bank Islami Pakistan Limited	PACRA	A-1	AA-	A-1	A+
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	A-1+	AA
Faysal Bank Limited	PACRA	A-1+	AA	A-1+	AA
MCB Islamic Bank Limited	PACRA	A1	A+	A-1	A
Meezan Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Bank of Khyber	PACRA	A1	AA-	A-1	A+
Al Ameen Islamic Cash Fund	VIS	N/A	AA+	N/A	AA+
United Bank Limited (UBL Ameen)	VIS	A-1+	AAA	N/A	AA+

c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities. The Group's liquidity management involves maintaining sufficient cash and marketable securities, the availability of funds through an adequate amount of credit facilities and through its ability to close out market positions. Due to the dynamic nature of the business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The general nature of credit facilities available to the Group under any contract and not availed as at the date of consolidated statement of financial position has been disclosed in notes 18 and 24.

The table below analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

	2024			2023		
	Maturity upto one year	Maturity more than one year	Total	Maturity upto one year	Maturity more than one year	Total
	-----------------Rupees-----------------					
Financial liabilities						
Long term borrowings	4,618,543	40,236,094	44,854,637	6,458,451	37,252,204	43,710,655
Lease liabilities	914,948	477,624	1,392,573	1,280,047	1,448,984	2,729,031
Trade and other payables	17,638,789	-	17,638,789	12,488,851	-	12,488,851
Service benefit obligations	98,860	-	98,860	85,166	-	85,166
Short-term borrowings	11,848,627	-	11,848,627	7,526,086	-	7,526,086
Accrued interest / mark-up	726,146	-	726,146	526,224	-	526,224
Unclaimed dividend	284,462	-	284,462	705,550	-	705,550
	36,130,375	40,713,718	76,844,094	29,070,375	38,701,188	67,771,563

46. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates. As at the reporting date, the carrying value of all financial assets and liabilities approximate to their fair value.

(Amounts in thousand)

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

Fair value hierarchy

The Group classifies its financial assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Group held the following financial assets measured at fair value:

	Level 1	Level 2	Level 3	Total
	--------Rupees--------			
Short term investments in units of mutual funds				
- December 31, 2024	-	-	-	-
- December 31, 2023	-	100,118	-	100,118

47. CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to provide expected returns to its shareholders by maintaining optimum capital structure to minimize the cost of capital. To maintain or adjust the capital structure, the Group may issue new equity, manage dividend payouts to its shareholders or sell assets to reduce debt.

The Group manages capital by maintaining gearing ratio at certain levels. This ratio is calculated as long-term borrowings and lease liabilities divided by total capital. Total capital is calculated as 'equity' as shown in the statement of financial position plus long-term borrowings and lease liabilities.

(Amounts in thousand)

	2024	....Rupees.... 2023
The gearing ratio of the Group is as follows:		
Long-term borrowings	31,651,295	26,723,777
Lease liabilities	1,291,269	2,534,450
	32,942,564	29,258,227
Total equity	27,321,579	28,592,085
Total capital	60,264,143	57,850,312
Gearing ratio	0.55	0.51

48. SEGMENT INFORMATION

48.1 Based on the internal management reporting structure, the Group is organised into three business segments based on Ihe products produced and sold as follows:

- Poly Vinyl Chloride (PVC) and allied chemicals: The segment is formed to manufacture and sell PVC and allied chemicals to various industrial customers including pipe manufacturers, shoes and packaging industries. The Group supplies products throughout Pakistan mainly through dealers. Moreover, PVC is also exported to various countries mainly in Asia Region.

- Caustic soda and allied chemicals: The segment is formed to manufacture and sell caustic soda and allied chemicals mostly to textile and soap industries.

- Power supplies: The segment supplies surplus power generated from Its power plants to Engro Fertilizers Limited.

Management monitors the operating results of above-mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing the performance. Segment performance is evaluated based on profit / (loss) after tax for that segment, which in certain respects, as explained in table below, is measured differently from profit or loss in the financial statements. Items which are directly attributable to a particular segment have been allocated to the respective segment, while those which are not directly attributable have been allocated on the basis of revenue. During the year, the Group has conducted a comprehensive review of its segment reporting practices to improve the transparency and clarity of its financial disclosures. As part of this initiative, certain changes have been made to the way segment information is presented in these financial statements. These changes include the fact that in prior periods, certain profits and losses and assets were reported as unallocated. These items have now been assigned to segments based on a devised allocation mechanism. The change provides a more accurate presentation of each segment's performance. Accordingly, prior year figures have been restated.

(Amounts in thousand)

	2024					(Restated) 2023				
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Unallocated	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Unallocated	Total
	-----Rupees-----									
Segment profit or loss										
Revenue from contract with customers (net) - note 48.2	61,247,916	14,271,964	188,061	-	75,707,941	69,996,302	11,166,939	106,293	-	81,269,534
Less:										
Cost of sales	(58,929,623)	(10,031,864)	(155,743)	-	(69,117,230)	(53,799,097)	(6,834,887)	(83,578)	-	(60,717,562)
Distribution and marketing expenses	(435,639)	(265,244)	(503)	-	(701,386)	(440,909)	(208,434)	(1,136)	-	(650,479)
Administrative expenses	(1,662,281)	(415,010)	(5,107)	-	(2,082,398)	(1,389,520)	(226,512)	(2,111)	-	(1,618,143)
Other expenses	(170,260)	(44,796)	(513)	-	(215,569)	(1,473,894)	(387,057)	(2,236)	-	(1,863,187)
Other income	319,141	34,858	956	440,087	795,042	360,398	53,094	548	1,136,477	1,550,517
Finance costs	(6,089,290)	(1,423,989)	(18,694)	-	(7,531,973)	(3,609,943)	(599,285)	(5,480)	-	(4,214,708)
(Loss) / profit before minimum tax differential, final tax and income tax	(5,720,036)	2,125,919	8,457	440,087	(3,145,573)	9,643,337	2,963,858	12,300	1,136,477	13,755,972
Minimum tax differential	(31,525)	(6,723)	-	-	(38,248)	(1,019)	-	-	-	(1,019)
Final tax	63,225	14,740	-	-	77,965	(192,536)	(31,530)	-	-	(224,066)
(Loss) / profit before income tax	(5,688,336)	2,133,936	8,457	440,087	(3,105,856)	9,449,782	2,932,328	12,300	1,136,477	13,530,887
Income tax	2,360,353	560,826	7,251	16,843	2,945,273	(3,685,545)	(554,009)	(5,600)	(353,439)	(4,598,593)
(Loss) / profit for the year	(3,327,983)	2,694,762	15,708	456,930	(160,583)	5,764,237	2,378,319	6,700	783,038	8,932,294
Depreciation and amortisation	2,247,933	488,589	2,392	-	2,738,914	3,139,617	393,049	4,891	-	3,537,557
Capital expenditure	5,408,993	3,764,786	864	-	9,174,643	4,715,399	6,576,701	74,284	-	11,366,384
Segment assets										
Total segment assets - note 48.3	65,702,794	29,983,081	56,499	5,109,063	100,851,437	58,292,477	24,691,702	52,920	7,560,711	90,597,810

48.2 Revenue from one customer of the Group's PVC segment amounts to Rs. 4,802,235 (2023: Rs. 7,175,426) of the Group's total revenue i.e. 6.34% (2023: 8.83%).

48.3 Segment assets consist primarily of property, plant and equipment, stores and spares, stock in trade and trade debts located within Pakistan.

49. TRANSACTIONS WITH RELATED PARTIES

49.1 Following are the name of associated companies and related parties with whom the Group had entered into transactions or had arrangements or agreements in place during the year:

Name of related parties	Direct shareholding	Relationship
Engro Corporation Limited	56.19%	Intermediate Parent Company
Mitsubishi Corporation (Incorporated in Japan)	11.01%	Associated company
Engro Fertilizers Limited	N/A	Common directorship
Sindh Engro Coal Mining Company Limited	N/A	Common directorship
Engro Energy Limited	N/A	Common directorship
Engro Eximp Agriproducts (Private) Limited	N/A	Common directorship
FrieslandCampina Engro Pakistan Limited	N/A	Common directorship
Engro Foundation	N/A	Common directorship
Karachi School of Business Leadership	N/A	Common directorship
Engro Elengy Terminal (Private) Limited	N/A	Common directorship
Engro Eximp FZE (Incorporated in United Arab Emirates)	N/A	Common directorship
Engro Powergen Qadirpur Limited	N/A	Common directorship

(Amounts in thousand)

Name of related parties	Direct shareholding	Relationship
Engro Vopak Terminal Limited	N/A	Common directorship
Engro Energy Services Limited	N/A	Common directorship
Engro Powergen Thar (Private) Limited	N/A	Common directorship
Pakistan Oxygen Limited	N/A	Common directorship
Pakistan Vinyl Industries	N/A	Common directorship
Overseas Investors Chamber of Commerce & Industry	N/A	Common directorship
KSB Pumps Company Limited	N/A	Common directorship
Nimir Industrial Chemicals Limited	N/A	Common directorship
ATS Synthetic (Private) Limited	N/A	Common directorship
Retirement funds		
- Provident fund	N/A	Post employment benefits
- Gratuity fund	N/A	Post employment benefits
- Pension fund	N/A	Post employment benefits
Mr. Kamran Nishat	N/A	Independent Director
Ms. Ayesha Aziz	N/A	Independent Director
Mr. Nazoor Ali Baig	N/A	Independent Director
Mr. Ghias Uddin Khan	N/A	Ex-Chairman
Mr. Ahsan Zafar Syed	N/A	Chairman
Mr. Tomoya Kondo	N/A	Ex-Non-executive Director
Mr. Masaaki Yokoyama	N/A	Non-executive Director
Mr. Syed Shahzad Nabi	N/A	Non-executive Director
Mr. Tariq Nisar	N/A	Non-executive Director
Mr. Abdul Qayoom	N/A	Chief Executive Officer
Mr. Jahangir Piracha	N/A	Ex - Chief Executive Officer
Mr. Adeel Qamar	N/A	Key management personnel
Mr. Arif Jalil	N/A	Key management personnel
Mr. Mahmood Siddiqui	N/A	Key management personnel
Ms. Rabia Wafah Khan	N/A	Key management personnel
Mr. Kalimuddin A Khan	N/A	Key management personnel
Mr. Muhammad Idrees	N/A	Key management personnel
Ms. Gull Zareen Hasnat	N/A	Ex - Key management personnel
Mr. Najam Saeed	N/A	Key management personnel
Ms. Beenish Kajani	N/A	Key management personnel
Mr. Saqib Rafique	N/A	Key management personnel

(Amounts in thousand)

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

Nature of relationship	Nature of transactions	2024	2023
		....Rupees....	
Holding Company	Reimbursement made	1,385,875	1,512,888
	Reimbursement received	22,605	1,821
	Subordinated loan received	1,500,000	1,700,000
	Subordinated loan repaid	1,500,000	1,700,000
	Mark-up on subordinated loan	12,190	14,392
	Purchase of taxable loss	-	373,489
	Dividend paid	510,733	3,830,501
	Sales made	301	-
Members of the Group	Sale of goods	3,616,686	7,239,630
	Sales of utilities	188,061	106,293
	Purchase of services	1,684,843	3,072,398
	Purchase of goods	30,857,264	36,384,718
	Letter of credit and related charges	982,537	-
	Reimbursement made	699,008	943,500
	Reimbursement received	176,709	124,192
	Late payment charges	-	19,025
	Interest income on intercompany balances	23,160	47,158
	Purchase of taxable loss	-	228,688
	Donation	-	125,000
Associated Companies	Dividend paid	100,054	750,402
	Purchase of goods	309,978	192,093
	Purchase of services	-	520
	Sale of goods	5,360,410	4,594,325
Directors	Fee	15,705	21,364
	Dividend paid	6	29
Contribution to staff retirement benefits	Managed and operated by the Holding Company		
	- Provident fund	135,187	125,319
	- Gratuity fund	102,284	87,955
	- Pension fund	1,394	5,445
Key management personnel	Managerial remuneration	162,552	157,172
	Retirement benefit funds	25,604	26,788
	Bonus	65,375	63,216
	Other benefits	55,677	37,403

(Amounts in thousand)

49.3 The related party status of outstanding balances as at December 31, 2024 / 2023 are disclosed in the respective notes to the consolidated financial statements.

50. GENERAL

50.1 Number of employees

	2024	2023
- Total number of employees	540	584
- Average number of employees	567	596

Included herein are 475 (2023: 509) employees working at the plant of the Holding Company as at December 31, 2024 and average number of these employees during the year was 497 (2023: 505).

50.2 Production capacity

	Designed annual capacity		Actual production		Remarks
	2024	2023	2024	2023	
	----------------------Kilo tons----------------------				
PVC	295	295	212	230	Production planned
EDC	127	127	100	100	as per market
Caustic soda	106	106	95	96	demand and
Caustic flakes	20	20	14	13	in-house
VCM	245	245	216	224	consumption needs
	------------------Mega Watts------------------				
Power	66	66	42	66	

51. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

The Board of Directors of the Holding Company in its meeting held on February 10, 2025 have proposed a final cash dividend of Nil (2023: Rs. 908,923) which is approximately Nil (2023: Rs. 1) per ordinary share. Further, the Board of Directors of the Holding Company in this meeting have proposed a final cash dividend for preference shareholders of Nil (2023: Rs. 201,000) which is approximately Nil per share (2023: Rs. 0.67 per share).

These appropriations will be approved by the members in the Annual General Meeting to be held on March 26, 2025.

(Amounts in thousand)

52. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary. The material reclassification made during the year is as follows:

Description	Reclassified from	Reclassified to	Year ended 2023 ....Rupees....
Salaries, wages and staff welfare	Distribution and marketing expenses	Cost of sales	181,950

53. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on February 10, 2025 by the Board of Directors of the Holding Company.

Abdul Qayoom Shaikh	Rabia Wafah Khan	Kamran Nishat
Chief Executive Officer	Chief Financial Officer	Director

standalone financial statements

INDEPENDENT AUDITOR'S REPORT

To the members of Engro Polymer and Chemicals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Engro Polymer and Chemicals Limited (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the 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 statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

	Key audit matters	How the matter was addressed in our audit
1.	**Review of useful lives and residual values of plant and machinery** (Refer notes 2.4.1, 3.1, 5.1 and 5.5 to the financial statements) The Company reviewed its estimates of useful lives and residual values of items of plant and machinery which are used for determination of depreciation charge in accordance with International Accounting Standard 16 'Property, Plant and Equipment' (IAS 16). As a result of the review, useful lives and residual values of items of plant and machinery were revised. The change was accounted for prospectively in accordance with International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (IAS 8), which resulted in reduction in depreciation charge for the year by Rs. 1,239,115 thousand with a corresponding increase in the carrying amount of property, plant and equipment. Estimation of useful lives and residual values involves significant management judgment and use of expert considering the scale and complexity of the Company's operations. Accordingly, we have considered this a key audit matter.	Our audit procedures amongst others included the following: - Obtained understanding of management's process to review useful lives and residual values of items of plant and machinery; - Assessed the competence, capabilities, and objectivity of the expert engaged by management to ensure they were appropriately qualified; - Engaged our expert to review the appropriateness of conclusions reached by management including methodology and assumptions used by management's expert; - Tested depreciation charge determined by management to assess accuracy of the same upon revision of estimates; and - Assessed the adequacy of related disclosures in the financial statements with respect to the applicable accounting and reporting framework.
2.	**Deferred tax asset on tax losses and minimum turnover tax** (Refer notes 2.4.4, 3.16.2 and 21 to the financial statements) The Company has recognised a net deferred tax liability of Rs. 1,865,647 thousand, which includes deferred tax asset on account of tax losses and minimum turnover tax for the year amounting to Rs. 2,683,386 thousand.	Our audit procedures amongst others included the following: - Obtained understanding of management's process of preparation of profitability forecast, taxable income, tax liability and deferred tax calculation;

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	Key audit matters	How the matter was addressed in our audit
	Recognition of deferred tax asset on tax losses and minimum turnover tax requires management to estimate Company's taxable income / tax liability for future tax years. This process relies on the assessment of the Company's profitability forecast, which in turn is based on assumptions concerning future economic conditions and business performance. The preparation of profitability forecasts and assessment of realisability of recognised deferred tax asset requires significant management judgement and estimation. Accordingly, we considered this a key audit matter.	- Made inquiries with the management and reviewed significant underlying assumptions used in preparing the profitability forecast to assess the same for reasonableness; - Checked the appropriateness of tax rates applied in view of the local tax legislation; - Checked mathematical accuracy of the calculations; and - Assessed the adequacy of the related disclosures made in the financial statements with respect to the applicable accounting and reporting framework.
3.	**Contingent liabilities and provisions relating to income tax** (Refer notes 2.4.4, 2.4.7, 3.15, 27.1.1 and 37.1 to the financial statements) The Company has recognised provisions and disclosed contingent liabilities in respect of various contentious and uncertain matters relating to income tax including those pending adjudication at various appellate and legal forums. Recognition and disclosure of provisions and contingent liabilities requires management of the Company to make judgments and estimates in relation to interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, for measurement and disclosure in the financial statements. Due to inherent uncertainties associated with the outcome of the matters, legal forums at which these are currently pending and use of significant judgement and estimates to assess the same including related financial impacts, which may change over time as new facts emerge and matters progress, we have considered contingent liabilities and provisions relating to income tax a key audit matter.	Our audit procedures amongst others included the following: - Obtained and examined details of the documentation relating to pending tax matters and inquired the same with the Company's management; - Circularised confirmations to the Company's external legal and tax advisors for their views on matters being handled by them; - Checked correspondence of the Company with the relevant authorities including judgements 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 calculations underlying the provisions; and - Assessed the adequacy of the related disclosures made in the financial statements with respect to the applicable accounting and reporting framework.

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Information Other than the Financial Statements 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 financial statements and consolidated financial statements and our auditor's reports thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

A. F. Ferguson & Co.
Chartered Accountants

Karachi

Date: March 5, 2025

UDIN: AR202410080DLbSdUq21

statement of financial position
as at december 31, 2024

(Amounts in thousand)	Note	2024 ....Rupees....	2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	49,486,262	44,794,643
Right-of-use asset	6	645,943	1,156,505
Intangible assets	7	514,900	620,205
Long-term investments	8	6,837,000	6,837,000
Long-term loans and advances	9	7,666	21,837
		57,491,771	53,430,190
Current Assets			
Stores, spares and loose tools	10	4,506,168	3,311,772
Stock-in-trade	11	13,420,730	16,620,634
Trade debts	12	1,248,473	1,612,111
Loans, advances, deposits, prepayments and other receivables	13	10,909,610	5,817,368
Income tax recoverable	26	6,708,309	-
Short-term investments	14	1,445,006	3,345,457
Cash and bank balances	15	3,341,190	3,985,495
		41,579,486	34,692,837
TOTAL ASSETS		99,071,257	88,123,027
EQUITY AND LIABILITIES			
Equity			
Ordinary share capital	16	9,089,233	9,089,233
Preference shares	17	3,000,000	3,000,000
Share premium		3,874,953	3,874,953
Unappropriated profits		12,438,639	12,938,222
		28,402,825	28,902,408
Non-Current Liabilities			
Long-term borrowings	18	27,941,832	20,927,785
Government grant	18.13	135,872	195,232
Lease liabilities	19	395,199	1,331,168
Deferred tax liability	21	1,865,647	3,048,430
		30,338,550	25,502,615
Current Liabilities			
Trade and other payables	22	19,446,527	14,390,425
Service benefit obligations	23	98,860	85,166
Current portion of long-term borrowings	18	1,047,520	3,002,001
Current portion of government grant	18.13	45,090	49,053
Current portion of lease liabilities	19	830,704	1,155,904
Short-term borrowings	24	11,848,627	7,526,086
Accrued interest / mark-up	25	617,488	456,994
Unclaimed dividend		284,463	705,550
Income taxes payable	26	-	236,222
Provisions	20	6,110,603	6,110,603
		40,329,882	33,718,004
		70,668,432	59,220,619
Contingencies and Commitments	27		
TOTAL EQUITY AND LIABILITIES		99,071,257	88,123,027

The annexed notes 1 to 53 form an integral part of these financial statements.

Abdul Qayoom Shaikh
Chief Executive Officer

Rabia Wafah Khan
Chief Financial Officer

Kamran Nishat
Director

statement of profit or loss and other comprehensive income
for the year ended december 31, 2024

(Amounts in thousand except for earnings per share)	Note	2024 ....Rupees....	(Restated) 2023
Revenue from contracts with customers - net	28	75,677,747	81,224,448
Cost of sales	29	(69,107,918)	(60,676,547)
Gross profit		6,569,829	20,547,901
Distribution and marketing expenses	30	(663,793)	(629,409)
Administrative expenses	31	(2,054,981)	(1,617,264)
Other expenses	32	(206,494)	(1,713,102)
Other income	33	1,511,370	1,706,456
Operating profit		5,155,931	18,294,582
Finance costs	34	(7,522,720)	(4,197,208)
(Loss) / profit before minimum tax differential, final tax and income tax		(2,366,789)	14,097,374
Minimum tax differential	35	(35,563)	-
Final tax	36	77,965	(224,008)
(Loss) / profit before income tax		(2,324,387)	13,873,366
Income tax	37	2,934,727	(4,642,706)
Profit for the year		610,340	9,230,660
Other comprehensive income for the year		-	-
Total comprehensive income for the year		610,340	9,230,660
Earnings per share - basic	39	0.45	9.45
Earnings per share - diluted	39	0.45	7.64

The annexed notes 1 to 53 form an integral part of these financial statements.

Abdul Qayoom Shaikh
Chief Executive Officer

Rabia Wafah Khan
Chief Financial Officer

Kamran Nishat
Director

statement of changes in equity

for the year ended december 31, 2024

(Amounts in thousand)

	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		RESERVES CAPITAL	RESERVES REVENUE	
	Ordinary share capital	Preference shares	Share premium	Unappropriated profits	Total
	Rupees				
Balance as at December 31, 2022	9,089,233	3,000,000	3,874,953	11,169,486	27,133,672
Total comprehensive income for the year	-	-	-	9,230,660	9,230,660
Transactions with owners					
Final dividend for the year ended December 31, 2022					
- Rs. 2.5 per ordinary share	-	-	-	(2,272,308)	(2,272,308)
- Rs. 0.5 per preference share	-	-	-	(150,000)	(150,000)
First interim dividend for the year ended December 31, 2023					
- Rs. 1 per ordinary share	-	-	-	(908,923)	(908,923)
- Rs. 0.5 per preference share	-	-	-	(150,000)	(150,000)
Second interim dividend for the year ended December 31, 2023					
- Rs. 1.5 per ordinary share	-	-	-	(1,363,385)	(1,363,385)
- Rs. 0.5 per preference share	-	-	-	(150,000)	(150,000)
Third interim dividend for the year ended December 31, 2023					
- Rs. 2.5 per ordinary share	-	-	-	(2,272,308)	(2,272,308)
- Rs. 0.65 per preference share	-	-	-	(195,000)	(195,000)
	-	-	-	(7,461,924)	(7,461,924)
Balance as at December 31, 2023	9,089,233	3,000,000	3,874,953	12,938,222	28,902,408
Total comprehensive income for the year	-	-	-	610,340	610,340
Transactions with owners					
Final dividend for the year ended December 31, 2023					
- Rs. 1 per ordinary share	-	-	-	(908,923)	(908,923)
- Rs. 0.67 per preference share	-	-	-	(201,000)	(201,000)
	-	-	-	(1,109,923)	(1,109,923)
Balance as at December 31, 2024	9,089,233	3,000,000	3,874,953	12,438,639	28,402,825

The annexed notes 1 to 53 form an integral part of these financial statements.

Abdul Qayoom Shaikh	**Rabia Wafah Khan**	**Kamran Nishat**
Chief Executive Officer	Chief Financial Officer	Director

statement of cash flows

for the year ended december 31, 2024

(Amounts in thousand)

	Note	2024	(Restated) 2023
		....Rupees....	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	42	13,617,761	13,282,584
Long-term loans and advances, net		14,171	(21,837)
Retirement benefits paid		(70,168)	(67,404)
Minimum tax differential paid		(22,930)	-
Final tax paid		(8,906)	(180,797)
Income tax paid		(5,118,349)	(6,457,956)
Net cash generated from operating activities		8,411,579	6,554,590
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets		(6,929,702)	(6,803,718)
Proceeds from disposal of property, plant and equipment		94,799	44,320
Investment made in subsidiary companies		-	(2,953,000)
Disbursement of subordinated loan to subsidiary companies		(3,885,830)	(5,050,800)
Repayment of subordinated loan from subsidiary companies		-	3,630,300
Purchase of short-term investments		(2,173,818)	(40,642,094)
Proceeds on sale / maturity of short-term investments		3,855,847	53,928,691
Income on short-term investments, subordinated loan, intercompany balances and bank deposits		500,513	852,743
Net cash (utilised in) / generated from investing activities		(8,538,191)	3,006,442
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings - net of transaction costs		8,000,000	4,293,727
Repayments of long-term borrowings		(2,992,762)	(5,128,274)
Proceeds from short-term borrowings		15,160,598	324,360
Repayment of short-term borrowings		(7,180,100)	(474,360)
Proceeds of subordinated loan from the holding company		1,500,000	1,700,000
Repayment of subordinated loan to the holding company		(1,500,000)	(1,700,000)
Proceeds of loan from subsidiary company		-	400,000
Repayment of loan to subsidiary company		-	(400,000)
Finance costs paid		(7,215,388)	(4,531,992)
Lease rentals paid		(1,334,499)	(2,372,703)
Dividend paid		(1,531,010)	(7,930,739)
Net cash generated from / (utilised in) financing activities		2,906,839	(15,819,981)
Net increase / (decrease) in cash and cash equivalents		2,780,227	(6,258,949)
Net foreign exchange differences		(11,903)	434,307
Cash and cash equivalents at beginning of the year		(2,810,868)	3,013,774
Cash and cash equivalents at end of the year	43	(42,544)	(2,810,868)

The annexed notes 1 to 53 form an integral part of these financial statements.

Abdul Qayoom Shaikh	**Rabia Wafah Khan**	**Kamran Nishat**
Chief Executive Officer	Chief Financial Officer	Director

notes to and forming part of the financial statements

for the year ended december 31, 2024

(Amounts in thousand)

1. LEGAL STATUS AND OPERATIONS

1.1 Engro Polymer and Chemicals Limited (the Company) was incorporated in Pakistan in 1997 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed on the Pakistan Stock Exchange Limited (PSX).

1.2 The Company is a subsidiary of Engro Corporation Limited (the Holding Company) which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Company's principal activity is to manufacture, market and sell Poly Vinyl Chloride (PVC), Vinyl Chloride Monomer (VCM), Caustic soda and other related chemicals. The Company is also engaged in the supply of surplus power generated from its power plants to Engro Fertilizers Limited (a related party).

1.3 As of the reporting date, the Holding Company was a subsidiary of Dawood Hercules Corporation Limited (DHCL), which served as the Ultimate Parent Company (UPC). Effective January 1, 2025, ECL, DHCL and DH Partners have implemented a Scheme of Arrangement, wherein shares of ECL held by its former shareholders (excluding DHCL) will be transferred to DHCL in exchange of shares of DHCL. Consequently, the Holding Company will become a wholly owned subsidiary of DHCL and will no longer be listed on the PSX. The Scheme had been approved by shareholders and creditors of the Holding Company in a meeting held on June 26, 2024, and was sanctioned by the Islamabad High Court on July 18, 2024. As part of the Scheme, the UPC has been rebranded as Engro Holdings Limited.

1.4 These are standalone financial statements of the Company. The consolidated financial statements of the Company and its subsidiaries have been presented separately. Details of investments held by the Company in its subsidiaries have been provided in note 8.

1.5 The geographical location and addresses of all business units of the Company are as follows:

Business unit	Geographical location
Head office	8th floor, The Harbour Front Building, Marine Drive, Block 4
	Clifton, Karachi, Pakistan
Manufacturing plant	EZ/I/P-II-I Eastern Zone, Port Bin Qasim Industrial Area,
	Karachi, Pakistan
Regional sales unit	Office No. 601, 6th floor, Haly Tower, Lalak Jan Chowk, DHA, Lahore

(Amounts in thousand)

2. BASIS OF PREPARATION

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention unless otherwise mentioned in accounting policies stated herein.

2.2 Statement of compliance

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

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

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

2.3 Functional and presentation currency

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

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction. 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 recognised in profit or loss.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires the 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. The accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

2.4.1 Useful lives, depreciation / amortisation methods, residual values and impairment of property, plant and equipment and intangible assets - notes 5 and 7

The Company reviews appropriateness of the useful lives, method of depreciation / amortisation and residual values, where applicable, used in the calculation of depreciation / amortisation of operating fixed assets and intangible assets on an annual basis. Further, where applicable, an estimate of recoverable amount of assets is made for possible impairment and if the carrying amount exceeds recoverable amount, assets are written down to the recoverable amount and resultant impairment loss is recognised in profit or loss. During the year, the Company has revised the useful lives and residual values of items of plant and machinery as disclosed in note 5.5.

2.4.2 Provision for slow-moving stores and spares - note 10

The Company regularly reviews for slow moving stores and spares which have no movement for at least three years and the quantity available is in excess of the minimum stock level, thereby ensuring that items meeting the criteria are provided for.

2.4.3 Provision for stock-in-trade - note 11

The Company regularly reviews the net realisable value of stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is determined with reference to estimated selling price less estimated expenditure to make the sales.

2.4.4 Income taxes - notes 21, 26 and 37

In making the estimates for income taxes payable by the Company, the management looks at the applicable law and the decisions of appellate authorities on certain issues in the past. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined.

Deferred tax asset is recognised 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 utilised. Significant judgement and estimation is required to determine the amount of deferred tax asset to be recognised.

2.4.5 Lease accounting - notes 6 and 19

Identifying and processing all relevant data associated with leases is complex. The measurement of the right-of-use asset and lease liability relies on several assumptions, such as discount rates and lease terms, including options for termination and renewal. Lease payments expected to be made under reasonably certain extension options are also

(Amounts in thousand)

included in the liability measurement. Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, which is often the case, the company uses its incremental borrowing rate. This rate reflects what the company would pay to borrow funds necessary to acquire an asset of similar value to the right-of-use asset, considering the same economic environment, terms, security, and conditions.

2.4.6 Impairment of non-financial assets

In making an estimate of impairment, the management considers on an annual basis whether an indication of impairment exists. Incase an indication exists, the recoverable amount of investment is calculated.

2.4.7 Contingencies and provisions - notes 20, 26 and 27

Recognition and disclosure of provisions and contingent liabilities requires management of the Company 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, for recognition and measurement of any provision and disclosure in these financial statements.

2.5 Initial application of standards, amendment or an interpretation to existing standards

2.5.1 Standards, amendments, or improvements and interpretations to approved accounting and reporting standards that became effective during the year

There are amendments or improvements and interpretations to existing standards which became applicable to the Company for the financial year beginning on January 1 2024, however, these do not have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements except for:

IAS 12 - Application Guidance on Accounting for Minimum Taxes and Final Taxes':

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 - Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance), resulting in change in accounting policy as disclosed in note 4.

Amendment to IAS 1 - Non-current liabilities with covenants:

An amendment to IAS 1 'Presentation of Financial Statements' (IAS 1) was introduced addressing the classification of non-current liabilities subject to covenants. This amendment clarifies that liabilities should be classified as either current or non-current based on the rights available at the end of the reporting period, without consideration of future expectations or events occurring after this date. The amendment also mandates specific disclosures if a liability is classified as non-current but is subject to covenants that must be complied with within twelve months of the reporting date. The adoption of this amendment did not alter the classification of the Company's non-current liabilities, as the Company was either in compliance or had relevant waivers against covenants as of the reporting date. However, new disclosures have been added to these financial statements in accordance with the aforementioned requirements.

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

There are standards and certain amendments or improvements to approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2024. These are not expected to have any material impact on the Company's financial reporting and, therefore, have not been presented in these financial statements except for:

Amendment to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments':

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 cashflows (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).

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 can not be derecognised. The previous practice of financial liabilities being derecognised upon issuance of cheques would, hence, need to be reconsidered.

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18):

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Property, plant and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except capital work-in-progress which is stated at historical loss less accumulated impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged to profit or loss using the straight line method to allocate their cost less the residual values over their estimated useful lives at rates given in note 5.1. Depreciation on additions is charged from the month following the month in which the asset is available for use and no depreciation is charged in the month of disposal.

The depreciation method, useful lives and residual values of the Company's property, plant and equipment are reviewed and adjusted, if appropriate, at each reporting date. During the year the Company, as a result of review, revised the useful lives and residual values of items of plant and machinery, as disclosed in note 5.5.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount and the resulting impairment loss is recognised in profit or loss. The recoverable amount is the higher of fair value less cost to sell and value in use. An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense in the period of disposal or retirement.

3.2 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 stated at historical cost less accumulated depreciation and impairment, if any. Upon utilisation, the capital spares and servicing equipment are depreciated over their useful life, or the remaining life of principal asset, whichever is lower.

3.3 Right-of-use asset and lease liabilities

The Company has entered into various rental arrangements, generally ranging in between 5 to 10 years. At inception of a contract, the Company 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.

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

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

The lease liabilities are subsequently measured at amortised cost using the effective interest rate method. They are 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 Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company 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 respective right-of-use asset, or is recorded in profit or loss if the carrying amount of that right-of-use asset has been reduced to zero.

(Amounts in thousand)

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. 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 carrying amount of the right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liability.

The Company has elected to apply the practical expedient not to recognise 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 recognised as an expense on a straight line basis over the lease term.

3.4 Intangible assets

Costs associated with developing and maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly attributable to identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost.

Expenditure, which enhances or extends the performance of computer software beyond its original specification and useful life is recognised as a capital improvement and added to the original cost of the software.

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Computer software cost treated as intangible assets are amortised from the date the software is available for use on straight-line basis over a period of 3 to 10 years.

The carrying amount of the intangible assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount and is charged to profit or loss. Reversal of impairment losses are also recognised in profit or loss, however, these are restricted to the book value net of amortisation had there been no impairment.

Amortisation on additions is charged from the month following the month in which asset is available for use and no amortisation is charged in the month of disposal.

3.5 Investments in subsidiaries

Investments in subsidiaries are classified as long-term investments and are stated at cost net of provision for impairment, if any.

3.6 Financial instruments

3.6.1 Financial assets

Classification, initial recognition and measurement

The Company classifies 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, in the following categories:

i) At amortised cost

Financial assets at amortised cost are held within a business model whose objective is to collect contractual cash flows on specified dates when those cash flows represent solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised in profit or loss.

ii) At fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income are 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.

iii) At fair value through profit and loss (FVPL)

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt instruments that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the settlement-date, the date on which the asset is delivered to or by the Company. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in profit or loss. Trade debts are measured at the transaction price determined under IFRS 15. Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income. Financial assets carried at FVPL are initially recorded at fair

value and transaction costs are expensed in the profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVPL are included in profit or loss in the period in which they arise.

Derecognition

Financial assets are derecognised 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 recognised in profit or loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial instruments carried at amortised cost and at fair value through other comprehensive income. 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 recognised 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 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 loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the balance due. Where recoveries are made, these are recognised in profit or loss.

3.6.2 Financial liabilities

The Company recognises 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 fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, financial liabilities are stated at amortised cost or at fair value through profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged or 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 recognised in profit or loss.

3.6.3 Offsetting of financial assets and liabilities

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

3.7 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. The management reviews store items which have no movement for at least three years and the quantity available is in excess to the minimum stock level. Provision is recognised for such items in profit or loss.

3.8 Stock-in-trade

These are valued at the lower of cost, determined on weighted average cost basis, and net realisable value. Cost in relation to raw materials represents the weighted average cost, except for raw material in transit and in relation to finished goods and work-in-process represents weighted average cost comprising direct materials, labour and related manufacturing overheads.

Cost of stock-in-transit represents the invoice value plus other charges incurred thereon till the reporting date.

Net realisable value signifies the estimated selling price in the ordinary course of business less cost of completion and costs necessary to be incurred in order to make the sales. Provision is made for slow moving stocks, where considered necessary.

(Amounts in thousand)

3.9 Trade debts and other receivables

These are recognised initially at fair value plus directly attributable cost, if any. These are generally due for settlement within 30 to 120 days. The Company holds the trade debts with the objective of collecting the contractual cashflows and therefore measures them subsequently at amortised cost using effective interest rate method less provision for expected credit losses, if any. The amount of provision is charged to profit or loss. Trade debts and other receivable considered irrecoverable are written-off.

3.10 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include cash in hand and in transit, balance with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdraft facilities.

3.11 Share capital

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

3.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. Any difference between proceeds net of transaction cost and redemption value is recognised in profit or loss over the period of borrowing using effective interest rate.

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

Covenants that the Company 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 Company is required to comply with after the reporting date do not affect the classification of borrowing at reporting date.

3.13 Retirement and other service benefits

3.13.1 Gratuity fund

The employees of the Company participate in a defined contributory gratuity fund (the Gratuity Fund) operated and managed by Engro Corporation Limited - the Holding Company. As per the terms of the defined contribution plan, the Company contributes to the Gratuity Fund at the rate of 8.33% of basic salary.

3.13.2 Provident fund

The employees of the Company participate in defined contributory provident fund (the Provident Fund) operated and managed by Engro Corporation Limited - the Holding Company. Equal monthly contributions at the rate of 10% of the basic salary are made both by the Company and the employees to the Provident Fund. Annual contribution by the Company is charged to profit or loss.

3.14 Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

These are classified as current liabilities if payment is due within 12 months or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current.

3.15 Contingent liabilities and provisions

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

Contingencies are disclosed when the Company has possible obligation that arises from past event and whose existence will be confirmed only by occurrence and non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

3.16 Taxation

3.16.1 Current

Provision for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates. The charge for current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

3.16.2 Deferred

Deferred tax is provided using the balance sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is determined using the effective tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax is charged or credited in profit or loss except to the extent that it relates to the items recognised directly in equity, in which case it is recognised in equity.

3.16.3 Levies

In accordance with Income Tax Ordinance, 2001 (the Ordinance), computation of final taxes and unrecoupable minimum tax differential is not based on taxable income. Therefore, as per the Guidance issued by the ICAP, these fall within the scope of IFRIC 21 - 'Levies' (IFRIC 21) / IAS 37 - 'Provision, contingent liabilities and contingent assets' (IAS 37) and accordingly have been classified as levies in these financial statements.

3.16.4 Sales tax

Expenses and assets are recognised 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 recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When sales tax is recoverable from or is payable to the taxation authority, it is included as part of receivables or payables in the statement of financial position.

3.17 Revenue / income recognition

i) Revenue from contracts with customers

a) The Company recognises revenue at a point in time when the control of product is transferred to customers. The assessment of transfer of control depends on the contractual terms, which is considered to be transferred either when the product is directly uplifted by customer from the Company's premises or when it is delivered by the Company at customer premises in case of local sales. For export sales, the control is transferred when the product is shipped on board and its insurance risk is borne by the customer. The payment term varies depending on the credit worthiness of the customers, generally ranging from 30 to 120 days.

b) Revenue from the sale of electricity is recognised at a point in time when the agreed output is delivered to Engro Fertilizers Limited, a related party. The payment terms in this case is 15 days.

ii) Other revenues

Income on bank deposits and other financial assets is recognised on an accrual basis.

3.18 Borrowing costs

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

3.19 Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, (excluding any costs of servicing equity other than ordinary shares) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.20 Segment reporting

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

(Amounts in thousand)

3.21 Dividend and appropriation to reserves

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

3.22 Government grants

Government grants are recognised 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 recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful lives of the related asset.

4. CHANGE IN ACCOUNTING POLICY

The ICAP has issued the Guidance, whereby unrecoupable minimum taxes in excess of normal tax liability and tax deducted at source under final tax regime are out of scope of IAS 12 ‘Income Taxes’ and fall in the ambit of IFRIC 21 and IAS 37. Accordingly, the Company has changed its accounting policy to recognise such taxes as ‘levies’ which were previously being recognised as 'income tax'. This change has been accounted for retrospectively in line with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and the corresponding figures in the statement of profit or loss and other comprehensive income and statement of cash flows have been restated. The change has no impact on profit after tax or earnings per share of the Company.

The effects of change in accounting policy are as follows:

	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
Effect on statement of profit or loss and other comprehensive income			
For the year ended December 31, 2024			
Minimum tax differential	-	(35,563)	(35,563)
Final tax	-	77,965	77,965
Loss before income tax	(2,366,789)	42,402	(2,324,387)
Income tax	2,977,129	(42,402)	2,934,727
For the year ended December 31, 2023			
Final tax	-	(224,008)	(224,008)
Profit before income tax	14,097,374	(224,008)	13,873,366
Income tax	(4,866,714)	224,008	(4,642,706)

(Amounts in thousand)

The related changes to the statement of cash flows have been made as well. However, these changes did not have an impact on the Company's operating, investing and financing cash flows.

5. PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	....Rupees....	
Operating assets - note 5.1	37,910,080	34,567,240
Capital work-in-progress - note 5.6	11,335,138	9,981,976
Capital spares	241,044	245,427
	49,486,262	44,794,643

5.1 operating assets

	Leasehold land (note 5.2)	Building on leasehold land (note 5.2)	Plant and Machinery	Pipelines					Furniture, fixtures and equipment	Vehicles	Total
				Water	Vinyl Chloride Monomer (VCM)	Ethylene	Ethylene Di Chloride (EDC)	Gas			
	-----	-----	-----	-----	-----	Rupees	-----	-----	-----	-----	-----
Gross carrying value - As at January 1, 2023											
Cost	1,152,179	1,212,885	47,846,447	397,975	26,122	50,023	100,287	33,849	632,100	444,937	51,896,804
Accumulated depreciation	(203,504)	(252,888)	(16,193,705)	(296,296)	(25,724)	(31,955)	(7,903)	(24,127)	(330,208)	(154,868)	(17,521,178)
Net book value	948,675	959,997	31,652,742	101,679	398	18,068	92,384	9,722	301,892	290,069	34,375,626
Year ended December 31, 2023											
Net carrying value											
Opening net book value	948,675	959,997	31,652,742	101,679	398	18,068	92,384	9,722	301,892	290,069	34,375,626
Additions - note 5.6.1	23,000	86,169	2,960,220	-	-	-	-	-	96,493	20,856	3,186,738
Disposals / write-offs - note 5.4											
Cost	-	-	-	-	-	-	-	-	(8,821)	(56,255)	(65,076)
Accumulated depreciation	-	-	-	-	-	-	-	-	8,381	17,275	25,656
	-	-	-	-	-	-	-	-	(440)	(38,980)	(39,420)
Depreciation charge - note 5.3	(39,908)	(56,490)	(2,676,454)	(12,876)	(5)	(2,177)	(3,436)	(1,471)	(102,483)	(60,404)	(2,955,704)
Net book value	931,767	989,676	31,936,508	88,803	393	15,891	88,948	8,251	295,462	211,541	34,567,240
Gross carrying value - December 31, 2023											
Cost	1,175,179	1,299,054	50,806,667	397,975	26,122	50,023	100,287	33,849	719,772	409,538	55,018,466
Accumulated depreciation	(243,412)	(309,378)	(18,870,159)	(309,172)	(25,729)	(34,132)	(11,339)	(25,598)	(424,310)	(197,997)	(20,451,226)
Net book value	931,767	989,676	31,936,508	88,803	393	15,891	88,948	8,251	295,462	211,541	34,567,240
Year ended December 31, 2024											
Net carrying value											
Opening net book value	931,767	989,676	31,936,508	88,803	393	15,891	88,948	8,251	295,462	211,541	34,567,240
Additions - note 5.6.1	-	212,336	4,713,429	-	-	-	-	-	190,119	442,727	5,558,611
Disposals / write-offs - note 5.4											
Cost	-	-	(591,690)	-	-	-	-	-	(30,935)	(131,905)	(754,530)
Accumulated depreciation	-	-	556,423	-	-	-	-	-	28,452	57,162	642,037
	-	-	(35,267)	-	-	-	-	-	(2,483)	(74,743)	(112,493)
Depreciation charge - note 5.3	(42,160)	(80,406)	(1,718,164)	(12,876)	(5)	(2,177)	(3,436)	(1,471)	(120,218)	(122,365)	(2,103,278)
Net book value	889,607	1,121,606	34,896,506	75,927	388	13,714	85,512	6,780	362,880	457,160	37,910,080
Gross carrying value - December 31, 2024											
Cost	1,175,179	1,511,390	54,928,406	397,975	26,122	50,023	100,287	33,849	878,956	720,360	59,822,547
Accumulated depreciation	(285,572)	(389,784)	(20,031,900)	(322,048)	(25,734)	(36,309)	(14,775)	(27,069)	(516,076)	(263,200)	(21,912,467)
Net book value	889,607	1,121,606	34,896,506	75,927	388	13,714	85,512	6,780	362,880	457,160	37,910,080
Annual rate of depreciation (%) - note 5.5	2 to 2.14	2.5 to 10	2.2 to 33.3	3.33 to 5	3.33 to 12.5	3.33 to 5	3.33 to 12.5	3.33 to 5	5 to 33	5 to 25	

(Amounts in thousand)

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

Description of Assets	Address	Total Area of Land (square yards)
- Leasehold land	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	619,520
- Production facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	309,880
- Storage facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	24,220
- Administration facilities	EZ/I/P-II-I Eastern Zone, Bin Qasim, Karachi	10,680

5.3 Depreciation charge has been allocated as follows:

	2024	2023
	....Rupees....	
Cost of sales - note 29	2,020,013	2,899,437
Distribution and marketing expenses - note 30	19,748	7,524
Administrative expenses - note 31	63,517	48,743
	2,103,278	2,955,704

5.4 The details of assets disposed off / written-off during the year are as follows:

Description of assets	Cost	Accumulated depreciation & impairment	Net book value	Sale proceeds	(Gain) \ Loss	Mode of disposal	Particulars of buyers / Relationships
	-----	-----	-----	Rupees	-----	-----	-----
Items having net book value Rs. 500 each or more							
Vehicles	3,484	1,578	1,906	1,906	-	Company Policy	Muhammad Zohaib Sufyan - Employee
Vehicles	5,433	1,090	4,343	5,140	(797)	Company Policy	Babar Mobeen - Employee
Vehicles	3,264	786	2,478	2,478	-	Company Policy	Shanze Afreen - Employee
Vehicles	2,806	875	1,931	2,605	(674)	Company Policy	Rizwan Liaquat - Employee
Vehicles	14,643	11,714	2,929	8,600	(5,671)	Company Policy	Jahangir Piracha - Employee
Vehicles	4,082	925	3,157	3,538	(381)	Company Policy	Zearma Khan - Employee
Vehicles	5,643	3,258	2,385	3,124	(739)	Company Policy	Asghar Ali Khan - Employee
Vehicles	13,385	7,395	5,990	6,185	(195)	Company Policy	Jahangir Piracha - Employee
Vehicles	3,495	1,882	1,613	2,030	(417)	Company Policy	Shaikh Rehan Afaq - Employee
Vehicles	6,943	-	6,943	7,102	(159)	Company Policy	Ali Asif - Employee
Vehicles	4,711	267	4,444	4,567	(123)	Company Policy	Husain Abdullah Syed - Employee
Vehicles	2,641	1,246	1,395	1,840	(445)	Company Policy	Junaid Rafey - Employee
Vehicles	2,873	977	1,896	2,409	(513)	Company Policy	Syed Hasan Murtaza - Employee
Vehicles	2,806	1,113	1,693	1,706	(13)	Company Policy	Karam Ullah - Employee
Vehicles	3,497	2,031	1,466	2,268	(802)	Company Policy	Syed Raza Abbas - Employee
Vehicles	3,488	2,048	1,440	1,829	(389)	Company Policy	Salima Hemani - Employee
Vehicles	2,450	1,228	1,222	1,593	(371)	Company Policy	Osama Jawaid - Employee
Vehicles	2,677	1,258	1,419	1,738	(319)	Company Policy	Essam - Employee
Vehicles	3,565	1,470	2,095	2,604	(509)	Company Policy	Muhammad Rehan - Employee

(Amounts in thousand)

Description of assets	Cost	Accumulated depreciation & impairment	Net book value	Sale proceeds	(Gain) \ Loss	Mode of disposal	Particulars of buyers / Relationships
	--------	--------	--------	Rupees	--------	--------	--------
Items having net book value Rs. 500 each or more							
Vehicles	3,537	1,253	2,284	2,833	(549)	Company Policy	Muhammad Umar Shafiq - Employee
Vehicles	3,254	1,060	2,194	2,697	(503)	Company Policy	Muzzamil Shahzad - Employee
Vehicles	4,913	835	4,078	4,117	(39)	Company Policy	Ahmad Mahmood - Employee
Vehicles	2,755	1,756	999	2,548	(1,549)	Company Policy	Gull Zareen Hasnat - Employee
Vehicles	2,642	1,356	1,286	1,293	(7)	Company Policy	Muhammad Ali Shah - Employee
Vehicles	2,753	1,833	920	952	(32)	Company Policy	Jawad Wahid Mian - Employee
Vehicles	4,685	1,195	3,490	3,490	-	Company Policy	Ahmed Mustafa - Employee
Vehicles	6,609	-	6,609	6,609	-	Company Policy	Ammar Ahmed - Employee
Vehicles	7,299	5,474	1,825	4,465	(2,640)	Company Policy	Auction
Plant and Machinery	101,690	84,504	17,186	-	17,186	Write off	None
Plant and Machinery	490,000	471,919	18,081	-	18,081	Write off	None
Other operating assets having net book value less than Rs. 500	32,507	29,711	2,796	2,533	263		
Year ended December 31, 2024	754,530	642,037	112,493	94,799	17,694		
Year ended December 31, 2023	65,076	25,656	39,420	44,320	(4,900)		

5.5 During the year, the Company engaged an independent expert to review the useful lives and residual values of items of plant and machinery to ensure that the carrying amount of these assets reflect a more accurate deception of their economic utility and value, consistent with the requirement of applicable financial reporting framework. Accordingly, the useful lives and residual values have been revised and this change has been accounted for prospectively as a change in accounting estimate in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Resultantly the depreciation charge for the year decreased by Rs. 1,239,115 and net book value of plant and machinery increased by the same amount. However, for future years the impact of such change has not been disclosed in these financial statements due to impracticality on account of complexity and scale of the Company's operations.

Had there been no change in the above accounting estimates, the profit after tax for the current year would have been lower by Rs. 755,860.

(Amounts in thousand)

5.6 Capital work-in-progress

	2024	2023
	....Rupees....	
Leasehold land	9,000	9,000
Plant and machinery	10,655,150	8,920,285
Building and civil works including pipelines	262,882	232,555
Furniture, fixture and equipment	66,776	129,556
Softwares	223,086	206,730
Advances to suppliers	97,158	463,867
Capital spares	2,916	-
Other ancillary costs	18,170	19,983
	11,335,138	9,981,976

5.6.1 The movement in capital work-in-progress is as follows:

	2024	2023
	....Rupees....	
Balance at beginning of the year	9,981,976	6,416,479
Additions during the year including borrowing cost	6,929,702	6,790,387
Transferred from capital spares	48,967	-
Transferred to:		
- operating assets - note 5.1	(5,558,611)	(3,186,738)
- intangible assets - note 7	(22,312)	(38,152)
- capital spares	(44,584)	-
	(5,625,507)	(3,224,890)
Balance at end of the year	11,335,138	9,981,976

(Amounts in thousand)

6. RIGHT-OF-USE ASSET

	Storage tanks at Engro Vopak Terminal Limited	Properties	Total
	------Rupees------		
Year ended December 31, 2023			
Net carrying value			
Opening net book value	1,570,597	46,630	1,617,227
Depreciation - note 6.1	(449,661)	(11,061)	(460,722)
Closing net book value	1,120,936	35,569	1,156,505
Gross carrying value			
Cost	3,269,835	110,782	3,380,617
Accumulated depreciation	(2,148,899)	(75,213)	(2,224,112)
Net book value	1,120,936	35,569	1,156,505
Year ended December 31, 2024			
Net carrying value			
Opening net book value	1,120,936	35,569	1,156,505
Depreciation - note 6.1	(499,501)	(11,061)	(510,562)
Closing net book value	621,435	24,508	645,943
Gross carrying value			
Cost	3,269,835	110,782	3,380,617
Accumulated depreciation	(2,648,400)	(86,274)	(2,734,674)
Net book value	621,435	24,508	645,943
Rate of depreciation (%)	**10 - 20**	**10**	

6.1 Depreciation charge has been allocated as follows:

	2024	2023
	....Rupees....	
Cost of sales - note 29	499,501	449,661
Distribution and marketing expenses - note 30	8,840	8,840
Administrative expenses - note 31	2,221	2,221
	510,562	460,722

(Amounts in thousand)

7. INTANGIBLE ASSETS

- Computer softwares and applications

	2024	2023
	....Rupees....	
Net carrying value		
Balance at beginning of the year	620,205	686,598
Add: Additions at cost - note 5.6.1	22,312	38,152
Less: Transferred to prepayments	(20,975)	-
Less: Amortisation for the year - note 7.2	(106,642)	(104,545)
Balance at end of the year	514,900	620,205
Gross carrying value		
Cost	900,372	899,035
Less: Accumulated amortisation	(385,472)	(278,830)
Balance at end of the year	514,900	620,205

7.1 The cost is being amortised over a period of 3 to 10 years.

7.2 Amortisation charge has been allocated as follows:

	2024	2023
	....Rupees....	
Cost of sales - note 29	8,924	9,851
Distribution and marketing expenses - note 30	2,158	2,158
Administrative expenses - note 31	95,560	92,536
	106,642	104,545

8. LONG-TERM INVESTMENTS

	2024	2023
Subsidiary companies, at cost - notes 8.1 and 8.2	6,837,000	6,837,000

8.1 Subsidiary companies:

- Think PVC (Private) Limited 5,000,000 (2023: 5,000,000) ordinary shares of Rs. 10 each - note 8.1.1	50,000	50,000
- Engro Peroxide (Private) Limited 677,200,000 (2023: 677,200,000) ordinary shares of Rs. 10 each - note 8.1.2	6,772,000	6,772,000
- Engro Plasticizer (Private) Limited 1,500,000 (2023: 1,500,000) ordinary shares of Rs. 10 each - note 8.1.3	15,000	15,000
	6,837,000	6,837,000

(Amounts in thousand)

8.1.1 Think PVC (Private) Limited was incorporated in Pakistan on November 6, 1999, as a wholly owned subsidiary of the Company. Currently, Think PVC (Private) Limited is involved in marketing and trading of PVC products through its branded outlets.

8.1.2 Engro Peroxide (Private) Limited was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of the Company. The main objective of Engro Peroxide (Private) Limited is to manufacture and market Hydrogen Peroxide and related chemicals.

8.1.3 Engro Plasticizer (Private) Limited was incorporated in Pakistan on July 22, 2019, as a wholly owned subsidiary of the Company. The Company is currently assessing the projects for which the subsidiary will be utilised.

8.2 The registered office of the subsidiary companies is situated at 8th floor, The Harbour Front Building, Marine Drive, Block 4, Clifton, Karachi. As at December 31, 2024, the Company continues to hold 100% (2023: 100%) of the share capital of these subsidiaries.

9. LONG-TERM LOANS AND ADVANCES - Considered good

	2024 ....Rupees....	2023
Executives - notes 9.1 to 9.3	34,990	38,660
Less: Current portion shown under current assets - note 13	(27,324)	(16,823)
	7,666	21,837

9.1 Reconciliation of the carrying amount of loans and advances to executives is as follows:

	2024	2023
Balance at beginning of the year	38,660	12,024
Add: Disbursements	48,904	54,093
Less: Repayments / Adjustments	(52,574)	(27,457)
Balance at end of the year	34,990	38,660

9.2 These include interest free loans to executives for house rent and salary advances given in accordance with the terms of employment. Loans for house rent are repayable in 12 to 18 equal monthly installments. Salary advances are repayable within 12 months.

9.3 The maximum aggregate amount due from the executives at the end of any month during the year was Rs. 40,651 (2023: Rs. 38,660).

(Amounts in thousand)

10. STORES, SPARES AND LOOSE TOOLS

	2024 ....Rupees....	2023
Consumable stores and spares - notes 10.1 and 10.2	4,959,103	3,686,727
Less: Provision against slow moving stores and spares - note 10.3	(452,935)	(374,955)
	4,506,168	3,311,772

10.1 This includes goods in transit amounting to Nil (2023: Rs. 87,208).

10.2 During the year, the Company has written-off stores and spares amounting to Rs. 4,336 (2023: Rs. 210).

10.3 The movement in the provision for slow moving stores and spares is as follows:

	2024 ....Rupees....	2023
Balance at beginning of the year	374,955	352,915
Add: Provision recognised during the year - note 29	86,813	22,040
Less: Write-offs	(8,833)	-
Balance at end of the year	452,935	374,955

11. STOCK-IN-TRADE

	2024	2023
Raw and packing materials - notes 11.1 to 11.2	7,641,024	10,388,122
Less: Provision against stock-in-trade - note 11.3	(90,154)	(105,811)
	7,550,870	10,282,311
Work-in-process	327,376	431,254
Finished goods - manufactured products and trading products - note 11.2	5,542,484	5,907,069
	13,420,730	16,620,634

11.1 This includes stocks held at storage locations of following parties:

	2024 ....Rupees....	2023
- Engro Vopak Terminal Limited, a related party	2,149,078	2,788,703
- Al-Noor Petroleum (Private) Limited	12,198	34,959
- Al-Rahim Trading Company (Private) Limited	1,649,632	1,966,882
	3,810,908	4,790,544

(Amounts in thousand)

11.2 This includes goods in transit amounting to Rs. 214,575 (2023: Rs. 1,413,903).

11.3 The movement in the provision against stock-in-trade is as follows:

	2024	2023
	....Rupees....	
Balance at beginning of the year	105,811	99,199
Add: Provision (reversed) / recognised during the year - note 29	(15,657)	6,612
Balance at end of the year	90,154	105,811

11.4 During the year, the Company has written-off, stock-in-trade amounting to Rs. 114,647 (2023: Nil).

12. TRADE DEBTS - Considered good

	2024	2023
Related parties - notes 12.1, 12.2 and 12.3		
Secured	138,280	468,441
Unsecured	21,622	34,915
	159,902	503,356
Others - notes 12.3 and 12.4		
Secured - note 12.5	1,071,046	1,070,171
Unsecured	17,789	38,848
Less: Provision for expected credit loss - note 31	(264)	(264)
	17,525	38,584
	1,248,473	1,612,111

12.1 Details of amounts due from associated undertakings / related parties are as follows:

	Upto 3 month		3 to 6 months		Total	
	2024	2023	2024	2023	2024	2023
	--------------------Rupees--------------------					
Engro Fertilizers Limited	10,869	34,915	-	-	10,869	34,915
Engro Eximp FZE - export sales	138,280	435,259	-	33,182	138,280	468,441
FrieslandCampina Engro Pakistan Limited	10,753	-	-	-	10,753	-
	159,902	470,174	-	33,182	159,902	503,356

(Amounts in thousand)

12.2 Maximum amounts due from related parties at any time during the year with respect to month end balances are as follows:

	2024	2023
	....Rupees....	
Engro Fertilizers Limited	55,009	34,915
Engro Eximp FZE	680,673	3,105,978
FrieslandCampina Engro Pakistan Limited	10,753	-

12.3 As at December 31, 2024, trade debts aggregating to Rs. 1,101,457 (2023: Rs. 1,556,538) were neither past due nor impaired.

12.4 As at December 31, 2024, trade debts aggregating Rs. 147,016 (2023: Rs. 55,573) were past due but not impaired. These relate to various customers for which there is no recent history of default.

The ageing analysis of these trade debts is as follows:

	2024	2023
	....Rupees....	
Up to 3 months	142,716	55,573
3 - 6 months	599	-
More than 6 months	3,701	-
	147,016	55,573

12.5 These debts are secured by way of bank guarantees and letters of credit from customers. The Company maintains letter of guarantee discounting facilities with an approved limit of Rs. 1,850,000. As of December 31, 2024, the Company has utilised Rs. 523,632 and the remaining unutilised amount is Rs. 1,326,368. These facilities carry a markup rate of the prevailing Karachi Interbank Offered Rate (KIBOR) plus a spread ranging from 0.15% to 0.30% per annum.

(Amounts in thousand)

13. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024	2023
	....Rupees....	
Considered good		
Current portion of long term-loans and advances to executives - note 9	27,324	16,823
Advances to employees	5,875	5,050
Advances to suppliers and others - note 13.1	159,062	534,998
Deposits	1,246,200	1,402,663
Prepayments - note 13.2	362,445	328,500
Receivable from Government of Pakistan in respect of Sales tax and Federal excise duty refundable	2,469,919	1,563,865
Due from related parties, unsecured - notes 13.3, 13.4 and 13.11	297,136	131,406
Loans to subsidiary companies - notes 13.9, 13.10 and 13.11	6,161,846	1,586,447
Other receivables, unsecured - note 13.8 and 13.11	179,803	247,616
	10,909,610	5,817,368
Considered doubtful		
Custom duty claims refundable - note 13.5	18,043	18,043
Less: Provision for impairment - note 13.7	(18,043)	(18,043)
	-	-
Special Excise Duty (SED) refundable - note 13.6	36,687	36,687
Less: Provision for impairment - note 13.7	(36,687)	(36,687)
	-	-
	10,909,610	5,817,368

13.1 This includes advance made to a related party - Nimir Industrial Chemicals Limited amounting to Rs. 34,472 (2023: Rs. 196,910).

13.2 This includes prepaid insurance amounting to Rs. 200,420 (2023: Rs. 199,349).

(Amounts in thousand)

13.3 Other receivables from related parties comprise of:

	Upto 3 month		3 to 6 months		More than 6 months		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Engro Corporation Limited	2,015	151	11	713	35	-	2,061	864
Think PVC (Private) Limited	2,647	2,482	1,064	1,185	7,209	1,835	10,920	5,502
Engro Energy Limited	-	36	-	-		-	-	36
Engro Energy Services Limited	-	12	-	75	205	118	205	205
Engro Plasticizer (Private) Limited	156	-	761	-	676	440	1,593	440
Engro Fertilizers Limited	12,781	-	2,128	3,030	9,860	553	24,769	3,583
Engro Peroxide (Private) Limited	3,368	45,735	2,039	33,530	213,253	37,755	218,660	117,020
Engro Powergen Qadirpur Limited	6,794	85	-	204		133	6,794	422
Engro Powergen Thar (Private) Limited	3,888	50	-	-		-	3,888	50
Engro Vopak Terminal Limited	385	928	-	1,357	1,780	534	2,165	2,819
Engro Elengy Terminal (Private) Limited	469	456	-	-	456	-	925	456
Engro Eximp FZE	-	-	-	-	24,297	-	24,297	-
Elengy Terminal Pakistan Limited	-	-	-	-	34	-	34	-
Engro Enfrashare (Private) Limited	-	-	-	-	3	-	3	-
Sindh Engro Coal Mining Company Limited	264	-	-	-	558	9	822	9
	32,767	49,935	6,003	40,094	258,366	41,377	297,136	131,406

13.4 Maximum amounts due from related parties at the end of any month during the year are as follows:

	2024	2023
	....Rupees....	
Engro Corporation Limited	4,754	864
Think PVC (Private) Limited	10,920	5,502
Engro Energy Limited	36	524
Engro Energy Services Limited	205	205
Engro Plasticizer (Private) Limited	1,593	-
Engro Fertilizers Limited	28,419	3,583
Engro Peroxide (Private) Limited	218,660	117,020
Engro Powergen Qadirpur Limited	6,794	422
Engro Powergen Thar (Private) Limited	7,177	50
Engro Foundation	11,048	10,749
Engro Vopak Terminal Limited	3,206	2,819
Engro Elengy Terminal (Private) Limited	1,622	456
Engro Eximp FZE	24,297	-
Elengy Terminal Pakistan Limited	34	-
Engro Enfrashare (Private) Limited	3	-
Sindh Engro Coal Mining Company Limited	822	9

(Amounts in thousand)

13.5 The Customs Appellate Tribunal, Karachi Bench, through its order dated October 31, 2011, disposed of the Company's appeal filed on April 11, 2008 against the order of Collector of Customs, Port Muhammad Bin Qasim, Karachi, for the refund of custom duty paid during the period June 16, 2006 to July 24, 2006 on imports of Vinyl Chloride Monomer (VCM). The Tribunal was informed that all the aforementioned VCM consignments were released after the issuance of SRO 565(1) / 2006 dated June 6, 2006 and the benefit of five percent duty reduction was also passed onto the customers. However, as the price of the Company's product was increased which is linked with international market, the Tribunal inadvertently presumed that the said benefit had not been transferred to the customers and passed an order against the Company.

The Company has filed an appeal with the High Court of Sindh against the aforesaid order of the Tribunal, which is pending adjudication. However, the Company is maintaining full provision against the aforementioned custom duty refundable till such time that all available legal forums are exhausted.

13.6 During 2007, Special Excise Duty (SED) amounting to Rs. 91,616 was paid on import of certain fixed assets. Out of the total SED paid, an amount of Rs. 54,929 was adjusted through input claim in sales tax returns. Later, the remaining amount of Rs. 36,687 could not be adjusted as the said duty was disallowed as an adjustment from output tax under section 7 of Sales Tax Act, 1990. Therefore, the Company has fully provided the said amount. However, the Company is pursuing recovery of the remaining amount from the tax authorities based on the view that the SED can be recovered as it was paid prior to the change in the Sales Tax Act.

13.7 As at December 31, 2024, receivables aggregating to Rs. 54,730 (2023: Rs. 54,730) were deemed to be impaired and have been provided for in full (notes 13.5 and 13.6).

13.8 Includes Rs. 143,596 (2023: Rs. 239,327) in respect of insurance claim receivable.

13.9 Represents loans provided to by Engro Peroxide (Private) Limited and Think PVC (Private) Limited, wholly owned subsidiary companies of the Company along with accrued interest, amounting to Rs. 6,035,309 and Rs. 126,537, respectively (2023: Rs. 1,565,829 and Rs. 20,618, respectively). The total facility under these loan agreements amounts to Rs. 6,000,000 and Rs. 500,000 and carries markup at the rate of 3 months KIBOR + 0.5% and 1 month KIBOR + 0.5% per annum, respectively.

13.10 Maximum outstanding loans due from related parties at the end of any month during the year are as follows:

	2024 ....Rupees....	2023
Engro Peroxide (Private) Limited	6,035,309	1,565,829
Think PVC (Private) Limited	126,537	20,618

(Amounts in thousand)

13.11 These balances are neither past due nor impaired.

14. SHORT-TERM INVESTMENTS

	2024 ....Rupees....	2023
At fair value through profit and loss		
- Mutual funds	-	100,118
At amortised cost		
- Treasury bill - note 14.1	1,284,971	1,148,648
- Term deposit receipts - note 14.2	160,035	405,363
- Current maturity of long-term investments in term deposit receipts - note 14.3	-	1,691,328
	1,445,006	3,245,339
	1,445,006	3,345,457

14.1 Carries mark-up at rates ranging from 13% to 21.40% (2023: 21.40% to 21.91%) per annum, having maturities upto May 15, 2025.

14.2 Carries mark-up at 8% (2023: 19.00% to 19.70%) per annum maturing on January 30, 2025.

14.3 Represented term deposits receipts aggregating to USD 35,000 maintained with Dubai Islamic Bank Pakistan Limited. These carried profit at the rate of six months LIBOR + 0.89% per annum and matured in six equal semi-annual installments of USD 5,833 starting from July 15, 2021 and ended on January 15, 2024.

15. CASH AND BANK BALANCES

	2024 ....Rupees....	2023
Cash in hand	557	554
Cash at bank - note 15.1		
Conventional		
- in current accounts	714,962	2,112,080
- in savings accounts - note 15.2	322,961	287,172
	1,037,923	2,399,252
Islamic		
- in current accounts	2,082,668	502,824
- in savings accounts - note 15.2	220,042	1,082,865
	2,302,710	1,585,689
	3,341,190	3,985,495

(Amounts in thousand)

15.1 These include Rs. 2,343,341 (2023: 1,920,451) held in foreign currency bank accounts.

15.2 These carry mark-up at rates ranging from 5.02% to 20.50% (2023: 12.5% to 20.50%) per annum.

16. ORDINARY SHARE CAPITAL

	2024	2023
	....Rupees....	
Authorised capital		
1,250,000,000 (2023: 1,250,000,000) ordinary shares of Rs. 10 each	12,500,000	12,500,000
Issued, subscribed and paid-up capital		
908,923,333 (2023: 908,923,333) ordinary shares of Rs. 10 each, fully paid in cash - notes 16.1 and 16.2	9,089,233	9,089,233

16.1 As at December 31, 2024, Engro Corporation Limited (the Holding Company) and Mitsubishi Corporation (an associated company) held 510,733,453 and 100,053,563 (2023: 510,733,453 and 100,053,563) ordinary shares of Rs.10 each denoting 56.19% (2023: 56.19%) and 11.01% (2023: 11.01%) of the share capital of the Company.

16.2 There is a shareholders' agreement between the Holding Company and Mitsubishi Corporation which includes provisions in respect of Board of Directors selection, voting rights, rights of first refusal, etc.

17. PREFERENCE SHARES

	2024	2023
	....Rupees....	
Authorised capital		
400,000,000 (2023: 400,000,000) preference shares of Rs. 10 each	4,000,000	4,000,000
Issued, subscribed and paid-up capital		
300,000,000 (2023: 300,000,000) preference shares of Rs. 10 each, fully paid in cash - note 17.1	3,000,000	3,000,000

(Amounts in thousand)

17.1 In 2020, the Company issued perpetual, cumulative, callable and convertible listed preference shares of Rs. 3,000,000 by way of pre-IPO placements and public offer at a price of Rs. 10 per share in cash, carrying markup at the rate of 6 months KIBOR + 3.5% per annum. The payment of the same shall be at the discretion of the Board of Directors of the Company. The objective of the preference shares issuance was to finance PVC-III expansion and VCM debottlenecking projects. The Company has an option to call and redeem preference shares in full or in part after the expiry of twelve months from the issue date. The preference shares may be converted into ordinary shares of the Company at the option of the preference shares holder after the expiry of eighty months from December 31, 2020 based on the ratio of 1:1.

18. LONG-TERM BORROWINGS

	Mark-up rate per annum	Installments		2024	2023
		Number	Commencing	....Rupees....	
Loan from International Finance Corporation (IFC) - note 18.1	6 months LIBOR + 3.25%	6 half yearly	July 15, 2021	-	1,645,647
Bilateral Loan - note 18.2	6 months KIBOR + 0%	6 half yearly	July 15, 2021	-	903,584
Islamic Long Term Financing Facility (ILTFF) - note 18.3	SBP rate + 1.2%	32 quarterly	December 14, 2022	1,392,830	1,633,332
Islamic Temporary Economic Refinance Facility (ITERF) - notes 18.4 and 18.13	Ranging from SBP rate + 0.75% to 1%	32 quarterly	June 12, 2023	738,974	845,353
Loan under diminishing musharka agreement I - note 18.5	3 months KIBOR + 0.4%	8 half yearly	June 28, 2023	200,000	300,000
Syndicated Long Term Islamic Financing Facility - note 18.6	3 months KIBOR + 0.3%	12 quarterly	March 27, 2028	8,736,621	8,733,733
Loan under diminishing musharka agreement II - note 18.7	3 months KIBOR + 0.3%	16 quarterly	March 30, 2026	6,000,000	6,000,000
Ijarah facility from International Finance Corporation (IFC) - note 18.8	SOFR + 3.68%	7 half yearly	July 15, 2025	4,101,889	4,112,422
Bilateral Loan II - note 18.9	3 months KIBOR + 0.4%	28 quarterly	April 19, 2026	2,000,000	-
Loan under diminishing musharka agreement III - note 18.10	3 months KIBOR + 0.03%	28 quarterly	March 9, 2027	6,000,000	-
				29,170,314	24,174,071
Less: Current portion shown under current liabilities					
- Loans from International Finance Corporation				-	(1,645,647)
- Bilateral Loan				-	(903,584)
- Islamic Long Term Financing Facility (ILTFF)				(243,750)	(243,750)
- Islamic Temporary Economic Refinance Facility (ITERF)				(106,378)	(109,020)
- Loan under diminishing musharka agreement I				(100,000)	(100,000)
- Ijarah facility from International Finance Corporation (IFC)				(597,392)	-
				(1,047,520)	(3,002,001)
Less: Deferred income - Government grant - note 18.13				(180,962)	(244,285)
				27,941,832	20,927,785

18.1 In 2018, the Company had entered into a financing agreement with IFC for a total of USD 35,000, the draw down of which was made in December 2019. This was secured by way of hypothecation charge of present and future fixed assets of the Company (excluding land and building) to the extent of USD 43,750 which shall rank pari passu with the charges created in favour of the existing creditors. During the year, the outstanding amount was repaid in entirety on the expiry of its contractual term and accordingly hypothecation charge on the Company's assets was released.

18.2 In 2019, the Company entered into a musharaka agreement with Dubai Islamic Bank Pakistan Limited (DIBPL). This was secured by way of hypothecation charge of present and future fixed assets of the Company (except land and building) to the extent of Rs. 1,199,450, ranking subordinate and subservient to the charges created in favour of the existing creditors, and a lien and a right of set-off over the Term Deposit Receipts maintained with DIBPL (note 14). During the year, the outstanding amount was repaid in entirety on the expiry of its contractual term and accordingly hypothecation charge on the Company's assets was released.

18.3 In 2020, the Company obtained Islamic Long Term Financing Facility (ILTFF) of the State Bank of Pakistan 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 of present and future fixed assets of the Company (excluding land and building), to the extent of Rs. 2,437,500 which shall rank pari passu with the charges created in favour of the existing creditors.

18.4 In 2021, the Company obtained Islamic Temporary Economic Refinance Facility (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 the way of hypothecation charge of present and future fixed assets of the Company (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.

18.5 In 2021, the Company made a draw down of Rs. 400,000 under diminishing musharka agreement entered with Bank of Khyber to finance its long term expenditure. The borrowing is secured by the way of hypothecation charge of present and future fixed assets of the Company (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.

18.6 On December 28, 2022, the Company made a draw down of Rs. 8,750,000 under syndicate long term islamic financing facility to finance buyback of its sukuk bonds. The borrowing is secured by way of hypothecation charge of present and future fixed assets of the Company, to the extent of Rs. 11,666,667 which shall rank pari passu with the charges created in favor of existing creditors.

18.7 On December 12, 2022, the Company 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). These are secured by the way of hypothecation charge of present and future fixed assets of the Company, to the extent of Rs. 7,833,333 which shall rank pari passu with the charges created in favor of existing creditors.

(Amounts in thousand)

18.8 In 2021, the Company had entered into a 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 the Company (excluding land and building) to the extent of USD 18,750 which shall rank pari passu with the charges created in favour of the existing creditors.

18.9 During the year, the Company 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 the Company (except land and building) to the extent of Rs. 2,500,000, ranking subordinate and subservient to the charges created in favour of the existing creditors.

18.10 During the year, the Company entered into a musharaka agreement with Meezan Bank Limited 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 the Company (except land and building) to the extent of Rs. 7,200,000, ranking subordinate and subservient to the charges created in favour of the existing creditors.

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

	2024	2023
	....Rupees....	
Balance at beginning of the year	24,174,071	24,371,657
Add: Loans received - net of transaction costs	8,000,000	4,293,727
Add: Amortisation of transaction costs - note 34	46,214	68,161
Add: Exchange (gain) / loss - net	(57,209)	568,800
Less: Loans / Installments repaid	(2,992,762)	(5,128,274)
Balance at end of the year	29,170,314	24,174,071

18.12 The proceeds from the aforementioned loans are carried net of unamortised balance of transaction cost of Rs. 101,945 (2023: Rs. 124,857).

18.13 The value of benefit of below-market interest rate on the loans disclosed in note 18.4 has been accounted for as government grant. The movement of carrying amount of deferred grant in respect of these loans is as under:

(Amounts in thousand)

	2024 ....Rupees....	2023
Balance at beginning of the year	244,285	223,723
Add: Recognised during the year	-	79,083
Less: Amortisation during the year - note 34	(63,323)	(58,521)
Balance at end of the year	180,962	244,285
Less: Current portion	(45,090)	(49,053)
	135,872	195,232

18.14 In respect of the above facilities, as stated in notes 18.1 to 18.10, the Company is required to comply with certain financial covenants at the end of each annual reporting period and on a quarterly basis incase 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 - 1.2x
Debt to Equity Ratio	75:25
Interest Coverage Ratio	Minimum 0.6x - 3.0x
Debt to EBITDA Ratio	Maximum 2.5x - 4.0x
Liabilities to Total tangible net worth	Maximum 2.0x - 2.5x
Gearing Ratio	Maximum 2.5x
Security coverage ratio	Minimum 1.25x

During the year, operating losses caused by subdued PVC demand and rising raw material costs led to increased short-term borrowing requirements as market conditions did not practically allow the Company to pass additional costs to its customers through price increases in the short term. As a result, the Company 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. The Company based on its projections remains confident that there are no indicators that the Company will have difficulties in complying with the required financial covenants when these will be next tested.

19. LEASE LIABILITIES

	2024 ....Rupees....	2023
Total lease liabilities - note 19.1	1,225,903	2,487,072
Current portion	(830,704)	(1,155,904)
Non current portion	395,199	1,331,168

19.1 This includes lease liability in respect of storage arrangements with Engro Vopak Terminal Limited, a related party, amounting to Rs. 1,186,100 (2023: Rs. 2,435,722).

19.2 The movement in the lease liability during the year is as follows:

	2024 ....Rupees....	2023
Balance at beginning of the year	2,487,072	3,741,194
Finance costs - note 34	100,624	204,984
Exchange (gain) / loss on foreign currency denominated leases - notes 32.3 and 33.1	(27,294)	913,597
Lease rentals paid	(1,334,499)	(2,372,703)
Balance at end of the year	1,225,903	2,487,072

20. PROVISIONS

Provision for:		
- Gas Infrastructure Development Cess - note 20.1	5,593,211	5,593,211
- Gas price revision - note 20.2	517,392	517,392
	6,110,603	6,110,603
Less: Current portion of provisions	(6,110,603)	(6,110,603)
	-	-

20.1 Under the Gas Infrastructure Development Cess Act, 2011, the Government of Pakistan levied Gas Infrastructure Development Cess (GIDC) on all industrial gas consumers at the rate of Rs. 13 per MMBTU. Later, GIDC rates were enhanced through notifications under OGRA Ordinance 2002, Finance Act, 2014 and GIDC Ordinance 2014 against which the Company had obtained ad-interim stay orders from the High Court of Sindh (SHC). However, on prudent basis the Company recognised a provision of Rs. 1,345,789 till May 21, 2015.

On May 22, 2015, the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs.100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumption, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and the GIDC Ordinance, 2014.

The Company, based on the advice of its legal counsel, was of the view that as per GIDC Act, 2015, the uncollected portion of cess levied through GIDC Act, 2011 and GIDC Ordinance 2014, shall not be collected from the industrial sector. Therefore, the Company reversed the provision relating to industrial portion of GIDC of Rs. 753,664 for the period prior to promulgation of GIDC Act, 2015 and retained GIDC provision of Rs. 592,125 in respect of captive power.

(Amounts in thousand)

On August 13, 2020, the Supreme Court of Pakistan (SCP) announced the decision rendering the GIDC Act 2015 intra virus to the constitution and directed the gas supplying companies to recover the dues in 24 monthly installments. A review petition was filed against the said order which was disposed-off in November 2020. The SCP in review petition, elaborated that deliberation on any provision of GIDC Act, 2015 can be contested on appropriate forum and mentioned that the installments period can be extended to 48 months. The Company has obtained ad-interim stay order dated October 5, 2020 against the GIDC Act, 2015 from SHC which restrained Sui Southern Gas Company Limited (SSGC) from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on this matter.

Considering the aforementioned developments in GIDC case (including the Judgement and the Review petition decision on GIDC), 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. monthly installment rather than lump sum amount), the Company had remeasured its previously undiscounted provision at its present value using risk free discount rate to incorporate the effect of time value of money arising from the expected settlement based on an installment plan and had accordingly, recognised remeasurement gain on provision for GIDC of Rs. 680,996 in 2020 which was fully recognised by 2023.

20.1.1 The movement in the provision for GIDC is as follows:

	2024	2023
	....Rupees....	
Balance at beginning of the year	5,593,211	6,131,294
Remeasurement loss on provision for GIDC	-	140,281
(Reversal of provision for) / Provision for default surcharge - note 34	-	(678,364)
Balance at end of the year	5,593,211	5,593,211
Less: Current portion of provision for GIDC	(5,593,211)	(5,593,211)
	-	-

20.2 In 2017, the Company 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, the Company cited the increase as illegal and unconstitutional. On September 6, 2024, the SHC disposed off the aforementioned suit in the Company's favour, however, the same was subsequently challenged by OGRA in a high court appeal for which judgement has now been reserved. The Company, therefore on account of prudence has continued to recognise a provision of Rs. 517,392 for the period from December 2017 to September 2018 in these financial statements.

21. DEFERRED TAX LIABILITY - net

	2024	2023
	....Rupees....	
Credit balances arising due to:		
- accumulated depreciation	7,569,455	6,007,202
Debit balances arising due to:		
- unpaid liabilities	535,115	451,480
- leases	226,184	440,128
- provisions	2,181,352	1,989,393
- shares issuance cost	77,771	77,771
- tax losses - note 21.1	1,956,031	-
- minimum turnover tax - note 21.1	727,355	-
	(5,703,808)	(2,958,772)
	1,865,647	3,048,430

21.1 The Company has recognised a deferred tax asset for business loss, depreciation loss and minimum turnover tax amounting to Rs. 299,598, Rs. 1,656,433 and Rs. 727,355 respectively (2023: Nil). This recognition is based on the Company's financial projections, which indicate availability of sufficient future taxable profits to realise the assets.

22. TRADE AND OTHER PAVABLES

	2024	2023
	....Rupees....	
Trade and other creditors - note 22.1	8,442,160	2,887,396
Accrued liabilities - notes 22.1 and 22.2	8,815,203	9,260,256
Advances from customers notes 22.1 and 22.3	2,080,930	1,876,553
Retention money	22,511	12,208
Security deposits - note 22.4	17,400	20,400
Payable to provident fund	84	-
Payable to gratuity fund	2,406	1,933
Payable to pension fund	1,775	1,775
Workers' Welfare Fund - note 22.5	-	255,955
Workers' Profits Participation Fund - note 22.6	8,364	22,742
Withholding tax payable	3,668	12,491
Others	52,026	38,716
	19,446,527	14,390,425

(Amounts in thousand)

22.1 Includes due to following related parties:

	2024	2023
- Engro Corporation Limited	80,223	291,307
- Engro Fertilizers Limited	380,922	150,569
- Engro Energy Limited	160,139	250
- Engro Elengy Terminal (Private) Limited	22	-
- Engro Foundation	-	125,000
- Engro Vopak Terminal Limited	137,733	289,925
- Engro Eximp FZE	6,986,584	1,739,751
- Engro Powergen Qadirpur Limited	403	-
- Sindh Engro Coal Mining Company Limited	4,550	-
- Nimir Industrial Chemicals Limited	-	46,292
	7,750,576	2,643,094

22.2 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. The Company filed a petition against the judgement before the Honorable Supreme Court of Pakistan (SCP) challenging the SHC judgement. Later, on September 2021, the SCP suspended the judgement of SHC along with the recovery of the Cess. For all future consignments, the Company is required to furnish fresh bank guarantees equivalent to the full amount of levy. Management is confident that ultimate outcome of the case will be decided in its favor, however, on prudence basis, has recognized Rs. 2,715,122 (2023: Rs. 2,216,076) in respect of the Cess in these financial statements.

22.3 This represents advances received by the Company from customers and distributors for goods to be delivered. The advances outstanding as at December 31, 2023 have been fully recognised as revenue during the year.

22.4 These represent interest-free deposits from dealers for the performance of their service as defined in the dealership agreements. The deposits are refundable on termination of dealership agreements and are payable on demand. The amount is fully utilised in business in accordance with the requirement of written agreements and in terms of section 217 of the Companies Act, 2017.

22.5 The movement in Workers' Welfare Fund payable is as follows:

	2024 ....Rupees....	2023
Balance at beginning of the year	255,955	379,289
Charge for the year - note 32	12,949	138,993
	268,904	518,282
Less: Payments made during the year	(268,904)	(262,327)
Balance at end of the year	-	255,955

(Amounts in thousand)

22.6 The movement in Workers' Proft Participation Fund payable

	2024 ....Rupees....	2023
Payable / (receivable) balance at beginning of the year	22,742	(27,182)
Allocation for the year - note 32	-	460,924
Interest charged during the year - note 34	1,580	-
	24,322	433,742
Less: Payments made during the year	(15,958)	(411,000)
Payable balance at the end of the year	8,364	22,742

23. SERVICE BENEFIT OBLIGATIONS

	2024	2023
Service incentive plan - note 23.1	98,860	85,166

23.1 Represents provision for annual employment benefits payable to eligible employees who have successfully completed 3 years of vesting period with the Company.

24. SHORT-TERM BORROWINGS

	2024 ....Rupees....	2023
Conventional running finance facility - note 24.1	1,543,858	2,618,621
Islamic running finance facility - note 24.1	1,999,911	4,583,105
Conventional money market finance facility - note 24.2	1,980,000	-
Islamic money market finance facility - note 24.2	6,324,858	-
Conventional export refinance facility - note 24.3	-	324,360
	11,848,627	7,526,086

24.1 The aggregate facilities for running finance available from various banks as at December 31, 2024, amounted to Rs. 23,850,000 (2023: Rs. 12,500,000), out of which Rs. 20,306,231 (2023: Rs. 5,298,274) remained unutilised as at year end. These facilities carries mark-up of 6, 3 and 1 month KIBOR plus a spread ranging from -1% to 0.5% per annum. These facilities are secured through hypothecation charges against the current assets of the Company and are payable on demand.

24.2 Represents money market loan facility carrying mark-up of 6, 3 and 1 month KIBOR plus a spread ranging from -2% to 0.1% per annum. These facilities are secured through hypothecation charges against the current assets of the Company.

24.3 Represented export refinancing facility which carried mark-up at 19% (2023: 19%) per annum, on rollover basis, for a period of six months. This facility was secured by a floating charge over stocks and book debts of the Company and expired during the year.

(Amounts in thousand)

25. ACCRUED INTEREST / MARK-UP

	2024	2023
	....Rupees....	
Mark-up accrued on:		
- long-term borrowings	302,808	447,056
- short-term borrowings	314,680	9,938
	617,488	456,994

26. INCOME TAX RECOVERABLE / (PAYABLE)

26.1 The Deputy Commissioner Inland Revenue (DCIR) through his order dated November 30, 2010 raised a tax demand of Rs. 163,206 for tax year 2009. The demand arose as a result of disallowance of finance costs of Rs. 452,665, additions to income of trading liabilities of Rs. 21,859 under section 34(5) of the Income Tax Ordinance 2001 (the Ordinance), disallowance of provision for retirement benefits of Rs. 14,239, disallowance of provision against Special Excise Duty (SED) refundable of Rs. 36,689, addition of imputed interest on loans to employees and executives of Rs. 20,599 and not considering net loss.

In 2013, the Appellate Tribunal Inland Revenue (ATIR) issued an order whereby the aforementioned appeal was disposed of by accepting Company's position except for additions on account of SED provision of Rs. 36,689 and imputed interest on loans to employees and executives to the extent of Rs. 218, which were maintained. The Company filed a reference in the SHC against the additions maintained by ATIR. Likewise, the tax department has also filed reference in SHC against the order passed by the ATIR in favour of the Company. The management of the Company, based on the advice of its tax consultants, is confident that the ultimate outcome of the aforementioned matters would be favourable and, accordingly, no provision has been recognised in these financial statements.

26.2 Through Finance Act 2015, Section 4B of the Ordinance was inserted which levied super tax at specified rates on income for the tax year 2015. This levy was subject to the threshold of taxable income of Rs. 500,000. The levy was extended uptil tax year 2020 vide subsequent Finance Acts. Through Finance Supplementary Act, 2019, the super tax rate has been amended to 0% from tax year 2020 and onwards for companies other than the banking companies. On August 1, 2018, the Company filed petition against the levy of super tax in the SHC, however, based on the opinion of its legal advisor, the Company made a provision for the full amount of super tax of Rs. 328,000. In 2020, super tax was declared intra vires by the SHC and has been declared a tax rightly introduced through Finance Act and vacated all the stays filed in this respect. Consequently, the Company received various notices from tax authorities for recovery of super tax for tax years 2017 to 2019. The Company filed appeal, against the said notices with Commissioner Inland Revenue - Appeals [CIR(A)] whereby the action of the officer has been confirmed by the CIR(A) for tax years 2017 to 2019. The Company has filed an appeal thereagainst before the ATIR against the decision of the CIR(A) which is pending adjudication.

In the meanwhile, the Company also filed petition in the Supreme Court of Pakistan (SCP) against the order of the SHC, which is pending adjudication. In November 2020, the SCP conditionally granted stay subject to deposit of 50% of super tax demand.

26.3 Through the notice dated January 20, 2020, the Additional Commissioner Inland Revenue (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 the Company to pay Rs. 552,331 being the amount short paid with the income tax return. The Company 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 the Company to approach the SCP. The Company has filed Civil Petition for Leave to Appeal against SHC order in the SCP, which was heard on March 18, 2020 and an interim stay has been granted to the Company. The Company, based on the advice of legal advisor, is confident of a favourable decision. Accordingly, no provision has been recognised in these financial statements.

26.4 In accordance with section 4C 'Super tax on high earning persons' introduced in the Ordinance through the Finance Act, 2022, super tax at the rate of 10% was imposed on specified industry sectors (including the chemical sector) in case the taxable income exceeded Rs. 300,000 for the year ended December 31, 2021 (tax year 2022) while for certain other sectors super tax was levied at the rate of 4%. The Holding Company filed a petition against the imposition of super tax before the SHC. The SHC in its judgement dated December 22, 2022, declared that the super tax levy shall only be applicable from the tax year 2023 and that the imposition of higher rate on the specified sectors is discriminatory. The Federal Board of Revenue (FBR) filed an appeal against the order of the SHC in the SCP, whereby, SCP through an interim order dated February 16, 2023, directed Nazir of the SHC to encash bank guarantees to the extent of 4% of super tax, resultantly, bank guarantees equivalent to Rs. 665,210 were encashed in prior year in favour of the Nazir of SHC. The Company's management, in this respect has recognised provision of super tax at the rate of 4% amounting to Rs. 632,543 in these financial statements on account of prudence on its normal tax regime income and based on advice from its consultants, considers that the chances of additional super tax levy of 6% amounting to Rs. 957,494 to be remote and, therefore, no provision has been recognised thereagainst in these financial statements.

26.5 Through Finance Act, 2023, super tax rate under section 4C of the Ordinance has retrospectively been increased to 10% on companies whose taxable income exceeded Rs. 500,000 for tax year 2023 (financial year ended December 31, 2022) and onwards. Accordingly, the Company recognised an additional super tax charge at the rate of 6% amounting to Rs. 808,351 in prior year pertaining to tax year 2023. The Company along with other petitioners challenged the amendment relating to retrospective increase in the super tax rate for tax year 2023 in the Islamabad High Court (IHC), which granted an interim stay order against the increase in super tax rate without submission of any bank guarantees as well.

During the year, the FBR filed an appeal before the SCP stating that the IHC had no jurisdiction to entertain petitions of Sindh based companies, hence the petition and interim stay order passed by the IHC with respect to the retrospective rate enhancement of super tax charge of 6% should be annulled. SCP remanded the case back to IHC with the direction to pass a speaking order justifying the reasons for inapplicability of incremental 6% retrospective rate enhancement. Later, IHC passed an order dated March 15, 2024, as per the directive of SCP, whereby the IHC decided that 6% incremental super tax is not applicable retrospectively on tax year 2023 and prior periods. Further, the IHC also ruled that super tax should be calculated excluding all the income which falls under the final tax regime. The FBR has currently filed an intra court appeal in IHC against the said order, which is pending adjudication. Hence, the Company on account of prudence has continued to maintain its provision in respect of 6% incremental super tax in these financial statements.

26.6 In 2023, income tax department finalised the monitoring proceedings for tax years 2018 to 2022 against the Company 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 the Company under protest and the Company, subsequently preferred an appeal before the CIR(A) to contest the aforementioned monitoring proceedings.

During the year, the CIR(A) had passed an order in the favor of the Company 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 FBR has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the said decision of CIR(A). As at December 31, 2024, appeal for tax year 2020 in the above case is also pending before the ATIR. The Company, based on the advice from its tax consultant expects a favourable outcome in this respect and hence, no provision has been recognised in these financial statements.

26.7 In 2023, the income tax department amended the assessment filed by the Company for tax year 2019. The Company 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. The Company had paid demand of Rs. 200,000 under protest. During the year, the Company further paid demand of Rs. 200,000 under protest. However, the Company based on the advice of its tax consultant is confident of a favourable outcome, accordingly, no provision in this respect has been recognised in these financial statements.

26.8 During the year, the income tax department amended the assessment filed by the Company for tax year 2022. The Company 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 the Company under protest. However, the Company based on the advice of its tax consultant is confident of a favourable outcome, accordingly, no provision in this respect has been recognised in these financial statements.

(Amounts in thousand)

26.9 In 2023, in accordance with section 59B (Group relief) of the Ordinance, the Company had purchased tax losses from Engro Corporation Limited (the Intermediate Parent Company) and Engro Eximp Agriproducts (Private) Limited for the year ended December 31, 2020 (tax year 2021) and December 31, 2022 (tax year 2023), respectively for a consideration of Rs. 373,489 and Rs. 228,688, respectively, being equivalent to resultant tax benefit. The Company, accordingly, had adjusted the aforementioned losses against its taxable income for the year 2023 and has adjusted the taxes payable in these financial statements. The recoupment of these losses against taxable income of the Company is subject to certain conditions as specified in Section 59 B the Ordinance.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Income tax related contingencies are disclosed in notes 26.1 to 26.8.

27.1.2 The aggregate facilities for issuance of performance guarantees by the banks on behalf of the Company as at December 31, 2024 amounts to Rs. 9,346,000 (2023: Rs. 6,621,500). The amount utilised there against as at December 31, 2024 is Rs. 7,831,507 (2023: Rs. 5,902,139).

27.2 Commitments

27.2.1 The facility for opening letters of credit as at December 31, 2024 aggregates to Rs. 42,085,500 (2023: Rs. 32,037,214). The amount utilised thereagainst as at December 31, 2024 was Rs. 15,843,340 (2023: Rs. 7,145,794).

27.2.2 Commitments in respect of rentals of storage tanks at EVTL for the handling of (i) Ethylene aggregating to USD 3,870 (2023: USD 10,584) are valid till March 31, 2026, (ii) Ethylene Di Chloride (EDC) aggregating to USD 2,224 (2023: USD 8,270) are valid till December 31, 2028 and (iii) Vinyl Chloride Monomer (VCM) aggregating to USD 644 (2023: USD 667) are valid till December 31, 2024.

	2024	2023
	....Rupees....	
27.2.3 Commitments in respect of expenditure of capital and other operational items	6,035,471	4,587,857

(Amounts in thousand)

28. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	2024	2023
	....Rupees....	
Gross local sales - note 28.1	85,370,367	89,862,918
Supply of electricity - note 28.3	221,912	125,289
Less:		
- Sales tax	12,530,819	13,483,498
- Discounts	975,150	2,575,010
	13,505,969	16,039,512
	72,086,310	73,948,695
Export sales - note 28.2	3,591,437	7,294,749
	75,677,747	81,224,448

28.1 Include sales of trading goods amounting to Nil (2023: Rs. 185,348).

28.2 The Company has made exports in the Middle East.

28.3 This represents revenue against supply of surplus power to Engro Fertilizers Limited - a related party.

29. COST OF SALES

	2024	2023
	....Rupees....	
Opening stock of work-in-process	431,254	-
Raw and packing materials consumed	38,067,365	39,839,676
Salaries, wages and staff welfare - note 29.1	2,318,834	2,202,300
Fuel, power and gas	17,586,839	11,856,064
Repairs and maintenance	1,292,536	644,369
Depreciation on operating assets - note 5.3	2,020,013	2,899,437
Depreciation on right-of-use asset - note 6.1	499,501	449,661
Consumable stores	622,363	549,730
Purchased services	1,421,153	1,269,179
Storage and handling - note 29.2	582,413	907,416
Training, conveyance and travelling	304,562	304,235
Communication, stationery and other office expenses	138,650	74,106
Rent, rates and taxes - note 29.3	165,775	94,710
Product transportation	2,846,394	2,148,373
Insurance, fees and subscription	578,584	505,194
Provision against slow moving stores and spares - note 10.3	86,813	22,040
(Provision reversed against) / Provision for stock-in-trade - note 11.3	(15,657)	6,612
Write-off of:		
- stores and spares - note 10.2	4,336	210
- stock in trade - note 11.4	114,647	-
Amortisation of intangible assets - note 7.2	8,924	9,851
	68,644,045	63,783,163
Closing stock of work-in-process	(327,376)	(431,254)
Cost of goods manufactured	68,747,923	63,351,909
Opening stock of manufactured products	5,902,479	3,062,264
Closing stock of manufactured products	(5,542,484)	(5,902,479)
	359,995	(2,840,215)
Cost of sales - trading goods - note 29.4	-	164,853
	69,107,918	60,676,547

29.1 Includes Rs. 173,507 (2023: Rs. 161,448) in respect of staff retirement and other service benefits.

29.2 Includes expense relating to variable lease payments not included in lease liabilities amounting to Rs. 196,654 (2023: Rs. 210,229).

29.3 These include rentals for short-term leases amounting to Rs. 104,295 (2023: Rs. 83,193).

29.4 Movement of trading goods:

	2024	2023
	....Rupees....	
Opening trading stock	4,590	169,443
Write-off of trading goods	(4,590)	-
Closing trading stock	-	(4,590)
Consumption during the year	-	164,853

30. DISTRIBUTION AND MARKETING EXPENSES

	2024	2023
Salaries, wages and staff welfare - note 30.1	226,890	272,055
Dealer commission	278,523	224,863
Sales promotion	14,393	18,753
Rent, rates and taxes - note 30.2	2,144	11,026
Purchased services	22,498	17,675
Depreciation - note 5.3	19,748	7,524
Depreciation on right-of-use asset - note 6.1	8,840	8,840
Training, conveyance and travelling	66,727	50,278
Communication, stationery and other office expenses	21,872	16,237
Amortisation of intangible assets - note 7.2	2,158	2,158
	663,793	629,409

(Amounts in thousand)

30.1 Includes Rs. 15,864 (2023: Rs. 19,322) in respect of staff retirement and other service benefits.

30.2 These include rentals for short-term leases amounting to Rs. 1,456 (2023: Rs. 6,185).

31. ADMINISTRATIVE EXPENSES

	2024	2023
	....Rupees....	
Salaries, wages and staff welfare - note 31.1	504,300	565,928
Rent, rates and taxes - note 31.2	166,040	96,249
Purchased services	1,010,487	599,301
Depreciation - note 5.3	63,517	48,743
Amortisation of intangible assets - note 7.2	95,560	92,536
Depreciation on right-of-use asset - note 6.1	2,221	2,221
Training, conveyance and travelling	96,602	112,185
Communication, stationery and other office expenses	113,329	81,445
Provision for expected credit loss - note 12	-	264
Others	2,925	18,392
	2,054,981	1,617,264

31.1 Includes Rs. 31,206 (2023: Rs. 32,335) in respect of staff retirement and other service benefits.

31.2 These include rentals for short-term leases amounting to Rs. 57,336 (2023: Rs. 39,881).

32. OTHER EXPENSES

	2024	2023
	....Rupees....	
Legal and professional charges	121,196	83,480
Auditor's remuneration - note 32.1	23,787	32,386
Donations - note 32.2	30,868	145,216
Foreign exchange loss (net) - note 32.3	-	852,103
Loss on disposal of operating assets - note 5.4	17,694	-
Workers' Welfare Fund - note 22.5	12,949	138,993
Workers' Profits Participation Fund - note 22.6	-	460,924
	206,494	1,713,102

(Amounts in thousand)

32.1 Auditor's remuneration

	2024	2023
	....Rupees....	
Fee for:		
- Annual statutory audit	2,622	2,125
- Review of half yearly financial information	626	500
- Review of compliance with the Code of Corporate Governance	88	75
- Taxation and other advisory services	17,183	22,570
- Certifications and other services	1,122	6,238
Reimbursement of expenses	2,146	878
	23,787	32,386

32.2 This includes donations made to:

	2024	2023
- Engro Foundation - note 32.2.1	-	125,000

32.2.1 Mr. Ahsan Zafar Syed (the Chairman of the Board of Directors) is the trustee of Engro Foundation.

32.3 Includes Nil (2023: Rs. 913,597) arising on translation of foreign currency denominated lease liabilities.

33. OTHER INCOME

	2024	2023
	....Rupees....	
On financial assets		
Profit on bank deposits	148,884	169,741
Income from investments	287,944	957,228
Income on subordinated loans given to subsidiary companies	689,569	165,447
Income on intercompany balance due from associate	23,160	47,158
Foreign exchange gain (net) - note 33.1	90,591	-
	1,240,148	1,339,574
On non-financial assets		
Scrap sales	256,899	111,134
Gain on disposal of operating assets - note 5.4	-	4,900
Insurance claim	-	239,327
Others	14,323	11,521
	271,222	366,882
	1,511,370	1,706,456

(Amounts in thousand)

33.1 Includes Rs. 27,294 (2023: Nil) arising on translation of foreign currency denominated lease liabilities.

34. FINANCE COSTS

	2024	2023
	....Rupees....	
Interest / mark-up on:		
- long-term borrowings	4,013,763	3,903,082
- lease liabilities - note 19.2	100,624	204,984
- short-term borrowings and other facilities	2,250,066	245,041
Less: Amortisation of deferred income		
- Government grant - note 18.13	(63,323)	(58,521)
	6,301,130	4,294,586
Guarantee commission	31,219	17,197
Amortisation of transaction costs - note 18.11	46,214	68,161
Reversal of provision		
for default surcharge on GIDC - note 20.1.1	-	(678,364)
Letter of credit and related charges	982,537	237,492
Interest on WPPF - note 22.6	1,580	-
Bank and others charges	160,040	258,136
	7,522,720	4,197,208

35. MINIMUM TAX DIFFERENTIAL

- for the year - note 35.1	22,930	-
- for prior year - note 37.1	12,633	-
	35,563	-

35.1 This represents unrecoupable minimum tax paid under section 154 of the Ordinance, as amended through Finance Act, 2024.

36. FINAL TAX

	2024	(Restated) 2023
	....Rupees....	
- for the year - note 36.1	8,906	171,294
- for prior years - note 37.1	(86,871)	52,714
	(77,965)	224,008

36.1 This includes final tax paid under section 154 of the Ordinance till June 30, 2024. This levy was subsequently amended to a minimum tax through Finance Act, 2024.

(Amounts in thousand)

37. INCOME TAX

	2024	(Restated) 2023
	....Rupees....	
Current		
- for the year	790,852	3,520,531
- for prior years - note 37.1	(2,542,795)	229,065
	(1,751,943)	3,749,596
Deferred		
- for the year	(1,191,535)	640,237
- for prior years	8,751	252,873
	(1,182,784)	893,110
	(2,934,727)	4,642,706

37.1 Includes a reversal aggregating to Rs. 2,362,945 against tax provisions, based on finalisation of related income tax assessment orders.

37.2 Relationship Between Tax Expense and Accounting Profit

	2024	2023
(Loss) / profit before income tax	(2,324,387)	13,873,366
Tax calculated at applicable rate of 29% (2023: 29%)	(674,072)	4,023,276
Tax effect of super tax, final and minimum tax regime, tax credits and income subject to lower tax rates	280,166	8,197
Prior year tax charge - net	(2,534,044)	481,938
Effect of inadmissible expenses / permanent differences	-	104,862
Others	(6,777)	24,433
	(2,934,727)	4,642,706

(Amounts in thousand)

38. SHARIAH RELATED DISCLOSURES

		2024			2023		
	Note	Conventional	Shariah Compliant	Total	Conventional	Shariah Compliant	Total
		Rupees					
Statement of financial position							
Long-term investments	8	-	6,837,000	6,837,000	-	6,837,000	6,837,000
Short-term investments	14	1,284,971	160,035	1,445,006	2,839,976	505,481	3,345,457
Cash and bank balances	15	1,037,923	2,303,267	3,341,190	2,399,252	1,586,243	3,985,495
Long-term borrowings	18	-	28,989,352	28,989,352	-	23,929,786	23,929,786
Lease liabilities	19	1,225,903	-	1,225,903	2,487,072	-	2,487,072
Short-term borrowings	24	3,523,858	8,324,769	11,848,627	2,942,981	4,583,105	7,526,086
Accrued interest / mark-up	25	314,680	302,808	617,488	9,938	447,056	456,994
Statement of profit or loss and other comprehensive income							
Revenue from contracts with customers - net	28	-	75,677,747	75,677,747	-	81,224,448	81,224,448
Foreign exchange loss (net)	32	-	-	-	852,103	-	852,103
Profit on bank deposits	33	137,998	10,886	148,884	29,803	139,938	169,741
Income from investments	33	238,161	49,783	287,944	717,901	239,327	957,228
Income on subordinated loans given to subsidiary companies	33	689,569	-	689,569	165,447	-	165,447
Income on intercompany balance due from associate	33	23,160	-	23,160	47,158	-	47,158
Foreign exchange gain (net)	33	90,591	-	90,591	-	-	-
Scrap sales	33	-	256,899	256,899	-	111,134	111,134
Gain on disposal of operating assets	33	-	-	-	-	4,900	4,900
Insurance claim	33	-	-	-	239,327	-	239,327
Other income	33	-	14,323	14,323	-	11,521	11,521
Finance cost	34	1,955,622	5,567,098	7,522,720	230,880	3,966,328	4,197,208

(Amounts in thousand)

39. EARNINGS PER SHARE - basic and diluted

39.1 Basic earnings per share has been calculated by dividing the profit attributable to ordinary share holders of the Company by weighted average number of ordinary shares in issue during the year.

39.2 Diluted earnings per share presents the effect of conversion of potential ordinary shares (preference shares) where it leads to decrease in earnings per share or increase in loss per share.

39.3 The information necessary to calculate basic earnings per share is as follows:

	2024	2023
	....Rupees....	
Profit for the year	610,340	9,230,660
Less: Dividends on convertible preference shares	(201,000)	(645,000)
	409,340	8,585,660
	........Number in thousands........	
Weighted average number of shares outstanding at year end for determination of basic EPS	908,923	908,923

39.4 The information necessary to calculate diluted earnings per share is as follows:

	2024	2023
	....Rupees....	
Profit for the year	610,340	9,230,660
	........Number in thousands........	
Weighted average number of shares outstanding at year end for determination of basic EPS	908,923	908,923
Add: Adjustment for conversion of convertible preference shares	300,000	300,000
Weighted average number of potential ordinary shares outstanding at year end for determination of diluted EPS	1,208,923	1,208,923

(Amounts in thousand)

40. RETIREMENT AND OTHER SERVICE BENEFITS

40.1 In 2013, the Company replaced its provident fund with the provident fund operated and managed by Engro Corporation Limited - the Holding Company.

40.2 The investments out of the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified there under.

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts for remuneration, including all benefits, to the Chief Executive, Directors and executives of the Group are given below:

	2024			2023		
	Director			Director		
	Chief Executive (note 41.2)	Others	Executives	Chief Executive	Others	Executives
	Rupees					
Managerial remuneration - note 41.1	50,292	-	1,322,095	51,484	-	1,192,952
Retirement benefit funds	6,407	-	204,407	10,377	-	188,982
Bonus	28,180	-	542,466	18,642	-	273,095
Other benefits	415	-	406,798	1,338	-	394,233
Directors fee	-	15,705	-	-	21,364	-
Total	85,294	15,705	2,475,766	81,841	21,364	2,049,262
Number of persons including those who worked part of the year	2	7	344	1	6	305

41.1 The Group also provides vehicles for the use of the Chief Executive and certain executives.

41.2 Included herein remuneration of Ex-Chief Executive.

(Amounts in thousand)

42. CASH GENERATED FROM OPERATIONS

	2024	(Restated) 2023
	....Rupees....	
(Loss) / profit before income tax	(2,324,387)	13,873,366
Adjustments for non cash-charges and other items:		
Staff retirement and other service benefits	83,862	78,292
Depreciation:		
- operating assets - note 5.3	2,103,278	2,955,704
- right-of-use asset - note 6.1	510,562	460,722
Amortisation of intangible assets - note 7.2	106,642	104,545
Write-off of:		
- stores and spares - note 29	4,336	210
- stock-in-trade - note 29	114,647	-
Provision made / (reversed) against:		
- slow moving stores and spares - note 10.3	86,813	22,040
- stock-in-trade - note 11.3	(15,657)	6,612
Unrealised foreign exchange (gain) / loss on financial assets and liabilities	(72,600)	439,463
Income on financial assets - note 33	(1,240,148)	(1,339,574)
Finance costs - note 34	7,522,720	4,197,208
Loss / (gain) on disposal of operating assets	17,694	(4,900)
Remeasurement loss on provision against GIDC - note 20.1.1	-	140,281
Provision for expected credit loss - note 31	-	264
Minimum tax differential	35,563	-
Final tax	(77,965)	224,008
Working capital changes - note 42.1	6,762,401	(7,875,657)
	13,617,761	13,282,584

42.1 WORKING CAPITAL CHANGES

	2024	2023
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(1,285,545)	(869,909)
Stock-in-trade	3,100,914	(6,211,254)
Trade debts	363,638	1,111,247
Loans, advances, deposits and other receivables - net	(472,708)	(1,380,021)
	1,706,299	(7,349,937)
Increase / (Decrease) in current liabilities		
Trade and other payables	5,056,102	(525,720)
	6,762,401	(7,875,657)

(Amounts in thousand)

43. CASH AND CASH EQUIVALENTS

	2024	2023
	....Rupees....	
Short-term investments - note 14	160,035	405,363
Cash and bank balances - note 15	3,341,190	3,985,495
Running finances - note 24.1	(3,543,769)	(7,201,726)
	(42,544)	(2,810,868)

44. FINANCIAL INSTRUMENTS BY CATEGORY

44.1 Financial assets at amortised cost

Short-term investments	1,445,006	3,245,339
Trade debts	1,248,473	1,612,111
Loans, deposits and other receivables	7,884,985	3,368,132
Cash and bank balances	3,341,190	3,985,495
	13,919,654	12,211,077
Financial assets at fair value through profit or loss		
Short-term investments	-	100,118
	13,919,654	12,311,195

44.2 Financial liabilities at amortised cost

Long-term borrowings	29,170,314	24,174,071
Lease liabilities	1,225,903	2,487,072
Trade and other payables	17,349,300	12,218,976
Service benefit obligation	98,860	85,166
Short-term borrowings	11,848,627	7,526,086
Accrued interest / mark-up	617,488	456,994
Unclaimed divided	284,463	705,550
	60,594,955	47,653,915

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

45.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the Company's financial performance. The Company uses financial instruments to hedge certain risk factors, where it deems appropriate. Risk management is carried out by the Company's finance division under the guidance of the Company's Board of Directors.

a) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market prices. It comprises of the following risks:

i) Currency risk

Currency risk represents the risk that the fair values of future cash flows of financial instruments will fluctuate because of changes in foreign currency rates. The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to US Dollar. The risk arises from outstanding payments for imports, assets and liabilities denominated in foreign currencies and future commercial transactions. In the current economic environment, the Company is significantly exposed to currency risk because of the expected volatility in exchange rates. The Company, at its discretion, manages the currency risk by matching foreign payments with foreign receipts.

At December 31, 2024, the financial assets and liabilities exposed to foreign exchange risk amounts to Rs. 2,477,888 (2023: Rs. 4,075,480) and Rs. 12,524,505 (2023: Rs. 12,971,011), respectively.

At December 31, 2024, if the Pakistan Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, post-tax profit for the year would have been lower / higher by Rs. 343,695 (2023: Rs. 304,316). However, this change in profits would be partially offset by a corresponding change in margins as majority of revenue is linked with movements in exchange rates.

ii) Yield / interest rate risk

Yield / interest rate risk represents the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising from investments in government securities, bank balances maintained in saving accounts, borrowings and running finance facilities and term deposits, utilised under mark-up arrangements which is partially offset by interest based loan provided to the Company's subsidiaries. Variable rate financial instruments expose the Company to cash flow interest rate risk, whereas, fixed rate financial instruments expose the Company to fair value interest rate risk.

As at December 31, 2024, if interest rate on Company's borrowings and loan given to subsidiaries had been 1% higher / lower with all other variables held constant, post tax profit for the year would have been lower / higher by Rs. 246,375 (2023: Rs. 172,151).

(Amounts in thousand)

iii) Other price risk

Price risk represents the risk that the fair vale of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financials instruments or its issuers or factors affecting all similar investments in financial instruments traded in the market. As at reporting date, the Company does not have any material price sensitive instruments.

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge their obligations. Credit risk arises from deposits with banks and financial institutions, trade debts, loans, deposits, other receivables financial assets at amortised cost and financial assets at fair value through profit or loss. The maximum exposure to credit risk is equal to the carrying amount of these financial assets.

The Company is not materially exposed to credit risk, as unsecured credit is provided to selected parties, with limited or no history of default. The Company considers that a financial asset is in default when contractual payment are 90 days past due. Moreover, major part of trade debts are secured by bank guarantees and letters of credit from customers. Furthermore, credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings, or investments are made in government securities.

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 exposed to credit risk, which are neither past due nor impaired, are as follows:

	2024 ....Rupees....	2023
Short-term investments	1,445,006	3,345,457
Trade debts	1,101,457	1,556,538
Loans, deposits and other receivables	7,884,985	3,368,132
Bank balances	3,340,633	3,984,941
	13,772,081	12,255,068

The credit quality of receivables can be assessed with reference to their historical performance with no major defaults in recent history. As at the reporting date, the credit quality of the Company's bank balances and short term investments can be assessed with reference to external credit ratings assigned to the respective financial institutions as follows:

(Amounts in thousand)

Bank	Rating agency	2024 Ratings		2023 Ratings	
		Short-term	Long-term	Short-term	Long-term
Conventional					
Allied Bank Limited	PACRA	A-1+	AAA	A-1+	AAA
Askari Bank Limited	PACRA	A-1+	AA+	A-1+	AA+
Bank Alfalah Limited	PACRA	A-1+	AAA	A-1+	AA+
Bank Al Habib Limited	PACRA	A-1+	AAA	A-1+	AAA
Bank of China	FITCH	P-1	Aa3	F1+	A
Citibank N.A.	FITCH	F-1	A+	P-1	Aa3
Habib Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	A-1+	AA+
Industrial and Commercial Bank of China	FITCH	F1+	A	P-1	A
JS Bank Limited	PACRA	A1+	AA	A-1+	AA-
MCB Bank Limited	PACRA	A-1+	AAA	A-1+	AAA
National Bank of Pakistan	PACRA	A-1+	AAA	A-1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	A-1+	AAA
Bank Makramah Limited (Formerly: Summit Bank Limited)	VIS	A-3	BBB-	A-3	BBB-
SAMBA Bank Limited	PACRA	A1	AA	A-1	AA
The Bank of Punjab	PACRA	A-1+	AA+	A-1+	AA+
United Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-	A1+	AA-
Islamic					
Allied Bank Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AAA
Al Baraka Bank (Pakistan) Limited	VIS	A-1	A+	A-1	A+
Bank Alfalah Limited (Islamic)	PACRA	A-1+	AAA	A-1+	AA+
Bank Al Habib Limited (Islamic)	PACRA	A1+	AAA	A-1+	AAA
Pak Oman Investment Company	VIS	A-1+	AA+	A1+	AA+
Bank Islami Pakistan Limited	PACRA	A-1	AA-	A-1	A+
Dubai Islamic Bank Pakistan Limited	VIS	A-1+	AA	A-1+	AA
Faysal Bank Limited	PACRA	A-1+	AA	A-1+	AA
MCB Islamic Bank Limited	PACRA	A1	A+	A-1	A
Meezan Bank Limited	VIS	A-1+	AAA	A-1+	AAA
Bank of Khyber	PACRA	A1	AA-	A-1	A+
Al Ameen Islamic Cash Fund	VIS	N/A	AA+	N/A	AA+
United Bank Limited (UBL Ameen)	VIS	A-1+	AAA	N/A	AA+

(Amounts in thousand)

c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. The Company's liquidity management involves maintaining sufficient cash and marketable securities, the availability of funds through an adequate amount of credit facilities and through its ability to close out market positions. Due to the dynamic nature of the business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The general nature of credit facilities available to the Company under any contract and not availed as at the date of statement of financial position has been disclosed in notes 18 and 24.

The table below analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

	2024			2023		
	Maturity upto one year	Maturity more than one year	Total	Maturity upto one year	Maturity more than one year	Total
	----Rupees----					
Financial liabilities						
Long-term borrowings	4,320,198	37,844,945	42,165,143	6,343,669	34,563,109	40,906,778
Lease liabilities	883,367	413,866	1,297,233	1,257,601	1,412,354	2,669,955
Trade and other payables	17,349,300	-	17,349,300	12,218,976	-	12,218,976
Service benefit obligations	98,860	-	98,860	85,166	-	85,166
Short-term borrowings	11,848,627	-	11,848,627	7,526,086	-	7,526,086
Accrued interest / mark-up	617,488	-	617,488	456,994	-	456,994
Unclaimed dividend	284,463	-	284,463	705,550	-	705,550
	35,402,303	38,258,811	73,661,114	28,594,042	35,975,463	64,569,505

46. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates. As at the reporting date, the carrying value of all financial assets and liabilities approximate to their fair value.

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

Fair value hierarchy

The Company classifies its financial assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Company held the following financial assets measured at fair values:

	Level 1	Level 2	Level 3	Total
	----Rupees----			
Short term investments in units of mutual funds				
- December 31, 2024	-	-	-	-
- December 31, 2023	-	100,118	-	100,118

47. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to provide expected returns to its shareholders by maintaining optimum capital structure to minimize the cost of capital. To maintain or adjust the capital structure, the Company may issue new equity, manage dividend payouts to its shareholders or sell assets to reduce debt.

The Company manages capital by maintaining gearing ratio at certain levels. This ratio is calculated as long-term borrowings and lease liabilities divided by total capital. Total capital is calculated as 'equity' as shown in the statement of financial position plus long-term borrowings and lease liabilities.

(Amounts in thousand)

	2024	2023
	....Rupees....	
The gearing ratio of the Company is as follows:		
Long-term borrowings	29,170,314	24,174,071
Lease liabilities	1,225,903	2,487,072
	30,396,217	26,661,143
Total equity	28,402,825	28,902,408
Total capital	58,799,042	55,563,551
Gearing ratio	0.52	0.48

48. SEGMENT INFORMATION

48.1 Based on the internal management reporting structure, the Company is organised into three business segments based on the products produced and sold as follows:

- Poly Vinyl Chloride (PVC) and allied chemicals: The segment is formed to manufacture and sell PVC and allied chemicals to various industrial customers including pipe manufacturers, shoes and packaging industries. The Company supplies the products throughout Pakistan mainly through dealers. Moreover, PVC is also exported to various countries mainly in Asia Region.

- Caustic soda and allied chemicals: The segment is formed to manufacture and sell caustic soda and allied chemicals mostly to textile and soap industry.

- Power supplies: The segment supplies surplus power generated from its power plants to Engro Fertilizers Limited.

Management monitors the operating results of above-mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing the performance. Segment performance is evaluated based on profit / (loss) after tax for that segment, which in certain respects, as explained in table below, is measured differently from profit or loss in the financial statements. Items which are directly attributable to a particular segment have been allocated to the respective segment, while those which are not directly attributable have been allocated on the basis of revenue. During the year, the Company has conducted a comprehensive review of its segment reporting practices to improve the transparency and clarity of its financial disclosures. As part of this initiative, certain changes have been made to the way segment information is presented in these financial statements. These changes include the fact that in prior periods, certain profits and losses and assets were reported as unallocated. These items have now been assigned to segments based on a devised allocation mechanism. The change provides a more accurate presentation of each segment's performance. Accordingly, prior year figures have been restated.

(Amounts in thousand)

	2024					(Restated) 2023				
	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Unallocated	Total	Poly Vinyl Chloride (PVC) and allied chemicals	Caustic soda and allied chemicals	Power supply	Unallocated	Total
	Rupees									
Segment profit or loss										
Revenue from contract with customers (net) - note 48.2	61,217,722	14,271,964	188,061	-	75,677,747	69,951,216	11,166,939	106,293	-	81,224,448
Less:										
Cost of sales	(58,912,151)	(10,040,024)	(155,743)	-	(69,107,918)	(53,758,082)	(6,834,887)	(83,578)	-	(60,676,547)
Distribution and marketing expenses	(394,446)	(268,844)	(503)	-	(663,793)	(419,839)	(208,434)	(1,136)	-	(629,409)
Administrative expenses	(1,662,281)	(387,593)	(5,107)	-	(2,054,981)	(1,389,520)	(225,633)	(2,111)	-	(1,617,264)
Other expenses	(167,038)	(38,943)	(513)	-	(206,494)	(1,471,980)	(238,886)	(2,236)	-	(1,713,102)
Other income	325,576	748,010	956	436,828	1,511,370	359,290	219,649	548	1,126,969	1,706,456
Finance costs	(6,081,470)	(1,422,556)	(18,694)	-	(7,522,720)	(3,606,444)	(585,284)	(5,480)	-	(4,197,208)
(Loss) / profit before minimum tax differential, final tax and income tax	(5,674,088)	2,862,014	8,457	436,828	(2,366,789)	9,664,641	3,293,464	12,300	1,126,969	14,097,374
Minimum tax differential	(28,840)	(6,723)	-	-	(35,563)	-	-	-	-	-
Final tax	63,225	14,740	-	-	77,965	(192,478)	(31,530)	-	-	(224,008)
(Loss) / profit before income tax	(5,639,703)	2,870,031	8,457	436,828	(2,324,387)	9,472,163	3,261,934	12,300	1,126,969	13,873,366
Income tax	2,360,353	550,280	7,251	16,843	2,934,727	(3,685,545)	(598,122)	(5,600)	(353,439)	(4,642,706)
(Loss) / profit for the year	(3,279,350)	3,420,311	15,708	453,671	610,340	5,786,618	2,663,812	6,700	773,530	9,230,660
Depreciation and amortisation	2,229,501	488,589	2,392	-	2,720,482	3,123,065	393,015	4,891	-	3,520,971
Capital expenditure	5,408,993	1,519,845	864	-	6,929,702	4,715,399	2,014,035	74,284	-	6,803,718
Segment assets										
Total segment assets - note 48.3	65,815,546	28,413,016	56,499	4,786,196	99,071,257	58,417,049	22,322,106	52,920	7,330,952	88,123,027

48.2 Revenue from one customer of the Company's PVC segment amounts to Rs. 4,802,235 (2023: Rs. 7,175,426) of the Company's total revenue i.e. 6.35% (2023: 8.88%)

48.3 Segment assets consist primarily of property, plant and equipment, stores and spares, stock in trade, trade debts and long term investments.

49. TRANSACTIONS WITH RELATED PARTIES

49.1 Following are the name of associated companies and related parties with whom the Company had entered into transactions or had arrangements or agreements in place during the year:

Name of related parties	Direct shareholding	Relationship
Engro Corporation Limited	56.19%	Parent company
Think PVC (Private) Limited	100.00%	Subsidiary company
Engro Peroxide (Private) Limited	100.00%	Subsidiary company
Engro Plasticizer (Private) Limited	100.00%	Subsidiary company
Mitsubishi Corporation (Incorporated in Japan)	11.01%	Associated company
Engro Fertilizers Limited	N/A	Common directorship
Sindh Engro Coal Mining Company Limited	N/A	Common directorship
Engro Energy Limited	N/A	Common directorship
Engro Eximp Agriproducts (Private) Limited	N/A	Common directorship
FrieslandCampina Engro Pakistan Limited	N/A	Common directorship
Engro Foundation	N/A	Common directorship
Karachi School of Business Leadership	N/A	Common directorship
Engro Elengy Terminal (Private) Limited	N/A	Common directorship
Engro Eximp FZE (Incorporated in United Arab Emirates)	N/A	Common directorship

(Amounts in thousand)

Name of related parties	Direct shareholding	Relationship
Engro Powergen Qadirpur Limited	N/A	Common directorship
Engro Vopak Terminal Limited	N/A	Common directorship
Engro Energy Services Limited	N/A	Common directorship
Engro Powergen Thar (Private) Limited	N/A	Common directorship
Pakistan Oxygen Limited	N/A	Common directorship
Pakistan Vinyl Industries	N/A	Common directorship
Overseas Investors Chamber of Commerce & Industry	N/A	Common directorship
KSB Pumps Company Limited	N/A	Common directorship
Nimir Industrial Chemicals Limited	N/A	Common directorship
ATS Synthetic (Private) Limited	N/A	Common directorship
Retirement funds		
- Provident fund	N/A	Post employment benefits
- Gratuity fund	N/A	Post employment benefits
- Pension fund	N/A	Post employment benefits
Mr. Kamran Nishat	N/A	Independent Director
Ms. Ayesha Aziz	N/A	Independent Director
Mr. Nazoor Ali Baig	N/A	Independent Director
Mr. Ghias Uddin Khan	N/A	Ex-Chairman
Mr. Ahsan Zafar Syed	N/A	Chairman
Mr. Tomoya Kondo	N/A	Ex-Non-executive Director
Mr. Masaaki Yokoyama	N/A	Non-executive Director
Mr. Syed Shahzad Nabi	N/A	Non-executive Director
Mr. Tariq Nisar	N/A	Non-executive Director
Mr. Abdul Qayoom	N/A	Chief Executive Officer
Mr. Jahangir Piracha	N/A	Ex - Chief Executive Officer
Mr. Adeel Qamar	N/A	Key management personnel
Mr. Arif Jalil	N/A	Key management personnel
Mr. Mahmood Siddiqui	N/A	Key management personnel
Ms. Rabia Wafah Khan	N/A	Key management personnel
Mr. Kalimuddin A Khan	N/A	Key management personnel
Mr. Muhammad Idrees	N/A	Key management personnel
Ms. Gull Zareen Hasnat	N/A	Ex - Key management personnel
Mr. Najam Saeed	N/A	Key management personnel
Ms. Beenish Kajani	N/A	Key management personnel
Mr. Saqib Rafique	N/A	Key management personnel

(Amounts in thousand)

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

Nature of relationship	Nature of transactions	2024	2023
		....Rupees....	
Holding Company	Reimbursement made	1,385,214	1,511,870
	Reimbursement received	22,605	1,018
	Subordinated loan received	1,500,000	1,700,000
	Subordinated loan repaid	1,500,000	1,700,000
	Mark-up on subordinated loan	12,190	14,392
	Purchase of taxable loss	-	373,489
	Dividend paid	510,733	3,830,501
Subsidiary Companies	Reimbursement made	11	-
	Reimbursement received	107,740	160,078
	Subordinated loan made to the Subsidiary Companies	3,885,830	5,050,800
	Subordinated loan repaid by the Subsidiary Companies	-	3,630,300
	Mark-up on subordinated loan	689,569	165,666
	Subordinated loan made by the Subsidiary Companies	-	400,000
	Subordinated loan repaid to the Subsidiary Companies	-	400,000
	Mark-up on subordinated loan paid to the Subsidiary Company	-	1,306
Members of the Group	Sale of goods	3,616,686	7,239,630
	Sales of utilities	188,061	106,293
	Purchase of services	1,684,843	3,072,398
	Purchase of goods	30,857,264	36,313,349
	Letter of credit and related charges	982,537	237,492
	Reimbursement made	699,008	777,377
	Reimbursement received	176,709	124,192
	Late payment charges	-	19,025
	Donations	-	125,000
	Interest income on intercompany balances	23,160	47,158
	Purchase of taxable loss	-	228,688
Associated Companies	Dividend paid	100,054	750,402
	Purchase of goods	309,978	192,093
	Purchase of services	-	520
	Sale of goods	5,360,410	4,594,325
Directors	Fee	15,705	21,364
	Dividend paid	6	29
Contribution to staff retirement benefits	Managed and operated by the Holding Company		
	- Provident fund	135,187	125,319
	- Gratuity fund	102,284	87,955
	- Pension fund	1,394	5,445
Key management personnel	Managerial remuneration	162,552	157,172
	Retirement benefit funds	25,604	26,788
	Bonus	65,375	63,216
	Other benefits	55,677	37,403

(Amounts in thousand)

49.3 The related party status of outstanding balances as at December 31, 2024 / 2023 are disclosed in the respective notes to the consolidated financial statements.

50. GENERAL

50.1 Number of employees

	2024	2023
- Total number of employees	540	584
- Average number of employees	567	596

Included herein are 475 (2023: 509) employees working at the plant of the Company as at December 31, 2024 and average number of these employees during the year was 497 (2023: 505).

50.2 Production capacity

	Designed annual capacity		Actual production		Remarks
	2024	2023	2024	2023	
	---------------------Kilo tons---------------------				
PVC	295	295	212	230	Production planned
EDC	127	127	100	100	as per market
Caustic soda	106	106	95	96	demand and
Caustic flakes	20	20	14	13	in-house
VCM	245	245	216	224	consumption needs
	-----------------Mega Watts-----------------				
Power	66	66	42	45	

51. Non-adjusting Event After The Reporting Period

The Board of Directors of the Company in its meeting held on February 10, 2025 have proposed a final cash dividend of Nil (2023: Rs. 908,923) which is approximately Nil (2023: Rs. 1) per ordinary share. Further, the Board of Directors of the Company in this meeting have proposed a final cash dividend for preference shareholders of Nil (2023: Rs.201,000) which is approximately Nil per share (2023: Rs. 0.67 per share).

These appropriations will be approved by the members in the Annual General Meeting to be held on March 26, 2025.

(Amounts in thousand)

52. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary. The material reclassification made during the year is as follows:

Description	Reclassified		Year ended 2023
	from	to	....Rupees....
Salaries, wages and staff welfare	Distribution and marketing expenses	Cost of sales	181,950

53. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on February 10, 2025 by the Board of Directors of the Company.

Abdul Qayoom Shaikh	Rabia Wafah Khan	Kamran Nishat
Chief Executive Officer	Chief Financial Officer	Director

annexures and urdu translation

notice of annual general meeting

Notice is hereby given that the Twenty Seventh Annual General Meeting ("AGM") of the members of Engro Polymer & Chemicals 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 Wednesday, March 26, 2025, at 02:30 p.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 Standalone and Consolidated Audited Financial Statements of the Company for the year ended December 31, 2024, together with the Directors' and Auditor's Reports thereon and Chairman's Review Report.

   As required under section 223(6) of the Companies Act 2017 (the "Act"), Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

   https://www.engropolymer.com/shareholder-information/#financial

2. To appoint Auditors for the year 2025 and fix their remuneration.

b) special business

3. 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 be and is hereby accorded to recommend to the members of Engro Polymer & Chemicals Limited ("the Company") for their approval by way of special resolution (in accordance with section 199 of the Companies Act 2017) at the next annual general meeting of the Company, to be held on March 26, 2025, the following:

   A. Approval for extension of intercompany loan to its holding company, Engro Corporation Limited, an aggregate amount of up to PKR Five billion (PKR 5,000,000,000) 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.

   B. Approval for extension of intercompany loan to its associated company Engro Fertilizers Limited, an aggregate amount of up to PKR Five billion (PKR 5,000,000,000) 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 Board certifies that both entities, being under common control, have been assessed based on their financial positions and it has been determined that they possess the capability to repay the loan in accordance with the terms and conditions outlined in the agreement for this facility.

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."

By Order of the Board

SAQIB RAFIQUE, FCA
Company Secretary

Karachi
Dated: March 5, 2025

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.

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.epcl@engro.com.

3. Electronic transmission of Annual Report 2024

In compliance with section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2024 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 Wednesday, March 19, 2025 to Wednesday, March 26, 2025 (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. Shahrah-e-Faisal, Karachi, PABX No. (+92-21) 34380101-5 and email: info.shares@famcosrs.com by the close of business (03:00 p.m.) on Tuesday, March 18, 2025 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 A. F. Ferguson & Co., a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

7. Unclaimed Dividend

As per the provision of section 244 of the Act, any shares issued, or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with SECP for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued, and dividend declared by the Company which have remained due for more than three years were sent to Shareholders.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Company in the given time, the Company shall, after giving notice in the newspaper, proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

8. **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 SECTION 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 AGM of the Company.

Agenda Item 3

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	Engro Corporation Limited
2	Engro Fertilizers Limited

(ii) Basis of relationship:

Name of Associate	Basis of Relationship	Effective Holding %
Engro Corporation Limited	Engro Corporation Limited holds 56.19% shareholding in Engro Polymer & Chemicals Limited	-
Engro Fertilizers Limited	Engro Polymer & Chemicals Limited and Engro Fertilizers Limited are under common control of Engro Corporation Limited and have one common director	-

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

(Rupees)

Basic Earnings Per Share	2023	2022	2021
Engro Corporation Limited	32.26	36.79	32.14
Engro Fertilizers Limited	19.23	11.54	15.78

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

(Rupees)

Break-Up Value Per Share	31 December 2023
Engro Corporation Limited	133.124
Engro Fertilizers Limited	33.72

(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, 2023, standalone audited accounts of
Engro Corporation Limited:

	(Amount in thousands)
Assets	
Property, plant and equipment	1,697,803
Right-of-use assets	928,849
Intangible assets	132,583
Long term investments	50,835,194
Long term loans and advances	6,274
Deferred taxation	-
Loans, advances, deposits and prepayments	9,180,594
Receivables	2,041,529
Short term investments	23,870,113
Cash and bank balances	122,905
Total Assets	88,815,844
Liabilities	
Retirement and other service benefit obligations	24,566
Lease liabilities	880,901
Deferred taxation	167,431
Trade and other payables	5,494,425
Current portion of lease liabilities	321,813
Taxation – provision less payments	10,255,244
Unclaimed dividends	233,673
Total Liabilities	17,378,053
Total Equity	71,437,791
Income Statement	
Dividend income	21,517,861
Royalty income	2,300,860
Profit before Tax	23,965,068
Profit after Tax	17,566,235

Financial year ended December 31, 2023, standalone audited accounts of
Engro Fertilizers Limited:

	(Amount in thousands)
Assets	
Property, plant and equipment	78,440,081
Intangible assets	5,184,192
Investment in subsidiary	100
Long-term investments	101,067
Long-term loans, advances and deposits	209,806
Stores, spares and loose tools	8,729,523
Stock-in-trade	5,364,420
Trade debts	2,069,174
Other receivables	14,301,939
Loans, advances, deposits and prepayments	2,691,814
Working capital loan to subsidiary	1,552,107
Accrued income	518,468
Short-term investments	23,601,793
Cash and bank balances	3,436,825
Assets classified as held for sale	1,525,396
Total Assets	147,726,705
Liabilities	
Borrowings	3,267,427
Government grant	721,334
Deferred taxation	10,401,710
Deferred liabilities	232,130
Trade and other payables	64,725,828
Accrued interest / mark-up	72,526
Taxation – net	337,052
Current portion of:	
- borrowings	2,715,014
- government grant	235,755
- deferred liabilities	62,356
- provision for GIDC	19,558,031
Short-term borrowings	322,899
Unclaimed dividend	48,299
Total Liabilities	102,700,361
Total Equity	45,026,344
Income Statement	
Revenue	161,666,127
Profit Before Tax	44,984,752
Profit after Tax	25,678,418

(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
Engro Corporation Limited	5 billion
Engro Fertilizers Limited	5 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:

(I) Justification – the associated companies will pay a mark-up rate which is not lower than the borrowing cost of the Company;
(II) Security - the Company secures its overdraft lines by providing a ranking charge over movable asset (excluding long term investments); and
(III) 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 director on the Board of Director of the Company is also the director of the associated companies:

Engro Corporation Limited	Engro Polymer & Chemicals Limited	Engro Fertilizers Limited
Ahsan Zafar Syed	Ahsan Zafar Syed	Ahsan Zafar Syed

(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
Engro Corporation Limited	5 billion
Engro Fertilizers Limited	5 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 19.39%. The KIBOR rates as of December 31, 2024 for one, three, and six months were 13.35%, 12.14%, and 12.16%, respectively. The Company also has invested in Shariah-compliant instruments, with a rate of return of 8%. The company also has Shariah-compliant short-term borrowings, with a rate of return ranging from KIBOR + spread (-2.00% to 0.50%). For non-fund-based facilities, bank rates range from 0.05% to 0.4%.

(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 of Engro Corporation Limited (holding company). 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: and

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.

UPDATE UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

Engro Corporation Limited is the holding company and Engro Fertilizers Limited is the associated company of the Company. On March 28, 2024, the Shareholders approved extending intercompany loans / financing facilities of up to PKR 5 billion for Engro Corporation Limited and PKR 5 billion for Engro Fertilizers Limited, which were initially approved by the Shareholders of the Company on March 28, 2024 for a period of one (1) year. These intercompany loans / facilities have not been utilized to date since approval. There has been no material adverse change in the financial statements of Engro Corporation Limited and Engro Fertilizers Limited since the approval of these facilities.

standard request form

Circulation of Annual Audited Accounts.

The Share Registrar
Engro Polymer & Chemicals 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 Sirs,
Subject: **Request for Hard Copy of Annual Report 2024 of Engro Polymer & Chemicals Limited.**

I, ______________________________ S/o, D/o, W/o ______________________ being a registered shareholder of Engro Polymer & Chemicals 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 Polymer & Chemicals Limited.
8th Floor, The Harbour Front Building HC-3
Marine Drive, Block 4, Clifton Karachi-

proxy form

I/We ____

of ____ being a member of ENGRO POLYMER & CHEMICALS 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 27th Annual General Meeting of the Company to be held on the 26th day of March 2025, and at any adjournment thereof.

Signed this ________________________________day of ________________ 2025.

WITNESSES:

1. Signature: ______________________
   Name: ________________________
   Address: ______________________
   ____
   CNIC or ______________________
   Passport No. __________________
2. 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.

پراکسی فارم

میں / ہم ______________________ (نام) ______________________

جس / جن کا تعلق ______________ (شہر) ______________ سے ہے اینگرو پولیمر اور کیمیکلز لمیٹڈ کے ممبر کی حیثیت سے

______________ (شیئرز کی تعداد) ______________ شیئرز کی تحویل رکھتا/رکھتی ہوں۔ میں / ہم

______________ (نام) ______________ یا ان کی عدم حاضری کی صورت میں ______________ کو جس / جن کا

تعلق ______________ سے ہے، کو26 مارچ 2025 کو منعقد ہونے والے سالانہ اجلاس عام یا ملتوی ہونے کی صورت میں دیگر تاریخ پر اپنی/ہماری غیر موجودگی میں شرکت اور ووٹ دینے کے لیے اپنا/ہمارا پراکسی مقرر کرتا/ کرتے ہیں۔

دستخط کئے ______________ (دن) ______________ 2025

گواہان:

1 دستخط ______________

نام ______________

ایڈریس ______________

سی این آئی سی ______________

پاسپورٹ نمبر ______________

دستخط ______________

دستخط کمپنی میں رجسٹرڈ دستخط کے نمونے کے مطابق ہونے چاہئیں۔

2۔ دستخط ______________

نام ______________

ایڈریس ______________

سی این آئی سی ______________

پاسپورٹ نمبر ______________

نوٹ: پراکسی کے موثر ہونے کے لیے یہ لازم ہے کہ پراکسیز اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہوں۔

کمپنی کے ممبر کے علاوہ کوئی بھی فرد پراکسی کے طور پر کام نہیں کرسکتا۔

سی ڈی سی شیئر ہولڈرز اور ان کے پراکسیز سے درخواست کی جاتی ہے کہ پراکسی فارم کے ساتھ اپنے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں یا پاسپورٹ کمپنی میں جمع کرائیں۔

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2024 evaluation criteria

1.	Organizational Overview and External Environment	Pg No.
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2024 evaluation criteria

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2024 evaluation criteria

4.	Sustainability Reporting and Corporate Social Responsibility (CSR)	Pg No.
4.01	Board's statement for the adoption of CSR best practices including Board's commitment to continuous improvement and implementation updates in the form of periodic reviews to ensure the relevance and effectiveness of CSR practices in business strategies.	173-176
4.02	*Board's statement about the company's strategic objectives and the intended impact on* stakeholders on ESG (Environmental, Social and Governance) reporting/ Sustainability *Reporting in line with IFRS S1 ' General Requirements for Disclosure of Sustainability-related* Financial Information'*and IFRS S2 'Climate*-related Disclosures'. Weightage will be given to companies who provides following disclosures (as per IFRS S1 *and IFRS S2) along with the company specific examples for each factor for the investor's* information:	
	a) Disclosures of company specific sustainability-related risks and opportunities and their impact on the financial performance in the short, medium and long term;	151,171, 172
	b) Disclosures about four-pillars core content (Governance, Strategy, Risk Management and Metrics and Targets), together with the specific metrices designed by the company to demonstrate the performance and progress of the company.	N/A
	c) Disclosures of material information about sustainability-related risks and opportunities throughout a company's value chain together with specific examples of initiatives taken by the company. [In IFRS S1, the 'value chain' is the full range of interactions, resources and relationship a company's business model and the external environment in which it operates]	47-62
	d) Disclosure about company's climate -related risks and opportunities, as required in IFRS S2 including explanation of the specific methodologies and tools used by the company. *[Climate-related opportunities refer to the potential positive effects arising from climate change for a company. Climate-related risks refers to the potential negative effects of climate change on a company and are of two types, physical risks (such as those resulting from increased severity of extreme weather) and transition risks (such as those associated with policy action and changes in technology)]*	61,151
4.03	A chairman's overview on how the company's sustainable practices can affect the financial performance of the company.	101-102
4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR: • Social initiatives such as research and development initiatives, employment generation, community health and education, and health and safety of staff etc.; • Environmental initiatives like climate change mitigation etc. by focusing on 3R's (Reduce, Reuse & Recycle) and how does the company reduce pollution, depletion and degradation of natural resources; • Technological innovation such as contributing to sustainability (i.e. energy-efficient processes or eco-friendly product designs); • Information on consumption and management of materials, energy, water, emissions and waste.	47-62 115-123
4.05	• Status of adoption/ compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by theSECP.	
	• ISO certifications acquired for best sustainability and CSR practices.	62

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5.	Governance		Pg No.
5.01	Board composition:		
	a)	Leadership structure of those charged with governance;	93-94
	b)	Name of independent directors indicating justification for their independence;	63,73,77
	c)	Diversity in the board i.e. competencies, requisite knowledge & skills, and experience;	67-82
	d)	Profile of each director including education, experience and engagement in other entities as CEO, Director CFO or Trustee etc.;	67-82
	e)	No. of companies in which the executive director of the reporting organization is serving as non-executive director.	81
5.02	A brief description about role of the Chairman and the CEO.		131
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.		24,93-94, 129
5.04	Chairman's Review Report on the overall performance of the board including:		101-102
	a)	Effectiveness of the role played by the board in achieving the company's objectives;	
	b)	Chairman's significant commitments, such as strategic, financial, CSR and ESG etc., and any changes thereto from last year';	
	c)	Board statement on the company's structure, processes and outcomes of internal control system and whether board has reviewed the adequacy of the system of internal control.	
5.05	Board statement of its commitment to establish high level of ethics and compliance in the company.		145
5.06	Annual evaluation of performance, along with a description of criteria used for the members of the board, including CEO, Chairman, and board's committees.		130
5.07	Disclosure if the board's performance evaluation is carried out by an external consultant once in every three years.		130
5.08	Details of formal orientation courses for directors.		131
5.09	Directors' Training Program (DTP) attended by directors, female executives, and head of departments from the institutes approved by the SECP, along with names of those who availed exemptions during the year.		131
5.10	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.		149
5.11	Disclosure about related party transactions:		
	a)	Approved policy for related party transactions;	135

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5.	Governance		Pg No.
	b)	Details of all related party transactions, along with the basis of relationship describing common directorship and percentage of shareholding;	135
	c)	Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement;	135
	d)	Disclosure of director's interest in related party transactions;	135
	e)	In case of conflict, disclosure of how conflicts are managed and monitored by the board.	136
5.12	Disclosure of Board's Policy on the following significant matters:		
	a)	Governance of risk and internal controls.	149
	b)	Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.	142
	c)	Disclosure of director's interest in significant contracts and arrangements.	135
	d)	Remuneration of non-executive directors including independent directors for attending board meetings and general meetings.	135
	e)	Retention of board fee by the executive director earned by him against his services as non-executive director in other companies.	N/A
	f)	Security clearance of foreign directors.	135
	g)	Board meetings held outside Pakistan.	134
	h)	Human resource management including: • Preparation of succession plan; • Merit based recruitment; • Performance based appraisal system; • Promotion, reward and motivation; • Training and development; • Gender and race diversity; • Appointment of / quota for people with disability; and • Employee engagement /feedback.	141
	i)	Social and environmental responsibility including managing and reporting policies like procurement, waste and emissions.	142
	j)	Communication with stakeholders.	136
	k)	Dividend policy.	N/A
	l)	Investors' relationship and grievances.	136
	m)	Employee's health, safety and protection.	142

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5.	Governance	Pg No.
	n) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner, and provide protection to the complainant against victimization and reporting in Audit Committee's report.	145
	o) Safety of records of the company.	137
5.13	Board statement of the organization's business continuity plan or disaster recovery plan.	172-173
5.14	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	202
5.15	Disclosure about: a) Shares held by Sponsors / Directors / Executives;	186-192
	b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors / Executives or close family member of Directors / Executives etc.) or foreign shareholding (if any).	186-192
5.16	Details about Board meetings and its attendance.	193
5.17	TORs, composition and meeting attendance of the board committees including (Audit, Human Resource, Nomination and Risk management).	133-134
5.18	**Timely Communication:** Date of authorization of financial statements by the board of directors: Within 40 days - 6 marks Within 50 days - 6 marks (in case of holding company who has listed subsidiary /subsidiaries) Within 60 days - 3 marks (*Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).*	318
5.19	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include:	
	a) Composition of the committee with at least one member qualified as "financially literate" and all members are non -executive / Independent directors including the Chairman of the Audit Committee.	147
	b) Committee's overall role in discharging its responsibilities for the significant issues related to the financial statements, and how these issues were addressed.	148
	c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure.	149
	d) Role of Internal Audit in risk management and internal control, and the approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance.	149
	e) Review of arrangements for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters, and recommended instituting remedial and mitigating measures.	133

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5.	Governance	Pg No.
	f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded.	149
	g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	149
	h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy.	149
	i) Results of the self-evaluation of the Audit Committee carried out of its own performance.	146
	j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	146
5.20	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	40
5.21	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including:	
	a) How it is designed to manage and integrate the functions of core business processes / modules like finance, HR, supply chain and inventory management in a single system;	137
	b) Management support in the effective implementation and continuous updation;	137
	c) Details about user training of ERP software;	138
	d) How the company manages risks or control risk factors on ERP projects;	138
	e) How the company assesses system security, access to sensitive data and segregation of duties.	138
5.22	Disclosure about the Government of Pakistan policies related to company's business / sector in Directors' Report and their impact on the company business and performance.	161
5.23	Information on company's contribution to the national exchequer (in terms of payment of duties, taxes and levies) and to the economy (measured in terms of GDP contribution, new jobs creation, increase in exports, contributions to society & environment and community development etc.)	170

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6.	Analysis of the Financial Information	Pg No.
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators, showing linkage between: a) Past and current performance; b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred, as well as future prospects of profits.	17-23 207-217
6.02	a) Analysis of financial ratios (**Annexure I**) with graphical presentation and disclosure of methods and assumptions used in compiling the indicators. b) Explanation of negative change in the performance as compared to last year.	218-222 233 225-227
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years. Weightage to be given to graphical presentation.	207-217
6.04	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	223-224
6.05	a) Information about business segment and non-business segment; and b) Segmental analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	228-231 313-314
6.06	Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning.	234
6.07	Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	153
6.08	Disclosure of market share of the company and its products and services.	167, 31-34
6.09	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	29
6.10	Statement of Economic value added (EVA) *[EVA = NOPAT – WACC x TC, where NOPAT is Net Operating Profit After Tax, WACC is Weighted Average Cost of Capital, and TC is Total Invested Capital]*	N/A
6.11	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	3

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7.	Business Model	Pg No.
7.01	Describe the business model including inputs, business activities, outputs and outcomes as per international applicable framework.	13-14
7.02	Explanation of any material changes in the entity's business model during the year.	159

8.	Disclosures on IT Governance and Cybersecurity	
8.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	140
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	140
8.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	140
8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	140
8.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	140
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	140
8.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	140
8.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	141
8.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	141

9.	Future Outlook	Pg No.
9.01	Forward-looking statement in narrative and quantitative form, including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	154-156
9.02	Explanation as to how the performance of the company aligns with the forward-looking disclosures made in the previous year.	154-155
9.03	Status of the projects in progress and those disclosed in the forward-looking statement in the previous year.	154-155
9.04	Sources of information and assumptions used for projections / forecasts in the forward-looking statement, and any assistance taken by any external consultant.	156
9.05	Disclosure about company's future Research & Development initiatives.	155

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10.	Stakeholders Relationship and Engagement	Pg No.
10.01	Stakeholder's engagement policy of the company and how the company has identified its stakeholders.	37-38
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how the relationship is likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	37-38
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	39
10.04	Investors' Relations section on the corporate website.	40
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	40
10.06	a) Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions; and b) Disclosure of brief summary of Analyst briefing conducted during the year.	39-40
10.07	Highlights about redressal of investors' complaints including number of complaints received and resolved during the year.	40
10.08	Details about corporate benefits to shareholders like value appreciation, dividend etc.	N/A

11.	Striving for Excellence in Corporate Reporting	
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan *(i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).*	145-149
11.02	BCR criteria cross referred with page numbers of the annual report. *(details can be maintained by companies on the Investor Relation section of the company's website).*	414

12.	Specific Disclosures of the Financial Statements	
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (**Annexure II**).	241-396

۷۔ غیر دعویٰ شدہ ڈیویڈنڈ

ایکٹ کے سیکشن 244 کی ہدایات کے مطابق، کمپنی کی جانب سے جاری کردہ شیئرز یا اعلان کردہ ڈیویڈنڈ اجرا کی تاریخ سے تین سالہ مدت کے دوران غیر دعویٰ شدہ یا غیر اداشدہ رہا کلیم فائل کرنے سے متعلق نوٹس جاری کرنے کے بعد ایسے شیئرز یا ڈیویڈنڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو وفاقی حکومت کے اکاؤنٹ میں جمع کرائے جائیں گے۔ تین سالہ مدت یا زائد سے غیر دعویٰ شدہ کمپنی کے جاری شدہ شیئرز کی تفصیلات اور اعلان کردہ منافع منقسمہ کی تفصیل شیئر ہولڈرز کو بھیجی گئی ہے۔

شیئر ہولڈرز کو گزارش کی جاتی ہے کہ ان کے غیر دعویٰ شدہ ڈیویڈنڈ کے کلیم اور شیئرز کا فوری طور پر دعویٰ داخل کریں۔ مذکورہ مدت میں کمپنی کو کلیم کا دعویٰ بھیجنے میں ناکامی کی صورت میں، کمپنی اخبار میں نوٹس بھیجنے کے بعد، ایکٹ کے سیکشن (2)244 کی تعمیل میں غیر دعویٰ شدہ کلیم یا غیر اداشدہ رقم وفاقی حکومت کے حوالے کردے گی۔

۸۔ فزیکل شیئرز کی CDC اکاؤنٹ میں تبدیلی

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے خط CSD/ED/Misc/2016-639-640 بتاریخ 26 مئی 2021 میں لسٹڈ کمپنیز کو مشورہ دیا ہے کہ کمپنیز ایکٹ 2017 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 فولیوز / 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 پارٹیسپنٹ یا سی ڈی سی انویسٹر اکاؤنٹ 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 ڈپلیکیٹ 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 فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ سے رابطہ کرسکتے ہیں۔

نوٹس

۱۔ شیئر ہولڈرز کو تحائف دینے پر پابندی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (''SECP'') نے اپنے 2018 کے سرکلر 2 کے ذریعے، مورخہ 9 فروری 2018، کمپنیوں کو شیئر ہولڈرز کے لیے عام اجلاسوں میں یا متعلقہ سلسلے میں تحائف کے بدلے تحائف یا مراعات (ٹوکن/ کوپن/ لنچ/ ٹیک اوے پیکیج) 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۔

۲۔ 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 فزیکل یا ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کرنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنا نام، موبائل نمبر، سی این آئی سی/ پاسپورٹ نمبر https://forms.office.com/r/sBaaCZBBVL پر رجسٹر کروائیں۔ فزیکل میٹنگ یا ویڈیو لنک کی تصدیق 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.epcl@engro.com پر فراہم کر سکتے ہیں۔

۳۔ سالانہ رپورٹ 2024 کی الیکٹرانک ترسیل

کمپنیز ایکٹ 2017 کے سیکشن (6)223 کی تعمیل میں کمپنی نے ان شیئر ہولڈرز کو سالانہ رپورٹ 2024 کی ای میل کے ذریعے الیکٹرانک ترسیل انجام دی ہے جن کے ای میل ایڈریس کمپنی کے شیئر رجسٹرار میسرز فیمکو 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 2024 (جس میں مالیاتی گوشوارے درج ہیں) 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 بھیجنے پر، ان کے رجسٹرڈ ایڈریس پر ایسی درخواست موصول ہونے کے ایک ہفتے کے اندر مفت میں فراہم کرے گی۔

مزید براں فزیکل فارم میں شیئرز رکھنے والے ممبران سے گزارش کی جاتی ہے کہ براہ مہربانی اپنا موثر ای میل ایڈریس (اپنے موثر CNIC کی کاپی کے ہمراہ) کمپنی کے شیئر رجسٹرار میسرز فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو جمع فراہم کریں جبکہ بک انٹری فارم میں شیئرز رکھنے والے ممبران اپنے متعلقہ پارٹیسپنٹ/ انویسٹر اکاؤنٹ سروسز کو فراہم کریں۔

۴۔ حصص کی منتقلی کی کتاب کی بندش

کمپنی کے شیئر ٹرانسفر بکس بروز بدھ 19 مارچ 2025 تا بدھ 26 مارچ 2025 (دونوں دن شامل ہیں) تک بند رہیں گے۔ ہمارے شیئر رجسٹرارز میسرز فیمکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ، F-8 نزد فاران 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 منگل 18 مارچ 2025 کو کاروبار کے اختتام تک وصول ہونے والی منتقلیوں کو ادائیگی اور اجلاس میں شرکت اور ووٹ دینے کے لیے بروقت تصور کیا جائے گا۔

۵۔ پراکسی کے تقرر کے تقاضے

اجلاس میں شرکت اور ووٹ دینے کے اہل ممبر اجلاس میں شرکت اور ووٹ دینے کے لیے کسی کو بطور نمائندہ (پراکسی) مقرر کرنے کا حق حاصل ہوگا؛ اور مقرر کردہ پراکسی کو اجلاس میں شرکت، اظہار رائے اور ووٹ دینے کے وہی حقوق حاصل ہوں گے جو خود ممبر کو حاصل ہیں۔ پراکسی فارم موثر ہونے کے لیے ان کی دستاویزات کمپنی کو اجلاس سے 48 گھنٹے پہلے موصول ہونا ضروری ہیں۔ پراکسی کے لیے کمپنی کا ممبر ہونا لازمی ہے۔

(I) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات ضابطے کے مطابق سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ میں اپ لوڈ ہو چکی ہیں، مندرجہ بالا ہدایات کے مطابق پراکسی فارم جمع کرائیں۔

(II) پراکسی فارم کے لیے 2 گواہ ضروری ہیں، جن کے نام ایڈریس اور سی این آئی سی نمبر فارم پر درج ہوں۔

(III) بینیفیشل مالکان اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ جمع کرانا ہوں گی۔

(IV) پراکسی اپنا اصل سی این آئی سی یا فعال پاسپورٹ سالانہ اجلاس عام کے وقت ہمراہ لائیں۔

(V) کارپوریٹ ادارے کی صورت میں پراکسی 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)۔

۶۔ ووٹ ڈالنے کا حق اور جانچ پڑتال کرنے والے کا تقرر

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی تعمیل میں کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کے مطلوبات سے مشروط، ممبران کو پوسٹل بیلٹ 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 ضابطہ 11 کے مطابق، کمپنی کے بورڈ نے میسرز اے ایف فرگوسن اینڈ کمپنی، ایک QCR ریٹیڈ آڈٹ فرم کو اجلاس کی کارروائی برائے خصوصی کاروبار کے لیے کمپنی کے اسکروٹنائزر کے طور پر کام کرنے اور ریگولیشن 11A کے ضابطے کے مطابق دیگر ذمہ داریاں نبھانے کے لیے مقرر کیا ہے۔

سالانہ اجلاس عام کی اطلاع

بذریعہ ہٰذا مطلع کیا جاتا ہے کہ اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ (''کمپنی'') کے ممبران کا 27 واں سالانہ اجلاسِ عام بروز بدھ 26 مارچ 2025 دوپہر 2:30 بجے، کراچی اسکول آف بزنس اینڈ لیڈرشپ (KSBL) واقع نیشنل اسٹیڈیم روڈ بالمقابل لیاقت نیشنل ہسپتال، کراچی, 74800 میں درجِ ذیل کاروبار کی انجام دہی کے لیے منعقد ہوگا:

ممبران کی حوصلہ افزائی کی جاتی ہے کہ کمپنی کے زیرِ 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 2024 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 وخوص اور منظوری دینا۔

کمپنیز ایکٹ 2017 (''ایکٹ'') کے سیکشن (6)223 کے تحت مطلوب، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کئے جا چکے ہیں جنہیں درج ذیل لنک اور/یا QR کے حامل کوڈ کے ذریعے ڈاؤن لوڈ کیا جا سکتا ہے:

https://www.engropolymer.com/shareholder-information/#financial

۲۔ سال 2025 کے لیے آڈیٹرز کی تعیناتی اور ان کے معاوضے کا تعین۔

ب) خصوصی کاروبار

۳۔ کمپنیز ایکٹ 2017 کے سیکشن 199 کے تحت کمپنیز (ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈرٹیکنگز میں سرمایہ کاری) ریگولیشنز، 2017 (جیسا کہ ترمیم کی جا سکتی ہے)، 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 پولیمر اینڈ کیمیکلز لمیٹڈ (''کمپنی'') کے ممبران 26 مارچ 2025 کو ہونے والا اگلا سالانہ اجلاس عام میں 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 ہولڈنگ کمپنی، اینگرو کارپوریشن لمیٹڈ کو قرض دینے کی منظوری دینا؛ ایک انٹر کمپنی قرض پانچ ارب روپے (5,000,000,000 روپے) تک کی مجموعی رقم میں، قرضوں، ایڈوانسز اور/یا کسی بھی شکل میں سیکورٹی (بشمول حد بندی کی ضمانتیں، سرکاری سیکورٹیز، نقد رقم، لسٹڈ/غیر لسٹڈ شدہ سیکورٹیز وغیرہ) پر مشتمل ہے جو Arm Length Basis کی بنیاد پر، گردشی لائن آف کریڈٹ کی صورت میں ہوگی، جس کی منظوری خصوصی قرارداد کی تاریخ سے ایک سال کی مدت کے لیے ہوگی۔

ب) کمپنی کو اپنی ایسوسی ایٹڈ کمپنی، اینگرو فرٹیلائزر لمیٹڈ کو قرض دینے کی منظوری دینا، ایک انٹر کمپنی قرض پانچ ارب روپے (5,000,000,000 روپے) تک کی مجموعی رقم میں، قرضوں، ایڈوانسز اور/یا کسی بھی شکل میں سیکورٹی (بشمول حد بندی کی ضمانتیں، سرکاری سیکیورٹیز، نقد رقم، لسٹڈ/غیر لسٹڈ شدہ سیکورٹیز وغیرہ) پر مشتمل ہے جو Arm Length Basis کی بنیاد پر، گردشی لائن آف کریڈٹ کی صورت میں ہوگی، جس کی منظوری خصوصی قرارداد کی تاریخ سے ایک سال کی مدت کے لیے ہوگی۔

قرار پایا کہ، بورڈ تصدیق کرتا ہے کہ چونکہ دونوں اداروں کا مشترکہ کنٹرول میں ہونے کی وجہ سے، ان کی مالی پوزیشنوں کی بنیاد پر اندازہ لگایا گیا ہے اور یہ طے کیا گیا ہے کہ یہ دونوں کمپنیز اس سہولت کے معاہدے میں بیان کردہ شرائط وضوابط کے مطابق قرض کی ادائیگی کی اہلیت رکھتی ہیں۔

مزید قرار پایا کہ کمپنی کے چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور/یا کمپنی سیکرٹری، کوئی بھی دو مشترکہ 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/ریٹرن فائل کریں اور مذکورہ قراردادوں کے مقصد کو مکمل طور پر حاصل کرنے کے لیے اس سے متعلقہ معاملات انجام دے سکتے ہیں۔''

بحکم بورڈ
ثاقب رفیق FCA
کمپنی سیکریٹری

کراچی:
5 مارچ 2025

- ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی قابلیت پر کوئی خاص شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اخراج نہیں ہوا ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

بورڈ کا بنیادی خطرات سے متعلق جائزہ

بورڈ نے کمپنی کو درپیش خطرات کا جائزہ لیا ہے، بشمول، لیکن ان تک محدود نہیں، وہ جو کاروباری ماڈل، مستقبل کی کارکردگی، سالوینسی یا لیکویڈیٹی کے لیے خطرہ ہوں گے۔

ڈائریکٹرز کے لیے تربیتی پروگرام

ڈائریکٹرز کا تربیتی پروگرام جناب احسن ظفر سید، محترمہ عائشہ عزیز، جناب کامران نشاط، جناب نذر علی بیگ اور سید شہزاد نبی نے ایس ای سی پی سے منظور شدہ پاکستان کے تسلیم شدہ اداروں سے گزشتہ سالوں کے دوران مکمل کیا ہے۔ دیگر ڈائریکٹرز آئندہ سال کے دوران تربیت مکمل کریں گے۔

ڈائریکٹر اورینٹیشن

کمپنی کا بورڈ آف ڈائریکٹرز متنوع پیشہ ورانہ پس منظر سے تعلق رکھنے والے افراد پر مشتمل ہوتا ہے جو کمپنی کو بہت زیادہ تجربہ لاتے ہیں۔ نئے ڈائریکٹر کی تقرری پر، وہ مارکیٹ کی قوتوں کے لیے ایک واقفیت حاصل کرتے ہیں جو کمپنی، اس کے آپریشنز، اور اس کی طویل مدتی حکمت عملی کو متاثر کرتی ہے۔ مزید برآں، انہیں تمام اسٹیک ہولڈرز کے لیے ان کی مخلصانہ ذمہ داریوں سے آگاہ کیا جاتا ہے۔

غیر ملکی ڈائریکٹر کی سیکیورٹی کلیئرنس

کمپنی کسی بھی غیر ملکی ڈائریکٹر کی تقرری کے لیے ایس ای سی پی کے رہنما خطوط پر عمل کرتی ہے اور وزارت داخلہ کی جانب سے سیکیورٹی کلیئرنس کے اجراء کے بعد، غیر ملکی ڈائریکٹرز کی تقرری کی جاتی ہے۔

قانونی تقاضوں سے بڑھ کر حکمرانی کے طریقوں کو نافذ کرنا

ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے، کمپنی نے ہمیشہ اپنے آپ کو ذمہ دارانہ اور واضح انداز میں انجام دیا ہے۔ شفافیت کو فروغ دینے کے لیے، کمپنی:

- بینچ مارکس ICAP/ICMAP اور SAFA کی تجویز کردہ رہنما خطوط کے خلاف رپورٹنگ کی ضروریات۔
- ایک سخت اندرونی تجارت کی پالیسی اپنائی، جو قانونی تقاضوں سے بالاتر ہے۔
- متعدد تجزیہ کاروں کی بریفنگ رکھتا ہے اور تمام اسٹیک ہولڈرز کے ساتھ باقاعدگی سے بات چیت کرتا ہے۔
- صحت، حفاظت اور ماحولیات کی پالیسی کو اپنے لوگوں، برادری اور ماحول کے تحفظ کے لیے اپنی وابستگی کی گواہی کے طور پر نافذ کیا۔
- آس پاس کی کمیونٹیز کی معاش کو بہتر بنانے کے لیے کئی صحت اور تعلیم کے منصوبے شروع کیے ہیں۔
- گروپ کمپنیوں کے ملازمین پر بند کی مدت کے تقاضوں پر عمل کرنے کی ذمہ داری عائد کی گئی۔
- اس بات کو یقینی بنایا کہ کمپنی کی نجی ملکیت والی ذیلی کمپنیاں بینچ مارک گورننس کے طریقوں کی تعمیل کرتی ہیں۔

بورڈ اور انتظامیہ میں فیصلہ سازی پر اتفاق

کمپنی کا بورڈ آف ڈائریکٹرز کمپنی کی اسٹریٹجک سمت کو قائم کرنے اور اس کے نفاذ اور پیشرفت کی نگرانی کا ذمہ دار ہے۔ دوسری طرف، انتظامی ٹیم کو بورڈ کی طرف سے منظور شدہ حکمت عملیوں کے کامیاب نفاذ کو یقینی بنانے کا کام سونپا گیا ہے۔ بورڈ نے کمپنی کے موثر انتظام اور آپریشن اور اس کی حکمت عملیوں کے نفاذ کے لیے ضروری فیصلے کرنے کا اختیار انتظامیہ کو سونپ دیا ہے۔

حصص کی تجارت اور اوسط قیمتیں

سال کے دوران پاکستان اسٹاک ایکسچینج میں کمپنی کے 306 ملین شیئرز کا کاروبار ہوا۔ یومیہ بند ہونے والے نرخوں کی بنیاد پر کمپنی کے حصص کی اوسط قیمت 41.06PKR تھی۔ 2024 کے دوران 52 ہفتے کی کم ترین سطح بالترتیب PKR30.01–49.79 فی شیئر تھی۔

آڈیٹرز

موجودہ آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی ریٹائر ہو رہے ہیں اور انہوں نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ بورڈ آڈٹ کمیٹی نے ان کی دوبارہ تقرری کی سفارش کی ہے جس کی بورڈ آف ڈائریکٹرز نے توثیق کر دی ہے۔

عبدالقیوم شیخ
چیف ایگزیکٹو آفیسر

کامران نشاط
ڈائریکٹر

پراویڈنٹ فنڈ

سال2013 میں، کمپنی نے اپنے پرانے پروویڈنٹ فنڈ کے انتظامات سے ایک نئے پراویڈنٹ فنڈ میں منتقلی کی جس کا انتظام اور انتظام اینگرو کارپوریشن لمیٹڈ، بنیادی کمپنی ہے۔اس فنڈ سے متعلق مالی معلومات 30 جون2024 تک کے فنڈ کے تازہ ترین آڈٹ شدہ مالیاتی گوشواروں اور 31 دسمبر2024 تک کے غیر آڈٹ شدہ مالیاتی گوشواروں پر مبنی ہے، جو اینگرو کارپوریشن لمیٹڈ کے زیر انتظام ہیں۔

فنڈ کی تفصیلات درج ذیل ہیں:

پاکستانی روپے میں	31 دسمبر24	30 جون24
کل اثاثے	6,666,596,686	6,750,158,745
سرمایہ کاری کی لاگت	5,440,350,890	5,188,708,548
سرمایہ کاری کا فیصد	81.61%	76.87%
سرمایہ کاری کی مناسب قیمت	6,516,941,780	5,513,773,016

صنفی تنوع پر بورڈ کی پالیسی

بورڈ تنظیم کے اندر تمام سطحوں پر صنفی تنوع کو فروغ دیتا ہے۔اس سلسلے میں، محترمہ عائشہ عزیز کو2020 میں کمپنی کے بورڈ میں ایک آزاد ڈائریکٹر کے طور پر مقرر کیا گیا۔

کوڈ آف کارپوریٹ گورننس پر عمل درآمد

بورڈ آف ڈائریکٹرز کمپنی کے تمام اہم معاملات کا جائزہ لیتا ہے۔ان میں کمپنی کی اسٹریٹجک سمت، سالانہ کاروباری منصوبے اور اہداف، طویل مدتی سرمایہ کاری اور قرض لینے کے فیصلے شامل ہیں، لیکن ان تک محدود نہیں۔بورڈ آف ڈائریکٹرز کارپوریٹ گورننس کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔

بورڈ آف ڈائریکٹرز کو یہ اطلاع دیتے ہوئے خوشی ہورہی ہے کہ:

- انتظامیہ کی طرف سے تیار کردہ مالی بیانات اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ، اور ایکویٹی میں ہونے والی تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
- کھاتوں کی مناسب کتابیں برقرار رکھی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- بین الاقوامی اکاؤنٹنگ معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی گوشواروں کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روانگی کا مناسب طور پر انکشاف کیا گیا ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

بورڈ آڈٹ کمیٹی	
کامران نشاط صاحب	چیئرمین
جناب نظور علی بیگ	ممبر
مسٹر مساکی یوکویاما	ممبر

بورڈ پیپل کمیٹی	
محترمہ عائشہ عزیز	چیئرمین
طارق نثار صاحب	ممبر
جناب نظور علی بیگ	ممبر

ڈائریکٹرز کا معاوضہ

کمپنی کے پاس کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق اپنے ڈائریکٹرز کے معاوضے کے لیے ایک باضابطہ پالیسی اور شفاف طریقہ کار ہے۔یہ پالیسی غیر ایگزیکٹو ڈائریکٹرز کے لیے سفری اور یومیہ الاؤنس کے حقدار بھی فراہم کرتی ہے۔

معاوضہ، بشمول بورڈ یا بورڈ کمیٹی کے اجلاس میں شرکت کے لیے ڈائریکٹر فیس، جو ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کو ادا کی جاتی ہے، صفحہ نمبر___ (اسٹینڈ اکیلے مالیاتی بیانات کے لیے نوٹ 41) پر ظاہر کیا جاتا ہے۔

اہم فیصلوں کا احاطہ

انکم ٹیکس، دفعات، ہنگامی حالات اور وعدوں، موخر ٹیکس کے اثاثوں، اور دیگر اہم شعبوں سے متعلق تفصیلات جن میں موضوعی فیصلے شامل ہیں اور مالیاتی بیانات پر مادی اثرات مرتب کرتے ہیں، اکاؤنٹس کے نوٹس میں مل سکتے ہیں۔

اکاؤنٹنگ کے معیارات

کمپنی کے مالی بیانات پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ کے معیارات کے مطابق تیار کیے گئے ہیں۔پاکستان میں لاگو اکاؤنٹنگ اور رپورٹنگ کے معیارات پر مشتمل ہے:

- بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs) جو انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کے ذریعہ جاری کیے گئے ہیں جیسا کہ کمپنیز ایکٹ، 2017 کے تحت مطلع کیا گیا ہے۔اور
- کمپنیز ایکٹ 2017 کے تحت جاری کردہ پروویژن اور ہدایات۔

جہاں کمپنیز ایکٹ 2017 کے تحت جاری کردہ دفعات اور ہدایات IFRS سے مختلف ہیں، وہاں کمپنیز ایکٹ 2017 کے تحت جاری کردہ دفعات اور ہدایات کی پیروی کی گئی ہے۔

بورڈ کے اجلاس اور حاضری

2024 میں، بورڈ آف ڈائریکٹرز نے سرگرمیوں کے مکمل سرکل کا احاطہ کرنے کے لیے 4 میٹنگز کیں۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

ڈائریکٹر کا نام کی	میٹنگ میں شرکت
غیاث الدین خان	2
عائشہ عزیز	4
نظور علی بیگ	4
جہانگیر پراچہ	1
ٹوموبا کونڈو	2
طارق نثار	4
سید شہزاد نبی	4
احسن ظفر سید	2
کامران نشاط	3
عبدالقیوم	3
مساکی یوکویاما	2

بورڈ کی تشکیل

مرد	7
عورت	1

کیٹگریز	نام
نان ایگزیکٹو ڈائریکٹر	جناب احسن ظفر سید (چیئرمین) طارق نثار صاحب مسٹر مساکی یوکویاما سید شہزاد نبی
ایگزیکٹو ڈائریکٹر-سی ای او	جناب عبدالقیوم
آزاد ڈائریکٹر	جناب نظور علی بیگ کامران نشاط صاحب
آزاد ڈائریکٹر-خاتون	محترمہ عائشہ عزیز

31 دسمبر 2024 تک شیئر ہولڈنگ کا پیٹرن

No of Shareholders	From	To	Total Shares
1	695,001	700,000	700,000
1	780,001	785,000	782,000
1	795,001	800,000	797,664
1	845,001	850,000	846,905
1	850,001	855,000	853,752
1	890,001	895,000	891,874
1	910,001	915,000	914,462
1	920,001	925,000	920,848
1	935,001	940,000	937,000
3	995,001	1,000,000	3,000,000
1	1,015,001	1,020,000	1,020,000
1	1,040,001	1,045,000	1,040,840
1	1,150,001	1,155,000	1,152,405
1	1,250,001	1,255,000	1,255,000
1	1,365,001	1,370,000	1,369,956
1	1,395,001	1,400,000	1,397,214
1	1,410,001	1,415,000	1,414,290
1	1,445,001	1,450,000	1,450,000
1	1,995,001	2,000,000	2,000,000
1	2,345,001	2,350,000	2,350,000
1	4,040,001	4,045,000	4,041,095
1	4,715,001	4,720,000	4,717,023
1	39,485,001	39,490,000	39,487,465
1	91,180,001	91,185,000	91,181,821
1	100,050,001	100,055,000	100,053,563
1	510,730,001	510,735,000	510,733,453
34,310			**908,923,333**

31 دسمبر 2024 تک شیئرز ہولڈنگ کا پیٹرن			
No of Shareholders	From	To	Total Shares
1	340,001	345,000	341,300
1	345,001	350,000	350,000
1	350,001	355,000	354,000
4	355,001	360,000	1,438,500
1	360,001	365,000	364,600
3	365,001	370,000	1,102,362
1	370,001	375,000	374,536
1	380,001	385,000	384,000
2	395,001	400,000	797,999
1	405,001	410,000	410,000
1	410,001	415,000	410,986
1	415,001	420,000	415,752
2	425,001	430,000	854,984
3	445,001	450,000	1,347,920
2	455,001	460,000	914,138
1	460,001	465,000	464,733
1	475,001	480,000	479,531
1	480,001	485,000	485,000
1	490,001	495,000	495,000
5	495,001	500,000	2,495,993
1	520,001	525,000	525,000
1	560,001	565,000	565,000
1	565,001	570,000	566,000
1	570,001	575,000	573,018
1	585,001	590,000	587,716
1	590,001	595,000	594,989
3	595,001	600,000	1,800,000
1	600,001	605,000	600,076
1	650,001	655,000	655,000
1	665,001	670,000	666,849
1	675,001	680,000	677,726
1	680,001	685,000	684,978

31 دسمبر 2024 تک شیئرز ہولڈنگ کا پیٹرن			
No of Shareholders	From	To	Total Shares
9	145,001	150,000	1,332,941
2	150,001	155,000	305,500
3	155,001	160,000	476,000
3	160,001	165,000	487,430
2	165,001	170,000	339,000
2	170,001	175,000	346,301
4	175,001	180,000	709,500
3	180,001	185,000	551,248
3	185,001	190,000	564,500
2	190,001	195,000	384,543
9	195,001	200,000	1,800,000
6	200,001	205,000	1,219,169
1	210,001	215,000	210,334
3	215,001	220,000	654,935
2	220,001	225,000	448,519
2	225,001	230,000	460,000
1	230,001	235,000	232,892
3	235,001	240,000	715,438
2	240,001	245,000	483,016
4	245,001	250,000	996,347
4	250,001	255,000	1,002,787
1	255,001	260,000	255,471
1	260,001	265,000	262,000
3	265,001	270,000	803,649
4	270,001	275,000	1,094,973
1	285,001	290,000	288,000
1	290,001	295,000	294,939
6	295,001	300,000	1,796,963
1	300,001	305,000	305,000
1	320,001	325,000	325,000
1	325,001	330,000	330,000
3	335,001	340,000	1,009,499

31 دسمبر 2024 تک شیئر ہولڈنگ کا پیٹرن			
No of Shareholders	**From**	**To**	**Total Shares**
2,241	1	100	91,109
18,478	101	500	8,433,044
6,043	501	1,000	4,575,452
4,380	1,001	5,000	11,233,067
1,238	5,001	10,000	9,587,732
513	10,001	15,000	6,579,105
329	15,001	20,000	6,006,733
216	20,001	25,000	5,017,342
144	25,001	30,000	4,068,264
92	30,001	35,000	3,063,352
53	35,001	40,000	2,032,009
45	40,001	45,000	1,922,484
81	45,001	50,000	3,974,318
49	50,001	55,000	2,578,096
27	55,001	60,000	1,579,617
24	60,001	65,000	1,506,679
20	65,001	70,000	1,378,967
16	70,001	75,000	1,171,140
17	75,001	80,000	1,343,878
12	80,001	85,000	984,920
14	85,001	90,000	1,230,930
6	90,001	95,000	557,125
42	95,001	100,000	4,187,827
11	100,001	105,000	1,125,308
7	105,001	110,000	766,674
9	110,001	115,000	1,016,369
12	115,001	120,000	1,411,195
5	120,001	125,000	622,853
3	125,001	130,000	385,926
6	130,001	135,000	795,528
5	135,001	140,000	689,886
3	140,001	145,000	434,194

6۔ میوچل فنڈز اور مدارس

S.No.	Name	No. of Shares Held
1	TRUST MODARABA	30,000
2	FIRST ALNOOR MODARABA	12,000
3	CDC - TRUSTEE AKD INDEX TRACKER FUND	75,910
4	CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	853,752
5	CDC - TRUSTEE KSE MEEZAN INDEX FUND	891,874
6	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	242,038
7	CDC - TRUSTEE NBP SAVINGS FUND – MT	250,132
8	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	50,000
9	CDC - TRUSTEE HBL INCOME FUND – MT	500
10	CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I – MT	70,093
11	CDC - TRUSTEE PAK QATAR IPF - EQUITY SUB FUND	15,241
	TOTAL	**2,491,540**

7۔ کمپنی میں 10% یا اس سے زیادہ ووٹنگ کے حقوق رکھنے والے شیئر ہولڈرز

S.No.	Name	No. of Shares Held
1	Engro Corporation Limited	510,733,453
2	Mitsubishi Corporation	100,053,563
3	Mr. Nadeem Nisar	91,181,821
	Total	**701,968,837**

8۔ عام عوام (مقامی) حصص کی تعداد

S.No.	Name	No. of Shares Held
	Total	**140,962,619**

9۔ دیگر منعقد حصص کی تعداد

S.No.	Name	No. of Shares Held
	Total	**17,120,105**

31 دسمبر 2024 تک شیئرز ہولڈنگ کی کیٹگریز

S.No.	Category of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their Spouse and Minor Children	9	19,006	0.00
2	Associated Companies, Undertakings and Related Parties	4	703,009,677	77.35
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	4	763,260	0.08
5	Insurance Companies	7	44,557,126	4.90
6	Modarabas and Mutual Funds	11	2,491,540	0.27
7	Shareholder holding 10% or more	3	701,968,837	77.23
8	General Public:			
	a. Local	34,157	140,962,619	15.51
	b. Foreign	-	-	-
9	Others	118	17,120,105	1.88
	Total (excluding shareholder holding 10%	**34,310**	**908,923,333**	**100.00**

رپورٹنگ فریم ورک کے تحت شیئرز ہولڈنگ کی معلومات درج ذیل ہے:

1۔ ڈائریکٹرز، چیف ایگزیکٹو آفیسر، اور ان کی شریک حیات اور نابالغ بچے

S.No.	Name	No. of Shares Held
1	Mr. Ahsan Zafar Syed	1
2	Mr. Masaaki Yokoyama	1
3	Syed Shahzad Nabi	1
4	Mr. Tariq Nisar	5,000
5	Ms. Ayesha Aziz	501
6	Mr. Nazoor Ali Baig	1
7	Mr. Kamran Nishat	1
8	Mr. Tahir Aziz (Spouse of Ms. Ayesha Aziz)	1,000
9	Mr. Abdul Qayoom	12,500
	Total	**19,006**

2۔ وابستہ کمپنیاں، ادارے اور متعلقہ فریق

S.No.	Name	No. of Shares Held
1	Engro Corporation Limited	510,733,453
2	Mitsubishi Corporation	100,053,563
3	Mr. Nadeem Nisar	91,181,821
4	EPCL Employees' Trust	1,040,840
	Total	**703,009,677**

3۔ منعقدہ حصص کی NIT اور ICP نمبر

S.No.	Name	No. of Shares Held
	Total	-

4۔ بینک، ترقیاتی مالیاتی ادارے، غیر بینکنگ مالیاتی ادارے حصص کی تعداد

S.No.	Name	No. of Shares Held
	Total	**763,260**

5۔ انشورنس کمپنیوں کے حصص کی تعداد

S.No.	Name	No. of Shares Held
	Total	**44,557,126**

حکومت سے تعاون کی درخواست

کمپنی درج ذیل شعبوں میں حکومت سے تعاون کی درخواست کرتی ہے:

- گیس کی قیمت میں اضافہ: 2018 کے بعد سے، گھریلو صنعت نے گیس کی قیمتوں میں اضافے کے متعدد دوروں کا تجربہ کیا ہے، جس سے حصص یافتگان کی قدر کو نقصان پہنچا ہے۔ بین الاقوامی کھلاڑیوں کے خلاف مقامی صنعت کی مسابقت اور گھریلو صنعتی بنیاد میں مسلسل ترقی کو یقینی بنانے کے لیے حکومت کے لیے ضروری ہے کہ وہ توانائی کی قیمتوں میں مسلسل اضافے کو کنٹرول کرے۔
- گیس کی دستیابی: گیس کی دستیابی پر غیر یقینی صورتحال، خاص طور پر سردیوں کے موسم میں، کمپنی اور نیچے کی دھارے کی صنعتوں کو اہم آپریشنل خطرات سے دوچار کرتی ہے۔ اس لیے، حکومت کے لیے یہ ضروری ہے کہ وہ اس مسئلے کا طویل مدتی حل تلاش کرے تاکہ مقامی صنعت کے کاموں کے تسلسل کو یقینی بنایا جا سکے۔
- GIDC کیس: 2020 میں، سپریم کورٹ نے GIDC (گیس انفراسٹرکچر ڈویلپمنٹ سیس ایکٹ) معاملے میں ایک حکم جاری کیا، جس کے نتیجے میں کمپنی 48 ماہانہ قسطوں میں GIDC کی ادائیگی کرنے کی ذمہ دار ہے۔ اس سلسلے میں نظر ثانی کی درخواست خارج کر دی گئی ہے۔ کمپنی نے GIDC کے اثرات کو صارفین تک نہیں پہنچایا کیونکہ PVC کی قیمتوں کا تعین بین الاقوامی قیمتوں کے مقابلے میں کیا جاتا ہے، جبکہ کاسٹک قیمتوں کا تعین ڈیمانڈ سپلائی ڈائنامکس کے ذریعے کیا جاتا ہے۔ فی الحال سندھ ہائی کورٹ سے حاصل حکم امتناعی برقرار ہے۔ کمپنی حکومت سے اس معاملے میں مداخلت کی درخواست کرتی ہے کہ باہمی طور پر فائدہ مند حل کے لیے تمام اسٹیک ہولڈرز کے ساتھ موثر مذاکرات کیے جائیں
- PVC درآمدات پر ڈیوٹی: PVC پر درآمدی ڈیوٹی کی موجودہ سطح کو برقرار رکھنا گھریلو PVC صنعت کے لیے بہت ضروری ہے۔ 2021 میں، کمپنی نے PVC کی پیداواری صلاحیت کو 295,000 ٹن تک بڑھانے کے لیے تقریباً 150USD ملین کی سرمایہ کاری کی، جو کہ گھریلو PVC کی طلب سے زیادہ ہے۔ کمپنی کا خیال ہے کہ ٹیرف کے ڈھانچے میں کوئی بھی تبدیلی اس کی سرمایہ کاری اور عالمی سطح پر مسابقتی ہونے کے لیے عالمی سطح کے سائز تک پہنچنے کے اس کے مقصد کو سنجیدگی سے متاثر کرے گی۔ درآمدی متبادل ملک کے لیے قیمتی زرمبادلہ کی بھی بچت کرتا ہے۔

میں حصہ ڈالتے ہیں۔ ان اقدامات کا محور ملازمین کو بااختیار بنانا ہے کہ وہ ملک کی بہتری کے لیے اپنی برادریوں کے ساتھ رابطہ قائم کر کے نچلی سطح پر مثبت اثر ڈالیں۔

مجموعی طور پر، ہمارا مجموعی نقطہ نظر بھرتی، کیریئر کی ترقی، خاندانی تعاون، کمیونٹی کی مصروفیت، اور نظم و نسق پر مشتمل ہے، ایک کام کی جگہ تخلیق کرتا ہے جو تنوع کو اہمیت دیتا ہے اور زندگی کے مختلف حالات میں ملازمین کی فعال طور پر مدد کرتا ہے۔

اسٹیک ہولڈر کی مصروفیت اور تعلقات

کمپنی اپنے اسٹیک ہولڈرز کے ساتھ تمام سطحوں پر مشغول رہنے کے لیے وقف ہے، اور ہم نے ان کے ساتھ بات چیت اور تعاون کرنے کے لیے گزشتہ سال کے دوران مختلف پلیٹ فارمز کا استعمال کیا ہے۔ اس میں سہ ماہی تجزیہ کاروں کی بریفنگ، پریس ریلیز، پلانٹ وزٹ، اسٹریٹجک معاملات کے حوالے سے اسٹاک ایکسچینج کا انکشاف، اور غیر رسمی گفتگو شامل ہے۔ تمام ریگولیٹری تقاضوں کی تعمیل کرنے کے لیے، کمپنی نے متعلقہ حکام، بشمول ٹیکس ایجنسیوں، پاکستان اسٹاک ایکسچینج، اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ساتھ قریبی ہم آہنگی برقرار رکھی ہے۔
ہم اپنے وینڈرز اور صارفین کے ساتھ رسمی اور غیر رسمی میڈیا کے ذریعے مشغول ہوتے ہیں، جس میں میٹنگز اور کانفرنسیں، تکنیکی مدد اور کاروباری ترقی کی خدمات فراہم کرنا شامل ہے۔

جیسا کہ ملازمین کمپنی کی ترقی میں اہم کردار ادا کرتے ہیں، ہم باقاعدگی سے ان کی حوصلہ افزائی کا جائزہ لیتے ہیں اور اپنے نتائج کا صنعتی معیارات سے موازنہ کرتے ہیں۔ اس کے بعد ہم مناسب حکمت عملی تیار کرنے کے لیے اس معلومات کو متعلقہ مینیجرز اور HR کے ساتھ شیئر کرتے ہیں۔

DX چیمپئن پروگرام جو 2023 میں شروع کیا گیا تھا، اس پلیٹ فارم پر 2024 میں نئے DX چیمپئنز متعارف ہونے کے ساتھ آگے بڑھ رہا ہے۔ ان ڈیجیٹل چیمپئنز نے اپنے متعلقہ ڈویژنوں میں 63 کاروباری استعمال کے معاملات کے حل تیار کیے ہیں۔ اگلے سال وہ لاگت کی استعداد کار بڑھانے کے لیے ان حلوں کو نافذ کرنے پر توجہ مرکوز کریں گے۔

پورے سال کے دوران، HR ٹیم نے عالمی اہمیت کے اہم مواقع جیسے عالمی یوم والدین، نوجوانوں کا بین الاقوامی دن جہاں ہم نے اپنے تربیت یافتہ افراد کو قیادت اور بیرونی مہمانوں کے ساتھ رہنمائی کے سیشنز کے ذریعے منایا، اور بین الاقوامی دماغی صحت کا دن منایا جس میں ہماری قیادت نے مختلف مسابقتی ترجیحات کے درمیان توازن کو یقینی بنانے کے لیے اپنی بصیرت اور تجاویز کا اشتراک کرتے ہوئے دیکھا جو ملازمین کی روزمرہ زندگی گزارتے ہیں۔ یہ اور ای پی سی ایل کیئرز پروگرام جیسے دوسرے کنیکٹ نے اس بات کو یقینی بنایا کہ ہم مختلف مداخلتوں کے ذریعے اپنے ملازمین کے ساتھ جڑے رہیں۔

محکمہ ہیومن ریسورسز بورڈ آف ڈائریکٹرز کو باقاعدہ اپ ڈیٹس بھی دیتا ہے، جو اس شعبے میں ہونے والی پیش رفت کے بارے میں بصیرت پیش کرتا ہے۔ ہمارے ثقافتی اقدامات کو مزید سپورٹ کرنے کے لیے، بورڈ اور سینئر مینجمنٹ ایسے افراد کی تقرری اور فروغ میں فعال طور پر مشغول ہیں جو تنظیم کی قدر کے مطابق ہوں۔

صلاحیت اور اسکلز کی ترقی

ایک مناسب ٹیلنٹ پائپ لائن کو برقرار رکھنے کی اہمیت یہ ہے کہ یہ مطلوبہ صلاحیتوں سے لیس ہے اور اسے ہر سطح پر پہچانا جاتا ہے۔ اس مقصد کے مطابق 2024 میں کمپنی میں تکنیکی تربیت کی صلاحیت کو بڑھانے پر توجہ مرکوز رکھی گئی۔

انٹیگریٹڈ کیپبلیٹی ماڈل (ICM) کو پوری تنظیم میں اختتام سے آخر تک تکنیکی صلاحیتوں کی نشوونما کے فریم ورک کے نفاذ کو یقینی بنانے کے لیے شروع کیا گیا تھا۔ اس فریم ورک کی توجہ ایسے ملازمین پر مرکوز ہے جو وہ مہارتیں اور قابلیتیں حاصل کرتے ہیں جو انہیں مستقبل کے چیلنجوں اور قائدانہ کرداروں کے لیے تیار کرتے ہیں جبکہ اس بات کو یقینی بناتے ہوئے کہ ٹیلنٹ کی نشوونما تنظیم کے کاروباری مقاصد کی براہ راست حمایت کرتی ہے، اور زیادہ چست اور ذمہ دار افرادی قوت کو فروغ دیتی ہے۔

2024 میں توجہ کا ایک اور شعبہ ایس ایم ای پروگراموں جیسے کرافٹ انچارجز اور اسکل پول مینیجرز کا استحکام اور نفاذ تھا۔

سیکھنے کے اقدامات جیسے Skillsoft اور Udemy لائسنس کی رسائی ملازمین کو خود سیکھنے کے ماڈیول کے ذریعے اپنی ترقی پر کام کرنے کا موقع فراہم کرتے رہے۔ جہاں Skillsoft نے قائدانہ صلاحیتوں کی ترقی پر توجہ مرکوز کی، Udemy پلیٹ فارم کو EPCL میں انجینئرنگ ٹیلنٹ نے اپنی تکنیکی مہارت کے سیٹ کو بڑھانے کے لیے فائدہ اٹھایا۔

سال کے لیے ذاتی طور پر سیکھنے کے پروگرام ملازمین کو ضروری قیادت اور فعال مہارتوں سے آراستہ کرنے کے لیے بنائے گئے تھے۔ اہم شعبوں

جیسے اسٹریٹجک Th انکنگ، شرکاء کو پیچیدہ کاروباری مناظر کو نیویگیٹ کرنے کے قابل بناتا ہے، اور تنازعات کا حل، موثر مواصلت کو فروغ دیتا ہے اور مسائل کو حل کرتا ہے۔ مزید برآں، فنانس فار نان فنانس جیسے پروگراموں کے ذریعے فنکشنل مہارت کو تقویت ملی جس میں اینگرو گروپ بھر سے شرکاء نے شرکت کی، ملازمین کے درمیان وسیع تر مالی ذہانت کو یقینی بنایا۔ یہ ہدف شدہ سیکھنے کے تجربات ملازمین کو ان مہارتوں سے بااختیار بناتے ہیں جو تنظیمی کامیابی کو آگے بڑھانے اور ان کے کردار میں بہترین کارکردگی کا مظاہرہ کرتے ہیں۔

تنوع، مساوات اور شمولیت

متنوع ٹیلنٹ کی شمولیت کمپنی کے DE&I وژن کے پیچھے کلیدی مقصد ہے، جس کا مظاہرہ 2024 میں صنفی تنوع کے تناسب میں 13% تک اضافے سے ہوتا ہے۔ اس پر تمام HR طریقوں پر زور دیا جاتا ہے جس میں ایک کلیدی عزم کا علاقہ مساوی مواقع کی بھرتی اور معاوضے کے غیر متضاد کردار کا باعث بنتا ہے۔ ہماری DE&I حکمت عملی کا مقصد 2025 تک 16% تنوع کا تناسب ہے، جس کی جھلک متعدد اقدامات جیسے کہ صنف پر مشتمل قیادت، لیڈرشپ کوچنگ پروگرام جیسے "بریکنگ دی گلاس سیلنگ" اور "عمید ای نوح" جیسے پروگراموں سے ہوتی ہے، جہاں ہم نے پہلی بار آپریٹرز کے لیے پاکستان میں پہلی بار شروع کرنے والے پروگرام کے ذریعے آپریٹرز کے لیے پائیدار روزگار کے مواقع فراہم کرنے پر توجہ مرکوز کی۔

یکساں مواقع کو یقینی بنانے کے لیے بھرتی کی حکمت عملیوں جیسے صنفی غیر جانبدار ملازمت کے اشتہارات اور کم نمائندگی والے علاقوں تک ہدف تک رسائی کو اپنایا جاتا ہے۔

تمام کیڈرز میں عہدوں پر خواتین کی موجودگی میرٹ کی بنیاد پر خواتین کے کیریئر میں ترقی کی حمایت کرنے کے ہمارے عزم کی مثال ہے۔ یہ عزم کلیدی کرداروں میں خواتین ملازمین کو فروغ دینے، اور اسسٹنٹ انجینئرز، اپرنٹس، اور سیلز مینیجرز جیسے شعبوں میں صنفی رکاوٹوں کو توڑنے تک پھیلا ہوا ہے۔

ہماری خاندانی دوستانہ پالیسیاں کام کی جگہ سے آگے بڑھ کر ملازم کی زندگی کے دوران متعدد پہلوؤں میں جامع تعاون کی پیشکش کرتی ہیں، بشمول محفوظ رہائش، نقل و حمل، اور "بریک کی باد" جیسے منفرد واپسی کے پروگرام اور طویل مدتی چھٹیوں کے لیے آف ٹریک پالیسی چاہے تعلیم ہو یا دیکھ بھال کی ضروریات۔ مزید برآں، ہم کمیونٹی آؤٹ ریچ میں سرگرمی سے مشغول رہتے ہیں، سٹیم سیفیر پروگرام جیسے اقدامات کے ذریعے سماجی ترقی

انسانی وسائل

کمپنی ایک جامع کام کی جگہ کوفروغ دینے کے لیے پرعزم ہے۔ایک مساوی مواقع کے آجر کے طور پر، ہم ایک محفوظ اورفروغ پزیر ماحول بنانے کے لیے اپنی ثقافت اورطرزعمل کا مسلسل جائزہ لیتے ہیں جہاں ہر ملازم کوشامل محسوس ہوتا ہے۔

پاکستان میں واحد مکمل طور پر مربوط کلورونائل کمپلیکس کے طور پر، کمپنی ایک منفرد ٹیلنٹ کی مالک ہے۔ ہماری سٹریٹجک توجہ تکنیکی صلاحیتوں کی اندرون ملک ترقی کے گرد گھومتی ہے، جس میں ہمارے تربیت یافتہ افراد کی پرورش اورگرومنگ پرزوردیا جاتا ہے۔ان کی ترقی اہم ہے کیونکہ وہ اعلیٰ قیادت کے عہدوں کے لیے ٹیلنٹ پائپ لائن کا ایک لازمی حصہ ہیں۔ ہمارے پلانٹ کے لیے درکار پیچیدہ تکنیکی صلاحیتوں کے ساتھ ان کی مہارت کے سیٹ کوتیار کرنے اوران کی ترتیب پرتوجہ مرکوز کرنا ہے۔

ہم اپنے ملازمین کی ترقی اورفلاح و بہبود پر بھرپور زور دیتے ہوئے، کاروباری عمدگی کوفروغ دینے کے لیے وقف ہیں۔

ٹیلنٹ اورلیڈرشپ

مؤثر قیادت کے ساتھ تکنیکی ترقی کی تعیناتی کی اہمیت کوتسلیم کرتے ہوئے، ہم کام کی جگہ کی ثقافت کوفروغ دینے کی کوشش کرتے ہیں جہاں افراد جدت اورکامیابی کوآگے بڑھانے کے لیے دونوں پہلوؤں کوبغیرکسی رکاوٹ کے مربوط کرتے ہیں۔
پی ایم جی ایم (پرفارمنس اینڈ گول مینجمنٹ) کوایک قابل قدر ٹول سمجھا جاتا ہے جوٹیلنٹ ڈویلپمنٹ کے ساتھ ہم آہنگ کرنے میں ہماری مدد کرتا ہے۔اسٹریٹجک توجہ . مقصد کے حصول کے 'کس' حصے پرغورکرنے کے علاوہ PMGM 'کیسے' حصے پربھی غورکرتا ہے، اس بات کویقینی بناتے ہوئے کہ ان فیصلوں کے پیچھے برتاؤ کا بھی حساب رکھا جائے۔لیڈرشپ کمپی ٹنسی ماڈل (LCM) کو2023 میں اپ ڈیٹ کیا گیا تا کہ ہماری بنیادی اقدار کے ساتھ صف بندی کویقینی بنایا جاسکے۔

اس کے علاوہ، ترقیاتی فورمز ہمارے ہنر کی قائدانہ صلاحیت کا جائزہ لینے اوران میں اضافہ کرنے کے لیے ایک اہم پلیٹ فارم کے طور پر کام کرتے ہیں۔ یہ فورم سال بھر کے طرزعمل کی کارکردگی کا جائزہ لینے کے لیے ایک منظّم ماحول فراہم کرتے ہیں، جولیڈرشپ کیپبلٹی ماڈل (LCM) کے خلاف بینچ مارک کیا جاتا ہے۔ گہرائی سے بات چیت اور جائزوں کے ذریعے، فورم انفرادی طاقتوں اوربہتری کے شعبوں کی نشاندہی کرتا ہے، جس سے قیادت کی ذاتی رائے کویقینی بنایا جاتا ہے۔ یہ عمل ملازمین کومستقبل کی قیادت کے کرداروں کے لیے تیارکرنے، قابل اوراعلیٰ کارکردگی کے حامل رہنماؤں کی پائپ لائن کوفروغ دینے میں اہم کردارادا کرتا ہے۔

ہماری افرادی قوت کی مسلسل نشوونما اورترقی ایک متحرک، پیچیدہ اورچیلنجنگ کاروباری ماحول سے نبٹنے کے لیے اہم ہے۔اس ایجنڈے کوآگے بڑھانے کے لیے، ٹیلنٹ ڈیولپمنٹ پروگرام پورے کاروبار میں اعلیٰ صلاحیت کے حامل ملازمین کی شناخت کرکے ایک اہم کردارادا کرتا ہے اور انہیں ٹارگٹڈ مینٹرشپ اورتربیت کے مواقع فراہم کرتا ہے۔

ثقافت اورمشغولیت

EPCL میں 2024 تاثرات اوراستحکام کا سال تھا۔سال بھر، قیادت مختلف پلیٹ فارمز، یعنی ٹاؤن ہالز، سی ای او کنیکٹس اورسالانہ مصروفیت سروے کے ذریعے ملازمین تک پہنچی تا کہ ان کی تشویش کے شعبوں کوسمجھا جاسکے اوراس بات کویقینی بنایا جاسکے کہ آنے والا سال اب ان کے تاثرات کی بنیاد پرمداخلتوں کی فراہمی پرمرکوز ہے۔

قیادت آپس میں جڑتی ہے جس کا اختتام Synergy Symposium کی تشکیل میں ہوا۔ یہ فورم ملازمین کے تجربے کے 5 سلسلے پرمرکوز ہے:

- کیریئر کی ترقی
- ثقافت
- قیادت اورنظام
- تندرستی
- معاوضہ اورفوائد

ہرسلسلہ کی سربراہی ایک انتظامی کمیٹی کے ایگزیکٹو کے پاس ہوتی ہے، اوروہ، اپنی ٹیموں کے ساتھ، لیڈرشپ کنیکٹس کے ذریعے مربوط کلیدی نکات پرایکشن پلان فراہم کرنے پرکام کررہے ہیں۔

ملازمین کی مصروفیت کے باقاعدہ سروے اورفیڈ بیک میکانزم انتظامیہ کوملازمین کی ضروریات اورخدشات کوسمجھنے اوران کودورکرنے میں مدد کرتے ہیں۔ HR ٹیم اس بات کویقینی بنانے کے لیے محکمے کے سربراہوں کے ساتھ مل کرکام کرتی ہے کہ ملازمین کی شمولیت کے اقدامات موصول ہونے والے تاثرات اورہمارے مجموعی اہداف کے ساتھ ہم آہنگ ہوں۔ ہم ملازمین کی شمولیت کے طریقہ کار کوبہتر بنانے پرمسلسل کام کرتے ہیں۔

اپنے HSE سسٹمز کو مزید بلند کرنے کے لیے، کمپنی نے اپنے حفاظتی طریقہ کار کا 100% گیپ اسیسمنٹ انجام دیا، انہیں Engro Corp کے HSE اسٹینڈرڈز کے خلاف بینچ مارک کیا جو کہ عالمی بہترین طریقوں، معیارات اور کوڈز کے ساتھ ہم آہنگ ہیں جبکہ امریکہ میں مقیم ایک معروف کنسلٹنسی کے ذریعے ان کی توثیق بھی کی جا رہی ہے۔ مشق کا دائرہ عمل سیفٹی مینجمنٹ سے لے کر طرز عمل کی حفاظت، ماحولیات کے انتظام، پیشہ ورانہ صحت، اور صنعتی حفظان صحت تک پھیلا ہوا ہے۔ کمپنی کا مقصد ان طریقوں کو بغیر کسی رکاوٹ کے اپنے کاموں میں ضم کرنا ہے۔

انفارمیشن سسٹمز

ٹیکنالوجی کمپنی کی آپریشنل فضیلت کا سنگ بنیاد ہے۔ 2024 میں، ہمارا کارپوریٹ پلان چار سٹریٹجک ترجیحات کی نشاندہی کرتا ہے: کام کی جگہ کی حفاظت کو مضبوط بنانا، آپریشنل اعتبار کو بڑھانا، کسٹمر کے تجربے کو آگے بڑھانا، اور جدید ٹولز اور صلاحیتوں کے ساتھ ہماری افرادی قوت کو بااختیار بنانا۔

ہمارا ڈیجیٹل تبدیلی کا سفر تکنیکی ترقی میں سب سے آگے رہنے کے غیر متزلزل عزم کی رہنمائی کرتا ہے۔ ابھرتی ہوئی ٹکنالوجیز سے فائدہ اٹھاتے ہوئے، کمپنی کا مقصد اپنی کارکردگی، بھروسہ مندی اور پیداواری صلاحیت کو مزید بہتر بنانا ہے، جبکہ پائیدار GR کو یقینی بنانا ہے۔
کمپنی کے وژن کے مطابق، ڈیجیٹل ٹرانسفارمیشن ٹیم نے کامیابی کے ساتھ سائٹ پر جدید ترین ڈیجیٹل حلوں کی ایک رینج کو لاگو کیا ہے، جو درج ذیل ہیں:

اڈاپٹیو ایڈوانس پروسیس کنٹرول، ڈیجیٹل ٹوئن اور ملٹی ویریٹ ماڈلنگ / پلانٹ کی کارکردگی کو بہتر بنانا اور آلات کی بھروسے کو بہتر بنانا

اڈاپٹیو ایڈوانس پروسیس کنٹرول (APC-A) ایک جدید حل ہے جو آپریٹر کے بہترین اقدامات کو خودکار کر کے کارکردگی کو بہتر بناتا ہے۔ AI اور مشین لرننگ کا استعمال کرتے ہوئے، APC-A انسانی غلطی کو کم کرتا ہے اور عمل کی درست ایڈجسٹمنٹ کو یقینی بناتا ہے۔ اس سے پلانٹ کی صلاحیت کے عنصر میں اضافہ ہوا ہے اور ایتھیلین کے استعمال میں نمایاں بہتری آئی ہے۔

APC-A کی کامیابی کی بنیاد پر، اینگرو نے اپنے Vinyl Chloride Monomer (VCM) یونٹ میں ڈیجیٹل ٹوئن ٹیکنالوجی کو لاگو کر کے پلانٹ کے عمل کو مزید بہتر بنایا ہے۔ یہ ٹیکنالوجی حقیقی وقت اور تاریخی ڈیٹا کو منظرنامے پر مبنی نقالی کے ساتھ مربوط کرتی ہے، قابل عمل بصیرت اور عمل کی اصلاح کو قابل بناتی ہے۔

اس کے علاوہ، کمپنی نے ملٹی ویریٹ پروسیس ماڈلنگ کو بھی مربوط کیا ہے، جس سے بگ ڈیٹا اور AI کا استعمال کرتے ہوئے بیک وقت 100 سے زیادہ متغیرات کا تجزیہ کیا جا سکتا ہے۔ اس نقطہ نظر نے ناکارہیوں کا جلد پتہ لگانے میں مدد کی ہے، سالانہ کشید کالم کی بندش کو روکا ہے اور پیداواری صلاحیت میں اضافہ کیا ہے۔

3D ذہین ماڈلنگ | پلانٹ کے اثاثہ جات کے انتظام میں انقلاب

کمپنی نے $85,000m^2$ پلانٹ کے اثاثوں کا نقشہ بنانے کے لیے لیزر اسکیننگ کا استعمال کرتے ہوئے 3D ماڈلنگ متعارف کرائی، ریورس انجینئرنگ کے ذریعے آئسومیٹرک ڈرائنگ تیار کی۔ اس اقدام نے اہم سرمائے کے اخراجات کو کم کیا، آپریشنل کارکردگی کو بہتر بنایا، اور جسمانی ترتیب کے ساتھ بہتر صف بندی کو یقینی بنایا۔

کمپیوٹر وژن AI کا فائدہ اٹھانے والے تھرمل کیمرے | سائٹ کے ایمرجنسی رسپانس ٹائم کو بہتر بنانا

کمپنی نے EVCM یونٹ میں 12 جدید ترین تھرمل کیمرے نصب کیے ہیں، جو کمپیوٹر ویژن AI کو خطرناک کیمیائی رساو اور آگ کی پیشگی پتہ لگانے، اہم عمل کے آلات میں درجہ حرارت کے تغیرات کی نگرانی اور ناقابل رسائی پلانٹ زونز کی قریبی نگرانی کے لیے مربوط کرتے ہیں، جس سے ہنگامی ردعمل کے وقت میں نمایاں کمی واقع ہوتی ہے۔

AI کا استعمال کرتے ہوئے سیفٹی رسک مینجمنٹ سسٹم پر عمل کریں۔

کمپنی کے پراسیس سیفٹی رسک مینجمنٹ سسٹم، جو AI کے ذریعے تقویت یافتہ ہے، نے پروسیس ہیزرڈ اینالیسس ڈیٹا کو بہترین طریقے سے استعمال کیا تاکہ پروسیس سیفٹی بیریئر مینجمنٹ کو بلند کیا جا سکے اور جدید تجزیاتی خصوصیات کا استعمال کرتے ہوئے خطرے کو کم کیا جا سکے، جس کے نتیجے میں HPO اور SECE کی شکست کے وقت سائٹ کے PSTIR، PHA کی سفارشات کی تعداد میں نمایاں کمی واقع ہوئی۔

اعلیٰ درجے کی تجزیاتی ڈیش بورڈز / اثاثہ کی سالمیت کو مضبوط بنانا

پاور BI کو اپنانے نے ہمارے تجزیاتی عمل میں انقلاب برپا کر دیا ہے، روایتی، وقتی طریقوں کو حقیقی وقت، ڈیٹا پر مبنی بصیرت سے بدل دیا ہے۔ کمپنی نے کامیابی کے ساتھ اہم بنیادی وجوہات کی نشاندہی کی ہے، بشمول طریقہ کار کے فرق، میٹالرجیکل مسائل، اور بار بار چلنے والے آلات کے چیلنجز۔ اس بہتر مرئیت نے ابتدائی اصلاحی کارروائیوں کو فعال کیا ہے، جس کے نتیجے میں رساو اور ہیٹ ایکسچینجر کی ناکامیوں میں نمایاں کمی واقع ہوئی ہے، جبکہ سائٹ کے درمیانی وقت کے درمیان ناکامیوں (MTBF) کو بھی بہتر بنایا گیا ہے۔

ڈرون پر مبنی بصری معائنہ

کمپنی نے ڈرون ٹیکنالوجی کا فائدہ اٹھاتے ہوئے ٹینک اور جہاز کے معائنے میں انقلاب برپا کیا ہے، سہاروں کی ضرورت کو ختم کیا ہے اور معائنہ کے اوقات کار کو نمایاں طور پر کم کیا ہے۔ یہ اختراع ریئل ٹائم مانیٹرنگ کو قابل بنا کر، انسانی نمائش کو کم سے کم کر کے، اور ان علاقوں تک بغیر کسی رکاوٹ کے رسائی فراہم کر کے آپریشنل کارکردگی کو بڑھاتی ہے جو روایتی طریقوں سے پہنچنا مشکل ہے۔

EPCL میں سیلز فورس سے چلنے والی نمو / کسٹمر کے تجربے میں انقلابی تبدیلی

کمپنی کا کسٹمر کنیکٹ چینل (سیلز فورس) صارفین کو بغیر کسی رکاوٹ کے ڈیجیٹل ادائیگیوں، لین دین کو ہموار کرنے، موثر مفاہمت اور حقیقی وقت کی نمائش کے لیے ایک آن لائن گاڑیوں سے باخبر رہنے کے نظام کے ساتھ بااختیار بناتا ہے، جس سے صارفین کے تجربے میں نمایاں بہتری آئی ہے۔

- آواز اٹھانے کی پالیسی
- تحفہ اور کاروباری تفریحی پالیسی
- انسداد بدعنوانی کی پالیسی
- متعلقہ فریقوں کے ساتھ لین دین/معاہدوں کا نظم و نسق

سال کے دوران، کمپنی میں اخلاقیات اور تعمیل پر تفصیلی سیشن منعقد کیے گئے جس میں ہمارے "اسپیک آؤٹ" پلیٹ فارم، انسداد بدعنوانی کے طریقوں، مفادات کے تصادم اور اندرونی تجارتی پالیسیوں پر توجہ مرکوز کی گئی۔

صحت، حفاظت اور ماحولیات

کمپنی نے 2024 میں 43 ملین سے زیادہ محفوظ اوقات کار کی اپنی بلند ترین رن ریٹ کو برقرار رکھا جبکہ TA-2024، HPO اور HTDC پروجیکٹس سمیت بڑے منصوبوں کو محفوظ طریقے سے انجام دیا۔

اپنے پروسیس سیفٹی ٹرانسفارمیشن کے سفر کو جاری رکھتے ہوئے، کمپنی نے VCMEDC پلانٹ کی پہلی بیس لائن PHA کا DuPont RBA فلسفہ پر مکمل کیا جس کے بعد سیکیورٹی کی حفاظتی تہوں کی مناسبت کا اندازہ لگانے کے لیے پلانٹ کا SIL مطالعہ کیا گیا۔ اس مشق نے 2027 تک VCMEDC پلانٹ کے آپریٹنگ خطرے کو 0% غیر ALARP منظرناموں تک کم کرنے کے لیے ایک جامع روڈ میپ فراہم کیا۔ اس کے علاوہ، پروسیس سیفٹی کے واقعات کی تفتیش کے لیے ٹرائی پوڈ بیٹا تکنیک سمیت مختلف پروسیس سیفٹی صلاحیت کی تعمیر کی تربیت کا انعقاد کیا گیا تاکہ سائٹ کے وسائل کے مجموعی پروسیس سیفٹی نالج بیس کو بہتر بنایا جا سکے۔

کمپنی نے 2021 میں متعارف کرائے گئے اپنی نوعیت کے LOPC ریڈکشن پروگرام کی وجہ سے اب تک کا سب سے کم PSTIR (پروسیس سیفٹی ٹوٹل انسیڈنٹ ریٹ) بھی ریکارڈ کیا جسے کلورین انسٹی ٹیوٹ اور AICHE سمیت مختلف بین الاقوامی پلیٹ فارمز پر تسلیم کیا گیا ہے۔

2024 میں، کمپنی کے HSE سسٹمز پاکستان کی مختلف کمپنیوں میں ممتاز رہے، جو لاگو کیے گئے مضبوط فریم ورک کا ثبوت ہے۔ کمپنی کو مسلسل دوسرے سال نیپرا ایچ ایس ای رینکنگ میں شاندار درجہ دیا گیا ہے جو نیپرا کے ساتھ رجسٹرڈ پاکستان کی سو سے زائد کمپنیوں کے ایچ ایس ای فریم ورک کا موازنہ کرتا ہے۔ اس کے علاوہ، کمپنی نے سال 2024 کے لیے "ہیلتھ اینڈ سیفٹی رسک اسیسمنٹ اینڈ کنٹرول" کے زمرے میں ماحولیاتی صحت اور حفاظت 2024 پر 10 واں بین الاقوامی ایوارڈ بھی جیتا ہے۔ اسی طرح اس کے AI بیسڈ پراسیس سیفٹی اور بیریئر مینجمنٹ سسٹم نے پاکستان ڈیجیٹل ایوارڈز 2024 میں جیتا ہے۔

کمپنی نے 2024 میں اپنے ماحولیات اور پائیداری کے فریم ورک میں متعدد اصلاحات کیں۔ کمپنی کو حکومت سندھ نے قومی حیاتیاتی تنوع کی حکمت عملی اور ایکشن پلان (NBSAP) فریم ورک کی صف بندی کرنے کے لیے نجی شعبے کے نمائندے کے طور پر شرکت کے لیے مدعو کیا تھا۔ اس کے علاوہ، کمپنی AWS سرٹیفکیشن کی پیروی کر رہی ہے، پانی کے تحفظ کے لیے بھی بھرپور کوششوں کا مظاہرہ کر رہی ہے۔ اس سلسلے میں، کمپنی کی ماحولیاتی قیادت نے کامیابی کے ساتھ پیشہ ورانہ سرٹیفکیشن کے امتحان کو امتیازی حیثیت کے ساتھ مکمل کیا۔

نان مینوفیکچرنگ HSE سسٹم مختلف پیش رفتوں کے ساتھ توجہ کا مرکز بنا ہوا ہے، جس میں آف سائٹ کام کی جگہوں بشمول دفاتر اور گوداموں کے لیے ایک مربوط تنظیمی ڈھانچے کا قیام، HSE کے تربیتی کیلنڈرز، اور انتظامی ذمہ داری کے لیے حفاظتی KPIs شامل ہیں۔ کمپنی نے اپنے ٹرانسپورٹ سیفٹی فریم ورک کو بہتر بنانے پر بھی توجہ مرکوز کی، جسے IOGP، OSHA-39001 کے بین الاقوامی معیارات کے خلاف فرق کا تجزیہ کر کے، وقف KPIs تیار کر کے اور وقف شدہ بیڑے اور سفری گاڑیوں کے لیے روٹ رسک اسیسمنٹ انجام دے کر بہتر بنایا گیا۔

2024 کی پہلی ششماہی کے دوران شہر میں ہیٹ اسٹریس کی صورتحال کو سنبھالنے کے لیے شاندار کوششیں کی گئیں، جس میں ہیٹ انڈیکس 54 ڈگری سیلسیس سے زیادہ تھا۔ یہ کام سے آرام کے تناسب کو بہتر بنانے اور سرشار پناہ گاہوں اور ہائیڈریشن اسٹیشنوں کے قیام سے حاصل کیا گیا تھا۔ مزید OHIH محاذ پر، کمپنی نے پیشہ ورانہ صحت اور صنعتی حفظان صحت SME کے ذریعے فراہم کردہ پلانٹ سائٹ، دفاتر اور سپلائی چین یونٹس کا احاطہ کرتے ہوئے اپنی سائیکلک ہیلتھ رسک اسیسمنٹ (HRA) کو بھی مکمل کیا۔

کمپنی نے اپنے HPO اور HTDC کے توسیعی منصوبوں کی بقیہ تعمیرات اور کام کو محفوظ طریقے سے مکمل کیا۔ پروجیکٹ نے بڑے پیمانے پر ٹھیکیداروں کے کاروبار اور گرمی کی لہر کی صورتحال کے باوجود LTIs کے بغیر 04 ملین سیف مین آورز کو بحفاظت مکمل کیا۔ یہ مضبوط تربیتی پروٹوکول اور سٹریٹجک سیفٹی پروگرام کے ذریعے حاصل کیا گیا ہے جس کا احاطہ توسیعی منصوبوں کے تعمیراتی اور کمیشننگ سیفٹی مینول میں کیا گیا ہے۔ سائٹ پر ایمرجنسی ریسپانس سسٹم کو بڑھانے کی اپنی کوششوں کے ایک حصے کے طور پر، کمپنی نے اپنے ایمرجنسی کنٹرول سینٹر کو نئے سرے سے تیار کیا، ہموار کرائسز مینجمنٹ کے لیے ایک وقف پروڈکشن سیل اور ایڈمنسٹریشن سیل متعارف کرایا، ساتھ ہی ساتھ ایک ڈیجیٹل دیوار بھی قائم کی جس میں وسیع پیمانے پر CCTV سسٹم کا استعمال کرتے ہوئے سائٹ کا ایک مکمل نظارہ کیا گیا، جس میں تھرمل ایریاز میں تھرمل ایریاز کی اضافی خصوصیات شامل ہیں۔ اس کے ہیڈ کاؤنٹ ایکسینرز کے نظام کو مزید مضبوط بنانے کے لیے، مرحلہ وار منصوبے کے حصے کے طور پر اسٹریٹجک مقامات پر ہیڈ کاؤنٹ سکینر اور بٹر فلائی گیٹس شامل کیے گئے ہیں۔ کمپنی نے اندرون خانہ من گھڑت ERP گیجیٹ متعارف کرانے کے لیے بھی پہل کی جس میں فائر ہائیڈرنٹس اور ہوز بکس شامل ہیں۔

پانی کا تحفظ

کمپنی نے گھگھر پھاٹک کمیونٹی میں صحت کی اہم تشویش کو دور کیا: پینے کے صاف اور محفوظ پانی کی کمی کو ختم کیا۔ پبلک واٹر سپلائی کا نظام نا قابل اعتبار، نایاب اور خطرناک بیکٹیریا جیسے ای۔ کولی اور فیکل ای۔ کولی سے آلودہ تھا، جس سے صحت عامہ کو سنگین خطرات لاحق تھے۔ اس کے نتیجے میں کام کے لاکھوں گھنٹے ضائع ہوئے اور صحت کی دیکھ بھال کے اخراجات میں اضافہ ہوا۔ اس مسئلے سے نمٹنے کے لیے، کمپنی اس وقت "دی واٹر فاؤنڈیشن" کے ساتھ شراکت میں، کمیونٹی کو پینے کا صاف پانی فراہم کرنے کے لیے 5 واٹر فلٹریشن پلانٹس چلا رہی ہے۔ یہ سہولیات کمیونٹی کے اندر پانی سے پیدا ہونے والی بیماریوں کے پھیلاؤ کو روکنے میں اہم کردار ادا کرتی ہیں، جبکہ علاقے میں پانی کے وسائل کے مؤثر استعمال کو بھی فروغ دیتی ہیں۔

اس سہولت کی اہم جھلکیاں یہ ہیں:

- 2024 میں 7 ملین لیٹر سے زیادہ صاف پینے کے پانی پر عملدر آمد اور فراہم کیا گیا۔
- کمیونٹی کے 155,000 افراد نے واٹر فلٹریشن پلانٹس سے فائدہ اٹھایا۔
- کمیونٹیز کو روزانہ اوسطاً 22,000 لیٹر صاف پانی فراہم کیا جاتا ہے۔

ماحولیاتی اقدامات

ماحول کے لیے ہماری وابستگی کے ایک حصے کے طور پر، اینگرو ورلڈ وائلڈ لائف فنڈ (WWF) کے ساتھ ہمارے شجر کاری پروگرام کے ذریعے پورے پاکستان میں اہم درختوں اور پودوں کی مختلف اقسام کی شجر کاری میں مصروف ہے۔

2024 کی اہم جھلکیوں میں شامل ہیں:

- مجموعی طور پر 106 ہیکٹر زز مین کو قدرتی تخلیق نو کی مدد سے خشک شجر کاری اور دوبارہ ذخیرہ کاری کے ذریعے باغات میں شامل کیا گیا۔
- کلیدی حیاتیاتی تنوع کے لیے جہلم میں پھڈیال، دیال اور کوہالہ کے علاقوں کا ابتدائی جائزہ لیا گیا اور رپورٹ تیار کی گئی۔
- کل 21,000 سیڈ بالز بنجر زمینوں پر پھیلائی گئیں۔
- حفاظت اور تحفظ کو بہتر بنانے کے لیے 3 شجر کاری کی جگہوں پر باڑ لگانے اور تحفظ کی سرگرمیاں انجام دی گئیں۔

کمپنی کراچی اسکول آف بزنس اینڈ لیڈرشپ (KSBL) میں سرکلر پلاسٹک انسٹی ٹیوٹ (CPI) کو بھی فنڈ فراہم کرتی ہے جو سرکلر اکانومی کے ذریعے پائیداری کی تحقیق اور فروغ پر توجہ مرکوز کرتا ہے۔

مختصر وقت میں، CPI نے نمایاں پیش رفت حاصل کی ہے، جس میں اہم تحقیق کی گئی ہے اور کامیابی کے ساتھ 85,000 امریکی ڈالرز سے زیادہ بین الاقوامی فنڈنگ حاصل کی گئی ہے۔ مکمل شدہ اور جاری اسٹڈیز کی کچھ مثالیں یہ ہیں:

- پلاسٹک کے فضلے کی درآمدات: پاکستان کی پی وی سی سپلائی چین کی نقشہ سازی اور بیسل کنونشن کے نفاذ کو متاثر کرنے والے عوامل کو سمجھنا۔
- کھلی فضا میں آتشزدگی سے متعلق منصوبہ بندی: کراچی اور لاہور میں پلاسٹک کے جلنے اور آلودگی کے اثرات کی نشاندہی کرنا۔
- 4 اہم پی وی سی مصنوعات کا لائف سائیکل اسسمنٹ (LCA): بہتر ماحولیاتی کارکردگی اور اسٹیک ہولڈر کی فیصلہ سازی کے لیے پی وی سی پروڈکٹ لائف سائیکل کا تجزیہ۔
- کچرہ چننے والوں سے متعلق منصوبہ بندی: پاکستان کے تین شہروں میں کچرہ چننے والوں سے متعلق چیلنجز اور شراکت داری کو سمجھنا۔
- سمندری آلودگی کا مطالعہ: کراچی کے متعدد ساحلی مقامات پر پائے جانے والے فضلے کے ذرائع اور اقسام کا مطالعہ کرنا۔
- سرکلر اکانومی پوٹینشل: سرکلر اکانومی پوٹینشل پر بورڈ آف انویسٹمنٹ کو مشورہ دینا۔

کاروباری اخلاقیات اور انسداد بدعنوانی

شفافیت اور جوابدہی کمپنی کے طرز حکمرانی کے بنیادی ستون ہیں۔ ہم نے پالیسیوں اور معیارات کا ایک مضبوط فریم ورک نافذ کیا ہے، جس کی اعلیٰ سطحی کمیٹیوں کی طرف سے کڑی نگرانی کی جاتی ہے، کردار، دیانتداری اور اعتماد پر مبنی ثقافت کو فروغ دیا جاتا ہے۔ یہ یقینی بناتا ہے کہ ہر عمل اخلاقی اور آپریشنل بہترین طریقوں سے ہم آہنگ ہو، سچائی، عاجزی، اور مشکل وقت میں بھی ذمہ داری کے ساتھ کوشش کرنے کے عزم سے رہنمائی ہو۔ اس طرح کی پالیسیوں میں شامل ہیں:

- ضابطہ اخلاق
- فراڈ رسک مینجمنٹ
- مفادات کے تنازعات کی حکمرانی
- اخلاقیات اور کاروباری طریقوں کا بیان


تعلیم کو فروغ دینے کے لیے کمپنی کی کوششیں کارپوریٹ ذمہ داری سے زیادہ ہیں۔ کمپنی تعلیم کو پائیدار اقتصادی ترقی اور سماجی ترقی کے کلیدی محرک کے طور پر دیکھتی ہے۔ معیاری تعلیم تک رسائی فراہم کر کے، کمپنی ان کمیونٹیز کے مستقبل میں سرمایہ کاری کر رہی ہے، انہیں علم اور ہنر کے ساتھ بااختیار بنا رہی ہے جو کہ انہیں کامیابی اور ترقی کے لیے درکار ہے۔ تعلیم کو فروغ دینے اور کمیونٹیز کو بااختیار بنانے کے لیے کمپنی کا عزم کمپنی کی اقدار اور زندگیوں اور کمیونٹیز کو تبدیل کرنے کے لیے تعلیم کی طاقت پر اس کے یقین کا ثبوت ہے۔

2024 کی اہم جھلکیاں یہ ہیں:

- ان سکولوں سے 850 سے زائد طلباء تعلیم حاصل کر رہے تھے جن میں سے 40% لڑکیاں تھیں۔
- تمام کیمپسز میں 2024 کے دوران تقریباً 25 ملین روپے کی فنڈنگ فراہم کی گئی۔

صحت کی دیکھ بھال

کمپنی نے SINA ویلفیئر ٹرسٹ کے ساتھ شراکت میں، 15.7 ملین روپے کی لاگت سے ایک اسپتال تعمیر کر کے گھگھر پھاٹک کے علاقے میں صحت کی دیکھ بھال کی سہولت قائم کی ہے۔ کلینک مختلف خدمات بشمول طبی مشوروں، او پی ڈی، الٹراساؤنڈ، ویکسی نیشن، لیب ٹیسٹنگ، اور کمیونٹی کو مفت ادویات فراہم کرتا ہے کیونکہ تمام اخراجات اینگرو پولیمر اور کیمیکلز برداشت کرتی ہے۔ کمپنی کے پاس ایک کمیونٹی انگیج منٹ ٹیم ہے جو قریبی دیہاتوں کو SINA کلینک میں مفت صحت کی دیکھ بھال کی خدمات کی دستیابی کے بارے میں آگاہی فراہم کرتی ہے، جبکہ باقاعدگی سے چیک اپ کی حوصلہ افزائی اور صحت سے متعلق خدشات کو دور کرنے کے لیے باقاعدگی سے میڈیکل کیمپ لگاتی ہے۔ مذکورہ اسپتال میں تین ڈاکٹر، ایک فیملی ہیلتھ کنسلٹنٹ اور چار کمیونٹی ہیلتھ ورکرز موجود ہوتے ہیں۔

2024 کی اہم جھلکیاں یہ ہیں:

- 44,000 سے زائد مریضوں کا علاج کیا گیا۔
- یہاں پر 18,500 سے زیادہ بچوں کا علاج کیا گیا، جو کہ کل مریضوں کا 43% بنتا ہے۔
- یہاں پر 17,000 سے زائد خواتین مریضوں کا علاج کیا گیا۔
- اوسطاً 120 مریضوں کا روزانہ علاج کیا گیا۔

کمپنی نے گھگھر پھاٹک اور اس کے گردونواح میں کمیونٹیز کے لیے ذہنی صحت کی سہولیات کی کمی کو بھی تسلیم کیا۔ اس اہم ضرورت کو پورا کرنے کے لیے، کمپنی نے اپنے ایگزیکیوشن پارٹنر 'کاروان حیات' کے ساتھ دماغی صحت کا کلینک قائم کیا۔ یہ کلینک نہ صرف مریضوں کو مفت علاج اور ادویات فراہم کرتا ہے بلکہ مقامی کمیونٹی کو ذہنی صحت سے متعلق طبی مدد حاصل کرنے کی اہمیت سے آگاہ کرنے کے لیے باقاعدہ آگاہی سیشن بھی منعقد کرتا ہے۔ اس سے پہلے، ڈپریشن اور گھبراہٹ جیسی بیماریوں کو عام طور پر ممنوع قرار دیا جاتا تھا۔ تاہم، کلینک نے کمیونٹی میں لوگوں کی فلاح و بہبود کو بہتر بنانے میں اہم کردار ادا کیا ہے۔

2024 کی اہم جھلکیاں یہ ہیں:

- 2,900 سے زائد مریضوں کا علاج کیا گیا۔
- آبادی کا 58% خواتین مریضوں پر مشتمل تھا۔
- 70 کمیونٹی آگاہی سیشن منعقد کیے گئے جس میں گھگھر پھاٹک کے 2000 سے زائد مکینوں نے شرکت کی۔

ہنر کی ترقی

کمپنی نے ڈیسکون ٹیکنیکل انسٹی ٹیوٹ (DTI) کے ساتھ شراکت میں، مہارتوں کی ترقی کی ورکشاپس کا ایک سلسلہ منعقد کیا، جس کا مقصد کراچی میں روزگار کے مواقع کو بہتر بنانا تھا۔ اس بات کو تسلیم کرتے ہوئے کہ مہارت کو فروغ دینا سماجی نقل و حرکت کے اہم محرکات میں سے ایک ہے، کمپنی نے 2024 میں دو پروگرامز کا انعقاد کیا۔ خواتین کے فورک لفٹ ٹریننگ پروگرام نے خواتین فورک لفٹ ڈرائیوروں کی افرادی قوت میں خواتین کی شرکت کو بڑھا کر تنوع، مساوات اور شمولیت (DEI) کو فروغ دیتے ہوئے سرٹیفکیشن سے نوازا گیا۔

کمیونٹی کی ترقی میں مزید معاونت اور PVC بزنس ویلیو چین کو مضبوط بنانے کے لیے، کمپنی نے کارپینٹرز، پلمبرز اور فیبریکیٹرز کے لیے PVC ڈاون اسٹریم کے استعمال پر ٹریننگ سیشن منعقد کیے۔ ان سیشنز نے نہ صرف ویلیو چین کو مزید بہتر بنانے کے لیے ایک راستے کے طور پر کام کیا بلکہ مقامی کمیونٹیز کے اندر روزگار کے مواقع اور معاشی بہبود کو بہتر بنانے میں بھی اہم کردار ادا کیا۔

پروگراموں کی اہم جھلکیاں شامل ہیں:

- 22 خواتین نے فورک لفٹ آپریشنز پر تکنیکی تربیت کے ساتھ گریجویشن کی۔
- پورے پاکستان سے 380 سے زائد پلمبرز، 80 سے زائد کارپینٹرز اور 40 سے زائد فیبریکیٹرز کو PVC ویلیو چین میں مہارت کے مجموعی خلا کو پر کرنے کے لیے تربیت دی گئی۔

موسمیاتی تبدیلی کی وجہ سے مالی خطرات اور مواقع

کمپنی اس حقیقت سے بخوبی واقف ہے کہ موسمیاتی تبدیلی ادارے کے آپریشنز، منافع اور مستقبل کی ترقی اور مجموعی انٹرپرائز ویلیو کے لیے مادی اور مالی خطرات کے ساتھ مواقع پیش کرتی ہے۔

ان سے فائدہ اٹھانے کے لیے، ہم نے آب وہوا سے متعلق خطرات اور مواقع کا ایک ابتدائی جائزہ لیا ہے اور انہیں فزیکل اور ٹرانزیشن کے خطرے کے طور پر درجہ بند کیا ہے، جس کی رہنمائی ٹاسک فورس آن کلائمیٹ ریلیٹڈ فنانشل ڈسکلوزر (TCFD) فریم ورک سے لی گئی ہے۔ یہ مشق تمام بزنسز میں رائج ہے اور اس کا مقصد آب وہوا سے متعلق خطرات اور مواقع کے بارے میں ہماری سمجھ کو وسیع کرنے کے لیے بصیرت فراہم کرنا ہے اور اس کے لیے حکمت عملی اور حقیقی منصوبے تیار کرنا ہے۔ منظرنامے کی منصوبہ بندی اور موقع سے فائدہ اٹھانے اور خطرات کو کم کرنے کے لیے درکار کارروائیوں کی لاگت پر مبنی مالیاتی اثرات پر وسیع ڈیٹا ابتدائی مشق کے لیے ایک نتیجہ کے طور پر تیار کیا جائے گا جس سے ہمیں اپنے طریقہ کار اور رپورٹنگ کو TCFD فریم ورک کے تقاضوں کے ساتھ ہم آہنگ کرنے میں مدد ملے گی، جس کا ہم مستقبل میں نافذ کرنے کا ارادہ رکھتے ہیں۔ ایک ذمہ دار کارپوریٹ ادارے کے طور پر، ہم اپنی آلودگی کی سطح اور ان کے کاربن اثرات کی نگرانی کرتے ہیں اور درختوں اور مینگرو کے باغات، پانی کے تحفظ، تکنیکی بہتری، آگہی سیشن، حیاتیاتی تنوع کی افزودگی وغیرہ جیسے پروگراموں کے ذریعے ماحولیاتی تحفظ میں باقاعدہ سرمایہ کاری کرتے ہیں۔

ہم IFRS اسٹینڈرڈز جیسے معتبر فریم ورک کے ذریعے آب وہوا سے متعلق انکشافات کی رپورٹنگ کی بڑھتی ہوئی اہمیت کو ذہن میں رکھتے ہیں اور مناسب وقت پر اپنی آب وہوا سے متعلق رپورٹنگ کو ہم آہنگ کرتے ہیں۔

کاروبار کے تسلسل کا منصوبہ

کمپنی نے ایک جامع بزنس کنٹینیوٹی پلان (BCP) وضع کیا ہے جس میں پالیسیوں اور طریقہ کار کا خاکہ پیش کیا گیا ہے، اس کا مقصد کسی بھی خلل ڈالنے والے واقعے کے ممکنہ اثرات کو کم کرنا ہے۔ یہ منصوبہ 2013 میں شروع کیا گیا تھا اور اس کی تاثیر کو یقینی بنانے کے لیے اسے 2018 سے باقاعدگی سے اپ ڈیٹ کیا جاتا رہا ہے۔ اس کے بنیادی مقاصد درج ذیل ہیں:

- ایک مؤثر ریسپانس کے لیے پائیداری اور صلاحیت پیدا کرنے کے لیے ایک فریم ورک فراہم کرنا جو اہم اسٹیک ہولڈرز کے مفادات، کمپنی کی ساکھ اور برانڈ امیج کا تحفظ کرتا ہے اور قدر پیدا کرنے والی سرگرمیوں کی حفاظت کرتا ہے۔
- کاروباری ترجیحات اور تنظیمی باہمی انحصار پر غور کرتے ہوئے کمپنی کے آپریشنز کو درپیش خطرات کا اندازہ لگانا اور ان خطرات کے اثرات کو سمجھنا اگر وہ عملی شکل اختیار کر لیتے ہیں۔
- اس بات کو یقینی بنا کر مالی استحکام کو یقینی بنانا کہ کاروبار کسی بھی نقصان دہ واقعے سے لاگت پر موثر انداز میں قابو پا سکے۔
- کسی بھی ممکنہ رکاوٹ کی صورت میں ریسپانس کو مؤثر طریقے سے منظّم کرنا اور بزنس آپریشنز پر پڑنے والے اثرات کو کم کرنا۔
- کسی واقعے کے نتیجے میں اہم کاروباری آپریشنز یا سپورٹ سروسز میں خلل پڑنے پر بزنس آپریشنز کو کم سے کم وقت میں قابل قبول سطح پر بحال کرنا۔
- کاروبار کے تسلسل کو سپورٹ کرنے والے منصوبوں کی باقاعدگی سے جانچ اور جائزہ لینا اور ضرورت کے مطابق ان پر نظر ثانی کرنا۔

2013 سے، کاروبار کے تسلسل کے منصوبے (BCP) کو کامیابی سے لاگو کیا جاتا ہے اور انتظامیہ کی طرف سے ہر سال اس کا تجربہ کیا جاتا ہے تاکہ آپریشنز کے بغیر کسی رکاوٹ اور محفوظ تسلسل کو یقینی بنایا جا سکے۔

کمپنی کی جوابی حکمت عملی کے حصے کے طور پر، BCP میں کم از کم آپریٹنگ ضروریات، ٹیم کی تنظیم، نقصان کی تشخیص اور بنیادی سائٹ کی بحالی کی سرگرمیاں شامل ہیں۔ یہ اہم ڈیٹا کے تحفظ کو یقینی بناتا ہے اور ڈیزاسٹر ریکوری کے کلیدی عناصر کا خاکہ پیش کرتا ہے۔ انتظامیہ اپنے کاروبار اور بنیادی ڈھانچے کو درپیش ممکنہ خطرات کا باقاعدگی سے جائزہ لیتی ہے اور کسی بھی غیر متوقع چیلنج کا مؤثر طریقے سے جواب دینے کے لیے حکمت عملی تیار کرتی ہے۔

ذمہ دار شہریت اور CSR سرگرمیاں

کمپنی کی کارپوریٹ سماجی ذمہ داری (CSR) تعلیم، صحت کی دیکھ بھال، مہارتوں کی ترقی، ماحولیاتی تحفظ، پانی کے تحفظ، اور کمیونٹی کی شمولیت کو اپنی بنیادی اقدار کے ساتھ ہم آہنگ کرنے کو ترجیح دیتی ہے۔ یہ پروگرام ماحولیاتی تحفظ اور پائیدار ترقی میں ایک ذمہ دار کاروباری رہنما کے طور پر کمپنی کی ساکھ کو برقرار رکھتا ہے اور ان کمیونٹیز کی مدد کرتا ہے جن میں یہ کام کرتی ہے۔ اپنے مقصد کو آگے بڑھانے کے لیے، ہم اینگرو فاؤنڈیشن کے ساتھ شراکت داری کرتے ہوئے اپنی CSR سرگرمیاں انجام دیتے ہیں، ایسے پائیدار منصوبوں میں سرمایہ کاری کرتے ہیں جو مثبت سماجی اور اقتصادی تبدیلی کا باعث بنتے ہیں۔

کمپنی اپنی حدود سے باہر ایک محفوظ، صحت مند، اور قابل ماحول کو فروغ دینے کے لیے پرعزم ہے، تاکہ تعلیم کی فراہمی کے ذریعے پسماندہ کمیونٹیز کو بااختیار بنایا جا سکے۔ کمپنی نے اپنا ہدف گھگھر پھاٹک کے دیہاتوں (جو کمپنی کے مینوفیکچرنگ پلانٹ کے آس پاس واقع ہیں) کو ماڈل دیہات میں تبدیل کرنا کا عزم کر لیا ہے۔

تعلیم

تعلیمی محاذ پر، کمپنی "دی سٹیزنز فاؤنڈیشن (TCF)" کے ساتھ شراکت میں چار پرائمری اسکول چلاتی ہے اور MagnifiscienceTDF سینٹر کے قریب گھگھر پھاٹک اور ریلوے کالونی کے دیہات میں "Teach the World Foundation"(TTWF)" کے ساتھ دو ڈیجیٹل مائیکرو اسکول چلاتی ہے۔ یہ اسکول ایسی آبادی کی خدمت کرتے ہیں جنہیں پہلے علاقے میں معیاری تعلیم تک رسائی حاصل نہیں تھی۔ TCF کے ساتھ پرائمری اسکول علاقے میں شرح خواندگی کو بہتر بنا کر رہائشیوں کی سماجی و اقتصادی حالت کو بہتر بنانے اور ترقی دینے کے اینگرو کے طویل المدتی منصوبے کا حصہ ہیں۔ ڈیجیٹل مائیکرو اسکولوں کا مقصد اسکول سے باہر بچوں کو پانچویں جماعت کی سطح تک بنیادی خواندگی فراہم کر کے باقاعدہ تعلیمی نظام میں دوبارہ ضم ہونے میں مدد کرنا ہے۔

قومی خزانے میں حصہ ڈالنا

2024 کے دوران، کمپنی نے سرکاری خزانے میں 6,984 ملین روپے سے زیادہ ٹیکس کی شکل میں حصہ ڈالا، جس میں ایکسائز ڈیوٹی، کسٹم ڈیوٹی، انکم ٹیکس اور سیلز ٹیکس شامل ہیں۔ مزید برآں، کمپنی نے 81 ملین ڈالر درآمدی متبادل اور 13 ملین ڈالر برآمدات کے ذریعے زرمبادلہ کی بچت پیدا کی۔

لیکویڈیٹی اور کیش فلو

سال کے دوران، کمپنی نے اپنی آپریٹنگ سرگرمیوں سے 6,943 ملین روپے کا کیش فلو پیدا کیا۔ کسی بھی اضافی قلیل مدتی نقد کا انتظام ڈیٹ مارکیٹ انسٹرومنٹس، میوچل فنڈز اور TDRs میں سرمایہ کاری کے ذریعے کیا گیا تھا۔

فنانسنگ

کمپنی نے دبئی اسلامک بینک پاکستان لمیٹڈ کے ساتھ 2 Billion روپے کے قرض کی سہولت کے لیے معاہدہ کیا ہے۔ فنانسنگ کی شرائط میں 2 سال کی رعایتی مدت کے ساتھ 7 سال کی ادائیگی کی مدت شامل ہے۔

کمپنی نے میزان بینک لمیٹڈ کے ساتھ 6 Billion روپے کے قرض کی سہولت کے لیے مشارکہ معاہدہ بھی کیا۔ فنانسنگ کی شرائط میں 2 سال کی رعایتی مدت کے ساتھ 7 سال کی ادائیگی کی مدت شامل ہے۔

کریڈٹ ریٹنگ

2024 میں، پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی طویل مدتی کریڈٹ ریٹنگ AA اور اس کی مختصر مدت کی ریٹنگ A1+ برقرار رکھی۔ کریڈٹ ریٹنگ ایجنسی نے کمپنی کی درجہ بندی کو 'مستحکم' قرار دیا جو اس کی اچھی کریڈٹ کی اہلیت کو اجاگر کرتی ہے۔ ایجنسی نے کمپنی کے اپنے کاروبار، مالیاتی پروفائل کو بڑھانے اور مستحکم آپریشنز کو برقرار رکھنے کی صلاحیت کے پیش نظر ریٹنگ سے نوازا۔

کیپٹل اسٹرکچر

کمپنی کے اثاثوں کو 2024 میں 52:48 کے تناسب سے قرض اور ایکویٹی کے ذریعے مالی اعانت فراہم کی گئی تھی جو کہ 2023 میں 45:55 تھی۔ سال کے دوران، کمپنی نے قرض کی طرف ہلکی سی تبدیلی دیکھی کیونکہ نئے قرضے حاصل کیے گئے قرض کی واپسی کی رقم سے زیادہ تھے، جس کی وجہ سے کمپنی کی قدر میں معمولی اضافہ ہوا۔

رسک اسسمنٹ اینڈ مینجمنٹ (خطرات کا جائزہ اور انتظام)

کمپنی خطرات کا بہتر انداز میں جائزہ لینے اور ان کا انتظام کرنے کے لیے لین انٹرپرائز رسک مینجمنٹ فریم ورک کا استعمال کرتی ہے۔ یہ فریم ورک ایسی غیر یقینی صورتحال کے انتظام کے ذریعے شیئر ہولڈر کی قدر پیدا کرنے، تحفظ دینے اور بڑھانے میں رسک مینجمنٹ کی اہمیت کو واضح کرتا ہے جو کارپوریٹ اہداف اور مقاصد کے حصول کو متاثر کر سکتی ہیں۔ کمپنی اس کاروباری ماحول کی پیچیدگی کو سمجھتی ہے جس میں وہ کام کرتی ہے اور اس کا خیال ہے کہ ہر سطح پر ذمہ داریوں کی وضاحت کرتے ہوئے ادارے کی حکمت عملی اور خطرے کی صورتحال کا باقاعدگی سے جائزہ لینا ضروری ہے۔

کمپنی اپنے خطرات کے امکانات اور اثرات کا اندازہ لگاتے ہوئے مختلف سطحوں پر روایتی، باقی، اور ہدف کے نام سے اسکور تفویض کرتی ہے، یہ اسکورز خطرات کو ترجیح دینے اور جاری انتظام کے لیے متعلقہ قیادت کو ذمہ داری تفویض کرنے کی بنیاد بنتے ہیں۔ پوری کمپنی میں خطرات کی نشاندہی کی جاتی ہے اور ان کے اثرات اور امکان کی بنیاد پر درجہ بندی کی جاتی ہے۔ خطرات کی نشاندہی ہونے کے بعد، ان کے اثرات کو کم کرنے کے لیے حکمت عملی تیار کی جاتی ہے، جس کی نگرانی مینجمنٹ کمیٹی اور بورڈ کرتے ہیں۔

پائیداری سے متعلق خطرات کی تشخیص اور انتظام

کمپنی کا خیال ہے کہ ذمہ دارانہ کاروباری امور کو برقرار رکھنے میں ماحولیاتی سوچ بہت اہم ہے۔ کمپنی اپنے وسائل اور آپریشنز کو اس طرح منظم کرنے اور استعمال کرنے کی کوشش کرتی ہے کہ اس کے لوگوں، پڑوسیوں، صارفین اور مہمانوں کی صحت کی حفاظت اور ماحول کو مستقل طور پر یقینی بنایا جائے۔ ہمیں یقین ہے کہ ہماری HSE کی ذمہ داریاں ہماری اپنی سہولیات کے تحفظ اور ان میں اضافہ سے بڑھ کر ہیں۔ چونکہ ماحولیاتی چیلنجز زیادہ پیچیدہ اور متقاضی ہوتے جا رہے ہیں، کمپنی اس بات کو یقینی بناتی ہے کہ اس میں شامل خطرے کا پتہ لگانے، پیمائش کرنے اور ان کا انتظام کرنے کے لیے مناسب عمل اور کنٹرول موجود رہیں۔ ہم خطرات کی نشاندہی کرنے اور لوگوں اور ماحول کو پہنچنے والے ممکنہ نقصان کو کم کرنے کے لیے احتیاطی تدابیر اختیار کرتے ہیں اور وسائل کے بہتر استعمال کے مواقع کی مسلسل نگرانی کرتے ہیں۔

کمپنی کے پاس ایک زبردست انوائرنمنٹل مینجمنٹ سسٹم موجود ہے جس میں تفصیلی تکنیکی معیارات اور ایک وسیع آڈٹ اور جائزہ پروگرام شامل ہے۔ ماحولیاتی کارکردگی اور عمل کے حفاظتی اقدامات کی منظم نگرانی کی جاتی ہے، جس میں ٹولز جیسے ہیزرڈ اینڈ آپریبلٹی اسٹڈیز (HAZOP)، لیئرز آف پروٹیکشن اینالسس (LOPA)، کوالٹیٹیو رسک اسیسمنٹ اسٹڈیز، امپیکٹ رسک اسیسمنٹ، ڈسپرشن ماڈلنگ اور اخراج اور ڈسچارج کی بروقت نگرانی شامل ہیں۔

ماحول کے بڑے خطرات کو انٹرپرائز رسک مینجمنٹ پروسیس میں شامل کیا جاتا ہے اور ان کا مستقل بنیادوں پر جائزہ اور انتظام کیا جاتا ہے۔ ماحولیاتی کارکردگی کی باقاعدگی سے نگرانی کی جاتی ہے، اندرونی طور پر وقتاً فوقتاً اور ماہانہ بنیادوں پر اور سالانہ بنیادوں پر ہماری سسٹین ایبلٹی رپورٹنگ کے حصے کے طور پر بیرونی طور پر سندھ انوائرنمنٹل پروٹیکشن ایجنسی (SEPA) کے ذریعے جائزے ہوتے رہتے ہیں۔

کلورالکلی مارکیٹ

کلورالکلی بنیادی طور پر ایلومینا کی تیاری میں استعمال ہوتا ہے جس کے نتیجے میں تعمیراتی اور ایوی ایشن انڈسٹری میں استعمال ہوتا ہے۔ 2024 میں عالمی کلورالکلی مارکیٹ دباؤ میں رہی کیونکہ وافر فراہمی دستیاب تھی اور طلب نرم رہی۔ بین الاقوامی کاسٹک سوڈا کی قیمتیں پہلی ششماہی میں گراوٹ کا شکار رہیں، لیکن ایلومینا سیکٹر کی طلب میں اضافے اور علاقائی منڈیوں میں ثالثی کے سازگار مواقع کی وجہ سے اکتوبر کے بعد اس میں اضافہ ہوا۔

پاکستان میں، کاسٹک سوڈا ٹیکسٹائل سیکٹر کے لیے ایک کلیدی ان پٹ ہے اور اس کی مانگ زیادہ تر ٹیکسٹائل انڈسٹری کی کارکردگی سے منسلک ہے۔ توانائی کی بڑھتی ہوئی قیمتوں کی وجہ سے کمپنی کا مارجن منفی طور پر متاثر ہوا، جو کہ 2024 میں پاکستان کی معیشت کے لیے ایک اہم تشویش بنی ہوئی تھی۔ تاہم، مجموعی طور پر کاسٹک کی طلب میں بہتری آئی، خاص طور پر برآمدات پر مبنی ٹیکسٹائل کے شعبے میں، جس نے سال کے آخر میں 10 فیصد اضافہ ریکارڈ کیا۔ کاسٹک ڈیمانڈ کا جی ڈی پی کی نمو کے ساتھ گہرا تعلق ہے اور توقع ہے کہ اگلے 3 سالوں تک اس میں سالانہ 3 فیصد اضافہ ہوگا۔

کمپنی کے کلورالکلی پورٹ فولیو میں سوڈیم ہائپوکلورائٹ اور ہائیڈروکلورک ایسڈ شامل ہیں۔ سوڈیم ہائپوکلورائٹ بنیادی طور پر ٹیکسٹائل انڈسٹری میں بلیچنگ ایجنٹ کے طور پر استعمال ہوتی ہے اور اس کے دیگر استعمال ڈس انفیکشن اور واٹر ٹریٹمنٹ میں ہوتے ہیں۔ جبکہ ہائیڈروکلورک ایسڈ اسٹیل گیلونائزنگ انڈسٹری، ویسٹ واٹر ٹریٹمنٹ، پاور پلانٹس اور جیلیٹن سیگمنٹ میں دیگر کے ساتھ استعمال ہوتا ہے۔ کمپنی کا خیال ہے کہ ان کیمیکلز کے ڈاؤن اسٹریم استعمال میں ترقی کی صلاحیت موجود ہے، خاص طور پر سوڈیم ہائپوکلورائٹ کے لیے پانی صاف کرنے والے حصے میں اور ہائیڈروکلورک ایسڈ کے لیے پاور سیکٹر میں بہت گنجائش ہے۔

مستقبل پر نظر (آؤٹ لک)

مقامی مارکیٹ میں کلورالکلی صنعت بنیادی طور پر توانائی کی قیمتوں سے متاثر ہوتی ہے۔ مقامی طلب کا نقطہ نظر مثبت ہے، جس کا تعین لارج اسکیل مینوفیکچرنگ سیکٹر میں بحالی اور ٹیکسٹائل کی برآمدات پر حکومت کی بڑھتی ہوئی توجہ جیسے عوامل سے ہوتا ہے۔ ٹیکسٹائل سیکٹر میں ترقی کی وجہ سے 2025 میں کاسٹک کے لیے مقامی مارکیٹ میں 3 فیصد اضافہ متوقع ہے۔ تاہم، گیس کی قابل اعتماد فراہمی اور سستی توانائی کی قیمت کلورالکلی صنعت کے لیے ایک چیلنج رہے گی۔

ہائیڈروجن پر آکسائیڈ

کمپنی اپنے کاسٹک مینوفیکچرنگ پروسیس کے ضمنی پروڈکٹ کے طور پر ہائیڈروجن تیار کرتی ہے، جو فی الحال اس کے پاور پلانٹ میں بطور ایندھن استعمال ہوتا ہے۔ اس منصوبے کا مقصد ہائیڈروجن کو ہائیڈروجن پر آکسائیڈ کی پیداوار کی طرف موڑنا ہے، جو بنیادی طور پر ٹیکسٹائل انڈسٹری میں بلیچنگ ایجنٹ کے طور پر استعمال ہوتا ہے۔

یہ سرمایہ کاری نہ صرف کمپنی بلکہ پاکستان کے ٹیکسٹائل سیکٹر کے لیے بھی ایک اہم سنگ میل کی نمائندگی کرتی ہے۔ HPO ٹیکسٹائل کی صنعت کے لیے ایک کلیدی ان پٹ ہے، جو ہمارے ملک کی معیشت میں ریڑھ کی ہڈی کی حیثیت رکھتا ہے۔ اس ضروری خام مال کو مقامی طور پر تیار کر کے، ہمارا مقصد درآمدات پر پاکستان کے انحصار کو کم کرنا، صنعتی کارکردگی کو بڑھانا اور قومی خزانے میں مثبت کردار ادا کرنا ہے۔

جب کہ کمپنی اس پروجیکٹ کو عملی جامہ پہنانے کے لیے اپنے اٹل عزم پر قائم ہے، اس نے پچھلے کچھ سالوں میں بے مثال بیرونی چیلنجز کا سامنا کیا ہے۔ عالمی سپلائی چین میں رکاوٹیں، بشمول وبائی امراض کے دوران بندرگاہوں کے مسائل اور COVID سے لاک ڈاؤن میں توسیع کی وجہ سے خریداری کے محاذ پر تاخیر ہوئی۔ یہ چیلنجز کنٹریکٹر کے مسائل، گھریلو معاشی مشکلات اور آلات کی فراہمی میں تاخیر کی وجہ سے LC کی ادائیگیوں پر پابندیوں کی وجہ سے مزید بڑھ گئے۔ ان رکاوٹوں کے باوجود، کمپنی نے 17 فروری 2025 کو اپنے ہائیڈروجن پر آکسائیڈ پلانٹ کے تجارتی آپریشنز کو حاصل کرتے ہوئے حفاظت اور عملدرآمد کے اعلیٰ ترین معیارات کو یقینی بنانے پر توجہ مرکوز رکھی ہے۔

آپریشنل افادیت

کمپنی میں، وسائل کا تحفظ اور آپریشنل کارکردگی اسٹیک ہولڈرز کے لیے زیادہ سے زیادہ قدر بڑھانے اور پائیداری کے ایجنڈے میں مثبت کردار ادا کرنے کے لیے اعلیٰ توجہ کے شعبے قائم ہیں۔ اس کی مناسبت سے، کمپنی نے Oxy Vent Recycle (OVR) اور زیرو گیپ ٹیکنالوجی جیسے منصوبوں میں اہم سرمایہ کاری کی ہے تاکہ نہ صرف ہمارے آپریشنل عمل کو بہتر بنایا جا سکے بلکہ ماحولیاتی ذمہ داری میں بھی فعال طور پر تعاون کیا جا سکے۔ اسی طرح، کمپنی نے اپنے ہائی ٹمپریچر ڈائریکٹ کلورینیشن (HTDC) پروجیکٹ پر عمل درآمد جاری رکھا، جس سے توانائی کے محاذ پر EPCL کی لاگت میں نمایاں بچت ہوگی۔ کمپنی کی توجہ توانائی کی کارکردگی پر ہے اور اس کا مقصد HTDC پروجیکٹ کے ساتھ اپنے کاربن فوٹ پرنٹ کو کم کرنا ہے۔ مزید برآں، کمپنی مختلف کلیدی ڈیجیٹائزیشن اقدامات میں مصروف ہے جیسے کہ اڈاپٹیو ایڈوانسڈ پروسیس کنٹرول اور جدید تجزیاتی ڈیش بورڈز، جو پلانٹ کی کارکردگی کو بہتر بناتے ہیں اور ڈیٹا پر مبنی سوجھ بوجھ کے ذریعے کارکردگی کو بہتر بناتے ہیں۔

مالی جائزہ اور انتظام

سیلز کا جائزہ

2024 میں، پی وی سی اور کاسٹک کی فروخت کے حجم میں اضافے کے باوجود، کمپنی کی آمدنی 2023 کے مقابلے میں 7% کم ہوئی۔ حجم میں اضافہ PVC کی کم قیمتوں سے متاثر ہوا، جو کہ 2024 میں منفی عالمی معاشی اور علاقائی سیاسی صورتحال کی وجہ سے PVC کی قیمتوں میں کمی ہوئی۔

منافع

کمپنی نے PVC کی کم قیمتوں کی وجہ سے آمدنی میں کمی کی وجہ سے 161 ملین روپے کا خالص نقصان رپورٹ کیا جبکہ توانائی کی قیمتوں میں اضافے کے بعد فروخت کی لاگت میں اضافہ ہوا۔

مارکیٹ ڈیولپمنٹ سرگرمیاں

اس سال، مارکیٹ ڈیولپمنٹ ٹیم نےPVC کے تصور کونئی شکل دینے کے لیے ایک موثر انداز اپنایا اور اسے کلیدی اسٹیک ہولڈر گروپوں میں "مٹریل آف چوائس" کے طور پر شاندار انداز میں پیش کیا۔ پچھلے سالوں کی کامیاب آگاہی کیمپینز کو آگے بڑھاتے ہوئے، کمپنی نے2024 میں ہدف پر مشتمل اقدامات کا آغاز کیا، جس میں آرکیٹیکٹس، چھوٹے ٹھیکیداروں اور عام لوگوں کو ڈیجیٹل رسائی اور ڈیزائن کی گئی آگاہی مہموں کے ذریعے شامل کیا گیا۔

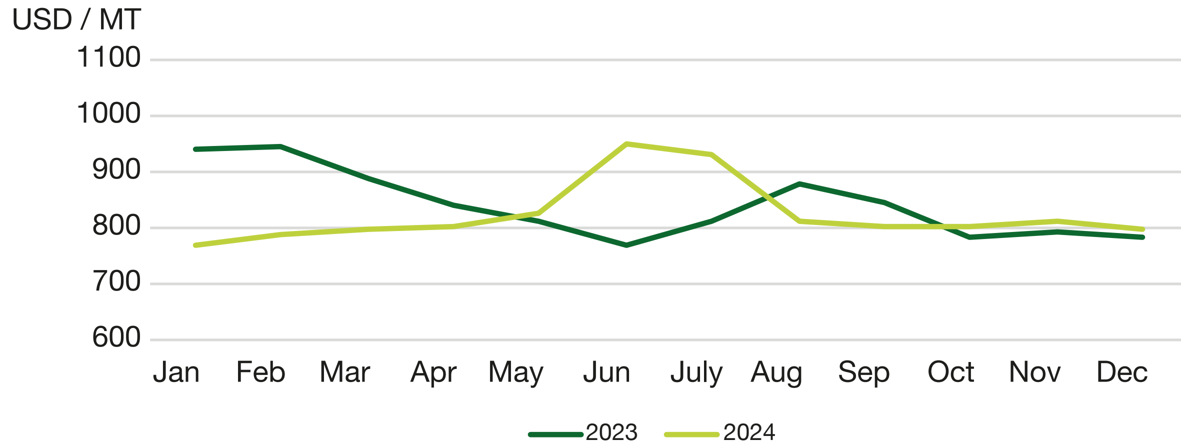
2024IAPEX جیسی نمائشوں میں موثر شرکت اور توجہ مرکوز ملاقاتوں کے ذریعے صنعت کے پیشہ ور افراد کے ساتھ براہ راست تبادلہ خیال، جس کا مقصد پروڈکٹ کی ترقی میں تعاون کو فروغ دینا اور جدت طرازی کرنا ہے۔ دیگر مشغولیت کے اقدامات، جیسے خواتین انٹر پرینیورز پاپ اپ اور کرافٹس مین کے تربیتی پروگرام بھی منعقد کیے گئے تاکہ PVC کے ڈاؤن اسٹریم سیکٹر کے بارے میں کمیونٹی کی آگاہی کو بڑھایا جاسکے۔

دریں اثنا، تکنیکی خدمات کی ٹیم نے ونڈو پروفائل فیبریکیٹرز کی صلاحیت بڑھانے کی ورکشاپس کا انعقاد کرکے صنعت کے معیاروں کو آگے بڑھانے میں ایک اہم کردار ادا کیا، جس کا مقصد ڈاؤن اسٹریم مصنوعات کے معیار کو بہتر بنانا اور ڈاؤن اسٹریم مینوفیکچررز کی آپریشنل کارکردگی کو بڑھانا ہے۔ یہ کوششیں کاروبار کے تمام پہلوؤں میں پائیدار ترقی اور جدت کو آگے بڑھانے کے لیےEPCL کی لگن کی عکاسی کرتی ہیں۔

بین الاقوامی وینائل چین کی قیمتیں

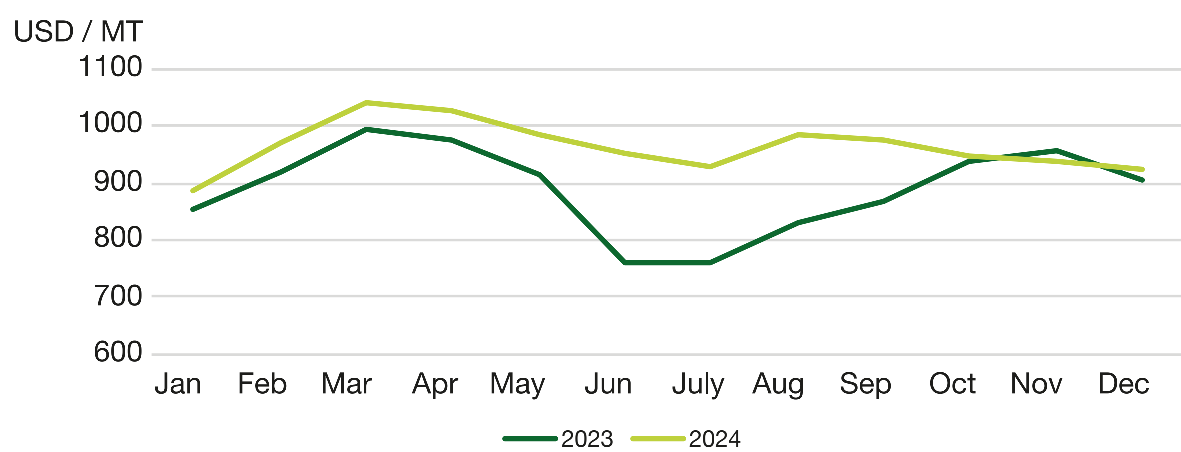
عالمی سطح پر ٹریڈ کی جانے والی پروڈکٹ ہونے کے باوجود، PVC کی قیمتیں تمام خطوں میں مختلف ہوتی ہیں۔ پاکستان کے لیے، متعلقہ قیمتوں کا بینچ مارکCFR جنوبی ایشیا ہے، جو بھارت، پاکستان، بنگلہ دیش اور سری لنکا پر لاگو ہوتا ہے۔2024 میں، بین الاقوامیPVC قیمتوں میں نمایاں اتار چڑھاؤ کا سامنا رہا، جو مارکیٹ کے متحرک حالات کی عکاسی ہے۔2024 کی پہلی ششماہی کے دوران قیمتوں میں اضافہ ہوا، جو کہ مستحکم بنیادی مانگ، بڑھتے ہوئے مال برداری کے اخراجات اور خطے میں دوبارہ ذخیرہ کرنے کی سرگرمیاں ہیں۔2024 کے وسط میں مارکیٹ میں زبردست اضافہ دیکھنے میں آیا، بنیادی طور پر مال برداری کی بلند شرحوں کے ساتھ ساتھ مینٹیننس شٹ ڈاؤن اور اہم پروڈیوسروں کی طرف سے پیداوار میں کٹوتیوں کی وجہ سے سپلائی کی رکاوٹوں کی وجہ سے جون میں قیمتیں948$ تک پہنچ گئیں۔ تاہم، سال کی آخری ششماہی میں مال برداری کے اخراجات میں کمی کے ساتھ قیمتوں میں کمی دیکھی گئی، کیونکہ پورے ایشیا میں کنٹینرکی دستیابی میں کمی ہونے لگی اور چین اور خطے میں مانگ میں کمی آئی۔ چین میں مقامی مانگ میں کمی، خطے میں اضافی انوینٹری کے ساتھ، جنوبی ایشیا میں کچھ بحالی کی سرگرمیوں کے باوجود قیمتوں میں کمی آئی۔

PVC International Prices (South Asia)



ایتھیلین، پی وی سی کے لیے بنیادی خام مال، پولی تھیلین سمیت دیگر پولیمر کی تیاری میں بھی استعمال ہوتا ہے۔ ختم ہونے والے سال کے دوران، اس کی قیمت تیل اور توانائی کی قیمتوں میں عدم استحکام کی وجہ سے غیر مستحکم رہی۔ سپلائی میں سختی کی وجہ سے ایتھیلین کی قیمتیں مارچ کے آس پاس عروج پر تھیں۔ تاہم، جیسے جیسے سال آگے بڑھتا گیا، ایتھیلین کی قیمتیں بتدریج کم ہوتی گئیں جس کی وجہ سے سپلائی کی صورتحال مستحکم ہوتی گئی اور ڈاؤن اسٹریم کی کمزور طلب کی وجہ سے سال کے بیشتر حصے میں اس حد تک محدود رہی۔

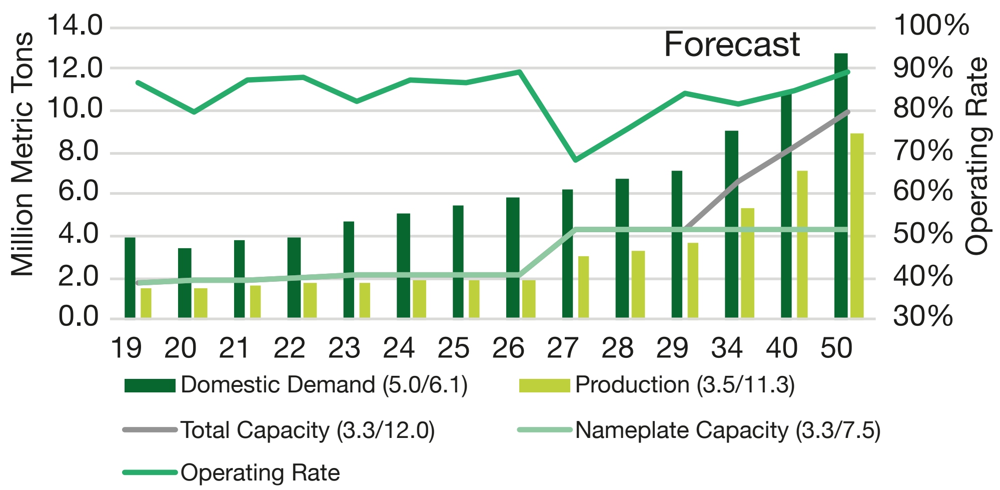
Ethylene Prices



مستقبل پر نظر (آؤٹ لک)

ہم امید کرتے ہیں کہ PVC کی قیمتیں مستحکم رہیں گی کیونکہ شروع ہونے والی نئی صلاحیتوں سے عالمی صلاحیت میں4% اضافہ کے ساتھ ساتھ 2025 میں بھی4% کی طلب میں اضافہ ہوگا۔ جہاں تک ایتھیلین کا تعلق ہے، قیمتیں خام تیل کی قیمتوں اور مجموعی ایتھیلین کی سپلائی سے متاثر ہوتی رہیں گی۔ سال کے آخر میں نئے کریکر کے آغاز سے سپلائی میں اضافہ ہونے کا امکان ہے، جس سے قیمتوں پر کچھ دباؤ پڑ سکتا ہے۔ PVC کی مستحکم قیمتیں، ایتھیلین کی قیمتوں کے ساتھ بنیادی ڈیلٹا اور مارجن کو گراوٹ کی طرف رکھیں گی۔

Indian Subcontinent: pvc supply & demand



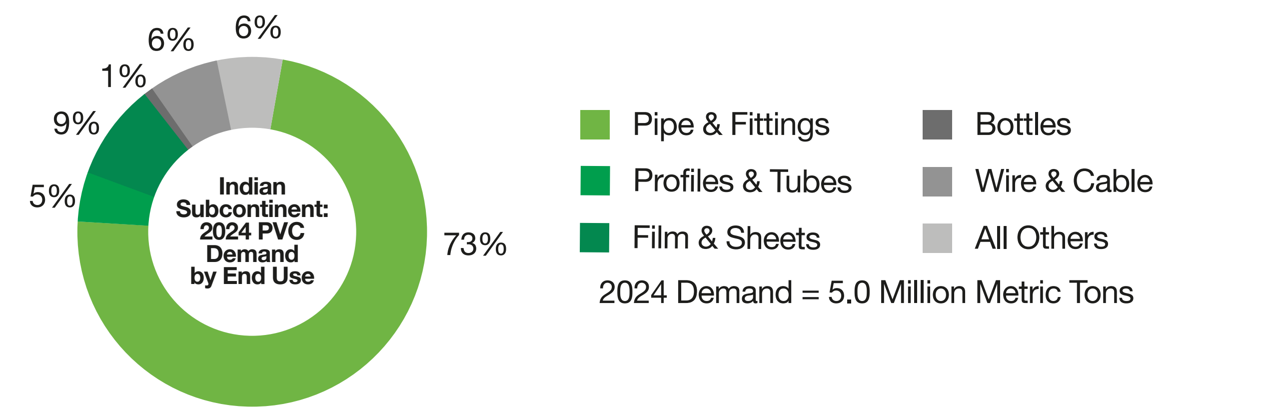
پاکستان

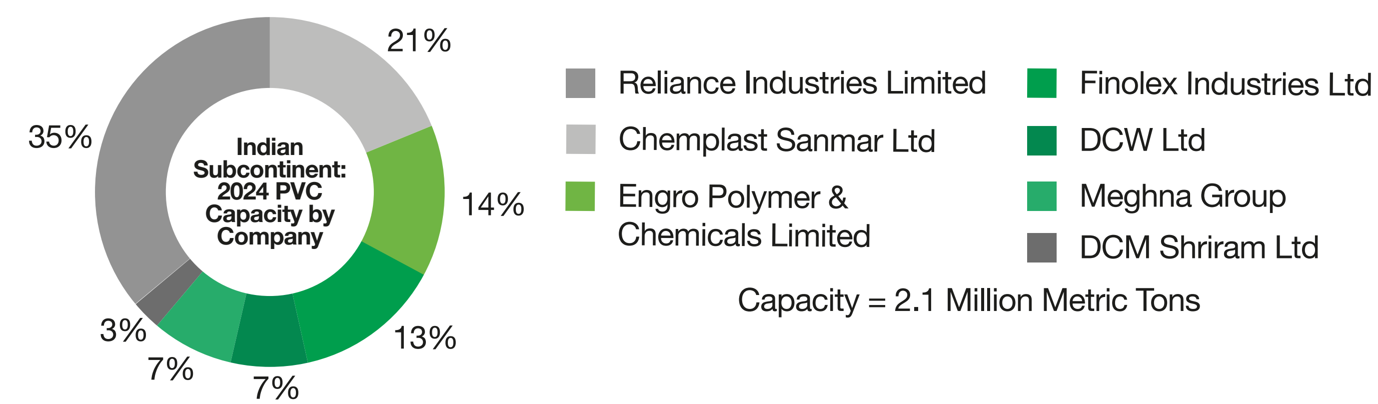
2024 میں، PVC کی عالمی قیمتوں میں کمی کی وجہ سے پاکستان کی مقامی PVC مارکیٹ نے اتار چڑھاؤ کا سامنا کیا۔ مقامی طلب نے بحالی کے کچھ آثار دکھائے، جو کہ 8 فیصد کی شرح سے بڑھتے ہوئے، پچھلے سال مانگ میں کمی کے بعد مثبت تبدیلی کی نشاندہی کرتے ہیں۔ انتخابات کے بعد معاشی حالات میں بتدریج بہتری کے ساتھ ساتھ مہنگائی کو مستحکم کرنے اور سال کے آخر میں مالیاتی پالیسی میں نرمی کی وجہ سے بحالی دیکھی گئی۔ کمپنی نے مصنوعات کی دستیابی کو یقینی بنا کر اور مارکیٹ کے اعتماد کو بڑھانے کے لیے مختلف فوائد کی پیش کش سے 84% کا مارکیٹ شیئر حاصل کیا۔

پاکستان میں PVC صنعت بتدریج متنوع ہو رہی ہے اور مقامی طور پر دستیاب تیار شدہ مصنوعات کی رینج میں PVC فرش، چھت، دروازے اور کھڑکیوں کے پروفائلز، وال پینل اور باغ کا فرنیچر شامل ہو رہا ہے۔ PVC کی طلب میں اضافے کا جائزہ مثبت دکھائی دیتا ہے کیونکہ اقتصادی اشاریوں میں بہتری کے نتیجے میں تعمیراتی سرگرمیوں میں اضافہ متوقع ہے۔

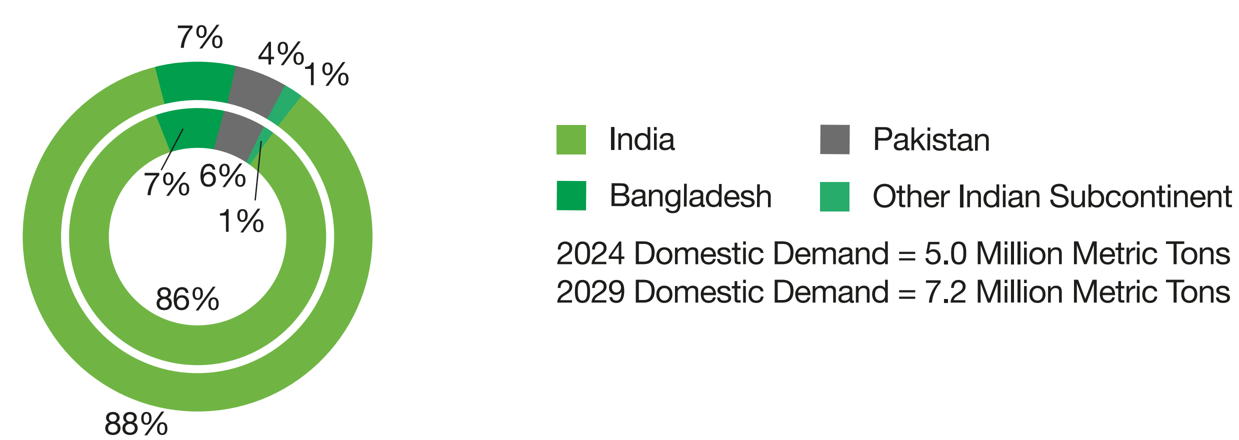
2025 میں مزید طلب کی بحالی کی توقع ہے، کیونکہ پالیسی کی شرح کو معقول بنانے سے تعمیراتی شعبے میں سرمایہ کاری بڑھے گی۔ مقامی PVC مارکیٹ اب بھی بڑھ رہی ہے، جو مزید توسیع اور ترقی کے مواقع فراہم کرتی ہے۔

صلاحیت میں زیر غور اضافہ اور طلب کو پورا کرنے کی صلاحیت کے ساتھ جنوبی ایشیائی PVC مارکیٹ کا نقطہ نظر انتہائی امید افزا ہے۔ 2025 میں نئی تجارتی رکاوٹوں کے آنے کی توقع کے ساتھ، خطہ ممکنہ طور پر اپنی درآمدات کو کم کر سکتا ہے۔ علاقائی معیشت میں 2025 میں 6.2 فیصد اضافے کا امکان ہے جو PVC کے لیے ایک متحرک اور تیزی سے بڑھتی ہوئی مارکیٹ پیش کر رہا ہے۔



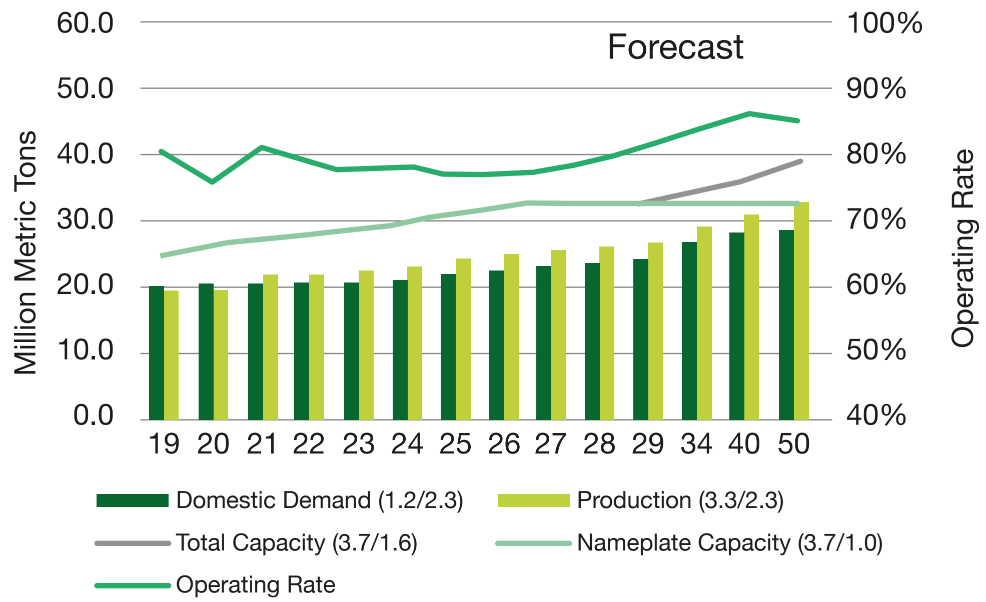


Indian Subcontinent: pvc demand by geography



اس کے علاوہ، حکومت کی پالیسیوں کا مقصد رئیل اسٹیٹ مارکیٹ کو فروغ دینا ہے جس سے 2029 تک سالانہ PVC گھریلو طلب میں 3% اضافہ متوقع ہے لیکن پھر بھی اس کے جی ڈی پی کی شرح نمو سے نیچے رہنے کی توقع ہے۔ BIS کوالٹی کنٹرولز اور اینٹی ڈمپنگ ڈیوٹیز کے نفاذ کے بعد چینی PVC برآمدات کو تجارتی رکاوٹوں خاص طور پر بھارت سے ہونے کے خطرے کا سامنا ہے۔

China (mainland): pvc supply & demand

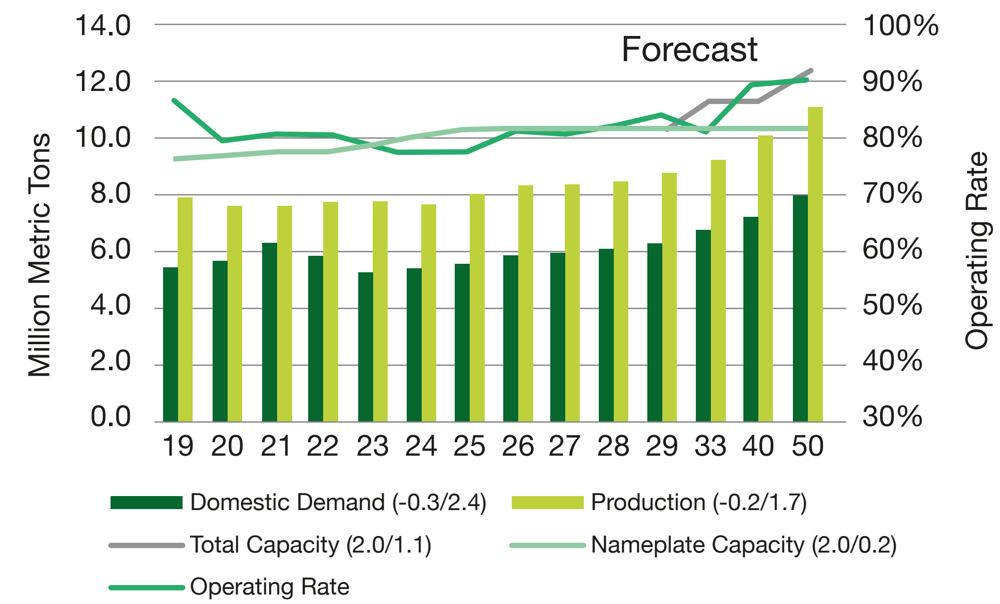


جنوبی ایشیا

برصغیر پاک و ہند، بنیادی طور پر ہندوستان، PVC کی طلب میں نمایاں اضافہ کر رہا ہے، جس میں 2034 تک سالانہ اوسطاً 6% اضافہ متوقع ہے۔ خطے کی فی کس PVC کی کھپت 2024 میں 2.6 کلوگرام ہے جو عالمی اوسط کھپت 7.2 کلوگرام سے نمایاں طور پر کم ہے، اس سے بے پناہ ترقی کی صلاحیت کی نشاندہی ہوتی ہے۔ ہندوستان، خطے میں سب سے زیادہ فی کس کھپت کے ساتھ، PVC کی طلب کا ایک اہم محرک ہے، جو انفراسٹرکچر کی سرمایہ کاری اور کنزیومر مارکیٹس کی توسیع کے ذریعے ممکن ہے۔

ہندوستان، خطے میں سب سے بڑا صارف اور پروڈیوسر، علاقائی طلب اور صلاحیت دونوں کا تقریباً 80% حصہ رکھتا ہے لیکن پھر بھی مقامی طلب کو پورا کرنے کے لیے درآمدات پر بہت زیادہ انحصار کرتا ہے، کیونکہ پیداواری صلاحیت بڑھتی ہوئی طلب سے کم ہے۔ 2024 میں، ہندوستان PVC کا ایک بڑا درآمد کنندہ تھا، جو بنیادی طور پر چین اور امریکہ سے حاصل کرتا رہا۔ تاہم 2025 اور 2027 کے درمیان 2.25 ملین میٹرک ٹن کے زیر منصوبہ صلاحیت میں اضافے کا مقصد طلب اور رسد کے فرق کو ختم کرنا ہے۔ توسیع کے ان منصوبوں کی قیادت موندرا پیٹرو کیمیکلز اور ریلائنس انڈسٹریز کر رہے ہیں جو کہ بھارت میں کام کرنے والے پانچ بڑے پروڈیوسرز میں شامل ہیں، جبکہ بنگلہ دیش میں میگھنا گروپ اور پاکستان میں اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ خطے کے دیگر پروڈیوسر ہیں۔

North America: pvc supply & demand



چین

2024 میں، چینی PVC مارکیٹ کو زیادہ سپلائی اور سست ریکوری سے پیدا ہونے والے اہم چیلنجز کا سامنا کرنا پڑا۔ جبکہ چینی معیشت میں 5% سالانہ اضافہ ہوا، رئیل اسٹیٹ سیکٹر کی مسلسل گراوٹ نے PVC کی کھپت کو منفی طور پر متاثر کیا۔ نتیجے کے طور پر، PVC کی قیمتیں گزشتہ 10 سالوں میں سب سے کم ہو گئیں۔

زیادہ تر مقامی PVC پروڈیوسرز نے منفی مارجن، 80% سے کم شرحوں پر کام کیا، کیونکہ پیداواری صلاحیت میں مسلسل اضافہ ہوتا رہا اور پروڈیوسروں اور تاجروں دونوں کے پاس مجموعی انوینٹری زیادہ رہی۔ ان چیلنجز کے باوجود، مقامی طلب اور رسد کے فرق کو جزوی طور پر گزشتہ سال کے مقابلے برآمدات میں 11 فیصد اضافے سے پورا کیا گیا۔ برصغیر پاک و ہند چینی PVC کے لیے سب سے بڑی برآمدی منڈی رہا، جو کل برآمدات کا 52% ہے۔

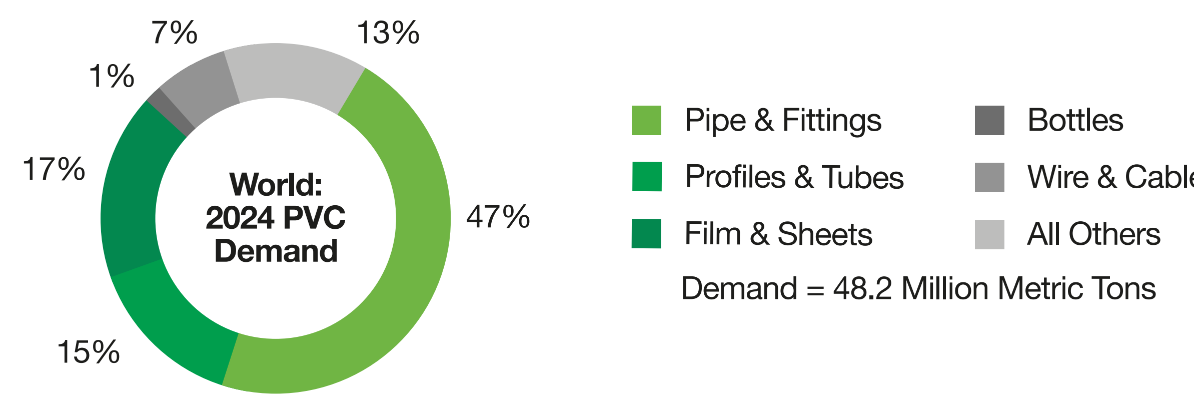
چین کی PVC پیداواری صلاحیت 2024 میں 30 ملین میٹرک ٹن تک پہنچ گئی جو عالمی پیداواری صلاحیت کا 47 فیصد ہے۔ توقع ہے کہ چین 2025 میں 1.3 ملین میٹرک ٹن اضافی صلاحیت اور اگلے تین سالوں میں مجموعی طور پر 11 فیصد کا اضافہ کرے گا۔ پیداواری صلاحیت کی مسلسل توسیع سے توقع ہے کہ 2025 اور اس کے بعد کی سپلائی کی صورتحال مزید بڑھ جائے گی، جبکہ پروڈیوسر مارجن بھی دباؤ میں رہیں گے۔

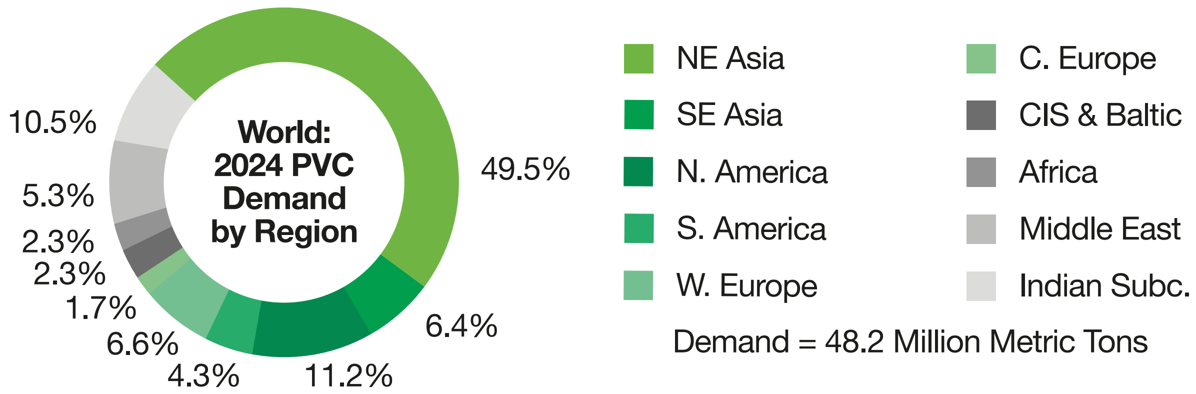
2024 میں عالمی پولی ونائل کلورائیڈ (PVC) کی صنعت کو ایک اور مشکل سال کا سامنا کرنا پڑا کیونکہ مارکیٹ کے محرکات، معاشی غیر یقینی صورتحال اور جغرافیائی سیاسی تنازعات سے منفی اثرات پڑے۔ Vinyl انڈسٹری 2024 میں عالمی سطح پر تجارت کی جانے والی دنیا کی کل PVC پیداوار کے 22% کے ساتھ انتہائی سست رہی ہے۔ PVC مختلف نئے حصوں میں مارکیٹ شیئر حاصل کر رہا ہے، کیونکہ یہ لکڑی، سیرامکس، قالین اور دیگر پلاسٹک جیسے روایتی مواد کی جگہ لے رہا ہے۔ پی وی سی کی مانگ عالمی جی ڈی پی کی ترقی سے قریبی تعلق رکھتی ہے، خاص طور پر تعمیراتی صنعت میں اس کا اثر آتا ہے۔

مختلف خطوں میں سال کا آغاز مانگ میں سست رفتاری کے ساتھ ہوا۔ شمالی امریکہ میں، 2024 کی پہلی سہ ماہی میں PVC کی مانگ 2023 کی چوتھی سہ ماہی کے مقابلے میں 18% بڑھ گئی۔ ایشیا میں، طلب میں اضافے کا مرکز آہستہ آہستہ شمال مشرقی ایشیاء سے جنوب مشرقی ایشیاء اور برصغیر پاک و ہند میں منتقل ہو گیا ہے، ان دونوں میں 2024 میں مانگ میں اضافہ دیکھنے میں آیا۔ اس کے برعکس، یورپ میں مستحکم مانگ رہی جس میں کوئی معنی خیز تیزی دیکھنے میں نہیں آئی۔

چین میں، اگرچہ حکومت نے رئیل اسٹیٹ انڈسٹری کے لیے کئی اچھی پالیسیوں کا اعلان کیا ہے، لیکن اس نے ابھی تک ڈاؤن اسٹریم PVC مانگ میں معنی خیز نتائج نہیں دیئے۔ 1H2024 میں شروع ہونے والی اضافی صلاحیتوں کے بعد ضرورت سے زیادہ سپلائی کی وجہ سے چینی PVC مارکیٹ دباؤ میں ہے اور کمزور مقامی تعمیراتی شعبے، عالمی PVC مارکیٹ میں چینی طلب میں کمی کی وجہ سے سست روی دیکھنے میں آئی۔ مال برداری کی بڑھتی ہوئی لاگت نے ریسن کی قیمتوں میں اضافہ کیا، لیکن مارجن نہیں رہے۔ مال برداری کی لاگت جولائی میں عروج پر تھی لیکن اس کے بعد سے نیچے آ گئی ہے، حالانکہ بعض راستوں کے لیے اتار چڑھاؤ برقرار رہے۔

ان عالمی اقتصادی مسائل کے سبب عالمی پی وی سی کی طلب میں ترقی سست روی کا شکار ہوئی۔ کمزور طلب، زائد سپلائی اور زیادہ لاگت نے 2024 میں مارجن کو منفی طور پر متاثر کیا، جو تمام خطوں میں کمزور رہا۔ تاہم، جنوب مشرقی ایشیا اور برصغیر پاک و ہند بہتر مقامات کے طور پر ابھرے، جس نے بڑھتی ہوئی آبادی اور بنیادی ڈھانچے کی سرمایہ کاری کی ضرورت کی وجہ سے 6 سے 7 فیصد کی مضبوط طلب سے اضافہ ریکارڈ کیا۔





شمالی امریکہ

2024 میں شمالی امریکہ کی PVC مارکیٹ کو مقامی طلب میں کمی اور برآمدی سرگرمیاں روکنے کے چیلنجز کا سامنا کرنا پڑا۔ خطے کی کل PVC طلب 5.4 ملین میٹرک ٹن پر مستحکم رہی، جبکہ گھریلو کھپت بلند شرح سود اور سست ہاؤسنگ مارکیٹ سے متاثر ہوتی رہی۔ تعمیراتی سیکٹر، جو کہ پی وی سی کا ایک بڑا صارف ہے، نے مورگیج کی بلند شرحوں اور سستے مکانات کے آغاز کی وجہ سے سست ترقی دیکھی، جس سے پائپ، پروفائلز اور تاروں جیسی مصنوعات کی مانگ میں کمی آئی۔

یونائیٹڈ اسٹیٹس نے شمالی امریکہ کی PVC کی طلب کا 82% حصہ لیا، جو اس کا سب سے بڑا PVC صارف ہے اور تعمیراتی مارکیٹ پر غلبہ رکھتا ہے۔ تاہم 2024 میں، امریکی PVC پروڈیوسرز کو بڑھتے ہوئے مقابلے کا سامنا کرنا پڑا، جس سے پہلے سے زیادہ سپلائی شدہ مارکیٹ میں قیمتوں کے تعین کے دباؤ میں مزید شدت آئی۔ یورپی یونین کی طرف سے عائد اینٹی ڈمپنگ ڈیوٹیز کے بعد امریکہ سے PVC برآمدات میں کمی واقع ہوئی۔ PVC کے لیے آپریٹنگ ریٹ گر کر 77% ہو گیا، جو زیادہ سپلائی اور کم مارجن کے اثرات کو ظاہر کرتا ہے۔

شمالی امریکہ میں 2024 میں دنیا کی PVC پیداواری صلاحیت کا 16% حصہ رہا، جس کی کل گنجائش 10.2 ملین میٹرک ٹن سالانہ ہے جس میں سے 90% امریکہ کے لیے ہے۔ 2025 کے لیے مزید صلاحیت میں توسیع کا اعلان شنٹیک اور فارموسا پلاسٹک جیسی کمپنیز نے کیا ہے، ان سے بالترتیب 284,000 اور 18,000 ٹن صلاحیت میں اضافہ ہوگا۔

شمالی امریکہ کی 2025 میں، مقامی طلب میں 5% کی معمولی نمو ہو سکتی ہے۔ ستمبر 2024 میں شروع ہونے والے مالیاتی پالیسی سائیکل میں نرمی سے 2025 میں امریکہ میں رہائشی تعمیراتی سرگرمیوں میں اضافہ متوقع ہے۔ تاہم برآمدات سمیت کل علاقائی طلب 6% کی تیز رفتاری سے بڑھنے کی توقع ہے، کیونکہ PVC برآمدات میں 2025 میں 8% اضافے کا امکان ہے۔

میکرو اکنامک صورتحال

سال 2024 میں عالمی اور مقامی طور پر مسلسل اتار چڑھاؤ اور چیلنجز کا سامنا رہا۔ جبکہ عالمی معیشت میں 3.2% کی رفتار سے ترقی کی توقع تھی، مہنگائی، توانائی کی قیمتوں اور علاقائی سیاسی تنازعات جیسے عوامل نے ترقی کے امکانات کو کم کر دیا ہے۔

ملکی سطح پر، معیشت میں بحالی دیکھی گئی، جو پچھلے سال کے مقابلے میں مالی سال 2024 میں 2.5 فیصد بڑھ گئی۔ سال کا آغاز طویل معاشی چیلنجوں کے ساتھ ہوا جس میں سیاسی غیر یقینی صورتحال، مہنگائی اور مالیاتی رکاوٹیں شامل ہیں۔ مہنگائی، اگرچہ 2023 کے وسط میں 38 فیصد کی بلند ترین سطح سے نیچے تھی، مرکزی بینک کی جانب سے سخت مالیاتی اور مانیٹری پالیسی سے اگست 2024 میں سنگل ڈجٹ تک آنے سے پہلے، سال کے شروع میں بلند رہی۔ اس کمی سے مرکزی بینک نے سال کی دوسری ششماہی میں پالیسی کی شرحوں کو کم کرنا شروع کر دیا، جس سے مہنگائی کے دباؤ کو مزید کم کیا گیا۔ دسمبر 2024 کے اجلاس کے دوران، اسٹیٹ بینک آف پاکستان نے اپنے پالیسی ریٹ کو کم کر کے 13% کر دیا جو کہ جنوری 2024 میں 22% سے اس سال لگاتار پانچویں شرح میں کٹوتی کا نشان ہے۔

کرنٹ اکاؤنٹ نے دسمبر 2024 میں 582 ملین ڈالر کا سرپلس ریکارڈ کیا، جو مسلسل پانچویں ماہ کا سرپلس ہے، جس کی وجہ زیادہ ترسیلات زر اور بہتر تجارتی توازن ہے۔ اس سے FY25 کی پہلی ششماہی میں کرنٹ اکاؤنٹ کو $1,210 ملین کے سرپلس پر لے جاتا ہے جبکہ پچھلے سال کی اسی مدت میں $1,397 ملین کا خسارہ تھا۔ انٹرنیشنل مانیٹری فنڈ (آئی ایم ایف) کے پروگرام کے تحت 7 بلین ڈالر کی نئی قرض کی قسط بھی مالیاتی استحکام کے حصول اور ضروری اصلاحات کے لیے اہم رہی ہے۔

بنیادی طور پر تعمیراتی اور ٹیکسٹائل کے شعبوں میں اہم صنعتوں نے ایک بہتر تصویر پیش کی۔ سیمنٹ کی صنعت نے گزشتہ سال کے مقابلے میں دسمبر 2024 میں مقامی سیمنٹ کی فراہمی میں 4.8% سالانہ کمی دیکھی۔ دریں اثنا، ٹیکسٹائل سیکٹر، جو کاسٹک سوڈا کا ایک اہم کنزیومر ہے، نے جزوی بحالی کا مظاہرہ کیا، 2024 کی دوسری ششماہی میں توانائی کی زیادہ قیمت جیسے مسائل کے باوجود برآمدات میں 9.6 فیصد اضافہ ہوا۔

علاوہ ازیں، توقع ہے کہ پاکستان کی معیشت 2025 میں 3 فیصد کی GDP نمو کا مظاہرہ کرے گی، جس کی نشاندہی اقتصادی اشاریوں میں بہتری اور مالیاتی ایڈجسٹمنٹ سے ہو رہی ہے اور بحالی کی راہ ہموار ہو رہی ہے۔ تاہم، اس ترقی کو برقرار رکھنے کے لیے ایک معاون پالیسی ماحول کی ضرورت ہوگی، جس میں پیٹروکیمیکل اور ٹیکسٹائل جیسی اہم صنعتوں کے لیے اسٹریٹجک ٹیرف پروٹیکشن شامل ہے۔ یہ شعبے پاکستان کے معاشی استحکام، زرمبادلہ کی بچت اور روزگار کے مواقع پیدا کرنے میں اہم کردار ادا کرتے ہیں۔ ٹیرف کو متوازن بنانے کے لیے ایک جامع اور وسیع نظر سوچ کی ضرورت ہے تاکہ اقتصادی ترقی کی راہ ہموار کرنے کے ساتھ امپورٹس میں کمی اور ایکسپورٹس میں ترقی کا حصول یقینی بنایا جائے۔

ڈائریکٹرز رپورٹ

اینگرو پولیمر اینڈ کیمیکلز لمیٹڈ (''کمپنی'') کے ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے اپنی سالانہ رپورٹ اور آڈٹ شدہ اکاؤنٹس پیش کرنے پر خوش ہیں۔

مالیاتی بیان

سال کے دوران، کمپنی نے 75,708 ملین روپے کی آمدنی اور 161 ملین روپے کا بعد از ٹیکس نقصان گزشتہ سال کے 81,270 ملین روپے کی آمدنی اور 8,932 ملین روپے کے بعد از ٹیکس منافع کے مقابلے میں حاصل کیا۔ نتیجتاً 2024 میں 0.40 روپے کا فی شیئر نقصان سامنے آیا جبکہ پچھلے سال 9.12 روپے فی شیئر منافع تھا۔

پرنسپل سرگرمیاں

کمپنی اینگرو کارپوریشن لمیٹڈ کا ذیلی ادارہ ہے جو اینگرو ہولڈنگز لمیٹڈ (سابقہ داؤد ہرکولیس کارپوریشن) کا ذیلی ادارہ ہے۔ کمپنی کا قیام 1997 میں ایک پبلک لمیٹڈ کمپنی کے طور پر منسوخ شدہ کمپنیز آرڈیننس، 1984 کے تحت عمل میں آیا تھا اور 1997 میں تجارتی آپریشنز کا آغاز کیا گیا تھا۔ کمپنی کے شیئرز تجارت کے لیے پاکستان اسٹاک ایکسچینج میں لسٹڈ ہیں۔

کمپنی کا بنیادی کام کلورونائل (Chlor-Vinyl) پروڈکٹس کی پیداوار اور ڈسٹری بیوشن ہے، جس میں (PVC) (Poly-Vinyl Chlor) کاسٹک سوڈا لیکوئیڈ، کاسٹک سوڈا فلیکس، ہائیڈروکلورک ایسڈ اور سوڈیم ہائپوکلورائٹ بھی شامل ہیں۔ SABZ، کمپنی کے اہم برانڈ نے ملک میں اعلیٰ معیاری PVC کی علامت کے طور پر وسیع پیمانے پر پہچان حاصل کی ہے۔ کمپنی اپنے کاروباری کاموں میں تین اہم ترجیحات: افراد، زمین اور منافع کو متوازن رکھنے کے اپنے فلسفے پر عمل پیرا ہے۔

کاروبار اور بزنس ماڈل کی نوعیت

کمپنی Chlor-Vinyl کے شعبے میں کام کرتی ہے اور اس کی کارکردگی کاروباری ماحول یا صورتحال سے متاثر ہوتی ہے جس میں یہ کام کرتی ہے۔