Engro Fertilizers Limited
6th Floor, Harbor Front Building
Marine Drive, Block 4, Clifton
Karachi, Pakistan

T +9221 111 211 211

March 03, 2025

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

Subject: **TRANSMISSION OF THE ANNUAL REPORT 2024 FOR THE YEAR ENDED DECEMBER 31, 2024**

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended December 31, 2024 have been transmitted through PUCARS and is also available on Company's website which can be downloaded from the following link:

https://www.engrofertilizers.com/investments#reports

The notice may be shared with the TRE Certificate Holders of the Exchange accordingly.

Sincerely Yours,

For and on behalf of
ENGRO FERTILIZERS LIMITED

DANISH RAZA
Company Secretary

Copied to:

Director / HoD
Listed Companies Department, Supervision Division
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Blue Area
Islamabad

engro fertilizers limited

annual report 2024

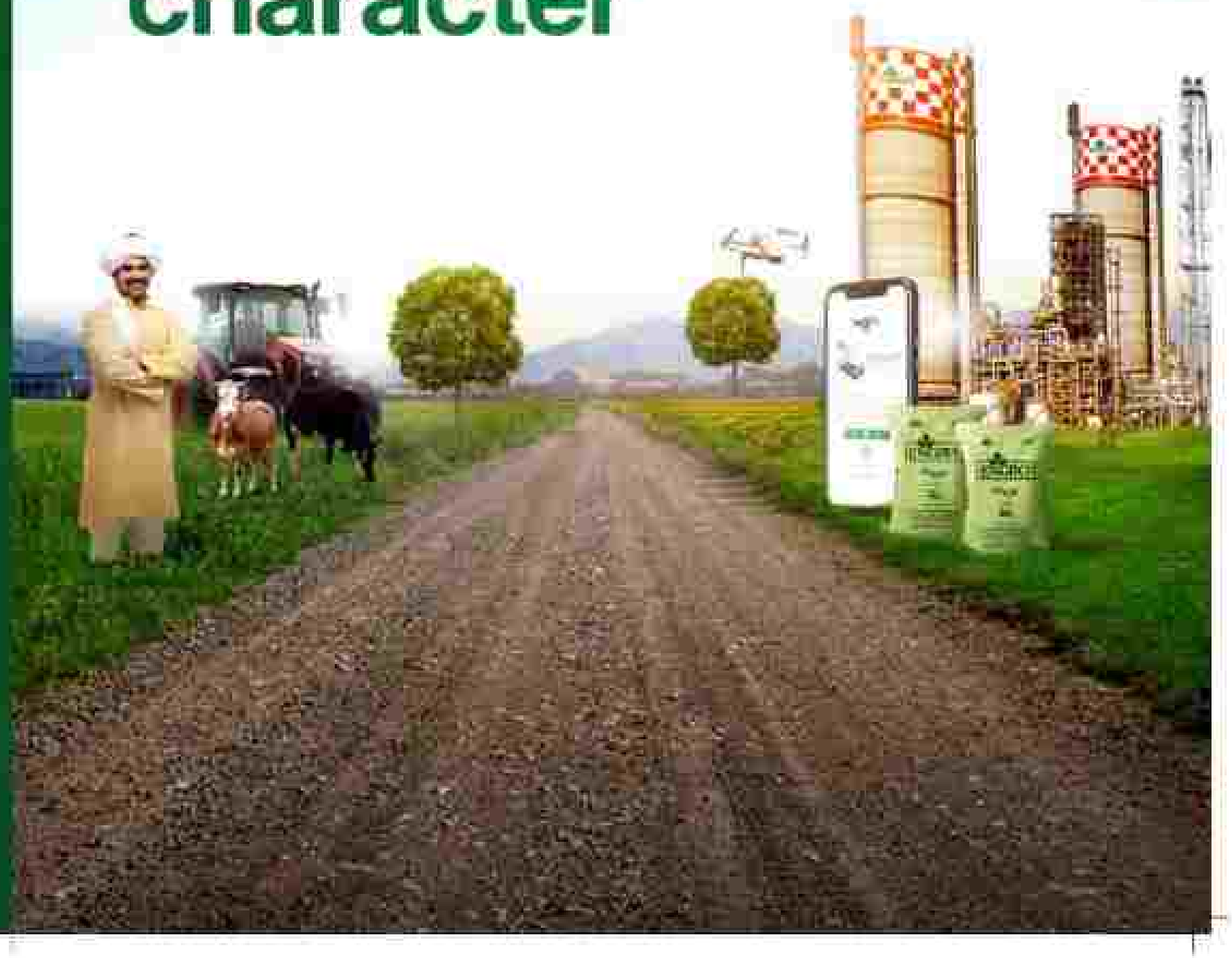
+92-21-111-211-211

engrofertilizers.com

annual report 2024

engro fertilizers

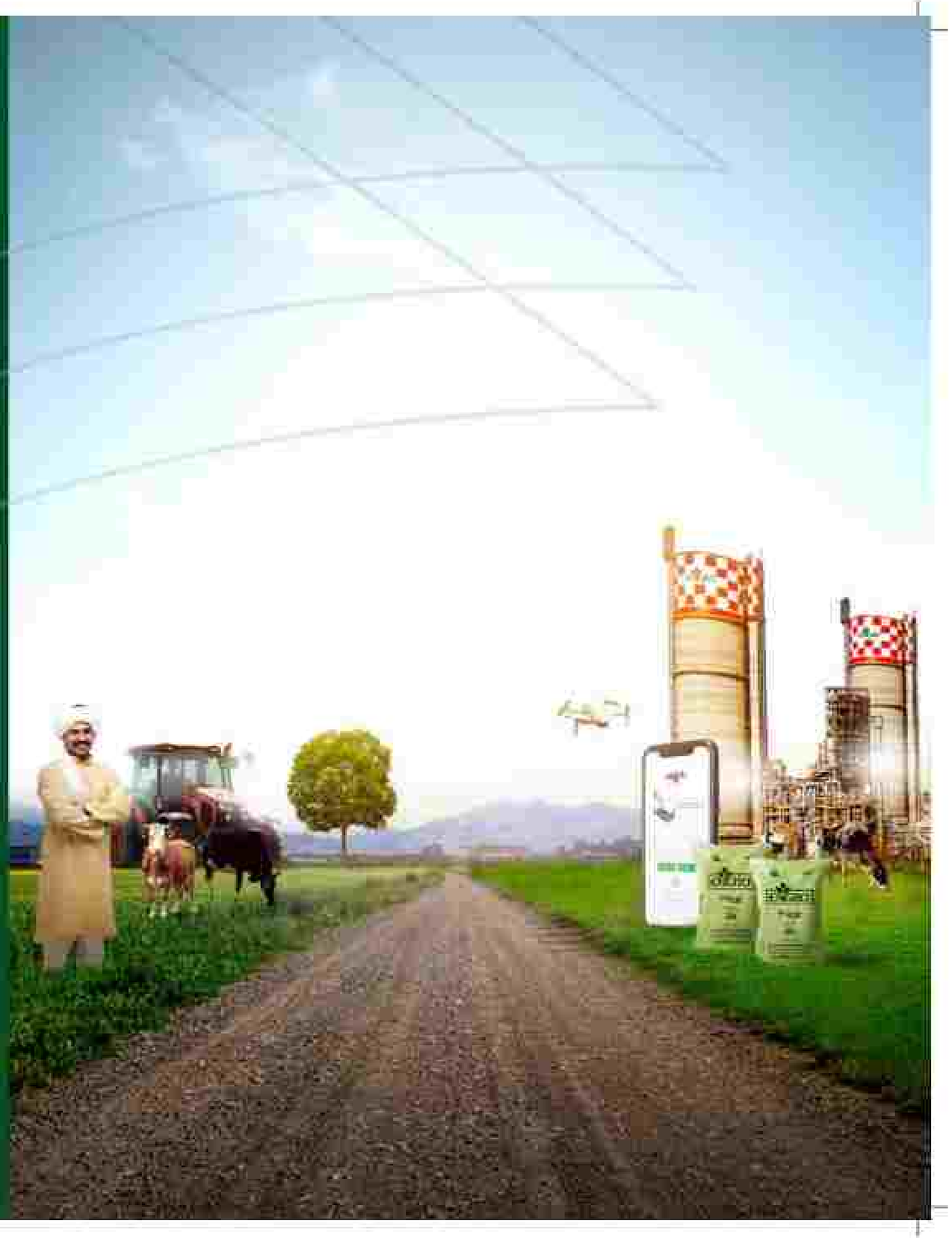
journey to building character



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 (TTHS), 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 TTHS 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.



external assurance / reviews

Assurance	External firm
Review report on Compliance with Code of Corporate Governance	A.F.Ferguson & Co. Chartered Accountants
Independent Auditor's report on the audit of Consolidated Financial Statement	A.F.Ferguson & Co. Chartered Accountants
Independent Auditor's report on the audit of Financial Statement	A.F.Ferguson & Co. Chartered Accountants
Cost auditors report	BDO Ebrahim & Co. Chartered Accountants
Entity's Credit Rating	Pakistan Credit Rating Agency

reporting framework

This report has been prepared in compliance with:

The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017.

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

The report also draws from guidelines of the integrated reporting framework, Listed Companies code of Corporate Governance Regulation, 2019 and Listing Regulations of the Pakistan Stock Exchange Limited (PSX).

It also maps our contribution to the UN sustainable development goals.

board approval

The Board of Directors of EFERT acknowledges their responsibility of ensuring the integrity of this report. The Director's Report and statutory financial statements included therein have been approved by the Board for circulation in its meeting held on February 07, 2025.

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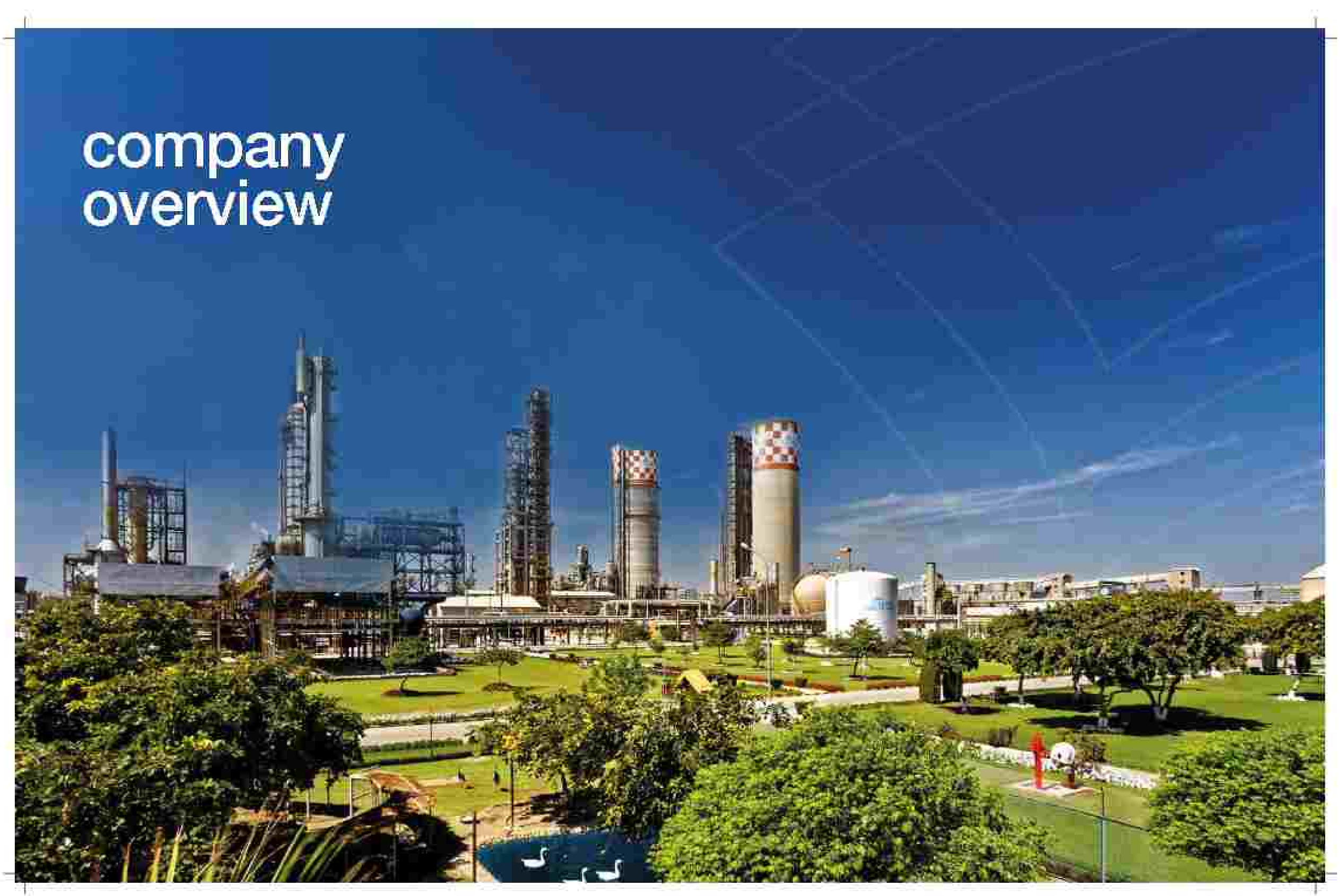
company overview



vision

We are passionate about transforming the agricultural landscape, bringing change and helping the farmer grow.

company profile

The Company was incorporated in June 2009, post demerger from parent company Engro Corporation Limited (formerly Engro Chemicals Pakistan Limited) effective from January 1, 2010. Today Engro Corporation holds 56.27% of shares of the Company.

EFERT is a renowned name in the Pakistani fertilizer industry, trading on the Pakistan Stock Exchange (PSX) under the symbol "EFERT". The Company holds a nationwide production and marketing infrastructure, producing leading fertilizer brands optimized for local cultivation needs and demand.

EFERT has earned itself a distinguished name by continually striving to uphold its tradition and the trust of its customers.

company information

board of directors

chairman & non-executive director
Mr. Ahsan Zafar Syed

non-executive directors
Mr. Javed Akbar
Mr. Farooq Rahat Ali
Mr. Ahmad Ghaleb

independent directors
Mr. Asad Said Jaffer
Mr. Asim Murtaza Khan
Ms. Danish Zuberi

chief executive officer
Mr. Ali Rathore

chief financial officer
Mr. Muhammad Imran Khalil

company secretary
Mr. Danish Raza

banking partners conventional banks
Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Citi Bank, N.A.
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial and Commercial Bank of China
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Samba Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

shariah compliant banks
Al Baraka Islamic Bank (Pakistan) Limited
Bank Islami Pakistan Limited
Faysal Bank Limited
Meezan Bank Limited
Bank Makramah Limited

microfinance banks
Mobilink Microfinance Bank
Telenor Microfinance Bank

auditors
A. F. Ferguson & Co Chartered Accountants
State Life Building No. 1-C, I.I.Chundrigar Road
Karachi-74000, Pakistan
Tel: +92(21) 32426682-5 / 32425711-5 Fax: +92(21)
32415007 / 32427938

registered office
6th Floor, The Harbor Front Building,
HC: # 3, Marine Drive, Block 4, Clifton,
Karachi-75600, Pakistan Tel: +92 (21) 35297501-10,
PABX: +92 (21) 111 211 211, Fax: +92 (21) 35810650
Website: www.engrofertilizers.com www.engro.com

plant sites

daharki
Daharki, District Ghotki Sindh
PABX: +92723 641001 - 10 Fax: +92723 641023 - 9

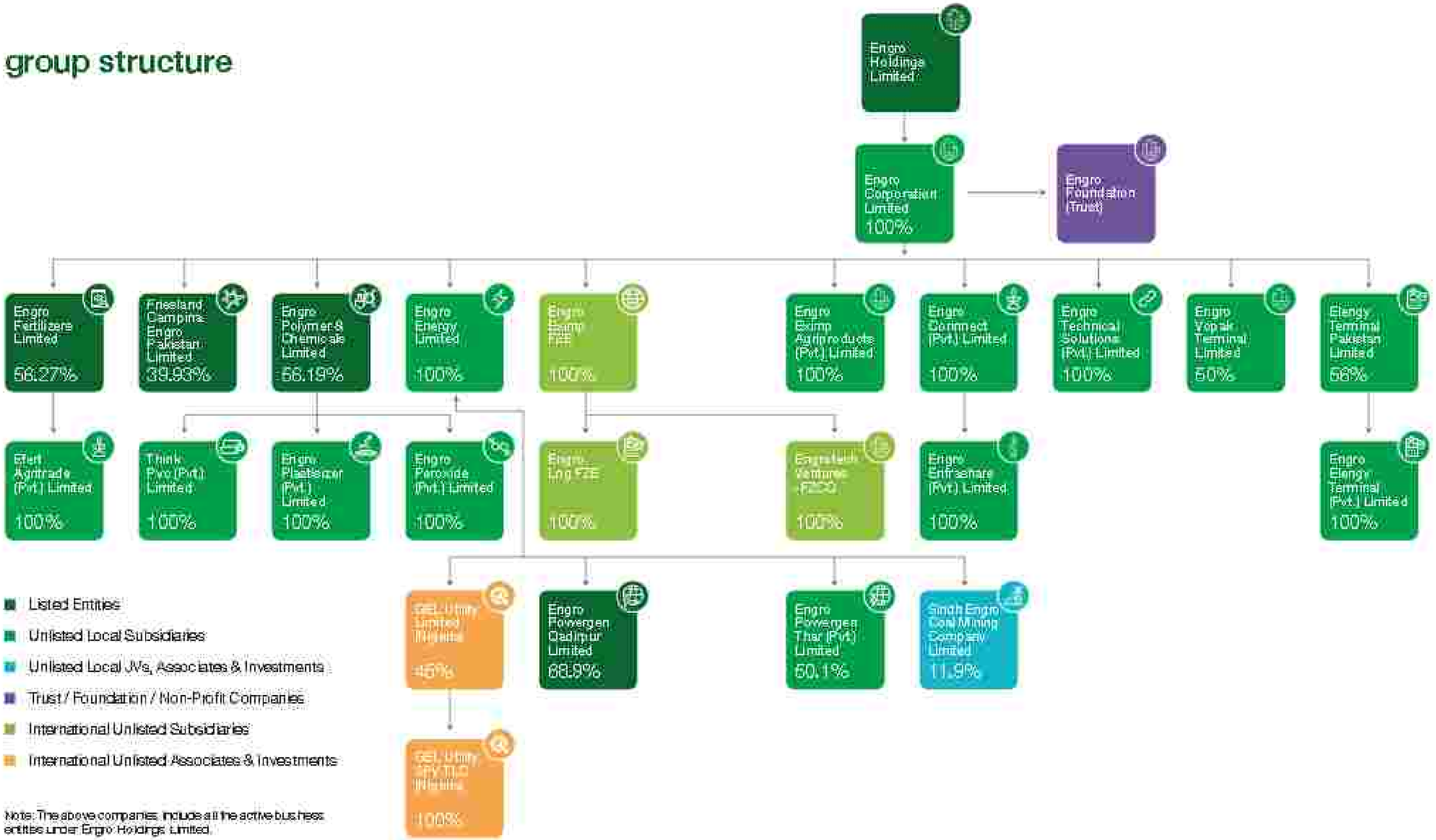
port qasim
EZ-1, P-I-II Eastern Industrial Zone Port Qasim, Karachi
PABX: 021-34740044-49 Fax: +9221 34740051

share registrar
Famco Share Registration Services (Private) Limited 8-F,
Near Hotel Faran, Block-6, PECHS, Shahrah-e-Faisal,
Karachi, Pakistan
Tel: +92 (21) 34380104-5 ; 34384821-3
Fax: +92 (21) 34388106

speak-out
Whistle blower Hotline for complaints or concerns in
relation to business ethics and compliance
Engro Fertilizers Limited
Ph: +92 (21) 35295012
Email: speakout@engro.com P.O. Box: 3861, Clifton,
Karachi

ceo message (video link)
https://www.engrofertilizers.com/investor/gallery

group structure



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

board of directors

Pictured from left to right standing:
Mr. Asad Said Jafar - Independent Director; Mr. Ahmed Shabbir - Non-Executive Director;
Mr. Farooq Bantal Ali - Non-Executive Director; Ms. Danish Zuberi - Independent Director;
Mr. Javed Akbar - Non-Executive Director; and Mr. Asim Murtaza Khan - Independent Director.

Pictured from left to right seated:
Mr. Ahsan Zafar Syed - Chairman; and Mr. Ali Rathore - Chief Executive Officer.

Mr. 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 purney 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 mentle 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 purney 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.

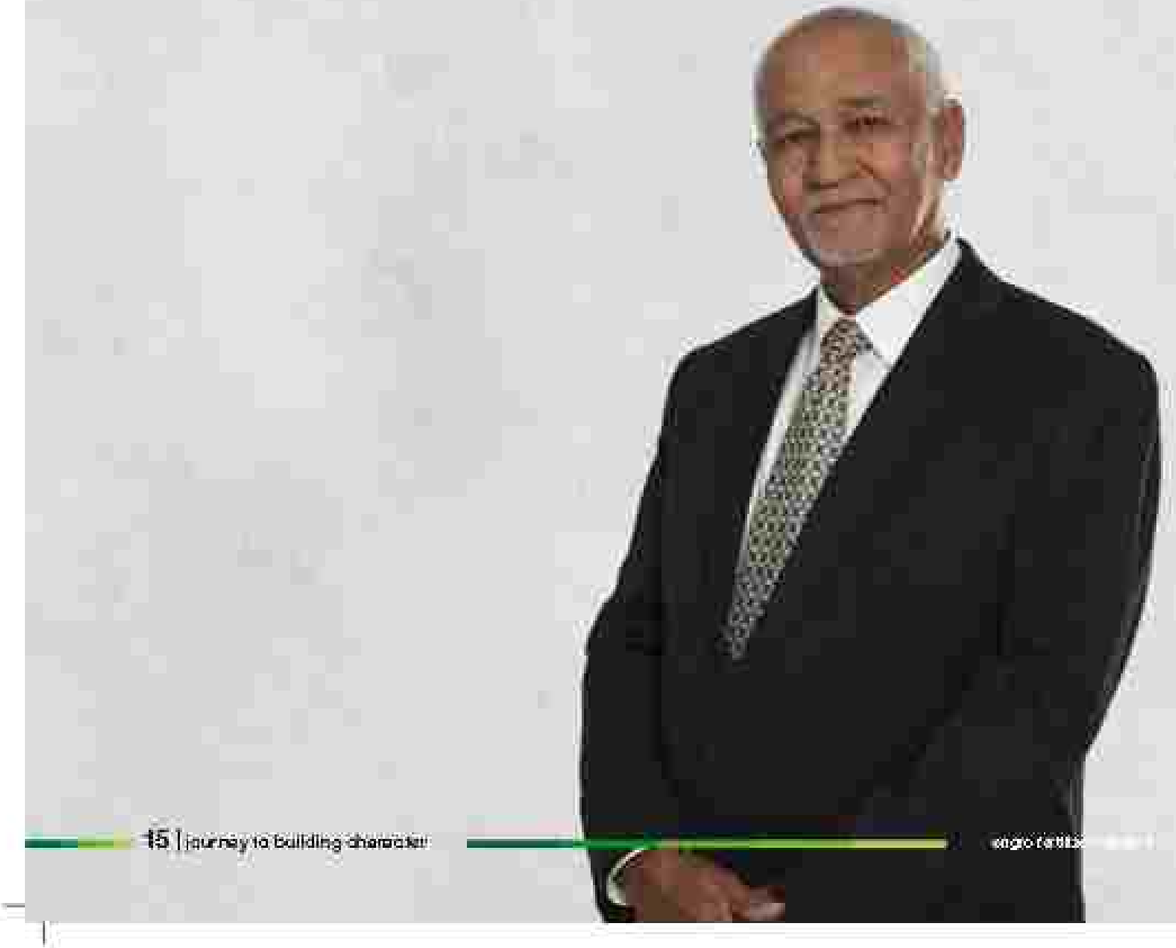
Ahsan is an alumnus of NED Karachi and Manhattan College New York, USA. Additionally, he has attended advanced management program at INSEAD in France.

Mr. Javed Akbar

Non-Executive Director

Javed Akbar is a Chemical Engineer and has over 40 years of experience in the fertilizer and chemical business with Exxon, (Engro and Vopak in Pakistan) and overseas. He was part of the buyout team in 1991 when Exxon divested its stake in Engro. Prior to his retirement in 2006, he was Chief Executive Officer of Engro Vopak Terminal Limited, a joint venture between Engro and Royal Vopak of Holland. After retirement, he established a consulting company that analyzes and forecasts petroleum, petrochemical and energy industry trends while providing strategic insights. He currently serves on the Boards of:

1. Engro Fertilizers Limited
2. Engro Vopak Terminal Limited
3. Engro Powergen Thar (Private) Limited
4. Javed Akbar Associates (Private) Limited



Mr. Farooq Barkat Ali

Non-Executive Director

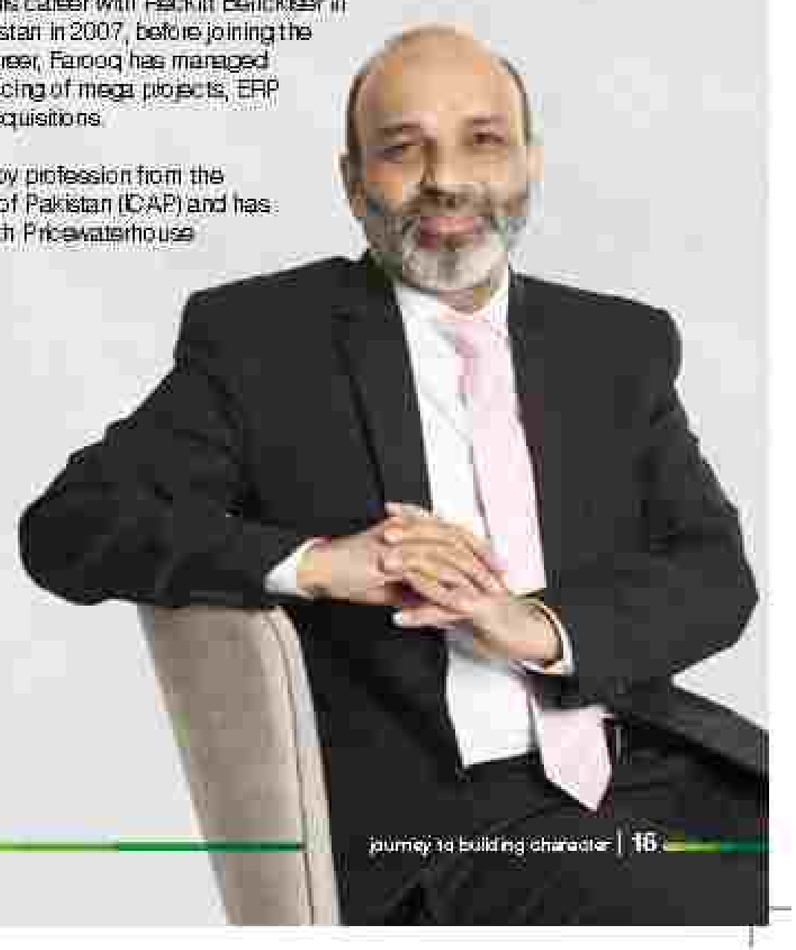
Farooq Barkat Ali is the Chief Financial Officer at Engro Corporation Limited. Previously, he has served as the Chief Financial Officer at Engro Fertilizers, and Engro Energy Limited (EEL). Farooq has also served as Vice President - Finance at Engro Corporation and Chief Financial Officer at Engro Powergen Qadirpur and Engro Eximp (Pvt) Limited.

As CFO at Engro Energy, Farooq looked after various aspects of the business including Performance Management of EEL subsidiaries, Treasury & Investor Relations, and financial oversight of all entities under the Energy vertical.

He serves on the Board of Engro Enfrashare, Elengy Terminal Pakistan Limited, Engro Connect (Pvt.) Limited, Engro Energy Services Limited, Engro Power International Holding BV, Engro Power Investments International BV, and Engro Power Services Holding BV.

Farooq carries around two decades of experience in various Finance and Commercial roles. He started his career with Reckitt Benckiser in 2002 and then moved to Shell Pakistan in 2007, before joining the Engro Group in 2013. During his career, Farooq has managed multiple projects including the financing of mega projects, ERP implementations, and mergers & acquisitions.

Farooq is a Chartered Accountant by profession from the Institute of Chartered Accountants of Pakistan (ICAP) and has also been previously associated with Pricewaterhouse Coopers (PwC) in Karachi.



Mr. Asad Said Jafar

Independent Director

Asad Said Jafar held the position of Chief Executive Officer and Chairman of the Board of Directors at Signify Pakistan Limited (formerly Philips Pakistan Limited) from January 2009 up to his retirement in March 2024. Prior to this, he was Director Supply Chain, for Philips Lighting ASEAN from 2006 to 2008. Asad has extensive manufacturing, supply chain, business excellence, and general management experience and has held various leadership roles at Philips including overseas expatriate postings to Indonesia, Thailand, and Singapore from 2001 to 2008. Asad joined Philips in 1998 as Supply Chain Manager at Philips Pakistan Limited. He drove the transformation and revitalization of the Philips business in Pakistan to become a focused lighting technology company offering a complete range of conventional and LED lighting solutions including its connected lighting systems and data-enabled services, design services, and turnkey solutions. He has also steered the transition of the company from Philips to Signify in Pakistan. Before Philips, Asad worked at ICI Pakistan Limited from 1988 to 1996, joining them as a Management Trainee and then moving into various roles in projects, plant maintenance, design and engineering planning before leaving the company to pursue an MBA degree.

Asad served as the President of Overseas Investors Chamber of Commerce and Industry (OICCI) in 2014 and as its Vice President in 2013. He is currently serving on the Board of Directors of Engro Fertilizers Limited and Unilever Pakistan Foods Limited. Previously he has served on the Board of Directors of Pakistan Institute of Corporate Governance (PICG) and Engro Polymer & Chemicals Limited and has been a member of the Institute of Business Administration (IBA) Corporate Leaders Advisory Board (ICLAB). He has also served as a member of International Advisory Board at NED University of Engineering and Technology. He has participated regularly in Karachi School of Business & Leadership's CEO mentorship program. Asad holds an Electrical Engineering (BE) degree from the NED University of Engineering & Technology and a Master's degree in business administration (MBA) from the Imperial College Business School, London, UK where he studied as a Chevening scholar. He is a certified Board Director from PICG and a member of PICG's faculty for the flagship Directors Training Program. He has recently been certified by IFC-PICG as a trainer for ESG & Sustainability training for Board of Directors.

Asad has completed several management development programs including the 'Leading a Business' program at Ashridge Business School, UK. He attended the Philips Simplicity Board 1000 program at the Chicago Graduate School of Business (London campus) as well as the Business Marketing Strategy Program at Kellogg School of Management, Northwestern University, USA. He is often invited to address business professionals and student audiences at corporate and academic events.

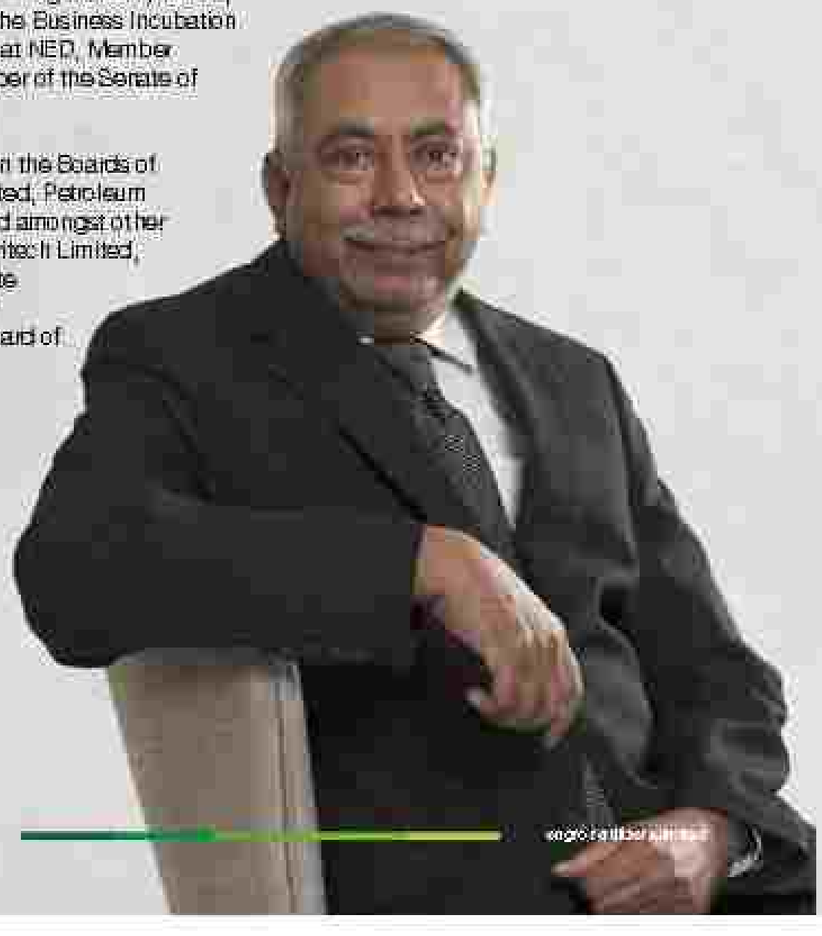
Mr. Asim Murtaza Khan

Independent Director

Asim Murtaza Khan is a veteran of the petroleum industry. He was recently appointed as the CEO of Sindh Petroleum Limited by the Sindh Government, where he works pro bono. Prior to that, he worked as pro bono CEO of the Petroleum Institute of Pakistan for nearly seven years. Earlier, he worked for Pakistan Petroleum Limited for nearly 33 years and superannuated as the MD/CEO. He was amongst the founder Directors of PPL's overseas subsidiary companies, PPL Europe E&P Ltd. and PPL Asia E&P B.V. for venturing international E&P. At PPL, he also led the mining joint venture with the Government of Balochistan.

He holds a Bachelor's in Mechanical Engineering from NED University of Engineering and Technology, Karachi, and a Masters in Mechanical Engineering from the University of Manchester Institute of Science and Technology, UK. He is an alumnus of the Kellogg School of Management, Northwestern University, USA. Asim is a Professional Engineer (PE), Fellow and Member Central Council of the Institution of Engineers Pakistan, and pursues strong industry-academia links as the President NED International Alumni Network (Association), Chair of the Petroleum Engineering Advisory Board, Joint Chair of the ORIC and the Business Incubation Centre Steering Committees at NED, Member Academic Council and Member of the Senate of NED University.

He has served as the Chair on the Boards of Pakistan LNG Terminals Limited, Petroleum Institute of Pakistan (PIP), and amongst other entities, on the Boards of Agritech Limited, Pakistan Institute of Corporate Governance (PICG), and the Community Development Board of the Government of Sindh.



Ms. Danish Zuberi

Independent Director

Danish Zuberi is an Advocate of the High Courts of Pakistan and has over 25 years of experience in corporate, commercial, and dispute resolution matters. Danish commenced her career in 1995 at the premier litigation chamber, Fazle Ghani Advocates, in commercial and constitutional litigation.

Thereafter, she continued her practice at Vellani & Vellani. She then established her independent practice, following which she accepted the position of General Counsel at Pakistan Petroleum.

She left Pakistan Petroleum in 2015 as General Counsel & Company Secretary and since 2016 she has been a Partner at Vellani & Vellani.

Mr. Ahmad Shakoor

Non-Executive Director

Ahmad Shakoor is the Chief Executive Officer of Engro Technical Solutions, and brings with him 30 years of operations, engineering, project development, business development and HSE / Technical Governance experience.

Ahmad is leading Engro's launch of its engineering and technical services company, leveraging the decades long experience of a talented in house team. With focus on driving innovation, operational efficiency, and value creation, his role involves strategic planning, business development, and aligning our capabilities to deliver world-class solutions which a growing customer market wants while ensuring that this new venture upholds Engro's legacy of delivering well engineering solutions and projects.

In his previous roles, Ahmad has served as the head of Engro's central technical division, developing and implementing group wide project development and HSE governance frameworks. Prior to that he has led the business development activities of Engro Fertilizers limited and has also been part of the US$ 1.1 Billion EnVen project in the capacity of Engineering Manager.

Ahmad is a chemical engineer by profession.

Mr. Ali Rathore

Chief Executive Officer

Ali Rathore is the Chief Executive Officer of Engro Fertilizers. After joining Engro Corporation in 2022, he was appointed as the Chief Financial Officer of Engro Fertilizers in September 2023, based on his strong strategic and business acumen.

Ali has over 26 years of international experience spanning across the USA, UK, Australia, and MENA region, working in Financial Planning & Analysis, Business Development, Operations and M&A. Ali is a seasoned executive with a diverse background across multiple industries, including Oil & Gas, Chemicals, and Manufacturing.

Renowned for his strategic vision and marketing acumen, Ali has been a driving force behind numerous groundbreaking projects, providing invaluable support to rapidly growing industries and championing talent development along the way.

Ali is known for his interactive and inclusive leadership style, fostering strong relationships across the organization to drive positive change. A graduate of the Kellogg School of Management at Northwestern University, Ali is also a fellow Chartered Accountant from the Institute of Chartered Accountants in England and Wales.

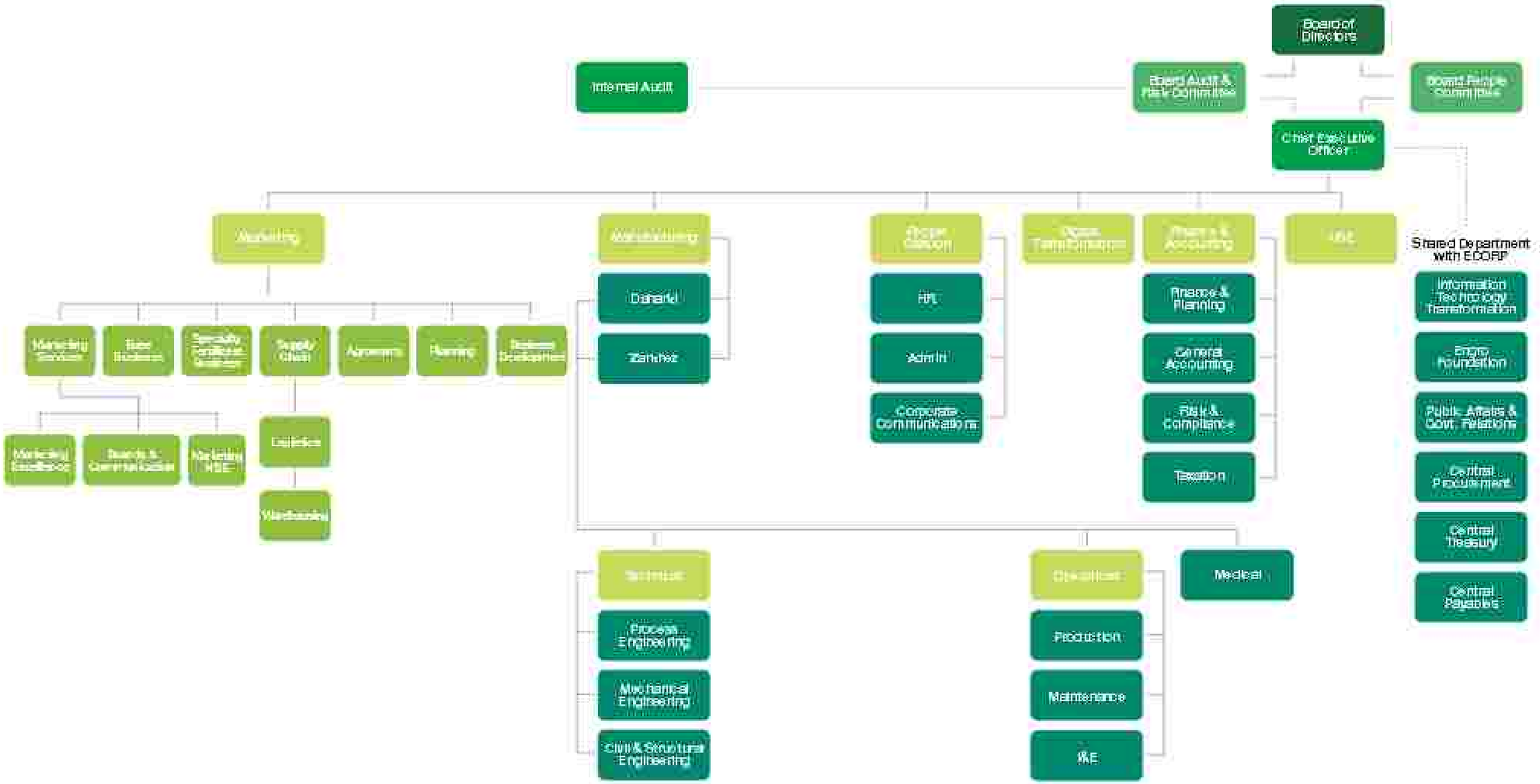
With a track record of driving business optimization through innovation and stakeholder management, Ali is poised to lead Engro Fertilizers towards continued success.

management committee

geographical presence

S.no.	Description	Address
1	Head Office	6th Floor, Harbor Front Building, Marine Drive, Block 4, Clifton, Karachi
2	Dahariki Plant	Dahariki, District Ghotki, Sindh
3	Zarkhez Plant	EZ/ 1 / P – 1 – II Eastern Zone, Port Qasim, Karachi
4	Zonal Office - North	4th Floor, [illegible], Lahore
5	Regional Office - Faisalabad	4th Floor, Meezan Executive Tower, Liaquat Road, Faisalabad.
6	Regional Office - Sahiwal	Meyan Centre, Police Line Road, Sahiwal
7	Zonal Office - Central	3rd Floor, Mehr Fatima Tower, Opp. High Court, Old Bahawalpur Road, Multan
8	Regional Office - Rahim	Marketing Office Dahariki Plant, District Ghotki
9	Regional Office - DG Khan	Engro Warehouse, Opp. B.I.S.E. Multan Road, D.G. Khan
10	Zonal Office - Sindh	[illegible]
11	Regional Office - Nawabshah	Near Bilawal Stadium, Main Kazi Ahmed Road, Nawabshah
12	Regional Office - Sukkur	Plot # [illegible], Park Mansion Cooperative Housing Society, Old Airport Road

organogram & employee profile



product portfolio & services

product portfolio & services

We grow brands

At EFERT, we believe in delivering the highest standards of quality hence our focus goes beyond the performance of brands to how our brands are imparting the lives of our consumers and enriching nutrient deficient lands. Our efforts are directed at increasing crop yields, addressing malnutrition and driving The Nations Food Security Agenda to meet Sustainable Development Goal (Zero Hunger). Therefore, at EFERT we strive to combine innovation and quality with customer needs and expectations.

The primary business segments of the company are:

Straight Fertilizers (urea, phosphatic fertilizers).

Specialty Fertilizers (Zabardast Urea, Zarkhez Gaddar).

Agri-services including site specific fertilizer recommendations based on 4Rs principles (Right source, Right dose, Right time and Right method of application)

Fertilizers

EFERT has a portfolio of premium fertilizers that focuses on balanced crop nutrition and improved crop yields, including Engro Urea and DAP (Di-Ammonium Phosphate) which comprise of some of the most trusted brands among Pakistani farmers.

Engro Urea

EFERT set up the first urea production facility in Pakistan, a landmark event in agricultural sector of the country, with a production capacity of 173,000 tons per year in 1968. With various debottlenecking and expansion steps, production capacity increased to 975,000 tons per year in 2011, the Company set up the world's largest (at that time) single train urea plant of 1.3 Mn tons capacity. Currently, EFERT is producing 2.2 Mn tons per year.

Nitrogen is the most important nutrient required by plants, in large quantities. Engro Urea contains 46% Nitrogen, it is the most concentrated solid Nitrogen fertilizer which is produced in prilled form. It is white in color and is used for soil and foliar applications in all field crops, orchards and turfs for healthy plant growth and improving crop yields. It is marketed in a 50 kg bag.

Phosphatic Fertilizers

Engro NP plus

Engro NP PLus is an innovative formulation that contains Nitrogen and Phosphorus in equal proportions (18:18) providing balanced growth in terms of crop health and productivity.

Additionally, it has Boron and organic fibers: it helps in grain filling and improves gain weight while controlling flower shedding. It is ideally suited for soil application and broadcasting at the time of seed sowing as well as, during early crop growth stage. It is marketed in a 50 kg bag.

Engro DAP

Till 1994, Di-Ammonium Phosphate (DAP) was imported in Pakistan by the fertilizer import department (FID) however, due to deregulation of imports the private sector took over and EFERT became one of the largest importers in the country.

Engro DAP is a compound fertilizer that has a Nitrogen to Phosphorus ratio of 18:46. It is amongst the most widely used sources of Phosphorus in Pakistan. It strengthens the roots of plants as well as, contributes to flowering and fruit formation and enhances grain size and weight. EFERT has been importing and marketing Engro DAP in the country since 1968. Engro DAP complies with Pakistan Standards (PS) and only the best quality is imported from renowned sources from around the world. This is the reason it is a popular and trusted brand among farmers. It is marketed in a 50 kg bag.

Engro Zorawar

Engro Zorawar or Mono-Ammonium Phosphate (MAP) is a compound fertilizer with high content of Phosphate (50%) and Nitrogen (10%).

It is in granular form and acidic in nature, having high solubility and efficiency compared to other Phosphatic Fertilizers. Engro Zorawar supports seed germination, strengthens root development and improves tillering in Wheat, Rice and Sugarcane. In addition, it also helps in improving grain health in cereals, gives more flowers and better fruiting in cotton, vegetables and fruit trees. EFERT is the only company which imports MAP in the country. Due to white color, it has less chances of adulteration. It is marketed in a 50 kg bag.

Specialty fertilizers are an extension of fertilizers business with unique products targeting higher crop productivity and fertilizer use efficiency. Moreover, these fertilizers address malnutrition and contribute to Sustainable Development Goal of Zero Hunger. They are new and innovative products developed after research and development using state of the art technology.

Engro Zarkhez

Majority of the soils in Pakistan are deficient in major nutrients especially in Nitrogen, Phosphorous and Potassium.

As a result, yields and quality of fruits are low. EFERT has introduced Engro Zarkhez which has all the three major nutrients in a balanced proportion. The presence of all macro nutrients in one granule results in efficient nutrient uptake. The application is convenient with a granular nature for the farmers whether it is applied through manual application, automatic or a planter. Engro Zarkhez is currently available in two different variants which are Engro Zarkhez Plus and Engro Zarkhez Khaas. It is marketed in a 50 kg bag.

Engro Zarkhez Plus

Has added organic fillers and bio stimulants which ensure prolonged availability of nutrients resulting in higher yield and good quality of produce.

It has NPK in 8:20:18 ratio and it is used for all major crops. It is marketed in a 50 kg bag.

Engro Zarkhez Khaas

Engro Zarkhez Khaas is a unique recipe with Boron and Sulphur, enriched with organic fillers and bio stimulants.

It has NPK in the ratio of 15:15:15 and it is used in fruit plants and orchards. Engro Zarkhez Khaas improves fruit yield and quality, reduces flower and fruit shedding. It is marketed in a 50 kg bag.

Engro Zingro

Zinc is a micronutrient which the crop requires in small dosages and it complements the functions of major nutrients.

Over the years, Zinc deficiency has been well established on a variety of crops especially, in rice. Use of Engro Zingro which, is a premium product; results in quick response and improved crop yields due to improved Zinc efficiency. It contains Zinc 33% and is a high purity fertilizer which, means it is free from heavy metals. It is marketed in a 3 kg bag.

Engro Zabardast Urea

Engro Zabardast Urea launched in 2012, is yet another leap forward by EFERT in pioneering next generation fertilizers in Pakistan.

This product is developed in collaboration with Nitta Corp, USA, it has a unique combination of Nitrogen (42%), Bioactive Zinc (1%) and a consortium of beneficial microbes that mobilize nutrients in soil and enhance crop resistance. Engro Zabardast Urea is beneficial for all the crops as it increases crop yields, improves quality and enriches zinc contents in produce. It is marketed in a 50 kg bag.

Engro MOP

In addition to potash based blended fertilizer, Potassium can also be applied in the form of straight fertilizer out of which, one widely used potassium fertilizer is Engro Muriate of Potash (MOP).

Engro MOP contains Potassium (60%) nutrient and is the most concentrated form of granular potassium. It can be used in every type of soil except, saline soils (which have high contents of chloride) and chloride sensitive crops like Tobacco. It improves crop yields and develops resistance to diseases. It also improves color, flavor and shelf-life of fruits and vegetables. It is marketed in a 50 kg bag.

Engro SOP

Engro SOP is a premium, chloride-free form of Potassium that can be applied as a straight fertilizer.

Engro SOP is available in both Granular and Powder forms, targeting all potash loving crops such as potato, maize, sugarcane, wheat, rice, cotton, vegetables, fruits, orchards and tobacco. Engro SOP contains Potassium (50%) nutrient and Sulphur (17.5%). Engro SOP not only improves quality and crop yields, but also makes plants resilient to drought, frost, insects and diseases. It is marketed in a 50 kg bag.

Engro Ammonium Sulphate

Engro Ammonium Sulphate with Ammoniacal Nitrogen (20.6%) 21% and Sulphur 24% is used primarily to fulfill the supplemental need of Nitrogen and Sulphur in growing plants.

It is an acidic fertilizer which is highly soluble in water and contains plant-preferred Sulphate form. Farmers are becoming increasingly aware of the importance of Sulphur as a secondary nutrient as it helps in nutrient uptake and increases resistance against diseases like fungal attacks. It is marketed in a 50 kg bag.

Engro Zoron

Engro Zoron is a 100% water soluble fertilizer which contains 20% Boron as an essential micronutrient.

It increases efficacy of other fertilizers, nourishes the plants, increases crop yields, retains the shape of the produce, reduces flower and fruit shedding as well as, improves overall quality. It can be used for soil or foliar application. Engro Zoron is recommended for cotton, cereals (rice, maize, oat), vegetables (onion, potato, tomato, cauliflower), fruits (apple, banana, grapes, guava, apricot, pear, peach, plum), roses and other ornamental plants. It is marketed in a 500-gm pack.

Engro Potash Power

Engro Potash Power has a high composition of Potassium (44%) in addition to Nitrogen (13%).

It is 100% water soluble and acidic in nature especially designed for high-efficiency drip irrigation system. It enables availability of other nutrients to the soil and is suitable for both soil and foliar applications with high efficiency irrigation system (Drip / Sprinkler / Pivot). Engro Potash Power provides greater resistance against frost. It increases fruit size, fruit appearance, organoleptic features and shelf life. Engro Potash Power is for all crops, including cotton, wheat, rice, sugarcane, sunflower, maize, flowers and fruits at mid to late stage application for improving health, yield, optimal plant nutrition and overall quality. It is marketed in a 25 kg bag.

Engro Phos Power

Engro Phos Power, imported from Europe, is acidic in nature and 100% water soluble which is specially designed for high-efficiency irrigation system. It contains Phosphorous (44%) and Nitrogen (17%).

It is a premium product, free from impurities which improves the availability of calcium, magnesium and other trace elements to the plant. It can be used for soil or foliar applications, and applied to all types of crops, orchards and vegetables for improving health, vigor, yield and overall quality of produce. It is marketed in a 25 kg bag.

Engro SOP Power

SOP Power is imported, packaged and sold directly by Engro Fertilizers Ltd.

This product contains 50% Potash and is 100% water soluble ensuring maximum absorption of vital nutrients for Potash hungry crops such as Vegetables, Maize, Potato and Orchards.

SOP Power seamlessly integrates with drip irrigations systems, strengthens roots, improves crop quality and reduces soil salinity, instilling confidence in farmers for optimal results. It is marketed in 25 kg bags.

our history

Our story began in 1957 when Pak Stanvac – an Esso/Mobil joint venture – stumbled upon vast deposits of natural gas in Mari while pursuing viable oil exploration in Sindh. Pak Stanvac's focus was exclusively on oil exploration, however, the discovery shifted the impetus to Esso, which decided to invest in the massive industrial potential of Mari gas field. Esso proposed the establishment of a giant urea plant in Daharki, about ten miles from the Mari gas fields, which would use natural gas produced as its primary raw material to churn out urea fertilizer.

Talks with the Government of Pakistan bore fruit in 1964 and an agreement was signed allowing Esso to set up a urea plant with an annual capacity of 173,000 tons. Esso brought in state-of-the-art design, commercially tried facilities, and a highly distinguished pool of technical expertise to ensure a smooth start-up. The total investment made was US $48M – it was the single largest foreign investment made in Pakistan to date then. The plant started production on December 4, 1968.

To boost sales, a full-fledged marketing organization was established which undertook agronomic programs to educate farmers of Pakistan. As the nation's first branded fertilizer manufacturer, the Company helped modernize traditional farming practices and boost farm yields, directly impacting the quality of life of the farmers, their families, and the nation at large. Farmer educational programs increased the consumption of fertilizers in Pakistan; paving way for the Company's branded urea called "Engro" – an acronym for "Energy for Growth".

In 1976, Esso became Exxon as part of an international name change. The Company was, therefore, renamed Exxon Chemical Pakistan Limited. In 1991, Exxon decided to divest its fertilizer business on a global basis. The employees of Exxon Chemical Pakistan Limited – in partnership with leading international and local financial institutions – bought out Exxon's 75% equity. This was, and perhaps the most successful employee buy-out in Pakistan's corporate history to date. The company was renamed Engro Chemicals Pakistan Limited. The company thrived with its consistent financial performance, growth of its core fertilizer business, and diversification into other enterprises. A major plant capacity upgrade at Daharki coincided with the employee-led buyout in 1991. Engro also relocated fertilizer manufacturing plants from the UK and US to its Daharki plant site, done for the first time internationally. Over the years that followed, Engro Chemicals Pakistan Limited started venturing into other sectors namely foods, energy, chemical storage, handling, trading, industrial automation, and petrochemicals.

Our Zarkhez Plant, situated at the Port Qasim Industrial Zone Karachi, was commissioned in the year 2001 to produce Specialty Fertilizers for Pakistani Progressive farmers. It is not only Pakistan's largest producer of blended NPK fertilizers but also a one of a kind plant, employing steam granulation technology to produce specialty fertilizers. The Plant's basic engineering design was done by IFDC (International Fertilizer Development Center) USA, with installation executed by CNCEC China. Its first on-spec production was achieved in June 2001. To help cater to the overwhelming demand from the farmers for specialty fertilizers, the plant was debottlenecked, increasing its nameplate capacity from 100KT to 145KT.

By 2009, Engro was fast-growing and had already diversified its business portfolio in as many as seven different industries. These continuous expansions necessitated a broad restructuring in Engro Chemicals Pakistan Limited, which subsequently demerged to form a new Engro subsidiary – Engro Fertilizers Limited.

After the necessary legal procedures and approvals, the Sindh High Court sanctioned the demerger on December 9, 2009, which became effective from January 1, 2010. Subsequently, all fertilizer business assets and liabilities have been transfered to Engro Fertilizers Limited against the issue of shares to the parent company Engro Corporation Limited. The Company undertook its largest urea expansion project in 2007.

The state-of-the-art plant EnVen 3.0, stands tall at 125 meters – dubbed as the tallest structure in Pakistan. The total cost of this expansion was approximately US $1.1 billion, making Engro one of the largest urea manufacturers in Pakistan. This has substantially reduced the cost of urea imports to the national exchequer.

In 2013, the Company foreyed into the capital markets to fund development capex on securing additional gas supplies along with restructuring the balance sheet to optimize the capital structure of the company. The IPO was a roaring success, oversubscribed four times in the book-building process and three times during public issues.

company's milestone over the years

1967
Mari gas field discovered by Esso Mobil joint venture

1974
Signed agreement with the government to set up a urea plant with an annual capacity of 170,000 tons

1978
The company was incorporated as Esso Pakistan Fertilizer Limited, to manufacture and market fertilizers

1986
Urea plant commissioned

1991
Exxon divests its equity from fertilizer business globally ; the Company is renamed as Engro Chemicals Pakistan Limited through an employee led buy-out

1995
Relocation of world's scale ammonia and urea plants (Pakuan 600) from USA and UK – capacity enhancement 270KT to 600 KT

1998
Debottlenecking of relocated plants

Capacity enhancement from 600 KT to 656 KT by 1999 and further enhancement to 960 KT by 2005

2007
Started construction of world's largest single train urea plant - Enven

2011
Enven capitalized and started commercial production

2013
Successful FO conducted; oversubscribed 3x during the process

2014
Demerger of Engro Chemicals Pakistan Limited and transfer of fertilizer business to a separate company, Engro Fertilizers Limited. Engro Chemicals renamed Engro Corporation Limited

2014
Achieved highest ever Urea sales in the history of Engro Fertilizers of 1,318KT, consequently resulting in the highest market share of 32% for Urea in 2014

2015
Highest-ever production of Urea (1,963 KT) as well as Highest-ever Urea sales (1,878 KT)

Only fertilizer company registered with Dupont to achieve a Level 4 rating in Safety Management Systems

Acquisition of Engro Eximp's Phosphates business

2016
Achieved lowest-ever Total Recordable Injury Rate (TRIR) of 0.06

Achieved highest-ever phosphates sales of 639KT

2018
2nd Highest ever consolidated revenue (PKR 109 billion)

Highest ever fertilizer sales (2,854 KT)

EFERT Marketing team becomes the only team in Pakistan to achieve a Step on Level 4 rating in Safety Systems

2019
Highest ever consolidated revenue (PKR 121 billion)

Successful Go-live of S4/HANA

Best safety plant TRIR of 0.00

Stepped into the logistics paradigm during the year, aiming to deliver 'movement with precision'

2020
MEGA year for the Company when EFERT fought against all challenges and delivered on its promise. The year was marked with hallmark production and sales performance

Achieved the milestone of the highest annual Urea production of 2,264 KT in its history with record lowest TRIR

Urea sales crossed the 2,000 KT mark

EFERT pioneers E-Bank Guarantee

company's milestone over the years

2021

Leading company in brand equity within Pakistan's fertilizer industry

Highest-ever urea sales of over 2,166 KT tons market share of 35%

Earned record revenue of Rs. 132 billion, generated highest-ever profit after tax of Rs. 21 billion

Engro Humsafar App breaks through Rs. 100 billion barrier in sales - a new record!

Achieved first-ever ZERO TRIR with two mega turnarounds

Inducted the first female shift engineer at Dahanki

Recognized as the largest taxpayer in the fertilizer sector in a ceremony held at the Aiwan-e-Sadr

Became the top online sales company in Pakistan with over PKR 100 billion in sales

2022

Biggest-ever Long-term Reliability Investment on base plant, completing several reliability projects including Furnace Revamp, over 60 days

Zero TRIR (Total Recordable Incident Rate) for two mega Turnarounds

40+ million km driven by Elogistics and counting, without an attributable fatality

Recognized as the Best National Taxpayer in the Manufacturing Sector by the Rawalpindi Chamber of Commerce and Industry (RCCI)

Ranked 6th amongst the PSX Top 26 Companies Award 2021

Hosted an international-level debate at Dubai Expo 2020 on the "Role of Engro and Pakistan to ensure Food Security in the Gulf Region"

Leading company on Brand Equity within Pakistan's fertilizer industry

2023

Despite pricing challenges, EFERT achieved the highest-ever sales volumes to-date with Zabardast Urea reaching 400 KT urea sales and NP Plus sales soaring by 39%

Highest-ever annual urea production of 2.3 million metric tons

Shandaar Kissaan successfully engaged 4,722 farmers with soil testing and nutrient advisory services

3x increase in diversity ratio in 3 years

The Engro Humsafar app crossed PKR 600 billion in orders... and PKR 300 billion in payments through Internet banking

Achieved highest-ever PAT of Rs. 26 billion vs previous best of Rs 21 billion

Soared to the 4th position on the PSX's list of top 26 Companies

Spearheaded more than 200 trials for new product development

SDG Leader for Goal 6 - Gender Equality in partnership with Centre of Excellence in Responsible Business (CERB)

2024

The largest Enven plant turnaround is completed with an investment of approximately USD 60 million

Launch of UgAI, Pakistan's first integrated agri e-commerce platform application

26% increase in women in senior leadership roles across the organization

Maintained Zero TRIR at Zarkhez Manufacturing Division for the 6th consecutive year; 27 million safe manhours completed by the Marketing HSE Division

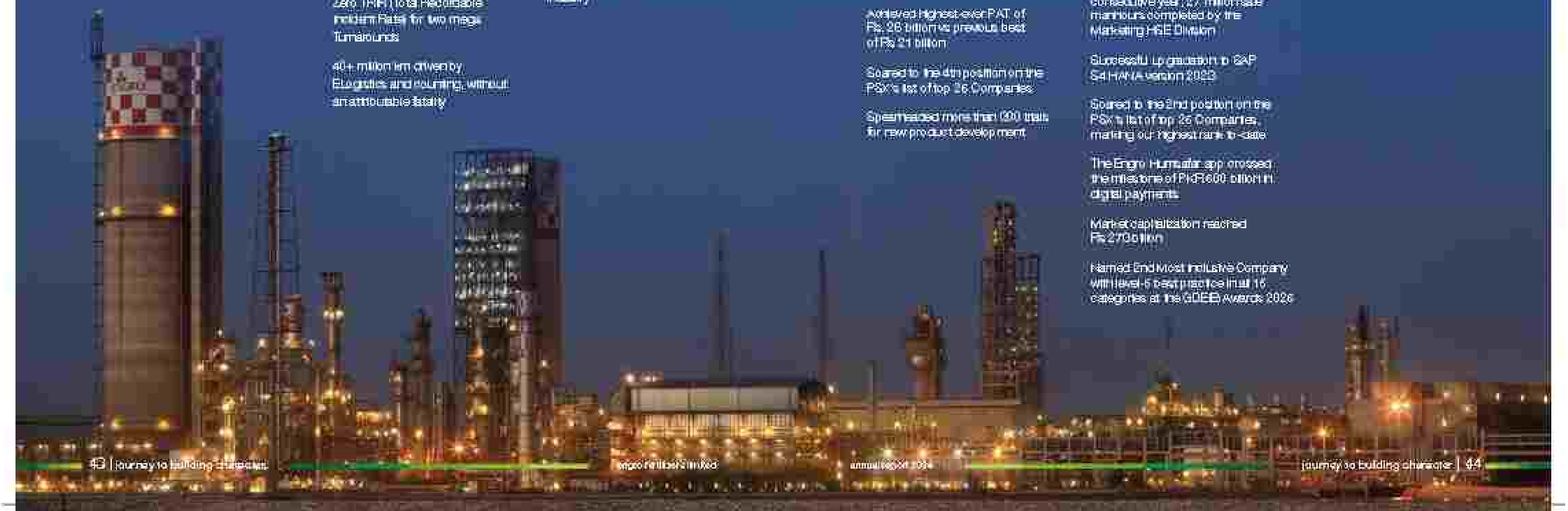
Successful upgradation to SAP S4 HANA version 2023

Soared to the 2nd position on the PSX's list of top 26 Companies, marking our highest rank to-date

The Engro Humsafar app crossed the milestone of PKR 600 billion in digital payments

Market capitalization reached Rs 270 billion

Named 2nd Most Inclusive Company with level-5 best practice in all 15 categories at the GDEB Awards 2026



2024 at a glance

- **25% increase** in women in senior leadership roles across the organization
- Achieved **0.05 TRIR** vs a target of 0.10 at EFERT Daharki manufacturing
- Maintained **Zero TRIR** at Zarkhez Manufacturing Division for the 5th **consecutive year**
- **27 million safe manhours** in the Marketing HSE Division
- Approximately **5,000** farmers were reached and **55,000** samples were collected for free of cost soil testing across 82 villages
- Successful upgradation to SAP S4 HANA version 2023
- Won the prestigious **Green Leaf Award by the International Fertilizer Association (IFA)** for environmental sustainability improvements and adopting safety best practices across its operational facility
- Won the **Corporate Excellence Award in the Fertilizer sector** at the 39th Management Association of Pakistan (MAP) Awards
- Soared to the **2nd position on the PSX's list of top 25 Companies**, marking our highest ranking to-date
- The Engro Humsafar app crossed the milestone of **PKR 500 billion** in digital payments
- **Launched UgAi** – Pakistan's first integrated agri e-commerce platform
- Market capitalization reached **Rs.273 billion**
- Contributed **Rs. 54.5 billion** to the National exchequer
- Successfully completed the **largest turnaround of the Enfen Plant** in the Company's history
- Highest-ever PAT of **Rs. 28 billion** vs previous best of Rs 26 billion
- Highest-ever revenue of **Rs. 257 billion** vs previous best of Rs.224 billion
- Contributed **Rs 484 million** in corporate social responsibility

code of conduct

ethics & integrity

are one of the cardinal values of all Engro companies. Our history includes a long-standing commitment to comply with all laws and to conduct our business activities with the highest standards of ethics and integrity. It is not only about complying with all laws but also describing the moral choices that must be made in areas where the law is not clear. A host of policies have been adopted by the Board of Directors of the company in this regard.

empowerment with accountability

Each Engro employee is responsible for his/ her behavior and will be held accountable for it. All employees are bound to submit an ethics compliance certificate. We are responsible for complying with all applicable laws and company policies & procedures.

our commitment to engro's stakeholders

We adhere to the highest ethical standards, foster trust, and always act in the best interest of our shareholders, our customers, our families, our vendors/ suppliers, the communities where we operate, and each other. We want our stakeholders to know they can depend on us.

promoting a positive work environment

To ensure a workplace where employees feel safe, respected, and appreciated. We aim to attract, induct, develop, retain, and motivate high-caliber talent who is qualified, capable, and willing to contribute towards the achievement of company objectives. Engro is committed to being a harassment-free workplace and has strict laws against any form of inappropriate conduct to ensure a safe workplace and the protection of the environment.

soliciting customers, suppliers, vendors, and contractors

Employees will not solicit vendors and suppliers, or avail offers for anything of value that could be perceived to create obligations in order to keep, increase, or obtain Engro business. Actions that might involve a conflict of interest, or the appearance of one, will be disclosed to senior management.

legal compliance

When making decisions to conduct business, employees must ensure they are aware of their actions and choose not to violate the law. All Engro companies hold information and training sessions to promote legal compliance and have systems in place to monitor and report violations.

protecting the company's assets

We must use the Company's physical assets/ equipment carefully and diligently and take steps to protect our Company's proprietary and confidential information.

managing business relationships

Employees' dealings with customers, suppliers, contractors, competitors, or any person or organization doing or seeking to do business with the Company (our business interfaces) must be in the best interest of the Company, must exclude any consideration of personal preference or advantage, and must avoid conflicts of interest, apparent or otherwise.

core values

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

health, safety & environment

Cares deeply about environmental impact and safety of people

ethics & integrity

Has impeccable character and lives by the 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

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.

the guiding principles of character & good manners (CGM)

Truth
Trust
Humility
Integrity
Striving in hardship

key performance highlights 2024

	2024	2023
Total Wealth Generated	83,748 mn	76,942 mn
Revenue	256,675 mn	223,705 mn
Net Profit After Tax	28,260 mn	26,191 mn
Contribution to National Exchequer	54.5 bn	34.7 bn
Economic Value Added	19,473 mn	16,746 mn
Return on Equity	59.27 %	56.35 %
Dividend Distributed Per Share	Rs. 21.5	Rs. 17.5
Earnings per Share	Rs. 21.16	Rs. 19.61

awards & recognition

During 2024, the Company continued its legacy of excellence across all dimensions and our efforts were recognized on several local and international forums. Below are some of the major awards won by EFERT during 2024:

health, safety and environment (HSE)

Green Leaf Award
for environmental sustainability improvements and adopting safety best practices across its operational facility

The Royal Society for the Prevention of Accidents (RoSPA) – Silver Award
for demonstrating outstanding HSE performance in year 2024

International Safety Award
for unwavering commitment to ensuring the safety and wellbeing of its workforce and surrounding communities

Transformation Award
finalist position in HSE transformation for adopting risk-based safety program

Corporate Sustainability Award
for outstanding efforts in emission reduction and efficiency enhancement

EHS Innovation Award
finalist position in EHS innovation for implementing strategies and leveraging digital technology in HSE management and sustainability

16th Occupational Safety & Health Awards by Employers' Federation of Pakistan
1st prize for advancing occupational safety, health and environmental sustainability

ESG Champion Award
finalist in the category for demonstrating exceptional performance in Environmental, Social, and Governance (ESG) programs

ESG Award – Responsible Consumption
finalist for unwavering commitment to advancing UNSDG goals and promoting sustainable practices

Occupational Excellence Award
Received the Industry Leader Award for outstanding safety record in managing workplace safety to minimize injury and illness

Safety Benchmark Report
Recognized among the top performers globally in Lost Time Injury Rate (LTIR), and secured the 11th position out of 63 industrial sites worldwide for Total Recordable Injury Rate (TRIR), ranking in the 20% of best-in-class companies

Green Office Certification
Awarded to Zarkhez Plant for its environmentally sustainable practices within the office

people

QCFED Award - 2nd Most Inclusive Company
Won level 5 best practice in all 15 categories

digital

Celebrating Pakistan Digital Award 2024
Won the Best App and Web-enabled Market Award

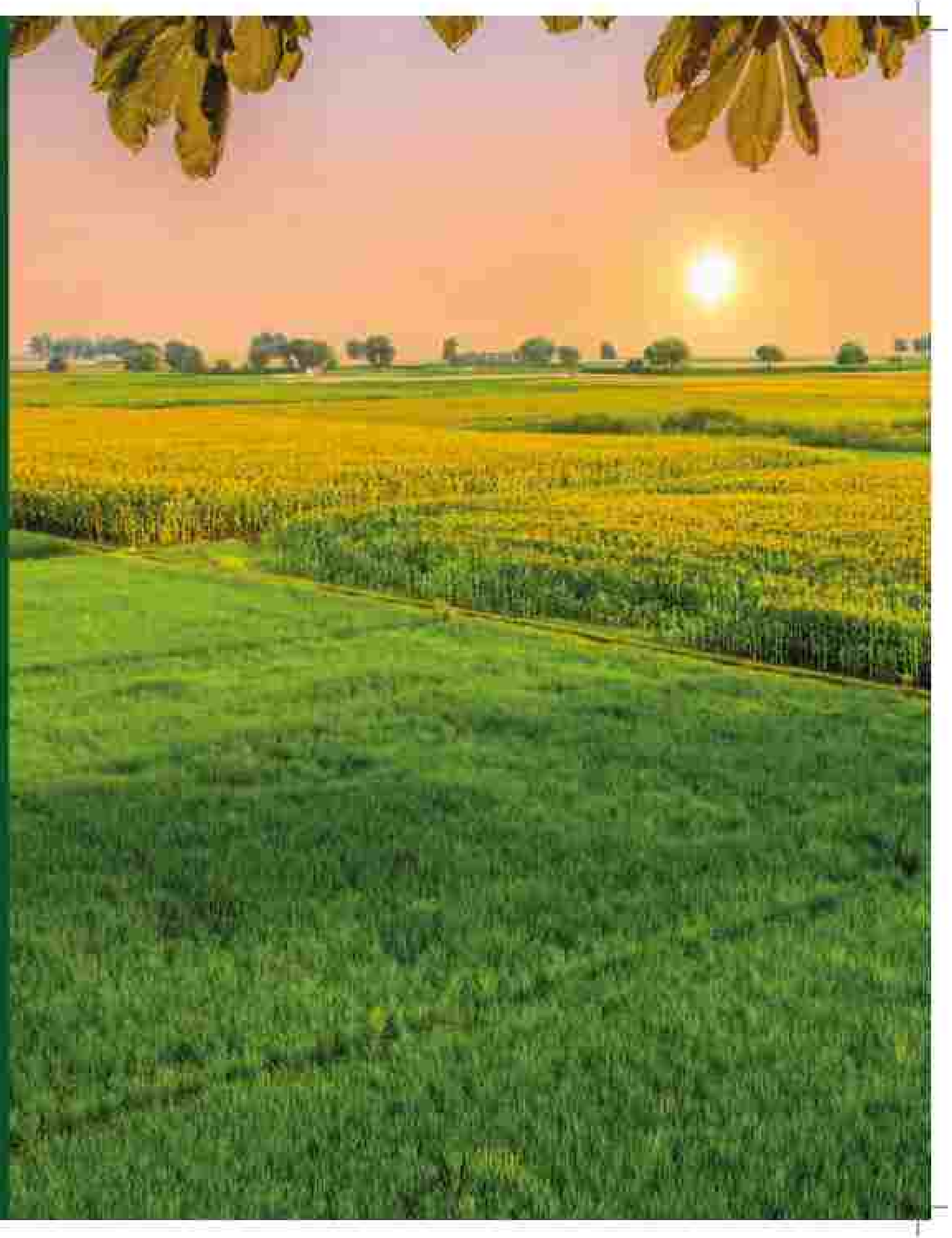
general management and finance

2003 Top 25 Companies Award 2003
Secured 2nd Position, the company's highest ranking to-date

Best Corporate Report 2003
Shortlisted and awarded a merit certificate in the Chemical & Fertilizer sector

Asian Sustainability Corporate Excellence Award
Received at the 39th Corporate Excellence Awards

21st Annual Excellence Award
Won runner-up award for investor relations



corporate affiliations and memberships

our business model

At EFERT, our journey is powered by a clear vision: to deliver sustainable growth while making a meaningful impact. With unwavering support from our shareholders and the relentless drive of our management team, we focus on enhancing operational excellence, fostering innovation, and building lasting relationships with the communities we serve.

Our success is rooted in the synergy of our diverse stakeholders. From suppliers of essential raw materials like natural gas to our trusted banking partners, from shareholders who share our vision to our dedicated workforce, every link in our chain strengthens our resolve. Customers remain at the heart of everything we do, supported by our logistics partners who ensure seamless delivery, and the communities around us whose progress is integral to ours.

Over the years, EFERT has made strategic investments in our manufacturing facilities, significantly enhancing operational efficiency and maximizing the value derived from every input. These advancements have cemented our position as a vital contributor to Pakistan's food security, a responsibility we embrace with pride.

Innovation is more than a goal—it's a driving force behind everything we do. Our diverse portfolio of fertilizer solutions, including the standout "Zabardast Urea," has revolutionized farming practices across Pakistan. By empowering farmers to achieve higher yields and greater productivity, we're shaping the future of agriculture.

Our extensive dealer and warehousing network ensure that our products reach every corner of Pakistan, making accessibility our strength. These partnerships go beyond transactions; they're built on trust and collaboration, playing a pivotal role in achieving our sales and operational targets.

At EFERT, we believe in "doing well while doing good." This ethos is reflected in our ongoing commitment to community development. Through impactful Corporate Social Responsibility (CSR) initiatives—outlined in detail in the "Directors' Report"—we continue to uplift the lives of those around us, reinforcing our role as a responsible corporate citizen.

As we look ahead, EFERT remains steadfast in its mission to transform Pakistan's agricultural landscape. By empowering farmers, boosting productivity, and strengthening food security, we're creating a sustainable future. At the same time, our commitment to delivering exceptional returns to our stakeholders underscores the values that define our business model.

Capitals & Key Inputs

financial

- Equity: PKR 47 Billion
- Long-term debt: PKR 22 Billion

manufactured/ infrastructural capital

- Manufacturing facilities: 2
- Production Capacity: 2,275,000 MT Urea; 100,000 MT NPK
- No of selling locations: 80+
- Market Channels: Primary and Secondary via dealers/ distributors

human resource

- No. of employees: 1,189
- Hiring the top resources to generate maximum value
- Positive culture to keep employees motivated
- Extensive training to ensure employee growth and optimize their performance
- Strong H&E practices to ensure employee safety

natural

Availability of required materials for the business operations
- Natural Gas
- Minerals for Catalyst and Chemicals
- Water
- Materials

intellectual

- Strong brand and corporate image
- Investment in intangibles & externally purchased proprietary rights - PKR 5,007 Million
- Investment in ERP and data analysis systems
- Investment in Humsafar, ugAI, field force management, fleet management and Velocity (HSE) softwares
- Talented leadership
- Highly capable workforce
- Agronomy department for market research and industry intelligence
- R&D department for new product development

social and relationships

Relations with our stakeholders (customers, suppliers, investors, etc) and local community.
- Representations and associations with external bodies
- Dealers / Distributors: 9,000+
- Dealership branding to increase engagement
- No. of Shareholders: 35,711

Our value chain delivers its promise for sustainable development on all fronts including social, economic, and environmental

Outcomes

- Constant efforts to improve the socio-economic status of the communities we operate in
- Various local and international R&D partners

Refer to the subsection corporate memberships and affiliations section of this report for a list of memberships

financial

Wealth generation and economic growth
- Total revenue: PKR 257 Billion
- Salaries: PKR 8 Billion
- Dividends: PKR 29 Billion
- Economic value added: PKR 19 Billion
- Wealth generated: PKR 84 Billion
- Contribution to National Exchequer: PKR 55 Billion
- Strong focus on cost optimization helping deliver sustainable returns

customers

- Trust based relationships with all stakeholders
- High level of customer satisfaction
- Smallholder farmer development through our Shandaar Kissan program and other engagement events
- Refer social performance section detailing efforts for our farmers
- Innovative product lines helping farmers achieve higher yields

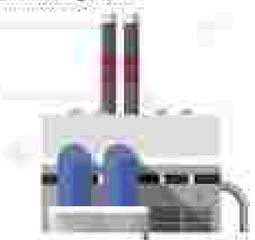
environment

- Continuous investment in manufacturing facilities to improve operational efficiency, leading to sustainable usage of scarce raw materials
- Implementing environmentally friendly practices
- Responsible energy consumption with increased focus on renewable energy
- Innovative cooling water system enabling reusability 615 million tons per annum

community

- CSR contribution: PKR 484 Million
- Contribution to national food security through supply of fertilizers: 61%
- Operational excellence with highest safety standards leading to low injury/fatality rates
- Trust based relationships with all stakeholders
- Ensure gender inclusion at all levels with 8% female
- Employee engagement participation: 95%

continuous optimization of manufacturing facilities.



broadening opportunities through quality products with wider distribution networks.

transportation: we transport our products through our contractors.

community engagement: we work with our employees and local communities. We strive to build trust in our Company to enhance business and become a trusted partner for stakeholders.

product use: we work with farmers to improve crop yields and farmers' incomes.

distribution: we work with our dealers to reach customers.

significant factors affecting the external environment (PESTEL)

- Geo-political tensions between other countries, as also witnessed throughout the year, may result in supply disruptions leading to price volatility with a negative pass-through effect on EFERT's customers.
  Discourse/Impact: Strategic and timely procurement of imported fertilizer keeping in mind the geo-political situation to maintain price stability.

- Enhancements / initiation of any major gas projects will positively influence the availability of EFERT's primary raw material.
  Discourse/Impact: Continued Engagement with the government to pursue sustainable gas availability.

- Change of Government introduces economic changes, which can impact the farmers at large.
  Discourse/Impact: Engage with the government to enhance farmer economics and sustainable agriculture.

- Policy makeovers and regulatory changes with respect to agriculture policies and tax laws, consequently impacting business economics.
  Discourse/Impact: Work closely with the government and the farmers to provide necessary inputs into the policy-making process.

political

- FX changes adversely impact the dollar-linked prices of primary raw materials and imports.
  Discourse/Impact: Strategic procurement and considerate pricing decisions could lead to avoidance of the full impact of these fluctuations.

- Easing interest rates create an opportunity to optimize borrowing costs and enhance affordability for credit-dependent farmers.
  Discourse/Impact: Proactive financial management to lock in favorable borrowing terms. Potential for increased farmer liquidity, supporting timely fertilizer application and improved yield outcomes.

- Dwindling Foreign Reserves create challenges in paying suppliers for the import of Raw Materials.
  Discourse/ Impact: Work closely with the government and State Bank to ensure essential supplies are green-flagged to avoid the impact of these shortages.

- Evolving tax policies may impact the company's cost structure.
  Discourse: Examine the implications of recent tax changes, assess the effectiveness of government incentives, and evaluate how tax dynamics influence the fertilizer industry's competitiveness.

- Major economic fluctuations can affect fertilizer demand.
  Discourse/ Impact: Explore the correlation between GDP growth and fertilizer demand, analyze government initiatives, and assess the company's alignment with economic development goals.

economic

- An imbalance in the political or social environment can lead to social unrest in the neighboring areas of the operational facility.
  Discourse/Impact: Efforts to contribute to sustainable development and upliftment of the target communities, to ensure mitigation of any flashpoints that may adversely impact our assets.

- Increased reliance of farmers on Urea, resulting in an unbalanced consumption of nutrients, affecting the 'P' and 'K' markets.
  Discourse/Impact: Enhanced focus on increasing awareness through effective dissemination of information. The Company has initiated various learning programs including the Bhandaar Kisaan Program selecting the top 100-200 farmers for training.

social

- Pakistan has low farm yields which can be explored with structured locally based agri-value chains, expanding operational capacity and output productivity.
  Discourse/Impact: Assess hindrances and collaborate with farmers for holistic solutions.

- Not coping with technological advancements, may create operational inefficiencies and competitive disadvantages.
  Discourse/Impact: Continue to establish technological benchmarks by investing in the latest advancements and developing infrastructure capabilities. Improved plant efficiencies towards output generation front.

- The farming industry of Pakistan falls behind in the latest practices/advancements due to a lack of awareness and conservative practices.
  Discourse/Impact: Continue to educate farmers on the latest Agri-technology, balanced nutrients, and modern farm practices to support improved yields. Awareness among farmers has positive sustainable consequences.

- The early adoption of smart applications in the fertilizer ecosystem has transformed business operations.
  Discourse/ Impact: Operations are now friendly to remote work, facilitating business processes and providing efficient data tools for dealers to better deliver value to farmers.

technological

- Nitrogen and Phosphorous-deficient soil in Pakistan results in increased demand for fertilizers.
  Discourse/Impact: Increased reliance on Urea and DAP fertilizers provides an opportunity to continue addressing enhanced and consistent demand. Continue to provide diversified portfolio of specialty fertilizers that can address special soil/crop needs.

- Water supply is attributed as a scarce resource in Pakistan, leading to a hindrance in the farming process and adversely affecting fertilizer consumers.
  Discourse/Impact: Continue to educate the farmers regarding efficient water use as well as increased use of water-efficient crops. EFERT provides Agri solutions to farmers through trained operational staff and technologically advanced machinery ensuring more efficient sowing to harvesting operations.

- Climate change may create further adverse weather conditions during wet seasons.
  Discourse / Impact: Raise awareness at the government level for the need for early warning systems and improvement of irrigation channels/systems to reduce overflow into fertile land.

environmental

- Laws, Legislative amendments, and rulings relating to crucial cost components such as GIDC/gas prices, freight regimes and revisions in sales, income tax regulations pertaining to unregistered dealers, and other legal regulatory frameworks, significantly impact the costs of fertilizer manufacturers.
  Discourse/Impact: Continued engagement with the Government for sustainable solutions that benefit all related stakeholders. The Company has always supported the Government in its drive to widen the tax net, therefore, the company has conducted various engagement sessions with dealers across Pakistan to encourage them to register for income and sales tax to mitigate the impact of these amendments.

legal

swot analysis

S

- Strong brand recognition and deep penetration within the farmer ecosystem.
- Extensive product and service offerings, providing farmers with end-to-end solutions from seed to harvest.
- A forward-thinking fertilizer company with a dedicated Specialty (Innovative) Fertilizers unit.
- A dedicated Fertilizer R&D unit continuously evaluating and conducting trials of new products.
- Digital sales channels enabling seamless procurement for dealers and farmers through dedicated apps.
- Renowned engineering excellence.
- Financial sustainability with a strong balance sheet position.
- A state-of-the-art ERP system, integrated with diverse data gathering functions, facilitates accurate and timely decision-making.
- Access to subject matter experts and a diverse talent pool, fostering inclusivity and excellence in human resources.

W

- Reliance on depleting and inconsistent supply of natural resources.
- Stable Urea industry limits upside potential due to swing factors.
- Non-Urea verticals are highly price-sensitive, with limited market awareness and demand.
- Dealer network remains the only major source of fertilizer distribution.
- Farmer engagement is limited to soil sampling and nutrient-based farm advisory, while several agri-tech startups offer more advanced services.
- Export restrictions on fertilizers limiting contribution to the national exchequer and market expansion.

O

- Access to foreign markets, driving increased market share and contributing to the country's foreign exchange reserves.
- Growth potential in non-Urea verticals as farmer awareness and best practices evolve.
- Potential for bio-based fertilizers to cater to the growing demand for organic farming.
- Enhanced capacity utilization through improvements in manufacturing and expanded production capabilities.
- Collaborating with corporate farms to foster partnerships and supply specialized fertilizers that enhance productivity.
- Leveraging existing networks to introduce and promote new products.
- Potential to reduce energy costs by investing in renewable and energy-efficient solutions.
- Identifying alternative raw material sources to reduce reliance on depleting resources.
- Developing and scaling end-to-end value chain solutions for farmers.
- Potential to scale sales by promoting adoption of digital channels.

T

- Inconsistent gas supply and rising cost of major inputs.
- Gas pricing disparities among industry players, impacting competitiveness and profitability.
- Long/ balanced market outlook may impact offtake.
- Currency devaluation escalating the cost of doing business.
- Changing climate and challenging farmer economics impacting fertilizer demand.
- Increasing regulatory constraints on pricing, quality, and distribution within the fertilizer industry.
- Axle-Load implementation has influenced Trucking availability (Demand vs Supply) along with higher Freight rates.
- Intensifying competition as industry players may introduce products in previously uncontested portfolio.

competitive landscape & market positioning

As one of the largest players in the fertilizer industry, EFERT continues to drive sustainable growth by focusing on operational excellence, product innovation, comprehensive market research, and building strong relationships with the communities and farmers it serves.

competition in the fertilizer industry

Fertilizer Industry of Pakistan harbors an array of competitors, who operate on various scales and organizational structure.

In case of Urea, the industry comprises of other indigenous fertilizers manufacturers who have made significant investments in capital equipment and operate with high fixed cost structures. For other fertilizers, our competitors include companies that produce fertilizers locally and those offering a range of imported products. Over the years, we have built an extensive network of dealers and warehouses. This network has ensured that our products are available throughout Pakistan and plays a vital role in supporting us to achieve our sales targets and sustainable operations.

The market share for Urea and DAP is 31% and 19%, respectively, at the end of the year.

potential of new entrants in the industry

Traditionally, fertilizer industry is part of the manufacturing sector and embeds a highly capital-intensive operational structure. The risk and threat from new entrants in the industry is minimal due to the capital-intensive nature of the business, a strong dealer network, the diminishing availability of indigenous natural gas, and significant competition.

Furthermore, for a new entrant to succeed, an efficient operational unit, financial reserves and a vast commercial network are crucial factors to capture a significant market share.

power of supplier

Supplier relationship is a key component of operational excellence for Engro Fertilizers. To ensure continued growth, the company requires a sustainable framework that guarantees a steady and seamless supply of inputs. Engro maintains strategic partnerships with its suppliers, ensuring smooth access to both raw materials and capital inputs. The procurement of raw materials and industrial machinery is managed by the company's manufacturing and commercial departments, following approved planning and budgeting guidelines.

This back-end operation is effectively supported by the strategic relationships in place. The company relies primarily on a continuous supply of gas from Sui Northern Gas Pipelines Limited, Mari Energies Limited and Oil and Gas Development Company Limited.

EFERT has a strong track record of managing financial policies to maintain credit metrics within its assigned rating category. For the year, PACRA maintained the company's long-term credit rating of AA and short-term credit rating of A1+.

power of customer

EFERT values its customers and strives to maintain their trust. The company launched 'UgAg,' Pakistan's first integrated agri e-commerce platform, enabling customers to buy fertilizers directly at official prices. Through the UgAg platform, EFERT delivers fertilizers to its customers, ensuring uninterrupted supply, consistent quality, and convenient delivery.

Developing along the lines of continuous technological advancements, the company regularly takes into consideration its' customers' feedback. Engro Fertilizers has an annual survey, which promotes continuous reforms and transformation in business practices and products.

threats of substitute

Although nitrogen is abundant in the atmosphere, only a small amount is naturally converted by plants. Similarly, phosphorus aids in photosynthesis, while potash boosts enzyme activity. As these macronutrients fulfill distinct plant needs, they cannot be substituted for one another.

Engro Fertilizers undertakes extensive research to develop and articulate product base that caters to the needs of the farmers, fulfilling their demand and positively contributing to the nutritional needs of the economy's agriculture landscape. Technological advancement continues to contribute to improvement in agri-yield globally and our company continues to incorporate innovative enhancement in its offerings.

effect of seasonality on business

The Company's fertilizer business is subjected to seasonal fluctuations as a result of two different farming seasons, Rabi (from October to March) and Kharif (from April to September). On an average, fertilizer sales are more tilted towards Rabi season. The Company manages seasonality in the business through appropriate inventory management and production / import planning, keeping our products available as per the customers' demand.

	Urea sales (KT)	Urea production (KT)	Phosphates sales (KT)
Q1 - 2024	548	605	104
Q2 - 2024	307	361	61
Q3 - 2024	466	577	82
Q4 - 2024	705	804	119

details of significant events occurred after the reporting period

There were no significant events subsequent to the reporting period.

how we create value

At EFERT, we are committed to transforming natural resources into high-quality, value-added products that empower farmers and contribute to community prosperity. The year witnessed shifts in market trends, with external factors presenting challenges to the agricultural sector.

Throughout these developments, we upheld our focus on operational efficiency and delivering sustainable value to stakeholders. By fostering collaboration and integrating stakeholder insights, we strengthened the resilience of our value chain, ensuring it continues to adapt to emerging needs.

Our emphasis on innovation, quality, and resource optimization allowed us to address customer expectations effectively, maintaining the reliability and trust associated with our products. From development to distribution, every aspect of our operations is carefully aligned to balance evolving market dynamics with customer priorities.

Looking ahead, EFERT remains steadfast in driving purposeful growth through sustainable practices and a collaborative approach. With an agile value chain and a long-term vision, we are well-positioned to deliver meaningful value to our customers, shareholders, and communities.

Outcomes:	
UPSTREAM VALUE CHAIN	Suppliers of natural gas and packaging material • We engage with our supplies and collaborate to create value-added products for our value chain Research and development partner • We collaborate with National and International R&D partners to develop quality products, and to serve the agri-value chain.
ENGRO FERTILIZERS LIMITED	Manufacturing Capital inputs undergo processing to produce fertilizers • EFERT produced 2.147 million MT of Urea during the year despite shutdown of 56 days due to historic plant turnaround. Transportation Well-integrated transportation network delivers efficiently • Robust setup of transportation channels over the country for timely distribution. Warehousing • 80+ selling locations to better serve our customers

Outcomes	
DOWNSTREAM VALUE CHAIN	Distribution An articulate network of dealers for EFERT's product range. • Wide distribution network throughout the country to improve the availability of our brand at all purchase points. • With over 3300+ locations, EFERT closely collaborates with dealers to provide value to consumers. Consumers Farmers benefit from the availability of fertilizer and high yields. • EFERT captured a market share of 31% for Urea and 19% for P hosphates during the year. • Farmer advisory services and development of smallholder farmers. • Consumer analytics serves as a crucial insight hence EFERT conducts consumer satisfaction every year.
STAKEHOLDERS Value is created for our stakeholders through profits, growth and sustainability	• EFERT earned a profit after tax of Rs. 29.3 Billion. • EFERT declared dividend per share of Rs. 21.5/share (final dividend pending members approval in AGM). • ROE: 59% • ROCE: 46% • Earnings per share: Rs. 21.18 • Wealth generated Rs. 84 Billion • On ground engagements with our stakeholder.

COMMUNITY
Uplifting lives and contributing to the community's well-being is at the heart of EFERT's operations.
	• EFERT has always been a purpose driven organization, striving to improve the lives of people living in low-income communities with impact investments.
	• EFERT undertakes community engagement to deliver a positive impact in Pakistan with a focus on, but not limited to, the following:
	  • Community investment and infrastructure development
	  • Education & Environment
	  • General & Healthcare

stakeholder engagement

The Company regards its stakeholder engagement as an important element of corporate responsibility. It believes that adherence to the highest ethical standards fosters trust. We recognize that stakeholder engagement can contribute to value co-creation both for the Company and along the value chain.

Our stakeholder engagement approach focuses on the identification of relevant and important stakeholders by taking into account those groups or individuals who can be significantly affected by our business activities, outputs, or outcomes, or whose actions can be expected to significantly affect our ability to create value over time. These are profiled, mapped and prioritized for consultation based on influence, responsibility, proximity, dependency, willingness to engage and representation. We consult with our stakeholders continuously through relevant departments.

Consulting stakeholders on economic, social and environmental topics EFERT engages with key stakeholders and consults with them on all material topics in relation to its long-term strategy of ensuring sustainable operations. The purpose of these engagements is to:

- Build knowledge and develop relations
- Align understanding on their needs and expectations
- Identify and track perceptions and feedback on outcomes; and
- Provide feedback on specified planned developments.

The Company mainly engages with its stakeholders through periodic discussions /meetings. All aspects of engagement are covered in these discussions. Minutes of these discussions are maintained with the respective division heads, the summaries for which are shared by the division heads in the Management Committee meetings, which are chaired by the Company's CEO. Apart from the Management Committee, there are separate sub-committees, including the Plants HSE Committee, Corporate HSE Committee and Engro Foundation for CSR Oversight that are responsible for monitoring performance around social and environmental topics and stewarding results of engagements with various stakeholders. The Company's performance is periodically reviewed centrally by the Management Committee through its meetings and key developments arising from these meetings, which are periodically reported to the Board by the CEO through quarterly updates. Moreover, as part of its corporate plan review process, significant developments and performance against the sustainability goals are monitored by the Board of Directors. The Company also has a group reporting framework that requires reporting of significant developments on financial and non-financial matters to its parent company, Engro Corporation, including significant developments arising from its discussions and engagements with stakeholders.

The Company's performance is periodically reviewed centrally by the Management Committee through its meetings and key developments arising from these meetings, which are periodically reported to the Board by the CEO through quarterly updates. Moreover, as part of its corporate plan review process, significant developments and performance against the sustainability goals are monitored by the Board of Directors.

The Company also has a group reporting framework that requires reporting of significant developments on financial and non-financial matters to its parent company, Engro Corporation, including significant developments arising from its discussions and engagements with stakeholders.

The consultation and engagement strategy with each stakeholder is covered in more detail on the pages that follow.

EFERT is represented at various global and local forums and partnerships, and maintains active membership in industry associations and other relevant organizations.

platforms to invite open feedback and recommendations from our stakeholders

The corporate website (www.engrofertilizers.com) provides the contact details of our head office, plant sites and marketing offices to encourage stakeholders to share their feedback.

The Company openly allows stakeholders to provide their feedback/ recommendations and has various forums to facilitate them. Our investor relations department manages all concerns received from shareholders via letters or emails. Similarly, the customer and supplier helplines encourage feedback from suppliers or customers to be appropriately captured. There is an independent whistleblower hotline that ensures complete transparency over any concerns reported through this platform, including its review and reporting to the Company's Board of Directors. The concerned officials regularly evaluate the feedback and appropriate actions are taken as required.

management actions to encourage minority shareholders

The notice of the annual general meeting and extraordinary general meetings are sent to all shareholders of the Company at least twenty-one days before 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 placed on the Company's website. The Company encourages minority shareholders to also participate in quarterly analyst briefing sessions, the date of which are announced through the stock exchange.

stakeholder engagement strategy

The Company has defined a stakeholder engagement strategy for various stakeholder groups, which is stewarded along with the results of engagement on a quarterly basis by the Company's Management Committee. A summary of key developments are shared with the Board of Directors. The Company's engagement strategy and the processes and measures taken against the strategy are reported below.

Stakeholders	Frequency of engagement
Customers and suppliers	Regularly
Shareholders	Regularly
Employees	Regularly
Banks/ Lenders	Regularly
Investment community / analysts	Quarterly
Regulators	Regularly
Local communities	Regularly
Media	Occasionally

Customers and Suppliers

engagement process
Periodic formal and informal meetings, conferences, and business support services, including visits, regular meetings, emails, telephone calls, and assistance/advice on technical areas, such as taxation and treasury.

effect and value
Our continuous engagement enables us to understand our customer and supplier needs and develop the right products for them.

actions taken
We continue to focus on various customer and supplier engagement initiatives, including regular meetings, visits, and providing technical assistance, etc.

In the case of suppliers, the Company recognises its relationship with gas suppliers to be critical in maintaining sustainable operations. Therefore, EFERT ensures continuous and proactive engagement with suppliers on all gas regulatory matters, including taxes and levies in relation to gas. Also, it collaborates with the gas supplier on issues of gas availability in the country.

Shareholders

engagement process
Regular engagements as part of:
- Annual general meeting
- Stock exchange announcement
- Press releases
- Corporate briefings
- Annual and quarterly reports
- Notices to shareholders

Further, the company also maintains a dedicated section on the corporate website for investor relations, to facilitate shareholder queries.

effect and value
Engagement allows the Company to increase the confidence of providers of capital by:
- Reporting performance and results to the shareholders
- Discussing the reasons for significant variations and future corporate plans with them; and
- Investor hotline to maintain healthy investor relations and timely responding to shareholder queries.

actions taken
Annual general meetings were held to inform and obtain the consent of shareholders.
These meetings provide an opportunity to engage with shareholders, address their concerns in a broader forum, and provide updates on the Company's performance and activities.
During these meetings, board members and senior management were also available to answer investors' and analysts' questions.

Employees

engagement process
The Company maintains regular and open communication with its employees. Formal and informal meetings and sessions, including:
- Quarterly CEO Townhalls
- Quarterly surveys by Let's Tune In
- Employee engagement sessions
- Performance appraisals
- Feedback sessions including corporate retreats
- Employee satisfaction surveys
- Internal website; and
- Internal magazine and newsletters.

effect and value
Helps in focusing on increased employee satisfaction, implementing diversity and inclusion initiatives, resulting in improved performances.

actions taken
Pulse surveys conducted to engage employees and to look out for their emotional and physical wellbeing.
EFERT launched "Employee Central," a digital platform for HR policies and employee-related processes to allow employees online access and the opportunity to learn about their benefits and apply for them through the system. Refer to the People section for further details.

Banks/ Lenders

engagement process
Regular meetings with Financial Institutions to engage them regarding financing requirements and apprise them regarding company's financial performance. Regular meetings are held to negotiate and arrange credit limits to meet EFERT's requirements.

effect and value
Access to the financial markets to pursue the growth of the Company. Helps in obtaining effective solutions to the banking needs of the company.

actions taken
The Company utilises various innovative financing solutions in engagements with its banking partners. These include Electronic Bank Guarantee and Alternate Bank Guarantee.

EFERT continues to engage with banks aiming to further digitise operations to cater to the needs of the agri-supply chain players.

Investment Community/Analysts

engagement process
Analysts briefing sessions. CFO presents the quarterly performance of the Company.

effect and value
- Consults on significant quarterly developments in relation to quarterly performance and results.
- Attends to analysts' concerns by responding to various queries and clarifying Company's position.
- Provides feedback on planned developments and makes suggestions to improve the process going forward.

actions taken
The Company arranged quarterly corporate briefing sessions virtually which were attended, amongst others, by analysts.

Regulators

engagement process
Meetings with officials for submissions of data for review and compliance.
The Company has a separate Public Affairs and Government division to manage engagements with government and regulatory bodies.

effect and value
Ensure all legal and regulatory requirements are complied with. Ensure continuation of the common objective of the government and the Company to transform the agriculture landscape of Pakistan.

actions taken
EFERT has a Public Relations and Government Affairs department at the Group level to focus on engagement with regulators. Engagements with the government to address and report/comply on various matters impacting business operations such as Gas Infrastructure Development Cess (GIDC), recovery of fertiliser subsidy, and processing of sales tax refunds. The Company also engages with government ministries on various policy matters.

Local Communities

engagement process
The Company conducts meetings, CSR drives, and one-on-one engagements with the community.

effect and value
An enabling part of our social investment. The ability to incorporate the needs and values of people living in communities in policy development and planning, decision making, service delivery, and assessment is at the heart of our sustainable goals.

actions taken
Various initiatives were undertaken during the year for our local communities by the Company and its employees. Refer to our Annual Report 2024's Social and Relationship Capital section.

Media

engagement process
Various communication mediums such as press releases on an as required basis to apprise the public about new developments and activities.

effect and value
Effective awareness is created regarding the company and the products and services offered, indirectly having a positive impact.

actions taken
EFERT has a Corporate Communications department at the Group level which ensures that all media affairs are appropriately handled.

corporate governance

our governance framework

We are committed to implementing sound corporate governance practices that enhance the effectiveness of our board and management while engaging with our shareholders on matters of corporate governance.

- board structure & governance
- director elections
- director participation
- key stakeholders engagement
- corporate social responsibility
- ethical compliance & whistle blowing system

board composition

board composition and attendance

The Board of Directors held 6 meetings to cover its completed cycle of activities. The attendance record of the Directors is as follows:

Mr. Ghias Khan***	Non-Executive Director-Chairman	2/2
Mr. Ahsan Zafar Syed****	Non-Executive Director-Chairman	5/5
Mr. Javed Akbar	Non-Executive Director	5/6
Mr. Farooq Barkat Ali*	Non-Executive Director	4/5
Mr. Ahmad Shekoor**	Non-Executive Director	4/4
Mr. Asim Murtaza Khan	Independent Director	5/5
Mr. Asad Said Jafar	Independent Director	5/5
Ms. Danish Zuberi	Independent Director	4/5
Mr. Ali Rathore*****	Chief Executive Officer	3/3

*Mr. Farooq Barkat Ali was appointed as a Non-Executive Director on January 26,2024.
**Mr. Ahmad Shekoor was appointed as a Non-Executive Director on April 16, 2024.
***Mr. Ghias Khan resigned as Non-Executive Director on April 26, 2024.
****Mr. Ahsan Zafar Syed resigned as the Chief Executive Officer on April 26 , 2024 and was appointed as a Non-Executive Director on May 03, 2024.
*****Mr. Ali Rathore was appointed as the Chief Executive Officer on April 26, 2024.

board committees

Our governance framework is designed to ensure that the company lives up to its core values and principles, institutionalizing EFERT's commitment to enabling excellence in everything we do.

The Board has established the following two committees:

board people committee (BPC)

The Committee met during the year to approve, review and recommend all elements of the Compensation, Organization and Employee Development policies relating to the senior executive's remuneration and to approve all matters related to the remuneration of the executives of the company and members of the management committee. The Chief Executive Officer attends Board People Committee meetings by invitation. The committee met three times during the financial year 2024.

current members:

- Mr. Asim Murtaza Khan – Chairman
- Mr. Javed Akbar
- Mr. Ahsan Zafar Syed

Salient features of terms of reference

- To ensure corporate standards / human resource policies and fundamental beliefs are aligned with the corporate guidelines.

- To recommend the selection, performance evaluation, compensation, development and succession plan of the CEO and his direct reports
- Recommend the salary and bonus programme to the Board
- Review engagement survey results

board audit & risk committee (BARC)

The Committee meets at least 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 and risk management and the audit process. It has the power to call for information from management and to consult directly with the external auditors or their advisors as considered appropriate.

The Chief Financial Officer regularly attends the Board Audit & Risk Committee meetings by invitation to present the financial statements. After each meeting, the Chairman of the Committee reports to the Board. The Committee met six times during the financial year 2024.

current members

- Mr. Asad Said Jafar – Chairman
- Mr. Javed Akber
- Mr. Asim Murtaza Khan

salient features of terms of reference

- To recommend to the Board the appointment and removal of external auditors
- To review quarterly, half-yearly and annual financial statements
- To review the internal control systems and internal audit function
- To review the enterprise risk management system and assess the adequacy and monitoring of the same by the management.
- To monitor management's compliance with all Company policies including complaints received through the Speak Out – Whistle Blower policy
- To monitor compliance with statutory requirements

board of directors

The Board of Directors carries out its duties with a sense of objective judgment and in good faith in the best interests of the Company and its stakeholders. There are eight (8) numbers of Directors on the Board, comprising three (3) Independent Directors, four (4) Non-Executive Directors and one (1) Chief Executive Officer.

chief executive officer

The Board collectively has the responsibility for ensuring that the affairs of the Company are governed competently and with integrity. Biographical details of all the Directors are given in the previous section.

In compliance with best practices of corporate governance, the positions of the Chairman of the Board of Directors and the office of the Chief Executive are held by a separate person. Mr. Ahsan Zafar Syed, Non-Executive Director, is the Chairman of the Board and Mr. Ali Pathore is the Chief Executive Officer (CEO) of the Company. In addition to being the CEO of the Company, Mr. Ali Pathore serves as a Director on the Boards of:

- Efert Agritrade Private Limited (Chairman & CEO)
- Elengy Terminal Pakistan Limited
- Engro Vopak Terminal Limited

role of the highest governance body in overseeing the management of impacts

The Board meets at least quarterly to assess the performance of the Company, roles and responsibilities of the Board can be referred from the Chairman's letter to directors, shared in the Annual Report 2024.

the role of the highest governance body in reviewing the effectiveness of the organization's processes and reporting the frequency of this review.–

This task is performed by Board Audit & Risk Committee which meets at least once during each quarter, please refer to BARC TORs for details.

board nomination and selection

selection of independent directors

The selection of independent directors is carried out from a list maintained by the Pakistan Institute of Corporate Governance (PICG) under the Companies (Manner and Selection of Independent Directors) Regulations, 2018. PICG has no other connections with the Company, except for providing access to the database on independent directors besides Directors' training and evaluation of Board and/or individual Directors' performance.

external consultancy for appointment of the chairman

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

directors' orientation program

The Chairman had communicated in detail the duties, roles and responsibilities, powers, term of office and remuneration of Directors required under the Companies Act 2017, the Articles of the Company and the Code of Corporate Governance Regulation, 2019.

The human resource department outlines a formal orientation plan, which is followed at the time of induction of a new Board member. The orientation is presented to bring the new Board member up to speed with the company and its activities. Divisional heads take them through a presentation about macro-level policies related to their respective divisions.

directors' training

The Board ensures that all its Directors have duly completed the Directors' Training program from SECP-approved institutions. All Directors have completed the Directors' Training Program from SECP approved institutions except for Mr. Ali Pathore and Mr. Farooq Barket Ali who will attend the directors training in due course.

board meetings held outside of pakistan

No meetings were held outside Pakistan during the year.

chair of the board

Mr. Ahsan Zafar Syed is the Chairman of the Board. In compliance with best practices of corporate governance, the positions of the Chairman of the Board of Directors and the office of the Chief Executive are held by separate people.

leading from the front: role of the chairman of the board

Every meeting of the Board is presided over by a Chairman. The chairman of a Board meeting by virtue of his position and nature of his duties is responsible for the leadership of the board and to ensure that the board plays an effective role in fulfilling its responsibilities and amongst other things, he is empowered to:

- issue a letter to Directors setting out their roles, obligations, powers and responsibilities at the beginning of the term of each Director
- set the agenda of the meeting of the Board and ensure that reasonable time is available for discussion of the same
- ensure that the minutes of meetings of the Board of Directors are kept in accordance with the requirements of Sections 178 and 179 of the Companies Act, 2017

chairman's significant commitments

Mr. Ahsan Zafar Syed is the CEO of Engro Corporation Limited and serves on the boards of several other companies. The details of his other engagements as Director and Trustee are given in his profile. He does not have any significant commitment other than the one mentioned in his profile.

role of board in sustainability reporting

delegation of responsibilities

matters decided and delegated by the board of directors

The Board is committed to ensuring the effective delegation of financial powers as is permissible according to the legal framework and has approved formal policy on the delegation of financial powers.

This policy establishes:

- Matters specifically reserved for determination by the Board of Directors; and
- Matters delegated to the management to empower it to act effectively and make key decisions

The powers of the Board of Directors and the management of the Company have been defined in the said policy with special reference to and in compliance with, the Companies Act, 2017, the Code of Corporate Governance Regulations, 2019 and the Articles of Association of the Company.

In addition to approving the vision, core values, corporate strategy and the policies for conduct of business of the Company, matters specifically reserved for the Board in relation to delegation of financial powers are listed below:

- Investment and disinvestment of funds where the maturity period of such investments is six months or more.
- Determination of the nature of loans and advances made by the company and fixing a monetary limit thereof.
- Defining the level of materiality, keeping in view the specific circumstances of the company and the recommendations of any technical or executive sub-committee of the Board that may be set up for the purpose.
- Review and approval of related party transactions.
- Appointment, removal, remuneration, terms and conditions of employment of Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit.
- Constitution of committees and appointment of Committee Chairs and approving their terms of reference.
- Governance of risk and determining Company's level of risk tolerance including annual review.
- Powers vested with the Board as per Section 183 of the Companies Act; and
- Significant issues to be placed for decision of the Board of Directors as per Clause 14 of the Code of Code of Corporate Governance Regulations, 2019, as and when applicable.

matters delegated to the management

All matters not specifically reserved for the Board and have been entrusted to the CEO of the Company who has the primary responsibility for routine business operations of the Company. The authorities necessary for the day-to-day management of the organization and the implementation of corporate objectives have been delegated to management of the Company and is documented in form of a Limits of Authority Manual (LOAM).

collective knowledge of the highest governance body

The Board is routinely informed and upskilled on relevant and pressing matters to the company, including those related to sustainability. During 2024, the Board has briefed external consultants on sustainability-related matters.

conflict of interest among board members

A formal code of conduct is in place that promotes an ethical culture in the company and prevents conflict of interest in the capacity as a member of the board. Further, the Board of Directors has duly complied with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the 'Corporate and Financial Reporting Framework' of the Securities and Exchange Commission of Pakistan. Each member of the Board accordingly understands its fiduciary responsibilities including the following:

- Duty not to place themselves in a position of conflict between their personal interests and those of the company – this includes the duty to disclose any such personal interests to the Company and the duty not to make secret and/or incidental profits at the expense of the company.
- Duty not to act on behalf of the Company in any matter in which they have an interest that conflicts, or may conflict, with their duties.
- The Directors of the Company excuse themselves from the meetings when the matters under discussion involve a conflict or potential conflict of interest with the activities of any undertaking in which they may hold a real or beneficial interest.

communication of critical concern

Critical concerns are reported to the Board primarily through board meetings.

board evaluation

performance evaluation of directors

The Board has developed a formal mechanism for evaluation of the board's own performance, members of the board and of its committees. The assessment was carried out four times in the current year and the results/feedback were evaluated to bring improvement in the evaluation process. The performance evaluation focuses on:

- Clarity of agenda and objectives
- Preparation for the meetings
- Quality and diversity of discussions
- Clarity of decisions and outcomes
- Quality of discussion topics; and
- Overall satisfaction

performance evaluation of CEO

Performance of the CEO is evaluated through a comprehensive inhouse evaluation structure, which measures performance based on specific, measurable, achievable, realistic and time bound objectives. Furthermore, the performance of the CEO is also gauged by analyzing core competencies exhibited in achieving the objectives.

retention of board fee

CEO is a deemed director on EFERT's Board and holds the position as non-executive director on the Boards of various other companies. Fees paid by these companies are in line with their respective policies as approved by their Boards of Directors. EFERT does not have any policy that restricts an executive director from retaining the meeting fee earned by them against services as a non-executive director in other companies.

evaluation of the performance of the highest governance body

The feedback provided by the Board is intended for internal management use and primarily pertains to the conduct of the meeting and the quality of information presented to assist the Board in making crucial decisions.

director's remuneration

The Board of Directors have approved a formal policy which set out the requirements and methodology for determining the remuneration for Non-Executive Directors including Independent Directors of the Company.

The policy entails:

- The remuneration shall be appropriate and commensurate with the level of responsibility and expertise of the Directors.
- It shall be aimed at attracting and retaining the Directors needed to govern the Company successfully and to encourage value addition.
- It shall not be at a level that could be perceived to compromise or influence in any way the independence of the Director.
- No Director shall determine his/her own remuneration nor of a Director who may be a related party.
- 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; and
- The Board, if deems appropriate, may engage an independent consultant to determine the appropriate level of remuneration of its Directors and recommend it to the Board for consideration and approval.

The Company has a documented policy that generally restricts employees from holding directorships in companies that are not subsidiaries or joint ventures of Engro Corporation Limited ("ECL"). However, the Chairman of Engro Corporation Limited may make exceptions to this general rule in special circumstances allowing a maximum of two directorships in external Companies / Institutions at a time. All expenses incurred by an employee serving as a director of a company that is not a subsidiary or joint venture of ECL in accordance with this policy will be for that employee's own account. The employee may accept annual fees, meeting fees or other remuneration specifically related to service as a Director of an external non-Engro Company / Institution and donate such fee and / or remuneration in favor of Engro Foundation.

For information on the remuneration of the Directors and CEO in 2024, please refer to the consolidated financial statements.

remuneration policy - senior management

The BPC and Board approves EFERT's Chief Executive's salary.
For information on the remuneration of Directors and CEO in 2024, please refer to the consolidated financial statements.

annual total compensation ratio

Omitted due to confidentiality reasons. In the interest of confidentiality and competitiveness, EFERT does not report these ratios.

governance in relation to sustainable value creation

corporate governance

EFERT continues to improve its governance structure by institutionalizing its core ideals, standards, and values, which has a strong legacy system spanning more than five decades. The guiding pillars of our corporate governance are the internally developed code of conduct, policy statements of ethics and business statement, code of corporate governance, and best available practices.

- Board structure and governance
- Key stakeholder engagement
- Corporate responsibility
- Platforms for reporting critical concerns
- Social and environmental responsibility

key board policies in relation to governance over sustainable value creation

EFERT's culture is based upon fair pursuit of profits while remaining mindful of the impact of our corporate actions on people and place of operations. Protecting our corporate reputation is critical in order to survive in the global marketplace. To this end, the Board of Directors have adopted a host of policies which sets the standard for conduct.

review of the company's performance by the board and its own performance evaluation

The Board has also developed a formal mechanism for evaluation of board's own performance, members of board and of its committees. The assessment is carried out on quarterly basis and was done four times during the current year. The Board carries out self-assessment evaluating its own performance against a defined approved criteria which includes its governance over all financial and non-financial matters including risk management and oversight exercised with respect to economic, environmental, and social topics.

group policy governing philanthropic contributions and charitable donations by engro corporation and its affiliates

The policy provides guidelines for philanthropic contributions and charitable donations made by Engro group companies with a framework defined for evaluation and prior approval of all such contributions. As part of this policy, EFERT is committed to creating sustainable prosperity that brings long-term social and economic benefits for all the stakeholders. EFERT's strategy is based on the principle of Inclusive Business and Strategic Community Investment. EFERT looks to connect the underprivileged, youth and women in its value chains for sustainable impact. Where inclusive opportunities are limited or not relevant, EFERT looks to invest in strategic community initiatives.

risk management process

All activities undertaken by a business entity carry an element of risk which are managed through the Enterprise Risk Management (ERM). It is the policy of the Company to view ERM as integral to the creation, protection, and enhancement of shareholder's value by managing the uncertainties that could influence the achievement of corporate goals and objectives. To achieve this, an appropriate framework is adopted by the management and approved by the Board. Detail on the Company's ERM program is mentioned in the risk management portion of this Report.

key stakeholder engagement

The policy aims to develop and maintain trustworthy relations with shareholders and investors. The investors' relations section on the Company's website (www.engrofertilizers.com) is updated regularly to provide detailed and latest company information including financial highlights, investor information and other requisite information. The Company's website, maintained in English and Urdu, also contains the link to SECP's investor education portal, 'Jamapunji'. Continuing with its policy of promoting transparency and stakeholder engagement, the Company held quarterly analyst briefing sessions.

policy for procurement of goods and services

The aim of our procurement policy is to obtain sustainable competitive advantage through efficient sourcing of goods and services that maximizes value for the Company based on innovation, principles of risk / return benefit, ensuring product quality, timely deliveries, reliability, and controls. This policy establishes a foundation for our discipline and serve as guidelines in our daily activities as we interact with external suppliers and service providers.

policy for safety records of the company

The Company has a documented Record Retention Policy to ensure the safety of the records for periods that exceed the minimum requirement prescribed by Companies Act, 2017 and other applicable regulatory requirements. In addition, EFERT has a business continuity plan complemented by a disaster recovery plan to ensure uninterrupted operations.

investors' grievance policy

The Company strives to develop and maintain trustworthy relations with all its stakeholders, including shareholders and investors. It recognizes the importance of timely and fair disclosure of all material information to them, without advantage to any investor, group or investment advisor / analyst, in order to enable them to make informed decisions about investing in the Company.

The Company's contact details are disclosed in "Company Information" section of this annual report and on it's website under "Investors relation" section to facilitate shareholders / other investors' and timely resolve their complaints, if any.

disaster recovery and business continuity planning

The Company has a documented Disaster Recovery Plan (DRP) and Business Continuity Plan (BCP) which describes the business continuity and recovery strategies and related procedures for the Company. It also provides policies and procedures whereby the critical business processes can be restored in a timely and orderly manner and can be operated on an interim basis, thereby helping to ensure that all critical business functions continue in the case of a disruption or disaster. This plan is carefully followed during periodic testing exercises to thoroughly train recovery personnel and ensure that strategies and actions accurately reflect current business recovery requirements.

whistleblower policy – "speak out"

There exists an independent whistleblower system maintained at group level that 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. These whistleblower complaints are

independently reported to the BARC Chairman of the Company and are managed by the Corporate Audit and Compliance department.

human resource management
Appropriate policies are in place to attract, induct, develop, retain, and motivate high caliber talent who are qualified, capable and willing to contribute their best towards accomplishment of Company objectives with increasing emphasis on equal opportunity, training and development, performance management, compensation and benefits, diversity and non-discrimination and gender diversity.

social and environmental responsibility policy
The Company believes that businesses, in their normal course of operations, create positive and adverse impacts. The policy aims to build on Company's commitment to manage and improve social and environmental impacts of its operations on the lives of its customers, suppliers, and communities at large.

corporate tax strategy
The Board of Directors have approved a formal document for corporate tax strategy which defines principles aiming to plan, devise and implement tax-efficient and optimized solutions and support its long-term business strategy. The corporate tax strategy is governed by the following principles.

- Ensuring high level of tax compliance in every jurisdiction where the Company has operations
- Making material business decisions after taking into account optimized tax solutions
- Ensuring minimum exposure through prevention and reduction of significant tax risks
- Developing and fostering open, honest and good working relationships with tax authorities and undertaking all dealings in a professional, courteous and timely manner
- Ensuring open communication channels within Engro group to encourage smooth flow of information

IT governance and cyber security policy
Information Technology (IT) Governance is an integral part of enterprise governance and consists of the leadership, organizational structures, and processes. 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.

role of the chief executive officer (CEO)
Roles and responsibilities of the Company's CEO are duly assigned by the Board of Directors of the Company. The Chief Executive Officer invested with the general control of the business of the Company and amongst other things, he is empowered to:

- enter any trade contracts on behalf of the Company in the ordinary way of business
- to do all other acts and things in the ordinary course of business which he may consider necessary or conducive to the interests of the Company.

management committees
functional committees
These committees act at the operational level in an advisory capacity to the Chief Executive Officer, providing recommendations relating to the businesses and employee matters.

management committee
The Management Committee is headed by the President & CEO and includes the functional heads of all departments. The committee meets to discuss the Company's performance and works in an advisory capacity to the President & CEO.

Members:
- Mr. Ali Pathore – Chairman
- Mr. Aneeq Ahmed – Member
- Mr. Muhammad Imran Khalil – Member
- Mr. Atif Mohammad Ali – Member
- Mr. Muhammad Majid Latif – Member
- Mr. Bilal Mustafa – Member
- Ms. Nazia Ali – Member
- Mr. Muhammad Saad Khan – Member

The secretary of the Management Committee is Ms. Gull Zareen Khan.

capex committee
This committee is responsible for overseeing and approving capital expenditure strategies including their alignment with the approved Corporate Plan.

Members:
- Mr. Aneeq Ahmed – Committee Chairman
- Mr. Khawaja Bilal Mustafa – Member
- Mr. Muhammad Majid Latif – Member
- Mr. Muhammad Imran Khalil – Member
- Mr. Adil Mushtaq – Member

The secretary of the Capex Committee is Mr. Abdul Ahad.

corporate HSE committee
This committee is responsible for bringing excellence in the domains of Health, Safety, and Environment.

Members:
- Mr. Ali Pathore – Chairman
- Mr. Aneeq Ahmed – Co-Chairman
- Mr. Muhammad Imran Khalil – Member
- Mr. Atif Mohammad Ali – Member

- Mr. Tariq Raza – On Invitation
- Mr. Asim Rasheed Qureshi – On Invitation

The secretary of the Corporate HSE Committee is Mr. Mohsin Mukhtar.

pricing committee

This committee is responsible for overseeing and approving product pricing strategies including their alignment with the approved Corporate Plan.

Members:
- Mr. Ali Pathore – Chairman
- Mr. Atif Mohammad Ali – Member
- Mr. Muhammad Imran Khalil – Member

The secretary of the Pricing Committee is Mr. Abdullah Yousuf Kothawala.

internal control framework

responsibility

The Board is ultimately responsible to ensure that a system of sound internal control is established, which is effectively implemented and maintained at all levels within the Company. However, such a system is designed to govern rather than eliminate the risk of failure to achieve business objectives. The Board, whilst maintaining its overall responsibility for the governance of risk within the Company, has delegated the detailed design and operation of the system of internal controls to the Chief Executive.

framework

The Company maintains an established control framework comprising clear structures, authority limits, and accountabilities, well-communicated and understood policies and procedures and budgeting for review processes. All policies and control procedures are documented in manuals. The Board establishes the overall corporate strategy and the Company's business objectives. Divisional management integrates these objectives into divisional business strategies with supporting financial objectives.

review

The Board meets at least once in a quarter, to consider the Company's financial performance, financial and operating budgets and forecasts, business growth and development plans, capital expenditure proposals and other key performance indicators. The Board Audit & Risk Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

There is a Company-wide policy governing the appraisal and approval of investment expenditures and asset disposals. Post-completion reviews are performed on all material investment expenditures.

risk management process

All activities undertaken by a business entity carry an element of risk. At EFERT, the exposure to these risks is managed through the practice of Enterprise Risk Management (ERM). The purpose of ERM is to identify potential risks and define the strategy for managing the impact of these risks, as well as the mechanisms to effectively monitor and evaluate identified strategies.

It is the policy of the Company to view ERM as integral to the creation, protection and enhancement of shareholder's value by managing the uncertainties that could influence the achievement of corporate goals and objectives. To achieve this, an appropriate framework is adopted by the management and approved by the Board. Detail on the Company's ERM program is mentioned in the risk and opportunities section of this annual report.

responsibility for statutory financial statements

In accordance with the requirement of the applicable regulatory framework, CEO and the CFO management are 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 the Companies Act, 2017 (XIX of 2017) and for such internal controls as management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

These financial statements were approved by the Board of Directors and circulated to the shareholders within the specified time limit.

The annual standalone and consolidated financial statements of the Company for the year ended December 31, 2024 have been audited by the External Auditors and recommended by the Board in its meeting held on February 07, 2025 for shareholders' approval in the Annual General Meeting to be held on March 24, 2025.

Other financial and non-financial statements enclosed with statutory financial statements are in conformity with the applicable regulatory requirements.

timely communication of financial statements authorization

The financial statement for the half year ended June 30, 2024 was authorized for issuance on July 30, 2024. The financial statements for December 31st 2024 were authorized for issuance on February 07, 2025.

governance over related party transactions

The Board has approved a formal documented policy for governance over transactions between the Company and one or more of its Related Parties which provides a framework for governance and reporting of related party transactions. This policy is intended to ensure due and timely approval, disclosure and reporting of transactions between the Company and any of its related parties in compliance with the applicable laws.

The said policy:

- defines the type of contracts/agreements that can be made with the related party,
- defines the pricing policy for related party transactions,
- defines the framework for review, reporting and approval for transactions not at arm's length; and
- specifies the methodology for approval for transactions in which Director(s) have an interest.

During the year, no contracts or arrangements with the related party were entered into other than in the ordinary course of business on an arm's length basis. Names of related parties in Pakistan and outside Pakistan, with whom the company had entered into transactions or had agreements and/or arrangements in place during the financial year are mentioned in Note 44 to the consolidated financial statements.

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

Complete disclosure of EFERT's shareholders has been provided in pattern of shareholding of our annual report, in addition, group shareholding and direct & indirect ownership of the company are demonstrated within the Company's organogram.

Annual General Meeting – update of last AGM, decisions taken and their implementation status

The Company's Annual General Meeting (AGM) was held on March 26, 2024, which was attended by the Chairman of the Board, Chairman of Board Audit & Risk Committee, Chief Executive Officer and other senior management of the Company to address queries and clarifications sought by the Shareholders.

business expansion and rationale of major capital expenditure projects

The Board routinely reviews significant capital expenditure projects including an actual vs. budgeted cost comparison, expected completion timelines and overruns, if any thereby ensuring timely and authorized business expansion in line with EFERT's strategy. Further details are available in the performance review section of this report.

compliance statement

The Board of Directors has duly complied with the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the 'Corporate and Financial Reporting Framework' of the Securities & Exchange Commission of Pakistan.

diversity

Board's Policy on diversity at EFERT is committed to unbiased and equal treatment of all employees irrespective of cast, religion, and gender. EFERT is proud to embrace diversity in the form of age, gender, ethnicity, physical and mental ability. To encourage gender diversity at all levels the Board has defined measurable KPIs which it uses to monitor the Company's performance and updates under this UNSDG. To proactively infuse the concept of diversity and promote an encouraging environment, a 3-point framework for gender diversity and various gender sensitization sessions have been conducted. Furthermore, during the year, EFERT led the industry in its gender diversity drive by opening avenues to women from various socio-economic backgrounds to work with the Company in different unconventional roles such as Trade Apprentices, GTEs, workshop supervisors, warehouse in-charges and in field-oriented roles.

human resource management policies including preparation of a succession plan

The Company has a documented Human Resource management policy that aims to attract, induct, develop, retain, and motivate high-caliber talent who are qualified, capable and willing to contribute their best towards the accomplishment of Company objectives.

EFERT's Board places great emphasis on people's development and related policies. With this at the heart of our core values, we developed leadership competencies. To ensure a dedicated focus on people-related matters, the Board has established a subcommittee' Board People Committee (BPC), that exercises oversight over Human Resources (HR) policies and systems and is responsible for performance evaluation, development and succession planning.

employee health, safety and protection

The safety of employees has always been the foremost priority of the Company. A comprehensive HSE process framework has been developed whereby all employees undergo regular in-depth trainings to ensure that the commitment to HSE is inculcated in all employees.

safety of records of the company

The Company has a documented Record Retention Policy to ensure the safety of the records for periods that exceed the minimum requirement prescribed by Companies Act, 2017 and other applicable regulatory requirements.

In addition, the Company has a Business Continuity Plan (BCP) complemented by a Disaster Recovery Plan (DRP). The BCP and DRP frameworks outline the policies and procedures with respect to the identification of critical business activities and resources including the safety of critical electronic, hard copy data and processes to ensure all critical functions continue in case of a disruption or disaster. The Company has dedicated offsite facilities which serve as data-back-up centers.

investors' grievance policy

As Company strives to develop and maintain trustworthy relations with all its stakeholders, the board in order to ensure this has a dedicated Investor grievance policy for its shareholders and investors. It recognizes the importance of timely and fair disclosure of all material information to them, without advantage to any investor, group, or investment advisor/analyst, in order to enable them to make informed decisions about investing in the Company.

external oversight

The external oversight activities during the year included the audit of the company's financial statements. Furthermore, the Company has engaged third party for actuarial valuation.

communication with stakeholders

The Directors regard stakeholder engagement as an important element of the Company's corporate responsibility. Further details are available in stakeholders information.

social and environmental responsibility

The Company's culture is based upon the fair pursuit of profits while remaining mindful of the impact of our actions on our people and place of operations. Protecting our corporate reputation is critical in order to survive in the global marketplace. To this end, the Board of Directors has adopted a host of policies that sets the standard for conduct.

governance practices at EFERT other than legal requirements

At EFERT we strive to work in a responsible and ethical manner. To ensure transparency EFERT has institutionalized the following practices:

- Benchmarks reporting requirements against ICAP / ICMAP and SAFA-prescribed guidelines
- A stringent insider trading policy that goes beyond the legal requirement
- Holds quarterly analyst briefings and regularly interacts with all stakeholders
- Implementation of health, safety, and environmental policy as a responsibility of our commitment to protect our people, community, and environment
- Undertaking several health and training initiatives for improving the livelihood of the surrounding community

ensuring excellence in corporate governance practices

With a strong legacy system spanning over five decades, EFERT continues to optimize its governance framework by institutionalizing its core values, policies, and principles across the board to surpass the legal requirements and adhere to global best practices and standards of governance.

Following additional governance practices implemented by the management include:

- Adoption of best reporting practices prescribed by ICAP / ICMAP and SAFA to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies, and strategies.
- Implementation of Health, Safety and Environment Policy for a better and safe workplace environment for employees, workers and surrounding community.
- Implementation of various social projects for welfare of the community as part of its Corporate Social Responsibility (CSR).
- Adoption of a strict insider trading policy.
- Restriction of employees of group companies to adhere to close period requirements.
- The Directors of the company have attended Directors' training program as per the legal requirement prescribed by the Code of Corporate Governance Regulations, 2019. The Company endeavors to replicate the best practices in its privately owned subsidiaries.

internal audit, ethics and compliance

internal audit

EFERT has an Internal Audit function, manned with suitably qualified and experienced staff. The Board Audit & Risk Committee annually reviews the appropriateness of resources and authority of this function. Moreover, the Board Audit & Risk Committee in coordination with the Board Peoples committee ensures that the performance review and compensation mechanisms of the Internal audit personnels are appropriate to maintain their independence from the Company's management.

The Head of Internal Audit functionally reports to the Board Audit & Risk Committee and has indirect reporting to the Head of Corporate Audit of the parent company i.e. Engro Corporation Limited. The Head of Internal audit only reports for administrative matters to the CEO of the Company.

The Board Audit & Risk Committee approves the audit plan, based on an annual risk assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls, and reports on findings to the Board Audit & Risk Committee.

EFERT 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.

Irregularity reports are shared with management and Board Audit & Risk Committee on a quarterly basis. Whistleblower complaints and results of their investigations are also reported to Board Audit & Risk Committee every quarter. There exists a process of periodic business practices review involving all Engro companies and employees to identify questionable business practices. All identified issues are reported directly to the Board Audit & Risk Committee and the Board of Directors. A total of 10 irregularities were reported in FY 2024 as against 29 irregularities in FY 2023.

ethics & compliance

1. 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.

2. Ethics & Compliance

Engro Fertilizers 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 Fertilizers 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.

2a. 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 and 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: 30 compared to 28 in 2023
- No. of whistle-blower complaints in progress: 17

2b. 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, inter alia 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

ICT governance

The Holding Company's IT function centrally manages ICT governance.

board responsibility statement

As the Company embarks on its digitization journey, we recognize the importance of having a well-defined information technology (IT) governance framework which focuses on enterprise governance, IT Leadership, IT strategy implementation, IT framework and IT processes. We have formulated the IT governance policy and ensure to keep it updated and implemented.

IT governance policy

The IT governance policy is designed to ensure that IT activities are aligned with business objectives and stakeholder requirements. Programs such as value delivery, risk optimization and resource optimization have been initiated under this policy.

oversight function

The IT/IS Steering committee is responsible for overseeing and monitoring the implementation of the Enterprise IT Governance Framework (EITGF) and Cybersecurity initiatives, strategy, and related matters throughout the enterprise.

disaster recovery plan and IT personnel training

The company has a documented disaster recovery plan entailing the relevant recovery strategies. The plan is executed each year. Apart from disaster mitigation this also helps in training IT recovery personnel. No major weaknesses were noted in the last disaster recovery exercise during the year.

digital transformation

The Company has achieved significant milestones by upgrading its SAP systems, adopting cloud technologies, enabling IT-OT convergence, and introducing next-generation platforms, including a high-value data lake. These advancements were complemented by a relentless focus on risk mitigation and operational security, underscoring Engro's commitment to resilience and sustainable growth in the digital era. Engro prioritizes accelerating AI adoption to drive innovation and operational efficiency.

Throughout the year, the ICT team, in collaboration with digital champions, successfully executed transformative initiatives by partnering closely with business teams. This collaborative approach ensured the seamless integration of emerging technologies, fostered a culture of continuous innovation, and ensured Engro remained at the forefront of digital transformation.

key projects in 2024

project elevate

Project Elevate upgraded the system to the latest S/4HANA version, unlocking advanced features, enhanced security and compatibility with technologies like AI and RPA. Over 250 power users rigorously tested 5,000+ processes and resolved 300+ issues, ensuring a seamless, disruption-free go-live.

UgAi

As part of Company's commitment to transforming the local agricultural landscape with innovative technology, EFERT and ICT team launched UgAi — Pakistan's first integrated B2C Agri e-commerce platform. UgAi provides farmers with direct access to Engro's fertilizers, crop planning tools, flexible delivery options, secure digital payments, and real-time crop monitoring through drone and satellite imagery. Designed for simplicity and impact, its key technological features include real-time integration, scalable cloud architecture, advanced data processing, enhanced security protocols, and a user-centered design.

engro markaz

In line with the Government of Pakistan's directive to ensure fair fertilizer pricing, Engro launched Engro Markaz, a network of five company-owned and operated retail outlets in Punjab. This initiative empowers small-acreage farmers by providing access to high-quality fertilizers at controlled prices. Engro developed and implemented a robust digital solution across these outlets, enabling key functionalities such as a streamlined farmer verification process integrated with SAP, defined maximum order quantities and payment limits tied to Sold-To Party codes, and instant product invoicing at the point of sale.

digital payments

Engro's Banks Integration solution simplifies customer payment processes by facilitating digital transactions directly through Humsafar and Salesforce, eliminating the need for physical bank visits and saving customers valuable time and effort. This year, the digital payment system at EFERT, was enhanced by integrating three additional banks offering greater convenience and broader financial access to customers.

future proof foundation

cloud computing

To align with the rapidly evolving technology landscape and ensure long-term sustainability, the Company has adopted a cloud-first strategy. Significant efforts have been focused on migrating the Data Platform, Core ERP (SAP), and Disaster Recovery services to the cloud with further migration of workloads to the cloud scheduled in 2025. This strategic approach aims to enhance agility, cost-efficiency, and technological innovation, positioning Engro for success in an increasingly digital future.

risk mitigation

Based on the comprehensive risk assessment conducted, The Company has prioritized addressing the identified high and medium-level risks in alignment with the recommended action plans, to mitigate potential vulnerabilities and threats. The teams remain committed to ensuring effective risk mitigation by accurately implementing preventive controls and fostering transparent stakeholder communication, robust contingency planning, and continuous monitoring to enhance adaptability. Cybersecurity and data protection continue to be pivotal in safeguarding sensitive systems and information.

Through the implementation of targeted measures and a continuous risk identification process, the ICT and IS functions have successfully bolstered both technical and managerial controls. This proactive strategy has enhanced the organization's system resilience, ensured the protection of critical data, and improved Engro's overall risk management posture.

IS governance

information security at engro
As EFERT continues to advance its digitization journey, we recognize the importance of having well-defined information security (InfoSec) policies and frameworks. These focus on enterprise governance, InfoSec leadership, InfoSec strategy implementation, security frameworks and processes.

The Company's Information Security Division has formally documented a comprehensive set of information security policies covering 13 domains. Additionally, a specialized set of policies has been developed for Operational Technology (OT) Cyber Security, covering 19 domains specifically designed to address cybersecurity in the industrial environment. Both sets of policies are aligned with leading industry standards and tailored to the organization's needs. The policies have been formally approved by leadership of the Company and undergo periodic reviews to ensure continued relevance and effectiveness.

board oversight and governance
Information security is recognized as a key business risk and is integrated into the organization's risk management framework. The Board of Directors plays an active role in overseeing cybersecurity initiatives, ensuring that security risks are identified, assessed, and addressed in a structured manner. A dedicated board-level committee has been established to oversee IT governance and cybersecurity risk management. This committee provides strategic direction, evaluates cybersecurity policies, and ensures regulatory compliance.

Furthermore, The Board has incorporated cybersecurity into its risk oversight function, engaging with executive management to ensure that robust security measures are in place. Regular cybersecurity reports are shared with the Board to maintain transparency and facilitate informed decision-making.

cyber risk management and security operations
To strengthen Engro's cyber resilience, the Information Security division has established a comprehensive risk management framework. Key initiatives include:

- **Security Operations Center (SOC) - Early Warning System:** Company SOC serves as a central hub for monitoring, detecting, and responding to cyber threats. It safeguards Engro's digital presence across the surface web, deep web, and dark web, ensuring the organization remains resilient against evolving cyber risks. Additionally, the SOC functions as an early warning system, proactively identifying, assessing, and addressing potential cyber risks. This system ensures timely disclosures and communication to the Board regarding cybersecurity incidents.
- **Digital Risk & Brand Protection:** The Information Security division operates a continuous Digital Risk & Brand Protection service. This initiative proactively monitors, analyzes, and mitigates cyber risks, including brand impersonation, fraudulent mobile apps, social media scams, and data breaches across web domains.
- **Penetration Testing & Vulnerability Assessments:** A specialized unit within the Information Security division conducts penetration testing for new applications and performs vulnerability assessments on servers and network devices to enhance the company's security posture.

cybersecurity awareness & training
The Company's Information Security (InfoSec) division has implemented a series of awareness initiatives to strengthen cybersecurity preparedness across the organization. These include:

- **Information Security Awareness Training:** Conducted regularly through digital learning tools to equip employees with knowledge on cyber threats and security best practices.
- **Simulated Phishing Campaigns:** Monthly phishing exercises to test employees' readiness and resilience against phishing attacks.
- **Information Security Awareness Month:** A dedicated month-long campaign featuring interactive workplace activities, conducted in both English and Urdu to cater to a diverse audience.
- **Awareness Sessions for Employees & Leadership:** Interactive sessions conducted both virtually and physically to educate employees and senior management about emerging cyber threats and secure practices.

enterprise risk management

In ensuring long term shareholder wealth creation, EFERT is cognizant of the importance of identifying, monitoring and timely addressing the risks and capitalizing on the opportunities arising out of its macro & micro economic environment. The Company, therefore, performs a comprehensive analysis of internal, external and industry-specific risks in order to develop effective strategies.

The Company identifies risk as situations or actions with the potential to threaten its ability to deliver on strategic priorities and, ultimately, to create shareholder value.

risk governance: policy and oversight

The overall responsibility for establishing and monitoring an enterprise-wide risk management system lies with the Board of Directors. The Board ensures that the Company has a robust process in place for assessment of principal risks, including those that would threaten the business model, future performance, solvency or liquidity etc.

This is done through a meticulously created risk management framework approved by EFERT's Board which describes the risk management identification and management process and provides enterprise-wide risk management guidelines that cover key risk areas including strategic, operational, financial, and compliance risks. Exposure to these risks is managed through the Enterprise Risk Management (ERM) process. The purpose of ERM is to identify potential risks and to define the strategy for managing the impact of these risks, as well as the mechanisms to effectively monitor and evaluate identified strategies. Company views ERM as integral to the creation, protection and enhancement of shareholders' value by managing the uncertainties that could influence the achievement of corporate goals and objectives.

enterprise risk management process

Engro Fertilizers has implemented an Enterprise Risk Management (ERM) methodology which provides a structured, disciplined and consistent approach to risk management that facilitates risk-informed decision making throughout the organization. Engro Fertilizers uses a well-defined process to assess its risks and material issues.

Risk is considered to be integral part of the Organization's culture and therefore appropriate consideration is given to risk management during business planning processes and decision making. In this regard, the Board of directors ensures that appropriate focus is given to risk management. The top 10 risks along with the risk register are presented to the Board Audit & Risk Committee for its review on a half yearly basis.

formulation of strategy and business objectives

At Engro Fertilizers the focus of ERM is to ensure achievement of the organization short term objectives and long-term sustainable value creation. Defining the Organization's strategy and objectives is pre-requisite to identifying risks and opportunities. During this step, the management defines strategy and objectives for different areas of the organization.

identification of risks and opportunities

The purpose of this step is to identify a comprehensive list of risks and events that may potentially impact the achievement of an organization's overall mission, its strategic objectives and its long-term sustainability and growth. In order to identify enterprise-level risks to be managed, a structured and systematic "Enterprise Risk Register" is used.

Broad types of risk which are used for categorization of risk and opportunities are as follows:

- **Strategic Risk**
  Strategic risks are mostly external, associated with operating in a particular industry and are mostly beyond Company's control and are also created by the Company's strategic objectives and business strategy decisions that could affect its long-term positioning and performance. The Board of Directors actively oversees the management of these risks and devises mitigating strategies wherever required.

- **Compliance Risk**
  These risks emanate uncertain future events that could impact the legal or regulatory landscape of the Company. Engro Fertilizer closely monitors and ensures absolute compliance with all regulatory matters including but not limited to those pertaining to the Companies Act, Income Tax Ordinance, Sales Tax Act etc.

- **Operational Risk**
  These are risks associated with internal factors, administrative and operational procedures like employee turnover, supply chain disruption, IT system shutdowns or control failures.

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

- **Market risk – currency risk & interest rate risk**
  The currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. This exists due to the Company's exposure resulting from outstanding import payments, and related interest payments. The policy allows the Company to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored. The Company ensures to the extent possible that it has options available to manage exposure, either through forward contracts, options or prepayments, etc. subject to the prevailing foreign exchange regulations.

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from long-term borrowings and short-term investments. Borrowings are benchmarked to variable rates which expose the Company to cash flow interest rate risk. The Company analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether they should enter into hedging alternatives.

ii. Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation. Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits, bank guarantees and other receivables. The Company maintains an internal policy to place funds with commercial banks and mutual funds of asset management companies having a minimum short term credit rating of A1 and AM3 respectively. The Company is exposed to a concentration of credit risk on its trade debts by virtue of all its customers being agri-based businesses in Pakistan. However, this risk is mitigated by applying individual credit limits and by securing the majority of trade debts against bank guarantees. The credit risk arising on account of acceptance of these bank guarantees is managed by ensuring that the bank guarantees are issued by banks with reasonably high credit ratings as approved by the Board of Directors.

iii. Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Company maintains flexibility in terms of funding by maintaining committed credit lines available. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

risk assessment

The process involves consideration of the causes and sources of risk, the probability that the risk event will occur, their positive or negative consequences and magnitude, and the probability that those consequences may occur. The Board has approved formal criterion for assessment of the 'probability' and 'impact' which is used by the management for risk assessment. Each risk is assigned a rating and recorded in the Risk Register. Risk assessment provides the basis for evaluation and decisions regarding risk response or treatment.

prioritization of risk

The purpose of this step is to develop a prioritized list of enterprise-level risks for response options. Ranking and prioritizing the enterprise-level risks enables management to respond better to the risks in a structured and planned manner. In order to develop ranking, the risks are ranked according to Impact x Probability rating.

implements risk responses

The purpose of this step is to select a combination of risk response options that will optimize Engro's resources in managing its portfolio of risks. The process involves identifying and assessing the range of risk response options and preparing implementation plans for selected response options.

monitoring and reporting

The ERM Risk Register is reviewed on a periodic basis to ensure updates for changes in the external and internal environment. The ERM Risk Register and mitigation strategies are also presented to the Management Committee and the Board Audit & Risk Committee on a bi-annual basis.

plans and strategies for mitigating these risks and potential opportunities

The Board Audit & Risk Committee, a sub-committee of the Board, has been entrusted to perform oversight of the ERM. In addition, the Board Compensation Committee focuses on risks relating to Human Capital including assessment of compensation programs and succession planning.

Further, various management committees have been constituted which perform regular oversight of performance of the Company with respect to Organization & Employee Development, Health Safety & Environment, Execution of Planned Capital Projects, Business Continuity Planning and Business Process Reengineering.

Additionally, the Internal Audit function provides independent and objective evaluations while reporting directly to the Board Audit & Risk Committee on the effectiveness of governance, risk management and control processes.

key sources of uncertainty

International Financial Reporting Standards require judgments, estimates and assumptions while preparing the financial statements which affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and relevant assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods.

Details of significant accounting estimates and judgments including those related to retirement benefits, estimation of useful life of property, plant and equipment and intangible assets and recoverable amount of goodwill have been disclosed in notes to both separate and consolidated financial statements of the Company.

governance:

Governance of risk remains a priority, with the Board's Audit and Risk Committee actively monitoring major risks on a regular basis. In addition, the Chief Financial Officer (CFO) has been assigned the role of Chief Risk Officer (CRO) to oversee the company's risk management activities. Risk Champions have been appointed across departments to ensure that risks are proactively identified and managed across the Company.

The company's approach to risk management follows the three lines of defence model:

- The first line (Management) owns and manages risk, applying controls and action plans.
- The second line (Governance, Risk, and Controls function) provides oversight of risk management activities.
- The third line (Internal Audit) offers independent assurance and advisory services, ensuring the effectiveness of the company's risk management processes.

These initiatives collectively reinforce the company's commitment to a robust risk management framework, ensuring resilience and safeguarding its operations.

key risks, related opportunities, and mitigation strategies

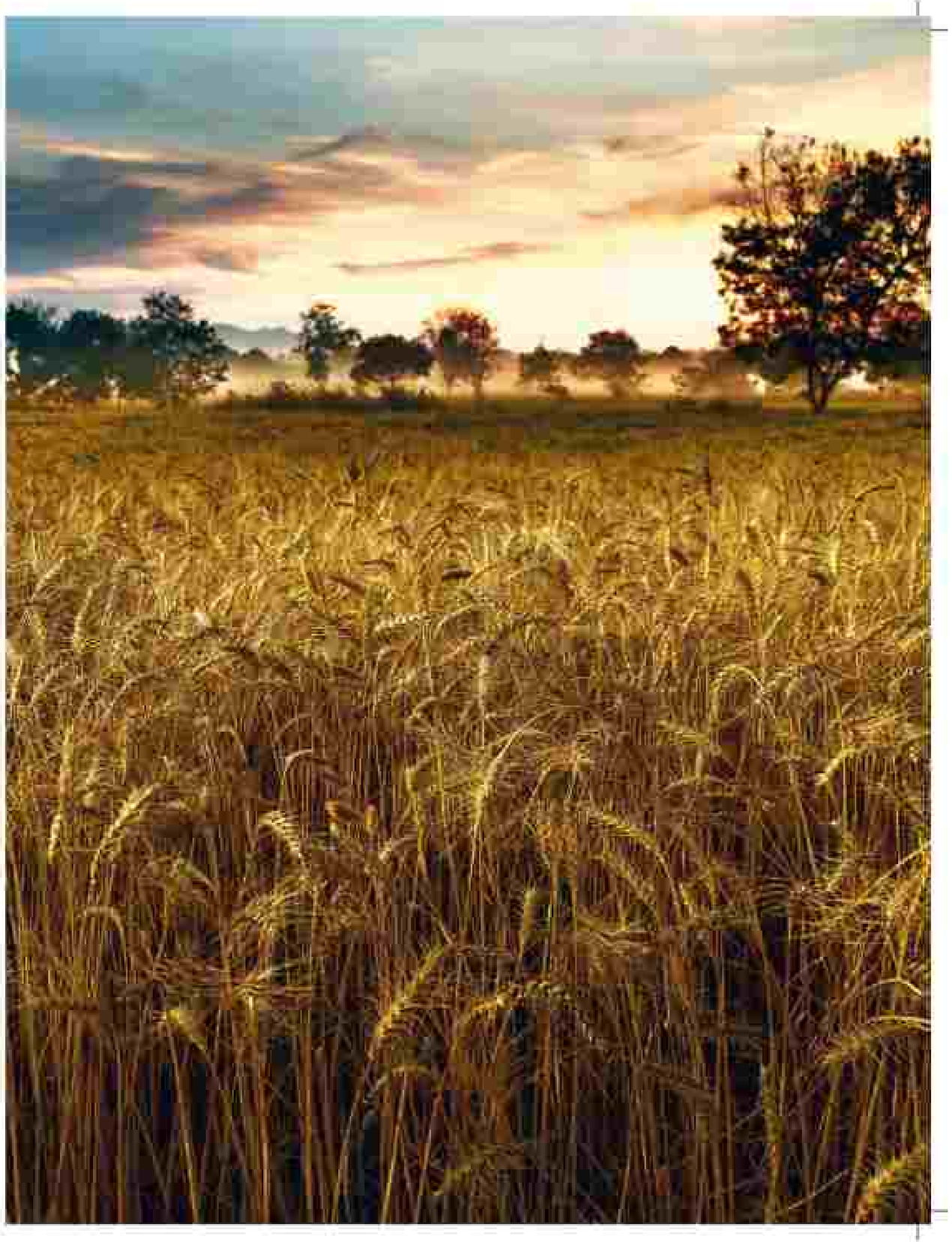
An in-depth and critical analysis of the principal risks faced by the Company business has been carried out by the management of the Company, Board Audit & Risk Committee.

- The Enterprise Risk Management (ERM) framework has been implemented, which serves as the foundation for consistent risk management practices across the organization.
- The Risk Appetite Statement has been approved by the Board, defining the level of risk the company is prepared to accept in pursuit of its strategic objectives.
- EFERT has a Business Continuity Plan (BCP) to ensure an effective response in the event of disruptions, supported by an updated Disaster Recovery Plan and Emergency Plan.

Following are the major risks and opportunities which may affect our business operations along with the management assessment of their probability, impact and the mitigating strategies implemented by the Company for these risks:

Risk Description	Risk Type	Risk Term	Probability	Impact	Mitigation plan
Depletion of allocated gas field and reduced supply pressure due to faster draw downs affecting production of Urea and ability of the plant to operate efficiently Associated objective: Providing agri inputs at optimal prices	Strategic / Operational	Medium – Long	Medium	High	Negotiations with gas suppliers to ensure gas availability. The Company is investing – USD 100M in Pressure Enhancement Facilities (PEF) on Mari's HRL reservoir, along with a consortium of major fertilizer players, to enhance the production and sustain gas pressures. Continue to invest in additional plant efficiency improvements and compression facilities
Inconsistent government policies affecting gas pricing and overall competitiveness Associated objective: Providing agri inputs at optimal prices	Strategic	Short to Medium	Medium	High	The Company is actively monitoring changes occurring in regulatory frameworks and engages with Government and other stakeholders to explain business dynamics and issues impacting the industry to enable sustainable and progressive policy making.
Adverse movement in foreign exchange / interest rates impacting profitability of the company Associated objective: Achieving operational efficiency	Financial	Short	Medium	Low	The company carefully manages its optimal debt-to-equity ratio to mitigate the risks associated with fluctuation of interest rate. The treasury function continuously monitors market rate movements, foreign exchange trends, and actively manages open positions to minimize exposure to interest rate and foreign exchange volatility.
Oversupply in local Urea Market leading to price competition Associated objective: Achieving operational efficiency / Facilitate the local farmers by providing inputs at cheaper prices.	Commercial	Short to Medium	High	High	The Company continues to invest in R&D and diversify its fertilizer portfolio. Expand on B2C channel through digital applications for better services and satisfaction to the farmer. In addition, we continue to invest in brand development and long-term customer relationships.
Reduction in domestic demand for Urea due to agronomical slowdown Associated objective: Achieving operational efficiency / Facilitate the local farmers by providing inputs at cheaper prices.	Commercial	Short to Medium	Medium	High	The Company actively monitors factors affecting demand for Urea and optimizes its production and marketing strategies. The Company will continue to invest in brand development, market development and long-term customer relationships.

Risk Description	Risk Type	Risk Term	Probability	Impact	Mitigation plan
Plant shutdown / outage due to equipment failure leading to production loss. Associated objectives: Optimize on manufacturing excellence / Facilitate the local farmers by providing inputs at cheaper prices.	Operational	Medium	Medium	Low	Preventive maintenance plan in place with specific measures for monitoring and maintenance of Plant vulnerabilities. CAPEX to enhance reliability of its plants. Inventory of Critical Plant components maintained to ensure timely replacement in case of failure. Business Interruption Insurance coverage. Replacement parts of critical machinery procured.
Attrition of critical personnel hindering the operations. Associated objectives: Optimize on manufacturing excellence / Achieving operational efficiency.	Operational	short to Medium	low	Medium	The Company has formal succession planning process. Formal training and development plans are in place for each critical position. Human Resource policies developed with focus on employee retention and engagement. Employee Engagement surveys conducted annually by independent consultants to assess employee engagement level.
Interruptions to critical business operations due to disruptions or disasters such as fire, floods, earthquakes, explosions, terrorism, tornadoes, extended power interruptions, hazardous chemical spills, and other natural or man-made disasters. Associated objective: Achieving operational efficiency.	Operational	Medium to Long	low	Medium	Formal program in place for Business Continuity and Disaster Recovery. Business Interruption insurance coverage obtained. State of the art IT infrastructure in place. Regular system updates, IT audits, vulnerability awareness campaigns, and trainings are conducted to monitor and minimize the risk.
Cash flow risk of GIDC on gas and late payment surcharge in case of adverse decision Associated objective: Maintaining business quality	Financial / Compliance	Medium to long	Medium	High	Continue to pursue legal course challenging the applicability of GIDC on non-concessionary gas based on strong grounds.



business performance

chairman's review

Dear Shareholders,

On behalf of the Board of Directors, I am delighted to present Engro Fertilizers Limited's (EFERT) Annual Report, encapsulating its outstanding performance for the year ended 2024.

2024 continued to be a challenging year for the global economy with considered approaches taken by governments all over the world for stimulating growth whilst limiting inflation and curbing the impact of disruptions caused by geo-political conflicts and climate change.

In 2024, Pakistan's economy faced a mix of challenges and opportunities. The government implemented several measures to stabilize the economy, focusing on fiscal reforms and boosting investor confidence. Efforts were made to address inflation and improve the balance of payments situation. The agricultural sector showed resilience, while the industrial and services sectors continued to remain depressed. I commend and appreciate the administration's efforts to stabilize the economy. It is my belief that a strong industrial base is essential for the future economic prosperity of our generations. And while the Government has supported this sector through its policies, however, it's important to acknowledge that the industrial sector's contribution to economic growth continues to be limited by elevated input costs and tax burdens.

Fertilizer industry also faced challenges during the year. Global markets remained volatile particularly due to the ongoing conflicts, which impacted the supply and transportation of fertilizers globally. Pakistani fertilizer industry continued to sell locally produced Urea at a significant discount of ~Rs. 2,400 per bag at the year-end 2024. Furthermore, considering the dire need of the country to shore up its foreign reserves, I am happy to state that the fertilizer industry saved more than $2.3 Bn collectively through import substitution.

On the local side, the fertilizer industry was impacted by farmer earnings crisis resulting in a change in market dynamics, we foresee the change extending across the next year as well.

2024 was also the year in which climate change manifested with its wide-ranging effects, from untimely rains to extended drought periods, a change to which most of our crops are unsuited for. Crop harvests were delayed, yields deteriorated and pest infestations took their toll. The shift in weather pattern has already forced farmers to plant early fearing the record-breaking scorching heat of the summer months, upending fertilizer supply and demand dynamics.

Considering the challenges emanating from man-made climate change, EFERT recognizes the importance of incorporating environmental factors to maintain ethical and sustainable business practices. EFERT's strategy for sustainable value creation carefully considers environmental challenges and includes plans to minimize its environmental footprint. EFERT is dedicated to achieving top-tier environmental standards, utilizing the best available technologies, and working towards becoming a leader in promoting and advancing sustainable practices.

I must congratulate our management team in the safe and successful historic turnaround of the EnVen Plant. It could not have been achieved without their expertise and commitment to excellence. The turnaround, the largest in Pakistan's history, was years in the making. This historic undertaking ensures that the plant will function reliably for many years, fulfilling our promise to operate the most efficient plant in Pakistan.

On the operational front, our management team have once again delivered a record-breaking PAT of Rs 28.3 Bn despite the EnVen turnaround and farmer liquidity crisis. It is my firm belief that the team, will continue to surpass any obstacles in their way in ensuring maximum value to shareholders, and I have every confidence in their leadership abilities to not only engage with and satisfy our external stakeholders but also our internal stakeholders, most importantly of whom are our employees, which remain our greatest assets.

During the year, EFERT was awarded the 2nd place in the PSX Top 25 Companies Award 2023. EFERT was also awarded 1st prize in the Management Association of Pakistan awards (fertilizer sector) whilst also receiving the Green Leaf award presented by the International Fertilizer Association for our efforts in environmental sustainability, amongst others.

I wish to express my profound gratitude to the Board of Directors and its committees for their exceptional guidance and motivation. My appreciation also extends to our investors, employees, and valued customers for their relentless support. I am also appreciative of the counsel and assistance provided to us by our regulators. Only through strength of character and steadfast integrity can we continue to solve the pressing issues that have beset our beloved country Pakistan.

Ahsan Zafar Syed
Chairman

چیئرمین کا جائزہ

محترم شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز کی طرف سے، مجھے اینگرو فرٹیلائزرز لمیٹڈ (EFERT) کی سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے، جس میں 2024 کو ختم شدہ سال کے لیے کمپنی کی شاندار کارکردگی کو شامل کیا گیا ہے۔

2024 عالمی معیشت کے لیے ایک مشکل سال رہا جس میں پوری دنیا کی حکومتوں نے ترقی کی حوصلہ افزائی پر غور و خوض کیا جبکہ مہنگائی کی شرح کو کم کرنے اور جغرافیائی سیاسی تناؤ اور موسمیاتی تبدیلیوں کی وجہ سے ہونے والے نقصانات کے اثرات کو روکنے پر غور کیا گیا۔

2024 میں، پاکستان کی معیشت کو چیلنجز اور مواقع کی موجودگی کا سامنا کرنا پڑا۔ حکومت نے مالیاتی اصلاحات اور سرمایہ کاروں کے اعتماد کو بڑھانے پر توجہ مرکوز کرتے ہوئے معیشت کو مستحکم کرنے کے لیے متعدد اقدامات اٹھائے ہیں۔ مہنگائی پر قابو پانے اور ادائیگیوں کے توازن کی صورتحال کو بہتر بنانے کی کوششیں جاری رکھیں۔ زرعی شعبے نے پائیداری کا مظاہرہ کیا جبکہ انڈسٹریل اور سروسز کے شعبے سست روی کا شکار رہے۔ میں معیشت کو مستحکم کرنے کے لیے مخلصانہ کوششوں کو سراہتا ہوں۔ یہ میرا یقین ہے کہ ہماری نسلوں کی مستقبل کی معاشی خوشحالی کے لیے ایک مضبوط صنعتی بنیاد ضروری ہے۔ حکومت نے اپنی پالیسیوں کے ذریعے اس شعبے کی حمایت کی ہے، تاہم یہ تسلیم کرنا ضروری ہے کہ اقتصادی ترقی میں صنعتی شعبے کا حصہ زائد لاگت اور ٹیکس کے بوجھ سے محدود ہو کر رہ گیا ہے۔

سال کے دوران فرٹیلائزر انڈسٹری کو بھی چیلنجز کا سامنا رہا۔ بین الاقوامی مارکیٹس جاری تناؤ کی وجہ سے خاص طور پر غیر مستحکم رہیں، نتیجے میں عالمی سطح پر کھاد کی فراہمی اور نقل و حمل متاثر ہوئی۔ پاکستانی فرٹیلائزر کی صنعت نے مقامی طلب پر توجہ مرکوز رکھی اور سال 2024 کے آخر میں 2,400 روپے فی بیگ تک رعایت سے فائدہ پہنچاتی رہی۔ مزید برآں، ملک کو اپنے غیر ملکی ذخائر کو بڑھانے کی اشد ضرورت کے پیش نظر، مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ فرٹیلائزر انڈسٹری نے درآمدی متبادل کے ذریعے مجموعی طور پر 2.3 بلین ڈالر سے زیادہ کی بچت کی۔

عالمی سطح پر، فرٹیلائزر انڈسٹری کسانوں کی آمدنی کے بحران سے متاثر ہوئی، نتیجے میں مارکیٹ کی صورتحال میں منفی تبدیلی آئی، ہمیں اس تبدیلی کے اثرات اگلے سال تک جانے کا اندازہ ہے۔

2024 میں موسمیاتی تبدیلی اپنے شدید اثرات کے ساتھ سامنے آئی، بے وقت بارشوں سے لے کر خشک سالی کے طویل عرصے تک، ایک ایسی

تبدیلی جس کے لیے ہماری زیادہ تر فصلیں نامناسب ہیں۔ فصلوں کی کٹائی میں تاخیر ہوئی، پیداوار متاثر ہوئی اور کیڑوں کے حملے نے نقصان میں اضافہ کیا۔ موسم کے انداز میں تبدیلی نے کسانوں کو موسم گرما کے مہینوں کی شدید گرمی، کھاد کی سپلائی اور طلب میں کمی کے خوف سے جلد فصل کاشت کرنے پر مجبور کر دیا ہے۔

انسان کی پیدا کردہ ماحولیاتی تبدیلیوں سے آنے والے چیلنجز پر غور کرتے ہوئے EFERT اخلاقی اور پائیدار کاروباری طریقوں میں ماحولیاتی عوامل کو شامل کرنے کی اہمیت کو تسلیم کرتی ہے۔ پائیدار قدر کی تخلیق کے لیے EFERT کی حکمت عملی ماحولیاتی چیلنجز پر احتیاط سے غور کرنا ہے اور اس میں اپنے ماحولیاتی اثرات کو کم کرنے کے منصوبے شامل ہیں۔ EFERT اعلیٰ درجے کے انوائرنمنٹ اسٹینڈرڈز کو حاصل کرنے، بہترین دستیاب ٹیکنالوجیز کو استعمال کرنے اور پائیدار طریقوں کو فروغ دینے اور آگے بڑھانے میں رہنما بننے کے لیے مصروف عمل رہے گی۔

مجھے EnVen پلانٹ کے محفوظ اور کامیاب تاریخی ٹرن اراؤنڈ پر اپنی انتظامی ٹیم کو مبارکباد دیتے ہوئے خوشی ہو رہی ہے۔ یہ ان کی مہارت اور برتری کے عزم کے بغیر حاصل کرنا ممکن نہیں تھا۔ یہ ٹرن اراؤنڈ، سالوں کی محنت کا نتیجہ ہے جو پاکستان کی تاریخ کا سب سے بڑا تھا۔ یہ تاریخی اقدام اس بات کو یقینی بناتا ہے کہ پلانٹ کئی سالوں تک قابل اعتماد پائیداری سے کام کر سکتا ہے، اس سے پاکستان میں سب سے زیادہ سوڈا پلانٹ چلانے کا ہمارا دعویٰ پورا ہوتا ہے۔

انتظامی اعتبار سے، ہماری انتظامی ٹیم نے EnVen کی تبدیلی اور کسانوں کے لیگیسی ڈیبٹی بحران کے باوجود ایک بار پھر 28.3 بلین روپے کا ریکارڈ توڑ بعد از ٹیکس منافع فراہم کیا ہے۔ یہ میرا پختہ یقین ہے کہ نیم شیئر ہولڈرز کے لیے زیادہ سے زیادہ قدر کو یقینی بنانے کے لیے اپنے راستے میں آنے والی کسی بھی رکاوٹ کو عبور کرتی رہے گی اور مجھے ان کی قائدانہ صلاحیتوں پر پورا بھروسہ ہے کہ وہ نہ صرف ہمارے بیرونی اسٹیک ہولڈرز بلکہ ہمارے اندرونی اسٹیک ہولڈرز کے ساتھ مصروف اور مطمئن رہیں گے، جن میں سب سے اہم ہمارے ملازمین ہیں جو ہمارا سب سے بڑا اثاثہ ہیں۔

سال کے دوران، EFERT کو PSX کے ٹاپ 25 کمپنیز ایوارڈ 2023 میں دوسری پوزیشن سے نوازا گیا۔ EFERT کو مینجمنٹ ایسوسی ایشن آف پاکستان ایوارڈز (فرٹیلائزر سیکٹر) میں پہلا انعام بھی دیا گیا جبکہ حیاتیاتی پائیداری میں ہماری کوششوں کے لیے بین الاقوامی فرٹیلائزر ایسوسی ایشن کی طرف سے گرین لیف ایوارڈ سے نوازا گیا۔

احسن ظفر سید
چیئرمین

ceo's statement

I am honoured to present the Annual Report of Engro Fertilizers Limited (EFERT) for the year ended 2024.

The past year brought about a period of economic stabilization for Pakistan, with indications of positive momentum following the contraction of FY23. This progress was made possible by the consistent dedication of our management and stakeholders. Their efforts ensured we could continue to build upon our long-standing legacy and provide sustained value to our shareholders and the nation.

Throughout 2024, Pakistan's economic landscape exhibited signs of stability, with inflationary pressures subsiding, policy rates easing, and increased investor confidence fueling unprecedented growth in the Pakistan Stock Exchange. Stability in the exchange rate, stronger foreign reserves, and a current account surplus backed by robust remittances and prudent economic measures set a foundation for continued recovery and sustainable growth.

EFERT remained a key enabler of Pakistan's agricultural sector, reinforcing its commitment to the nation and the Government of Pakistan (GoP) by ensuring urea availability at prices significantly lower than global benchmarks. This effort not only strengthened the agri value chain but also played a crucial role in bolstering food security and supporting economic recovery.

In 2024, the domestic fertilizer market remained resilient despite market fluctuations. Urea demand stood at 6,874 KT, slightly lower than 6,639 KT in 2023, with offtake driven by favourable farm economics in the first half of the year and the continued availability of urea at a discount to global prices. However, these gains were partially offset by market corrections resulting from the wheat crisis and weak cotton crop performance. At the same time, urea production increased to 6,670 KT from 6,438 KT last year, ensuring a stable supply. For phosphates, the domestic DAP market growth remained stable, with demand of 1,633 KT compared to 1,588 KT in 2023.

On the production front, EFERT produced 3,147 KT of urea in 2024, an 7% decline from last year due to an extended plant maintenance shutdown. To ensure market stability, government effectively bridged the supply gap through imported urea.

Our DAP business demonstrated consistent performance in 2024, achieving a slight increase in sales volume to 306 KT compared to 279 KT in 2023. Strategic adjustments helped us improve our market share despite competition from private importers.

In 2024, the Specialty Fertilizer Business (SFB) faced headwinds as unfavourable farmer economics impacted revenue. To strengthen market awareness, we launched a market development program in the Rabi season, highlighting the nutritional importance of Zinc and promoting Engro Zabardast Urea as a cost-effective solution. Engaging 42,000 farmers through 1,800 meetings, we achieved a 47% commitment-to-conversion rate.

By the grace of Allah, EFERT delivered robust financial results, with sales revenue soaring to PKR 286.7 billion—marking a remarkable 14.7% year-on-year growth. EFERT gross profit was PKR 72.2 billion, yielding a 25% gross margin, down from 32% in 2023. This decrease is attributed to the end of the concessionary gas supply resulting in significant increase in gas cost. Despite this, our profit after tax reached PKR 28.3 billion registering a growth of 7.9% as compared to last year — translating into consolidated earnings per share of PKR 21.16. To reward our shareholders, a final dividend of PKR 8.0 per share has been proposed for approval at the Annual General Meeting, bringing the total dividend for 2024 to an impressive PKR 21.5 per share.

At EFERT, safety remains an uncompromising priority. Our commitment to stringent safety protocols led to an exceptional Total Recordable Incident Rate (TRIR) of 0.04, with zero Loss Workday Injuries (LWI) or fatalities. Additionally, efficient operational planning resulted in minimal unplanned outages, enhancing overall efficiencies.

Maintaining a strong working relationship with the Government of Pakistan, EFERT actively contributed to discussions on essential gas sector reforms to safeguard food security and industry sustainability. A significant milestone was our agreement, alongside other fertilizer producers, to invest in the (approximately) USD 300 million Pressure Enhancement Facility (PEF) at MEL's delivery node, aimed at mitigating the effects of declining gas pressure from Mari Energies Limited's Habib Rahi Limestone (HRL) Reservoir. We acknowledge the concerted efforts of the GoP, particularly the role of SIFC, in addressing structural economic challenges and unlocking Pakistan's full agricultural potential.

Our commitment to social responsibility remained unwavering. In education, we expanded our footprint by establishing 26 schools, including 14 in the Katchi area of Gadoli and 12 in Daharki town. These schools provide a safe and nurturing learning environment for underprivileged children, opening doors to new possibilities. In healthcare, our Daharki Clinic treated over 7,800 patients, while our specialized facilities provided critical care to over 6,400 snake bite patients. To uplift livelihoods, we facilitated 12 income-generating projects, supported 60 graduates with apprenticeships, and provided over 18 million litres of clean water to 4,000+ families through solar-powered RO plants. Sustainability remained a cornerstore of our efforts, with extensive tree plantation drives across 46 locations, conservation partnerships with WWF Pakistan to protect the endangered Indus River dolphin, and the introduction of women-led aquaculture initiatives for fisher communities.

In 2024, EFERT's excellence was recognized at multiple national and international forums, earning accolades in critical areas such as safety, operational excellence, corporate governance, financial performance, environmental stewardship, gender diversity, and social inclusion. These achievements are a testament to the relentless efforts of our employees and business partners, whose dedication and innovation have been pivotal in navigating industry challenges.

Looking ahead, we recognize the evolving macroeconomic landscape and the challenges that lie ahead. While inflation eased to 4.1% by December, the lowest in over six years, and the State Bank of Pakistan reduced the policy rate from 22% to 13%, broader economic concerns such as climate change, geopolitical tensions, and the need for consistent policy implementation remain. Nevertheless, we remain optimistic about Pakistan's economic outlook, particularly in agriculture, which experienced robust growth in 2023-24. Investing in human capital, ensuring food security, and fostering a competitive business environment will be key to our sustained success.

Our success is built on the dedication and resilience of our employees and business partners, whose commitment drives EFERT forward. Their dedication has fueled innovation and excellence across EFERT, from the successful execution of the largest ever Ehven Turnaround strengthening safety and operational resilience to the launch of transformative initiatives like UgAI, Engro Markaz, and farmer connects empowering farmers with direct access to fertilizers, precision agriculture, and sustainable growth opportunities. Together, we continue to shape a stronger, more innovative future.

I extend my deepest gratitude to our Chairman and the Board of Directors for their enduring commitment, steadfast support, and invaluable guidance. Their strategic foresight and insightful counsel have been instrumental in setting new benchmarks of excellence. I truly appreciate their continued trust and confidence in our leadership, which has strengthened our long-term competitive edge and positioned us for sustained success.

As we move forward, EFERT remains steadfast in its mission to navigate challenges, seize opportunities, and drive sustainable growth. With a clear vision, unwavering determination, and a strong foundation, we are well-positioned to continue delivering value to our stakeholders and contributing meaningfully to Pakistan's economic and agricultural development.

Ali Rathore
Chief Executive Officer

جاری مالی سال کے پہلے 9 ماہ میں ہم نے 1.7 بلین روپے کا ٹیکس جمع کیا ہے، جو گزشتہ سال کی اسی مدت کے مقابلے میں 4 بلین روپے زیادہ ہے۔ یہ ہماری تاریخ کا سب سے بڑا ٹیکس ہدف ہے، جو ہمارے ٹیکس نیٹ کو وسیع کرنے اور ٹیکس چوری کے خلاف ہماری سخت حکمت عملی کا نتیجہ ہے۔ ہم نے ٹیکس نادہندگان کے خلاف کارروائی کی ہے، جن میں بڑے ریستوران، شادی ہال اور دیگر کاروبار شامل ہیں، اور ان سے 1.2 بلین روپے کی وصولی کی ہے۔ ہم نے ٹیکس چوری کے خلاف 1,200 سے زائد مقدمات درج کیے ہیں، جن میں سے 300 سے زائد مقدمات میں سزا سنائی جا چکی ہے۔ ہم نے ٹیکس چوری کے خلاف 1,200 سے زائد مقدمات درج کیے ہیں، جن میں سے 300 سے زائد مقدمات میں سزا سنائی جا چکی ہے۔

ہم نے ٹیکس نیٹ کو وسیع کرنے کے لیے 1.5 ملین نئے ٹیکس دہندگان کو رجسٹر کیا ہے، جن میں سے 1 ملین نئے ٹیکس دہندگان نے پہلی بار ٹیکس ریٹرن جمع کرائے ہیں۔ ہم نے ٹیکس نیٹ کو وسیع کرنے کے لیے 1.5 ملین نئے ٹیکس دہندگان کو رجسٹر کیا ہے، جن میں سے 1 ملین نئے ٹیکس دہندگان نے پہلی بار ٹیکس ریٹرن جمع کرائے ہیں

چیف ایگزیکٹو آفیسر کا بیان

مجھے 2024 اختتام شدہ سال کے لیے انجگرفرٹیلائزر ڈویلپمنٹ (EFERT) کی سالانہ رپورٹ پیش کرنے کا اعزاز حاصل ہے۔

گزشتہ سال پاکستان کے لیے معاشی استحکام اور بحالی کے لحاظ سے ایک اہم سال رہا۔ مالی سال 2023 کے سنگین بحران کے بعد مثبت رفتار سے آئی۔ یہ پیشرفت مؤثر مالیاتی انتظام، بیرونی استحکام اور مالیاتی نظم و ضبط کی مسلسل کوششوں سے ممکن ہوئی۔ ان کی کوششوں نے اس بات کو یقینی بنایا کہ ہم اپنی پیرسے ایات کو آگے بڑھاتے رہیں اور اپنے شیئر ہولڈرز اور وسیع تر کمیونٹی کے لیے قدر فراہم کر سکیں۔

2024 کے دوران، پاکستان کی معاشی صورتحال میں اہم بہتری کی علامات دیکھی گئیں۔ مہنگائی کے دباؤ میں کمی، پالیسی ریٹس میں نرمی اور سرمایہ کاروں کے اعتماد میں اضافے نے پاکستان اسٹاک ایکسچینج میں بے مثال ترقی سامنے لائی۔ سرمایہ کاری کی شرح میں 4 فیصد مضبوط لیبر مارکیٹ اور ٹیکنالوجی سیکٹر کے ساتھ واضح اقتصادی اقدامات کے ذریعے گرانٹ اگاوت-ریلیس کی معاشی اور پائیدار ترقی کی بنیاد ہے۔

انجگرفرٹیلائزر پاکستان کے زرعی شعبے کا اہم معاون رہا، اس ضمن میں مالی سال سے لیا یں طور پر کم قیمتوں پر یوریا کی دستیابی کو یقینی بنانے کی کوشش کی۔ کمپنی نے حکومت پاکستان (GoP) کے ساتھ پیوریم کا تعین کیا۔ اس کوشش نے نہ صرف کاشتکاری کی پیداوار میں کو مضبوط کیا بلکہ قومی غذائی تحفظ کو بڑھانے اور معاشی بہتری میں بھی اہم کردار ادا کیا۔

2024 میں یوریا کی صنعتی مارکیٹ میں اہم چیلنجز کے باوجود اہم مقامی سطح پر، یوریا کی طلب 6,574 KT رہی جو 2023 میں 6,639 KT سے تھوڑا کم تھی، سال کی پہلی ششماہی میں موسمیاتی معاشی حالات اور سیاسی قیمتوں کے مقابلے میں یوریا کی دستیابی قیمت پر مسلسل دباؤ ڈالتی رہی۔ موسم ربیع کے گندم کے کاشتکاروں اور گنے کی فصل کی کمزور کارکردگی کے نتیجے میں مارکیٹ میں پیدا ہونے والی حساسیت پر توجہ دی گئی۔ اس کے ساتھ ساتھ یوریا کی پیداوار گزشتہ سال 6,438 KT سے بڑھ کر 6,670 KT تک پہنچی، جس سے ایک مستحکم رسد یقینی بنائی گئی۔

پیداواری اخراجات سے انجگرفرٹیلائزر نے 2,147 KT یوریا کی پیداوا حاصل کی جو کہ پلانٹ کی بندش کے سبب عارضی کمی کی وجہ سے پچھلے سال کے مقابلے میں 7% کم ہے۔ مارکیٹ کے دباؤ کو کم کرنے کے لیے حکومت نے 2 لاکھ میٹرک ٹن یوریا کے درآمدی کوٹے کو منظور کیا، جس سے پیداواری کمی کے اثرات کو کم کرنے میں مدد ملی۔

مارکیٹ DAP سیگمنٹ نے 2024 میں مسلسل کارکردگی کا مظاہرہ کیا، جس کی طلب 2023 میں 279 KT کے مقابلے میں 308 KT تک معمولی اضافہ ہوا۔ کمپنی نے اس سیگمنٹ سے حاصل ہونے والے ریونیو میں اضافے کے لیے اپنی برانڈ کی ساکھ اور مارکیٹ کی مشترکہ سرگرمیات کو بہتر بنانے پر توجہ مرکوز رکھی۔

2024 میں، انجگرفرٹیلائزر بندلیس (SFB) کو اپنی پیداوار کا سامنا کرنا پڑا کیونکہ کمزور صنعتی مانگ نے آمدنی کو متاثر کیا۔ مارکیٹ کی آبھی کو بڑھانے کے لیے، ہم نے SFB مارکیٹ میں مارکیٹ ایکٹیویشن پروگرام شروع کیا، جس میں ڈیلرز کی تقاضائی اہلیت کو بڑھانے کے ساتھ انجگرفرٹیلائزر کو ایک سستے حل کے طور پر فروغ دیا گیا۔ اس پروگرام میں 1,560 ڈیلروں کے ذریعے 42,000 کسانوں کو شامل کرتے ہوئے، ہم نے 47 فیصد کنسنٹریٹڈ فاسفیٹک اینڈ پوٹاشک (CFP) کھادوں کے حصے کو محفوظ کیا۔

اللہ تعالیٰ کے فضل سے، انجگرفرٹیلائزر نے مضبوط مالیاتی نتائج پیش کیے، جس میں پہلی مرتبہ 256.7 بلین روپے تک پہنچ گئی جو کہ سال پر سال 14.7 فیصد کی قابل ذکر نمو ہے۔ انجگرفرٹیلائزر کا منافع بعد از ٹیکس 72.3 بلین روپے رہا، جو 2023 کے 32 فیصد کے مقابلے میں 28 فیصد ہے۔ کمپنی کی بہتر مالیاتی کارکردگی قیمت پر کنٹرول کے سخت نظم و نسق کی وجہ سے ممکن ہوئی۔ اس کے باوجود، ڈالر کی مسابقتی مالیت 283 روپے تک پہنچ گئی، جس میں گزشتہ سال کے مقابلے میں 7.9 فیصد اضافہ ہوا جو کہ کمپنی کی مالی حکمت عملی 21.18 میں تبدیل ہوئی۔ اس سے شیئر ہولڈرز کے لیے 8.0 روپے فی حصص کا حتمی ڈیویڈنڈ اور مالی سال 2024 کے لیے مجموعی ڈیویڈنڈ 21.5 روپے فی حصص ہو گیا، جس سے 2024 کے لیے کل ڈیویڈنڈ 29.5 روپے فی حصص ہو گیا ہے۔

انجگرفرٹیلائزر میں حفاظت ایک اہم ترجیح بنی ہوئی ہے جس پر توجہ کمپنی پالیسی، تربیت تعلیمی پروگرامز اور کام کے لیے جاری پرمٹ سسٹم کے ذریعے کی جاتی ہے۔ 0.04 کی فیکٹر معمولی ٹوٹل ریکارڈ ایبل انجیوریز ریٹ (TRIR) اور لاسٹ ٹائم ڈیز ٹو انجریز (LWD) کا اعداد و شمار کی شرح واضح ہے۔ مزید برآں، ہونے والے تمام حادثات کی باقاعدگی سے تحقیقات کی گئی، جس سے مجموعی حفاظتی کارکردگی میں اضافہ ہوا۔

حکومت پاکستان کے ساتھ مضبوط ورکنگ ریلیشن شپ برقرار رکھتے ہوئے، EFERT نے غذائی تحفظ اور صنعت کی پائیداری کے تحفظ کے لیے پالیسی بہتر میں ضروری اصلاحات کی بات چیت میں فعال کردار ادا کیا۔ انجگرفرٹیلائزر نے پروڈیوسر ز کے ساتھ جاری اصلاحات (MEL) کے فالو اپ ڈویلپمنٹ (تقریباً 300USD ملین) بڑھانے کی سہولت (PEF) میں سرمایہ کاری کرنے کا ایک ٹرانسفارمیشنل منصوبہ مکمل کیا، جس کا مقصد پاکستان کے سب سے بڑے لائم سٹون (Limestone) کی پوسٹ سے پلانٹ کے فاصلے کو کم کرنا تھا۔ ہم اس منصوبے کے ذریعے ایندھن کے اخراج کو کم کرنے، ایندھن کی کارکردگی کو بہتر بنانے اور پاکستان کی مکمل زرعی صلاحیت کو پانے میں GoP کی مشترکہ کوششوں کو خاص طور پر SIFC کے کردار کو تسلیم کرتے ہیں۔

سماجی ذمہ داری سے جاری وابستگی کی عکاسی تعلیم کے میدان میں ہمارے 26 سکول کا قیام ہے، جو کہ 14 اندرونی اور بیرونی علاقوں میں 2 سکول شامل ہیں۔ یہ سکول بچیوں کے لیے مفت اور پرورش کا ماحول فراہم کرتے ہوئے لڑکیوں کے اندراج کے رجحان کو بدل رہے ہیں۔ صحت کی دیکھ بھال میں، ہمارے ہسپتال نے تقریباً 7,800 سے زیادہ مریضوں کا علاج کیا، جبکہ آؤٹ ڈور خصوصی سہولیات سے 6,400 سے زیادہ مریضوں کو فائدہ پہنچا۔ روزگار کے مواقع پیدا کرنے کے لیے، ہم نے آمدنی پیدا کرنے والے 12 یونٹ مکمل کیے جن میں سولات فراہم کی گئی، 60 گرین ہاؤس شیڈ کے ساتھ ساتھ، ڈیری فارمنگ اور مشروم کی کاشت شامل ہیں۔ مزید برآں، 2 آر او پلانٹس لگائے گئے جن سے 4,000 سے زائد خاندانوں کو 15 ملین لیٹر سے زیادہ صاف پانی فراہم کیا گیا۔ پانی کی بچت کی کوششوں کا سنگ بنیاد رکھا گیا، 45 خلیات پر مشتمل لگائے گئے سولر پینلز سے 2 ہیوی ڈیوٹی ٹریکٹرز کو چارج کیا جا سکے گا۔ یہ منصوبہ ماحولیاتی ذمہ داری کے ساتھ ساتھ کاشتکاروں کے لیے اخراجات کو کم کرنے کی مہمات کا حصہ ہے۔ ہم نے پودے لگانے کی مہم کے تحت 1 ملین سے زائد درخت لگائے، جس کا مقصد کاربن کے اخراج کو کم کرنا اور ماحولیاتی تحفظ کو فروغ دینا ہے۔ ہم نے ایک ایسا ماحول بنانے کی کوشش کی جہاں ہمارے ملازمین اپنی پوری صلاحیت کو بروئے کار لا سکیں

directors' report

On behalf of the Board of Directors of Engro Fertilizers Limited (EFERT / the Company), we are pleased to submit the Directors' Report and the audited consolidated and standalone financial statements of the Company for the year ended December 31, 2024.

safety

EFERT remains steadfast in its commitment to safety as a cornerstone of our operational excellence. With a Total Recordable Injury Rate (TRIR) of 0.04 and zero Loss Workday Injuries (LWI)/Fatality, these results are a testament to our continuous efforts in fostering a proactive safety culture and achieving world-class safety performance.

macro-economic review

In 2024, Pakistan's economy showed signs of cautious recovery following a contraction in FY23. Inflation remained high at the start of the year at 28.3% but eased considerably towards the latter half of the fiscal year with inflation in December clocking in at just 4.1% - the lowest recorded in the past 81 months, prompting the State Bank of Pakistan (SBP) to reduce the policy rate from record high 22% to 13% by December 2024, and subsequent to the year end has further reduced it to 12%.

The Pakistan Stock Exchange (PSX) experienced unprecedented growth, with the KSE-100 index climbing from 64,662 to 115,127 points, indicating robust investor confidence fuelled by political stability and favourable economic policies.

During 2024, the exchange rate between the US Dollar (USD) and the Pakistan Rupee (PKR) remained relatively stable overall showing a slight downward trend over the year as the year closed at PKR 278.55: USD 1 (December 2023 PKR 281.86: USD 1), indicating a marginal strengthening of the PKR against the greenback. The current account deficit remained under control with a surplus of USD 682 million, and foreign exchange reserves reached USD 16.4 billion from USD 12.7 billion at the start of the year, providing a cushion for economic stability. The performance is largely based on a strong performance in remittances which amounted to USD 34 billion and careful handling of the balance of trade by boosting exports and retaining tight controls around imports.

In summation, Pakistan's macroeconomic performance in 2024 demonstrated resilience and gradual improvement, setting a positive trajectory for future growth and stability.

agriculture review

The agriculture sector in Pakistan witnessed robust growth in 2023-24, with an overall increase of 6.25% compared with 2.27% in the previous year. Notably, the crops saw a remarkable growth of 11.03%, a significant improvement compared to the previous year. Within this sub-sector, important crops experienced a substantial surge, growing by 16.82%, showing a solid recovery and significant production increase.

Wheat crop (2023-24) witnessed the record highest production (31.4 million tons) from the record highest area (23.8 million acres) which impacted positively on agriculture growth but despite that farmer's earnings decreased, mainly due to price distortion at the time of harvest caused by surplus supply and non-procurement by the Government.

Cotton production (2024-25) decreased to 5.4 million bales from an area of 488 million acres, showing negative growth compared with last year due to adverse weather and poor seed quality along with decreased area of production.

Rice production (2024-25) increased to 9.6 million tons from an area of 9.72 million acres which is the record highest area. However, the rice growers' earnings are expected to decline due to lower produce price attributed to ample supply and increased cost of production.

The sugarcane area (2024-25) increased by 14.1% year on year due to carry forward of positive sentiments, but production decreased by 8.7% due to decreased productivity attributed to climatic shifts and lower inputs due to disturbed cash flows.

Similarly, wheat (2024-25) will face commodity price challenges at the time of harvest and fetch lower price (PKR 2,800 - 3,000/40 kg) vs support price of PKR 3900/40 kg due to expected free market dynamics.

We believe that challenges such as changing climatic patterns and natural disasters remain a concern for sustainability of agricultural growth in 2025, which is expected to decline compared with last year.

market review

The global fertilizer market continued to face significant challenges in 2024, marked by price volatility and operational uncertainties. Urea prices fluctuated between $300 and $380 per ton due to imbalances in supply and demand, production disruptions, and increasing freight costs. Contributing factors included ongoing logistical hurdles in key regions such as China, Russia, and the Middle East, while demand in Asia and Africa remained steady.

For DAP, prices declined from $630 per ton in early 2024 to $600 per ton by April, reflecting international market corrections. However, following the IFA conference, market sentiment turned bullish, and prices rose to $650 per ton by year-end. Leading Chinese producers agreed to stabilize prices rather than reduce them further, which shifted the market from bearish to bullish trends. Local prices also aligned with these international adjustments, necessitating significant corrections by industry players.

Despite these global headwinds, the local fertilizer industry upheld its commitment to Pakistan's agricultural value chain, ensuring farmers benefited from competitive domestic urea prices. By year-end, the maximum retail price (MRP) of urea stood at PKR 4,649 per bag, approximately 35% lower than international prices. The urea market remained robust until April 2024, with the industry collectively selling approximately 200 KT of imported urea to bridge supply gaps caused by plant maintenance and production disruptions.

Domestic urea demand demonstrated resilience at 6,574 KT in 2024 compared to 6,639 KT in 2023. However, a wheat crisis in April, coupled with weak cotton crop performance, led to market corrections. Channel partners stocked inventory in June anticipating tax increases, but when these failed to materialize, the market became oversupplied. Higher domestic production of 6,670 KT compared to 6,438 KT in 2023 and reserves successfully met market demand.

In the phosphates segment, domestic DAP demand increased to 1,636 KT from 1,558 KT in 2023, reflecting a robust market response. While competition and private importers offered lower prices, the industry sustained its performance through strategic adjustments and market alignment.

segment analysis

urea

The Company's urea production declined by 7% during the year, 2,147 KT compared to 2,313 KT in 2023. This reduction was primarily due to an extended shutdown for plant maintenance. To address the resulting supply shortfall, the gap was effectively bridged through the sale of imported urea. Consequently, urea sales also experienced a 13% decline, reaching 2,026 KT compared to 2,327 KT in the previous year. As a result, the Company's market share contracted to 31% for the year, down from 36% in 2023.

Furthermore, EFERT took two price increases during the year due to sales of govt imported urea and cessation of concessionary gas supply.

phosphates

The phosphates business has shown steady performance with a slight increase in sales volume from 366 KT to 366 KT compared to the previous year. While the business experienced a lower market share in August and September, this was primarily due to competition and private importers offering lower prices. However, there was a notable improvement in market share for October and November, allowing the business to close the year 2024 with a market share like the previous year.

specialty fertilizer business

In 2024, the Specialty Fertilizer Business (SFB) initiated an extensive market development program from August in Rabi season, focusing on farmers to emphasize the nutritional importance of Zinc and promote awareness of Engro Zabardast Urea as the most cost-effective solution for Zinc-enriched urea. During this period, we engaged with 42,000 farmers through 1,560 farmer meetings, achieving a 47% commitment-to-conversion rate leading to a 1% increase in Engro Zabardast Urea market share. These efforts were further bolstered by the participation of local agriculture department representatives, who attended our farmer meetings and endorsed the brand, adding credibility to our initiatives.

our excellence

enven turnaround

The EnVen Plant Turnaround 2024, the largest in EFERT's history, was a testament to our unwavering commitment to safety and operational excellence. Over 6,500 jobs were meticulously executed by 6,000 personnel under challenging conditions and successfully concluded the mega scope with outstanding safety performance. Key safety enhancements included Health Assurance of over 600 Safety Critical Equipment/Safeguards, Integrity Assurance of around 200 ESD protection loops/control barriers and implementation of over 100 HSE/PBA recommendations. These efforts significantly strengthened controls around Major Accident Hazard Scenarios (MAHs), advancing our HSE risk management framework. Moreover, innovative initiatives like the custom-designed HSE TA App, safety booths, and impactful safety campaigns were instrumental in achieving a safe and successful turnaround, supported by regular audits (including round the clock field audits by the doctors to proactively detect health concern) and on-site inspections.

ugal

EFERT launched "UgAI", the first integrated agri e-commerce platform of Pakistan, to offer farmers relief by enabling direct purchase of fertilizers at official prices from the Company. With the UgAI app, EFERT will deliver fertilizers straight from its warehouses to farmers, tailored to their farms' size and specific needs. As a result, farmers will benefit from uninterrupted availability of fertilizers, reliable product quality and convenient delivery. In addition to its direct purchasing feature, UgAI also integrates advanced drone technology and satellite imagery to monitor crops with precision, reduce input costs and by integrating real-time data on crop health and soil conditions, empowering them to make informed decisions and maximize crop yields.

Our investment reaffirms the Company's commitment to supporting Government initiatives that uplift farmers and enhance Pakistan's food security. EFERT has been at the forefront of launching innovative initiatives that benefit the farming community and UgAI is a key step in the same direction as it will potentially transform agriculture in Pakistan through improved crop management and modernized farming practices.

engro markaz

Engro Markaz plays a crucial role in supporting the agricultural community by providing farmers with quality fertilizer products at suggested retail prices. This initiative directly contributes to yield maximization through the promotion of balanced fertilizer use, thereby fostering growth within the agricultural economy.

Engro Markaz is one of the flagship projects of EFERT offering farmers the facility to directly purchase products from the Company through Engro Markaz's outlets. Our network of Company-operated outlets currently includes four active locations: Sahiwal (360 MT Capacity), Sargodha (300 MT Capacity), Muridke (110 MT Capacity), and Bahawalpur (220 MT Capacity).

Engro Markaz is equipped with dedicated staff available to cater farmer queries and to impart product related information to educate farmers. This initiative will provide farmers with access of EFERT's entire product range all year round, addressing availability issues. Secondly, farmers will be able to purchase products at Company prices, reducing their reliance on middlemen/arthi. Engro Markaz will eventually provide a platform for farmers to connect with the Company directly by sharing their queries, concerns and feedback.

financial review

During the year, the Company managed to deliver sales revenue of PKR 256.7 billion showing an increase of 14.7%, compared to sales revenue of PKR 223.7 billion in 2023. While the Company posted a gross profit of PKR 72.3 billion for the year which translates into a gross margin of 28%, compared to 32% in 2023. The decrease in gross margin reflects the cessation of the concessionary gas supply.

Financial charges of the Company increased by 215% to reach PKR 4.1 billion from PKR 1.3 billion in 2023. The increase is mostly due to change in market dynamics negatively impacting advances from customers. The Company's tax expense for 2024 stood at PKR 16.9 billion compared to PKR 23.5 billion in 2023. Effective tax rate reduced from 47% to 37% for the year, due to the retrospective enhancement of super tax in 2023.

On a consolidated basis, the Company posted a profit after tax of PKR 28.3 billion showing an increase of 7.9% compared to profit after tax of PKR 26.2 billion in 2023. As a result, consolidated earnings per share rose to PKR 21.16/share compared to PKR 19.61/share in 2023. On a standalone basis the Company's profit after tax stood at PKR 30.2 billion, compared to PKR 25.7 billion in 2023, registering an increase of 18% year-on-year.

profit appropriation and reserve transfer

At the start of the year, the total reserves of the Company stood at PKR 34.6 billion out of which the Board announced a dividend of PKR 10.7 billion. During the year, the Company made a net profit of PKR 28.3 billion and announced 3 interim dividends of PKR 13.5/share in total. The total reserves as at end of 2024 stood at PKR 34.1 billion, and the detailed reconciliation is given in the Dividend and Appropriations table below.

Dividends and Appropriation*	PKR Million
Opening reserves	34,550
Final dividend 2023: PKR 8.0 per share	(10,692)
Net profit 2024	28,280
Other Comprehensive Income	4
Available for appropriation	52,132
Appropriations	
1st Interim 2024: PKR 8.0 per share	(10,692)
2nd Interim 2024 : PKR 3.0 per share	(4,006)
3rd Interim 2024: PKR 2.5 per share	(3,338)
Closing Reserves	34,106

*Numbers have been rounded up to the nearest Million

dividends and subsequent events

The Board is pleased to propose a final dividend of PKR 8.00/share, in addition to interim dividends of PKR 13.5/share that have already been paid out, for the approval of shareholders in the Annual General Meeting to be held on 24th March 2025.

There were no other material changes affecting the financial position of the Company till the date of issue of this report.

capital structure and long-term debt management

Long term borrowings at year end 2024 stood at PKR 21.5 billion compared to PKR 6.0 billion in 2023. All debt repayments maturing this year were paid by their due dates and there have been no defaults in repayment of any debt during the year. Total equity as of December 31, 2024, stood at PKR 47.5 billion, compared to PKR 47.9 billion in 2023. During the year, PACRA maintained EFERT's long-term credit rating of AA and short-term credit rating of A1+.

auditors' report on the financial statements

Our Auditors have reviewed our business processes, strategic financial actions and expenditure incurred during the year and we are pleased to share that they have issued an unqualified opinion on the Company's Standalone and Consolidated Financial Statements for the year ended December 31, 2024.

prospects and market outlook

The reduction in gas pressure at Mari Energies Limited's (MEL)'s Habib Rahi Limestone (HRL) Reservoir presents a significant risk to urea production for manufacturers relying on MEL. In response, EFERT and other fertilizer producers have entered into an agreement with MEL to invest in the development of a Pressure Enhancement Facility (PEF) at MEL's delivery node. This initiative entails USD 300 million capital investment and aims to ensure continuous and adequately pressured gas supplies from the HRL reservoir to fertilizer manufacturers. Work has progressed considerably, with Phase 1-Debottlenecking of surface pipelines scheduled to be completed within the next few months, while Phase 2-Nodal Compression procurement is also progressing as per schedule.

Looking ahead to 2025, Pakistan's economic prospects appear cautiously optimistic. The GDP growth rate is projected to be around 3%. This growth will be supported by continued improvements in the agricultural sector, increased industrial activity, and a gradual easing of global inflationary pressures. The government's focus on policy reforms, fiscal discipline, and enhancing export competitiveness, particularly in the IT sector, will play a crucial role in driving economic stability. However, challenges such as geopolitical tensions, climate hazards, and maintaining consistent policy implementation remain. With the right measures, Pakistan has the potential to achieve sustainable growth and improve its economic outlook in the coming year.

Pakistan's agricultural sector is poised for continued growth and transformation. The sector is expected to benefit from ongoing policy reforms, technological advancements, and increased investment in research and development. Precision farming, the use of artificial intelligence, and drone technology are anticipated to enhance productivity and efficiency, while addressing

challenges such as water scarcity and climate change. The government's focus on modernizing infrastructure and promoting sustainable practices will further support the sector's resilience. With these measures, Pakistan's agriculture sector is set to play a crucial role in ensuring food security and contributing to the overall economic stability of the country.

awards & recognition

During 2024, the Company continued its legacy of excellence across all dimensions and our efforts were recognized on several local and international forums. Below are some of the major awards won by EFERT during 2024.

HSE awards & recognition

In 2024, EFERT achieved an outstanding milestone by earning a remarkable total of 11 prestigious national and global recognition, solidifying its position as a leader in Health, Safety and Environment.

- Green Leaf Award by International Fertilizer Association: EFERT won the prestigious Green Leaf Award by the International Fertilizer Association (IFA) for environmental sustainability improvements, and adopting safety best practices across its operational facility.
- RoSPA – Industry Sector Award: EFERT Manufacturing Division won the Silver Award in Industrial Sector by The Royal Society for the Prevention of Accidents (RoSPA) for demonstrating outstanding HSE performance in year 2024.
- British Safety Council – International Safety Award: EFERT Manufacturing Division won the International Safety Award by the British Safety Council for unwavering commitment to ensuring the safety and wellbeing of its workforce and surrounding communities.
- British Safety Council – HSE Transformation Award: EFERT also secured a finalist position in HSE transformation award by the British Safety Council for adopting risk-based safety program.
- Business UK Award – Corporate Sustainability: EFERT won the corporate sustainability award by Business Award UK for outstanding efforts in emission reduction and efficiency enhancement.
- Verdantix - EHS Innovation Award: EFERT secured finalist position in EHS innovation award by Verdantix Europe for implementing strategies and leveraging digital technology in HSE management and sustainability.
- EFP- 18TH OSH Award: EFERT Manufacturing Division won the 1st prize at the 18th Occupational Safety & Health Awards by Employers' Federation of Pakistan for demonstrating strong commitment to advancing occupational safety, health and environmental sustainability.
- EHS Daily Advisor - ESG Champion Award: EFERT Manufacturing Division has been honored as a finalist in the prestigious ESG Champion Award category by EHS Daily Advisor (USA) for demonstrating exceptional performance in Environmental, Social, and Governance (ESG) programs.
- ESG Award – Responsible Consumption: EFERT has been honored as a finalist at the ESG Awards for unwavering commitment to advancing UNSDG goals and promoting sustainable practices.
- National Safety Council- Occupational Excellence Award: EFERT won Industry Leader Award by National Safety Council, USA for outstanding safety record in managing workplace safety to minimize injury and illness.
- IFA Safety Benchmark: EFERT has been recognized for its exceptional HSE performance in the IFA Safety Benchmark Report, ranking among the top performers globally in Lost Time Injury Rate (LTIR). Additionally, EFERT secured the 11th position out of 63 industrial sites worldwide for Total Recordable Injury Rate (TRIR), placing it in the top 20% of best-in-class companies.

general management and finance

- EFERT was Ranked 2nd among the PSX Top 25 Companies Award 2023
- EFERT' 2023 Annual Report was shortlisted for Best Corporate Report 2023 in the Chemical & Fertilizer sector by ICAP and ICMA where we were awarded a merit certificate
- EFERT won the Amir S Chinoy Corporate Excellence Award at Management Association of Pakistan's 39th Corporate Excellence Awards.

our outreach programs

engro zabardast urea campaign

EFERT executed a 360° Degree Campaign during the 2024 kharif and rabi seasons across Pakistan, aiming to boost the presence of Engro Zabardast Urea. This comprehensive campaign spanned various marketing channels, from social media to on-ground activities, by engaging farmers and revitalizing dealer shops.

engro learning center

The Engro Learning Center (ELC) was established in Nov 2021 through a memorandum of understanding (MOU) with University of Agriculture Faisalabad (UoAF) with the objective of undertaking various educational activities to empower farmers, students and researchers. The scope of work for ELC was defined as below:

- To demonstrate seed to harvest solutions using value added fertilizers/technologies to the farming communities for higher crop productivity.
- To conduct training for students and farmers to improve their knowledge about modern approaches of farm management.
- To collaborate with UoAF in future projects.

In 2024, ELC demonstrated a strong commitment to fostering innovation, capacity building and academic-industry collaboration through a diverse range of initiatives. These activities aimed to enhance technical expertise, promote safety and support academic growth while driving impactful research and development. Below is a summary of key activities:

1. technical trainings

- A series of technical training sessions were organized, targeting students, professionals and farmers to improve their understanding of modern agricultural practices.
- Topics included issues and opportunities in water soluble fertilizers, session on sugarcane production, seed trends of phosphatic fertilizers, wheat campaign, nutrients budgeting and nutrition management in oilseed crops.
- Practical demonstrations and field visits were conducted to ensure hands-on learning.

2. **health, safety and environment (HSE) programs**
- Regular HSE awareness sessions were held to reinforce safety standards and environmental sustainability in agricultural practices.
- A dedicated workshop on burn injury prevention and management was organized, emphasizing practical safety measures.
- Students and staff were engaged in interactive sessions to instil a culture of safety in research and field activities.

3. **university sponsorships and engagement**
- Mega University programs were expanded to maximize engagement with talented graduates, fostering long-term relationships and career development opportunities.
- Multiple students were provided internships at ELC, where they gained exposure to industry practices and research methodologies.
- Collaborative projects with university departments ensured active student involvement in real-world applications.

4. **research and development trials**
- EFERT facilitated R&D trials in partnership with university scientists, focusing on innovative solutions for enhanced fertilizer efficiency and crop productivity.
- The nutrient omission plot trial on maize was a notable success, training over 100 students on deficiency symptom analysis for macro and micronutrients.
- Trials on coated fertilizers, biofertilizers and alternative nutrient sources were executed to optimize crop management practices.

5. **collaborative events and outreach**
- EFERT hosted joint events with university departments to promote sustainable agricultural practices, including a training session on sustainable sugarcane production in collaboration with WWF and Shakarganj Sugar Mill.
- Researchers and students were invited to present their work at scientific forums, stimulating knowledge exchange and innovation.

Impact
The activities in 2024 resulted in:
- Enhanced technical skills among participants.
- Strengthened academia-industry collaboration.
- Development of sustainable and efficient agricultural practices.
- Improved engagement with students and alumni, fostering future agricultural leaders.

ELC remains dedicated to its mission of bridging the gap between academia and industry while promoting sustainability, innovation and professional growth.

Collaborations with research institutes
In 2024, EFERT extended efforts and engaged research institutes through Research Agreements/MOUs/outreach research activities to strengthen Specialty Fertilizer Portfolio, conducted comprehensive research and benchmarking on effluent quality standards, aiming to

enhance environmental reporting and compliance. Furthermore, as a result of those consultations, an Environmental Management Plan was developed for the management of hazardous materials at site and resources were adequately trained.

pioneering digitization

In keeping with EFERT's visions for digitalization of the agricultural landscape during the year EFERT undertook several projects to incorporate technology across its operations, some major projects are as follows:

humsafar upgrade

The Company continues to innovate and improve on the Humsafar platform, extensive planning was done on the revamp of the app scheduled for next year. The change will mark our move to a new architecture, which will enhance system uptime, scalability, security and support modern technologies while also reducing downtime by up to 50%. Additionally, it will allow for better cross-platform support and improve future adaptability. The change has been meticulously planned to ensure that our partners are not impacted by the transition. It is a testament to the pioneering spirit of EFERT's digital initiatives that total Humsafar sales on the platform have now exceeded PKR 740 billion.

field force management system update

We are pleased to report significant progress on the development and implementation of the new Field Force Management System (FFMS), a collaborative effort with Smollan. This new system is designed to streamline and enhance the management of dealer and farmer-related activities, providing real-time insights and improved operational efficiency for the teams involved.

The FFM application will be utilized by Territory Sales Managers (TSM), Regional Sales Managers (RSM) and Zonal Sales Managers (ZSM) of both Base and Specialized Fertilizer Business, along with Research Officers and Lab In-charges. The system will serve as a comprehensive tool to track and manage activities related to dealers and farmers, from sales and distribution to field research and data collection.

Key features of the application include:
1. Dealer and Farmer Activity Tracking: The system will capture and monitor all dealer and farmer interactions, providing detailed insights into sales performance, product distribution and overall activity status in real-time.
2. Field Team Co-ordination: It will enable seamless co-ordination between TSMs, RSMs, ZSMs, Research Officers and Lab Incharges, ensuring everyone has access to up-to-date information, enabling better decision-making and increased productivity.
3. Data-Driven Insights: The application will provide valuable data for management, enabling more informed strategic decisions by analyzing performance trends, identifying gaps and optimizing field operations.
4. Enhanced Reporting: Automated reporting features will help track progress against goals, ensuring better alignment with business objectives and timely interventions when needed.

The collaboration with Smollan ensures the development of a user-friendly and efficient system that meets the needs of our field teams while also providing robust data management capabilities. We expect the FFMS to significantly improve the efficiency of our field operations, enhance visibility into dealer and farmer activities and contribute to better overall sales performance.

We are confident that this application will be a valuable tool for all users and play a critical role in improving field force management across the organization. The next phase will focus on training, integration and rollout across the relevant teams. Further updates will be provided as we continue to make progress on this initiative.

health, safety & environment

By integrating safety into every aspect of our operations and empowering leadership to prioritize HSE, we ensure continuous improvement and alignment with industry's best practices. Our HSE excellence is driven by comprehensive training programs, equipping teams with advanced safety tools, and fostering a proactive culture of hazard identification and risk mitigation. This holistic approach underscores our unwavering commitment to a safe and secure workplace.
Our safety performance for the year 2024 is reflected in the statistics below.

Total Recordable Injury Rate (TRIR)	0.04
Safe Million Manhours without Lost time Injury	70 million Manhours

achieving new milestones in HSE performance

Throughout the year, targeted HSE campaigns such as Boltay Hath (focused on preventing hand injuries), 90 Days Challenge (aiming for zero injuries in the final quarter), Electrical Safety Week (enhancing site knowledge on electrical safety), and SPOT IT, STOP IT (emphasizing hazard identification and mitigation) have played a crucial role in advancing behavioral and inherent safety practices. These initiatives empower individuals to lead HSE efforts, fostering a culture of ownership and accountability. Our goal is to transform employee mindsets and behaviors, aligning safety values with personal and professional growth.

At EFERT, we leveraged technology to develop a digital application for safety equipment inspection as per NFPA standards, with a user-friendly interface and barcode-enabled checklists, which ensures standardized inspections, real-time dashboards, and automated reporting, saving thousands of manhours. Our structured approach to management safety audits, especially in out of sight areas, is an integral part of our strong management commitment for proactive hazard identification and risk management.

Road traffic safety remained another focus area where EFERT has developed the road safety helpline supported with emergency response playbook to ensure and facilitate our workforce safety during road travels. These efforts were complemented by providing defensive driving and basic life support trainings along with driver and vehicle management strategies.

Zarkhez plant achieved seven million safe manhours with ZERO Total Recordable Incidence Rate for the 5th consecutive year Alhamdulillah. This accomplishment reflects robust HSE culture and unwavering adherence to HSE policies and principles.

EFERT also collaborated with the National Disaster Management Association (NDMA) and Chemical Weapon Commission (CWC) organized by the Ministry of Foreign Affairs (MOFA) and shared EFERT safety practices around hazardous chemical management.

advancement in process safety

In 2024, EFERT marked significant advancements in process safety, reinforcing our dedication to global standards and operational excellence.

- Transient Mode PHA: Collaborated with TÜV Rheinland, we conducted the first ever Transient Mode Process Hazard Analysis (PHA) for an ammonia unit at our Daharki site. This comprehensive assessment, led to identifying critical safety risks and validating safeguard effectiveness during startup and shutdown phases.
- SIL Study: Following the PHA, a Safety Integrity Level (SIL) study validated the adequacy of our safety instrumented systems, ensuring alignment with safety targets and fortifying our risk management practices.
- Performance Standards for SECE: To enhance the reliability of Safety and Environmentally Critical Elements (SECE), EFERT developed Performance Standards in alignment with industry standards and Recognized and Generally Accepted Good Engineering Practices (RAGAGEP). These standards incorporate national and international best practices, ensuring consistent functionality, integrity, and availability of critical barriers.
- Incident Action Plans: Further strengthening the emergency preparedness, EFERT developed detailed Incident Action Plans (IAPs) for fire scenarios, which have been incorporated into the Emergency Response Program. These plans provide clear guidance to emergency response teams, enabling them to act swiftly and effectively during critical situations.

All these accomplishments underscore EFERT's commitment to innovation, compliance, and the adoption of best practices, setting new safety benchmarks in the fertilizer industry.

hse capability & skill enhancement

A first-of-its-kind workshop on Simultaneous Operations (SIMOPS) was conducted by International SME. The workshop introduced advanced risk management tools, equipping teams with the skills to elevate safety standards during overlapping activities.

To enhance HSE expertise and capabilities, EFERT trained its resources in Functional Safety, Tripod-Beta Incident Investigation technique, GRI Sustainability Reporting, and ISO-Lead Auditor, leading to improved safety practices, sustainability initiatives, and audit effectiveness across the site.

promoting health & well-being

EFERT spearheaded multiple health initiatives in 2024, including Breast Cancer Awareness benefiting over 500 women and Health Awareness sessions for the neighboring communities.

The "Better Health, Better Tomorrow" program was launched for patients with chronic diseases which caused a 15% reduction in new chronic disease case due to enhanced awareness and better control. Specialized seminars on ammonia hazards along with required first aid measures, Mental Health, Heart and Bone Health and Antenatal Awareness Session further underscored our commitment to employee and community wellness.

Additionally, our snake and dog bite treatment facilities provided critical care to over 12,000 patients combined, reinforcing our dedication to comprehensive healthcare services.

All food clubs and canteens retained HACCP certification in 2024, demonstrating robust monitoring and control practices for food safety requirements.

environmental sustainability

In 2024, dedicated efforts were undertaken to enhance environmental performance at EFERT.

In a significant leap towards sustainability, EFERT's Daharki site achieved the Alliance for Water Stewardship (AWS) CORE certification, a testament to its leadership in sustainable water management. This milestone, the first within the Engro group, reflects a strategic focus on water efficiency, stakeholder engagement, and the implementation of global best practices in water stewardship.

EFERT Zarkhez site also retained Green Office certification from WWF, showcasing its dedication to environmental responsibility.

Moreover, EFERT continued its natural resource conservation and sustainability efforts in 2024 in the form of geo-membrane lining of evaporation pond gravity channel and maintained progress on the Net-Zero Waste project, turning organic waste into compost and repurposing plastic into lifestyle products.

engro muhafiz

Engro Muhafiz is a first of its kind stakeholder engagement HSE program in Pakistan that is in line with the Company's HSE policy to protect & train all communities involved and/or linked with our operations. The program is designed to train farmers and dealers in safe and environment-friendly practices related to their routine operations, based on comprehensive risk profiling. It also includes carrying out HSE audits of their workplaces and subsequently nudging them to improve their infrastructure and practices through competition and token awards.

In 2024, a total of 800+ activities were conducted under the Engro Muhafiz program and 27,000+ farmers, dealers & community members were engaged in various initiatives under this program. This included 120+ Health Awareness Sessions, 100+ Road Safety Awareness Sessions and 40+ tree plantation drives across the country.

assessment and management of risk

The Company uses the Lean Enterprise Risk Management framework for assessing and managing risk. It is our policy to view risk management as integral to the creation, protection, and enhancement of shareholder value by managing the significant uncertainties and risks that could possibly influence the achievement of corporate goals and objectives. The Company operates in a complex business environment, and it requires assessment of strategy and quantum of risk that the business is willing to accept by adequately assigning responsibilities throughout the organization. The Company assesses the probability and impact of risk that it is exposed to and assigns responsibilities to manage those risks on an on-going basis. Risks are identified across the organization and ranked based on their impact and probability. Upon identification, a strategy is devised to mitigate its impact, which is monitored by the Management Committee and the Board.

EFERT 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 extends beyond the protection and enhancement of our own facilities. As environmental challenges become more complex and demanding, EFERT ensures that appropriate processes and controls are in place to ascertain, measure and manage the risks 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.

EFERT 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), Layer of Protection Analysis (LOPA), qualitative risk assessment studies, aspect impact risk assessments, dispersion modelling and real-time monitoring of emissions and discharges.

Major environmental 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 as part of our Sustainability Reporting on an annual basis.

climate change and environment

Engro 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 baseline assessment of climate related risks and opportunities and classified them as physical or transition risk, guided by the Task Force on Climate-related Financial Disclosures (TCFD) framework. This exercise is cross-cutting across businesses and is aimed at providing insights to broaden our understanding of the climate related risk and opportunities we are facing and prepare strategies and action for mitigation and adaptation. Extensive data with respect to financial implications based on scenario planning and cost of actions needed to mitigate the risk or 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 makes investments in environmental protection through programs such as tree and mangrove plantations, water conservation, awareness sessions, enriching biodiversity etc.

EFERT 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 safety and health of its people, neighbors, customers and visitors is consistently ensured. We believe our HSE responsibilities extends beyond the protection and enhancement of our own facilities. The Company aims for the highest environmental standards and the best available technologies and strives to be a leader in developing and advocating sustainable approaches. We follow DuPont world-class environment management systems, which are audited and certified regularly by world-renowned environmental experts. The Company's strategic plan for sustainable value creation includes due regard to environmental challenges and plans to minimize its environmental footprint. EFERT has also set up the Environment Sustainability and Stakeholders Engagement Steering Committee. The main objective of this committee is to ensure social and economic progress in the communities within a two-mile radius of our plant and to train them in emergency response procedures in line with HSE standards. The following are the Environment management system elements in grained in the culture and governance of the organization which ensure Environment & Sustainability excellence at EFERT.

- Management Commitment
- Policies and Principles
- Goals, objectives and plans
- Integrated Organizations
- Structure
- Line Management accountability
- Safety Personnel

corporate social responsibility

EFERT Limited goes beyond simply giving back and believes in doing good while doing well. As a business, we continuously strive to go beyond just corporate philanthropy to benefit both the Company and the Communities we engage with. We partner with the Engro Foundation to create a win-win model and take responsibility for people's well-being, investing in sustainable projects that drive positive social and economic change. Through sustainable projects driven by our Engro Foundation, we invest in local development and empower residents to create a brighter future. Our dedicated employees are vital to this success, and we work closely with government and development partners to maximize our impact.

Committed to both people and planet, EFERT established the Environment Sustainability & Stakeholders Engagement Steering Committee. This group champions the social and economic progress of those around our Daharki facility, while ensuring HSE compliance through thorough emergency response training.

Our Corporate Social Responsibility (CSR) programs are structured to maximize the effects of our investments in the communities and can be categorized into the following broad areas:

- Education
- Skills Development
- Healthcare services
- Livelihood
- Community Physical Infrastructural (CPI) support
- Environment: Tree plantation, biodiversity initiatives

education

The Company believes that education is the bedrock of a brighter future, not just for individuals but for entire communities. That is why education has always been a cornerstone of our Corporate Social Responsibility (CSR) strategy. We are not just building schools; we are investing in long-term change and empowerment.

Our commitment is evident in the growing network of 25 schools we have established, with 14 in the Katcha area of Ghotki and 12 in Daharki town. These schools provide a safe and nurturing learning environment for underprivileged children, opening doors to new possibilities. During 2024, the total enrolment at Sahara Community School reached 643. We actively contribute to improving the quality of education in these institutions. At the end of 2024, 2,977 students thrived in our adopted government schools, while 1,546 students continued their education in the Katcha school network.

We heavily invest in the training and development of teaching staff, recognizing their crucial role in transferring knowledge to future generations. This ensures our students receive the highest quality education and are equipped with the skills and knowledge to excel in their future endeavors. Education is not just about academics; it is about breaking the cycle of poverty. By providing access to quality education, we are empowering individuals to secure better job opportunities, improve their living standards, and contribute meaningfully to their communities.

The Sindh Education Foundation (SEF) is a semi-autonomous organization established under the Sindh Education Foundation Act, 1992. SEF has a mandate to support education in the province through multifarious interventions. Engro Foundation is now partnered with SEF on two new interventions:

1. One Foundation Assisted School (FAS): This school is entirely supported by SEF and is operating within the Katcha Area. 166 students (38% girls and 62% boys) are enrolled under formal school in Katcha area. This will strengthen the partnership between SEF and EF for the long-term sustainability of operating schools in the Katcha area, using SEF's increased presence.
2. Three Non-Formal Centers under Adolescent and Adult Learning and Training Program (AALTP): Program for adolescents and adults who have missed an opportunity to avail education. The AALTP aims to provide accelerated formal primary education for vulnerable adolescents and basic functional literacy for adults who could not benefit from formal education to enable them with opportunities of professional and personal growth through literacy, skills development and vocational courses. 210 students (44% girls and 56% boys) are enrolled at 3 Non-Formal centers in Katcha area.

skills development

Engro is also training young aspiring members of the community through a 3-year Diploma in Associated Engineering in chemical, electrical and mechanical engineering. Through this program, our Technical Training Institute initiative has helped bolster the careers of many individuals and helped earn a decent livelihood for themselves and their families. The current enrolment in this

institute stands at 618 including 23 girls. Engro Foundation facilitated placement of 60 graduates (who graduated in Dec 2023) as Trade Apprentices at National Refinery Limited, Karachi.

healthcare services

EFERT is deeply committed to ensuring the health and well-being of the communities within its operational footprint. Recognizing the critical role of accessible healthcare in empowering individuals and fostering sustainable development, the Company undertakes a multi-pronged approach to addressing the diverse healthcare needs of these communities.

At the forefront of providing essential services is the Sahara Clinic, a beacon of accessible care within the community. In 2024 alone, the clinic treated a staggering 7,845 patients, providing vital primary healthcare services free of cost. Committed to saving lives, the Company established a dedicated snakebite treatment facility, the first of its kind in the region. This facility has already treated 6,411 snakebite patients, highlighting its crucial role in mitigating a significant health threat.

Addressing mobility challenges and detecting the debilitating impact of amputations, the Company established a free-of-cost limbs facility in 2022. This pioneering initiative has benefitted 416 patients in 2024, restoring mobility and independence to their lives. To address Canine-Borne threats and demonstrate its commitment to comprehensive healthcare, Engro developed a dedicated dog-bite facility, treating 2,267 patients in 2024.

livelihood

To help empower differently abled individuals and those in need of a form of income, 12 livelihood projects were awarded to individuals to help create independent earning opportunities. These projects are constituted of Goat farming, Grocery stores and cart grants. For the socioeconomic independence of the households, financial grants have been provided to help individuals set up sustainable small businesses and ensure an independent source of income for their families.

community physical infrastructural (CPI) support

Understanding the critical role of clean water in health and well-being, EFERT has diligently addressed water scarcity in the region. Throughout the year, 12 Reverse Osmosis (RO) plants, primarily powered by renewable solar energy, have provided an exceptional 15 million liters of clean water to approximately 4,000+ families. This commendable project was complemented by sewerage upgradation initiatives and installation of solar lights, fixing of benches and garbage collection bins in various villages of Daharki to display Engro's commitment to ensuring necessities and improving the lives of local communities.

Other Initiatives: The Company fosters strong partnerships with local authorities to address diverse needs within the community. This year, through collaboration with the District Government, EFERT contributed to the Ramazan Bachat Bazar Daharki. This initiative offered groceries, vegetables, fruits, clothing, and other essential items at subsidized rates to underprivileged individuals, providing much-needed relief and support during Ramadan. Additionally, the Company provided crucial logistical support in the form of rental vehicles for the bi-monthly Polio vaccination campaigns and also carried out anti-mosquito drive in CAER villages and neighboring areas.

Support provided in the upkeep of Daharki Railway Station in the form of minor civil repairs and painting jobs also 2 new hand pumps also installed in this year.

environment

Tree Plantation: Recognizing the importance of environmental stewardship, Engro organized tree plantation drives in 45 different areas including Daharki city, CAER villages, including government and Katcha area schools, canal banks, public places etc. Over 4,000 fruit trees and all-season plants were planted – contributing to a greener and more sustainable future for the region.

Bio Diversity Initiatives – Indus River Dolphin Conservation Program: Engro Foundation has partnered with WWF Pakistan to conserve Indus River Dolphin, one of the six species of freshwater dolphins, endemic to Indus River and its tributaries only. The current population is approximately 2,000 and it's currently endangered on the IUCN Red List.

Activities in 2024 include:

- Stakeholders' engagement meetings were conducted with Wildlife & Fisheries departments of Sindh and Punjab
- Child focused Indus Dolphin education toolkit is translated in Sindhi language.
- The first two years of a series of trials of pingers, acoustic deterrents aimed at mitigating dolphin deaths in fishing nets, have been completed at Ghazi Ghat, Punjab, and Guddu barrage in Sindh. The results depict that the pingers effectively deter dolphins from approaching fishing nets, ensuring they maintain a safe distance of 20 – 40 meters. This component is part of the 'Sound of Safety' project, which is co-financed by Engro Foundation.
- A CARDS (Conservation Assured River Dolphin Standards) consultative workshop was held on Sept. 19, 2024
- A workshop on the 'Indus River Health Assessment Report Card' was held on August 8, 2024, in Sukkur, in collaboration with the University of Maryland. It focused on assessing the health of the River through a system that evaluates various environmental, social, and economic indicators.
- Five new Eco-clubs were set up in six schools of the Sukkur District. Inception meetings were held followed by an awareness session.
- Based on the findings of the Livelihood Needs Assessment (LNA) Survey, WWF-Pakistan introduced women-led aquaculture as a pilot in one fisher community. WWF-Pakistan provided the fisherwomen with 4000 fish seeds, 2000 kg of feed, technical training, and support.
- A three-day training on "Aquaculture Techniques" was held on 9 to 11th July 2024 at IDCC-Guddu Barrage, district Kashmore.
- The ecotour kits were handed over to the two ecotour guides in a ceremony held on August 8, 2024, at Sukkur. The ecotour kit includes; life jackets, floating tubes, ice box, rope, torches, etc. Each eco-tour boat is now earning an average of PKRs. 25,000 - 30,000 per month.

statement of charity account

Committed to social responsibility, the Company generously contributed PKR 464 Million to support vital initiatives in education, healthcare, environment, general well-being, and infrastructure development.

our people – our growth imperatives

Human Capital remains a strategic priority at EFERT as we aspire to attract the best-in-class talent to help create value and drive impact in challenging and changing times. EFERT understands that the challenges for its businesses in the future will be different from those in the past, and the Company must invest in developing the required leadership competencies to face those challenges. For our continued success, and to ensure we continue to bet big on our people, we are focused on transforming our talent management approach along with our commitment to the desired culture – from attracting and developing the best people, to enhancing their engagement and sustaining a performance-oriented culture of learning and leadership.

We know that we can only deliver on our aspirations if we have the best talent pool on board that is also rich in diversity. At EFERT, we have developed a comprehensive framework to ensure Diversity, Equity, and Inclusion (DEI) remain integral to our organizational strategy. We hope that under this newly inducted strategic framework of diversity ambition, we will be able to show further progress in the years to come. This includes increasing our gender diversity footprint at both the senior leadership as well as fresh induction levels.

Additionally, we are actively addressing other forms of diversity, including individuals with disabilities and generational diversity. We also endeavor to give equal opportunities to all candidates during the recruitment process, irrespective of their gender, religion, or background. EFERT, therefore, brings together individuals from different backgrounds, thinking styles, talents, perspectives, and uniquely endowed skills to create value for a broad category of stakeholders.

We celebrate apprenticeship & continuous learning, in which people development is a critical responsibility for all managers. Our leaders are expected to create learning opportunities, provide coaching and give regular, constructive feedback - a philosophy further reinforced in our performance management, goal setting, and learning management systems. Our Leadership Competency Model, increased digitization efforts, and robust people processes are designed to promote collaboration, innovation, data-driven insights & evidence-based decision making whilst keeping "People-First" at its core.

To strengthen the focus on health and wellness of its employees, EFERT has implemented various initiatives through a structured Wellness Program. These include access to Saaya Health (for emotional wellbeing), consultations as well as webinars and workshops with a nutritionist, and access to gym facilities and fitness training classes along with the flagship 41 Day Fitness Challenge.

EFERT takes special care to attract, hire, retain, and develop the right talent to drive its results. We routinely map out skill gaps and offer tailored training and development programs to enhance the employee experience and supplement these with favorable HR campaigns such as GTE Drive, Break Ke Baad, Talent Development Program and the DE&I Leaders Program, which help us ensure long-term, shared value creation for both women and men from all backgrounds. We launched our Management Trainee Program after a break of 7 years. It was very well received, and we hired 9 MTs for EFERT, with 44% gender diversity.

We believe that dialogue and clear communication are essential to building and preserving good relations between management and employees. Our leadership messages and townhalls provide opportunity to employees to engage with senior management and get their views and clarity on strategic matters. We have a culture that promotes open communication, and employees are encouraged to raise their concerns or seek clarifications with line managers. We launched a program called Morning Brew for the CEO to connect on regular frequency with the employees. Similarly, the site had launched 'Connect Corner' whereby the site employees meet with the Site leadership on a regular basis. We also have a whistleblower platform: Speak Out, that allows employees to speak about any concerns they have regarding business ethics and compliance, safety, environmental performance, harassment, and other employment-related matters.

We continually enhance the employee experience by providing exceptional operational services. Utilizing advanced technology, we ensure EFERT maintains strong people-related operational controls, administrative processes, reporting systems, and robust HR platforms. Our internal Success Factor portal simplifies various processes, including benefit claims, reimbursements, performance evaluations, succession planning, learning and training, recruitment, and onboarding. Additionally, our operational system supports backend operations and record management. Through the "Workplace from Facebook" platform and regular newsletters, we promote efficient operations with quick turnarounds, fostering a connected, learning-focused culture.

Talent & Culture – The Employee Lifecycle: Our people strategy is influenced by our central idea whereby people are named as the organization's growth imperative. Since the central idea encourages focus on new businesses, our people need to be more entrepreneurial with an innovative frame of mind for our business success. Our core values and a robust and comprehensive people's strategy help us to successfully navigate through the changing business landscape and ensure that we continue to attract, retain and develop talent.

Hiring: Talent Acquisition: Talent acquisition plays a pivotal role in an organization's success by identifying, acquiring, assessing, and hiring individuals who can contribute to the Company's goals and culture. It ensures the right skills for specific roles, aiding strategic goals, improves team productivity by hiring the right talent, evaluates alignment with values creating a positive workplace ensure diversity in hiring bringing fresh ideas and fostering growth.

The following are some of the programs being run under the Talent Acquisition umbrella:

1. Academic Collaborations and Job Fairs
2. Graduate Trainee Engineer: We engaged with the top 10 universities of Pakistan through campus drives, spotlighting EFERT's rich legacy. Annual inclusive campus drives solidified our program's prominence in the market, resulting in extensive reach across social media platforms.
3. Management Trainee Program: To develop our pipeline of talent in the commercial and support functions of the organization, we have relaunched our Management Trainee Program, through which we onboarded 9 MTs with a gender diversity of 44%. These MTs were hired from all across the country.

4. Suleman Dawood Internship: Suleman Dawood Internship has undergone centralization across the Engro group. We initiated an internship campaign via social media and universities, participating in campus drives. 26 Interns were hired in 2024.
5. Internal Job Posting: The talent team launched a digitized solution of Internal Job Posting (IJP) to keep the mid-career talent updated about available opportunities within the Engro group, followed by thorough awareness/training sessions to all line managers coupled with a rigorous promotional campaign to introduce the IJP process & framework group-wide.

Below are the some of the learning initiatives that we undertook for our people:

1. Learning Initiatives (Capability Development): Art of Negotiation & Strategic Thinking and Psychological Safety for Marketing Senior Managers, CONNEX – HR conference, Campus to Corporate for GTE's
2. TDP Learnings (High performers) : LUMS – Strategic Financial Management, LUMS – Leadership Excellence, Engro Pathways – Bootcamp, Person of Influence, Leaders Eat Last by Simon Sinek
3. EFERT centric initiatives (HP): ACE Sessions – 4 sessions: Abrar Hasan, Mujtaba Khan, Shamoon Chaudhry, Umar Ahsan Khan

efforts to promote DE&I

talent acquisition

1. Break Ke Baad: This initiative is designed to support women who have taken a career break for various personal or professional reasons and are now seeking to re-enter the workforce. This program aims to provide these women with a smooth and supportive transition back into the corporate environment, recognizing the unique challenges they may face after an extended absence.
   - Through this program, we aim to not only empower women by giving them a renewed opportunity to thrive in their careers but also to enhance diversity and inclusion within the corporate world, benefiting both the individuals and the organization as a whole.
2. Unstoppable for Women in Non-Traditional Roles: EFERT has established a strong reputation for advancing gender diversity, particularly in traditionally male-dominated fields. As part of our ongoing commitment to challenging societal norms and fostering inclusion, we've opened doors for women from diverse socio-economic backgrounds to participate in technical roles that were once considered unconventional for women. A key initiative in this effort is the Parwaaz Program launched in 2023 (rebranded as Unstoppable in 2024), which focuses on increasing women's representation in field marketing roles.
3. Partnership with KDSP: Additionally, EFERT is committed to improving the representation of underserved groups in the workplace. A notable example is our partnership with the Karachi Down Syndrome Program (KDSP), which has now entered its second year. We hired 2 interns
4. Senior Citizens Internship Program: In 2024, EFERT launched The Senior Citizens Internship Program designed to offer meaningful opportunities for senior citizens to engage with the corporate world. It aims to leverage their wealth of experience and knowledge, allowing them to contribute to various projects while staying active and connected. The finalized incumbents will join us in 2025.

awareness and development of diverse population

EFERT has partnered with the Center of Excellence in Responsible Business (CERB) to promote sustainable and inclusive growth, aligning with SDG 5: Reduced Inequality. This collaboration focuses on responsible business practices that foster economic, social, and environmental value creation. EFERT supports policies that leverage private sector growth for inclusive development, poverty reduction, and gender equality.

EFERT's CSR initiatives aim to reduce inequality by providing education, healthcare, and employment opportunities to marginalized communities. Efforts include educational access for girls in low-income areas, technical training for underrepresented groups, and specialized healthcare services.

Through the Partnerships & Value Expension in Seeds Value Chain (PAVE Pakistan) initiative, in collaboration with BPP, DFAT, and MEDA, EFERT has improved the livelihoods of over 4,400 smallholder farmers, including 730 women farmers, exceeding the initial target of 400. This project enhances women's economic integration, boosting spending on healthcare, nutrition, and education, thus advancing SDG 5.

buland program

As a responsible organization, EFERT is deeply committed to fostering diversity, equity and inclusivity (DEI) within the workplace. However, beyond our workplace, the farming communities we engage with face significant DEI challenges. Female farmers, in particular, remain highly marginalized, grappling with limited decision-making power and minimal access to essential crop management knowledge.

To address these challenges, EFERT launched Buland in 2024, a pioneering initiative aimed at empowering female farmers with critical crop management skills. Buland's primary objective is to enhance the capabilities of smallholder female farmers, enabling them to adopt best practices in crop management.

In collaboration with the Farmer Development Organization (FDO), a microfinance organization dedicated to supporting small farmers through interest-free loans, Buland has mobilized 400 female farmers/laborers from 20 villages in Jhang. These women are trained by female Agri-Resource Persons (ARPs) through an innovative blend of theoretical and practical learning methods.

The program provides comprehensive training across five critical stages of the Wheat crop cycle: Land Preperation, Sowing, Irrigation and Disease Management, Pesticide and Machinery Use, and Harvesting and Selling. Each stage includes 20 focused sessions. To evaluate the program's impact, participants undergo assessments before and after each session, enabling us to track measurable improvements in their knowledge and skills.

Through Buland, EFERT is not only driving sustainable agricultural practices but also empowering female farmers to play a more active and informed role in their communities.

diversity in supply chain

An equal opportunity employer, EFERT, welcomes individuals from all walks of life and celebrates diversity and inclusion in the workplace. This is evident from EFERT's diverse portfolio of prolific businesses, run by a community of talented and diverse professionals from different backgrounds, expertise and mindsets, but sharing the same focus: a better tomorrow, a better Pakistan.

EFERT Supply Chain is committed to fostering a workplace where all individuals have equal opportunities for employment and professional growth. In 2024, we achieved significant milestones in advancing gender diversity, as detailed below:

- Women comprised 60% of total new joiners (Permanent) for field positions in EFERT Supply Chain in 2024 compared to 39% overall for EFERT in 2023
- 8 women hired in Supply Chain Field Roles in 2024
- Muhafiz Activity: 'World Malaria Day - Accelerating the fight against malaria for a more equitable world' - A session addressing Malaria was held on April 25, 2024, coinciding with World Malaria Day, at the Government Elementary Girls School in Daharki.
- Demonstrating our commitment to inclusivity, the Daharki office building has been upgraded with dedicated facilities for women, including a restroom, prayer area, and a fully revamped kitchen.
- Women played a key role in Muhafiz activities during 2024, leading 34 initiatives that were subsequently recognized by senior management.

business ethics & anti-corruption measures

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 which ensures every action aligns with ethical and operational best practices. Such policies include:

- Code of Conduct
- Fraud Risk Management
- Governance of Conflicts of Interest
- Statement of Ethics and Business Practices
- Whistleblower 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.

consumer protection measures

At EFERT, we're dedicated to empowering farmers, not just selling them products. That's why we go beyond fertilizer with a range of consumer protection measures:

- Transparent Pricing: We provide retail price lists to all dealers, ensuring farmers pay fair prices and avoid exploitation.
- Expert Guidance: Our trained agronomists equip farmers with knowledge on optimal fertilizer usage, soil health improvement, and best practices for higher yields.
- Free Soil Testing: We offer free soil sampling services across Pakistan, helping farmers understand their soil's needs and tailor their fertilizer uses for optimal results.
- Convenient Access: Our extensive distribution network and dealer network ensure timely product delivery, so farmers can focus on what matters most - growing their crops.
- Informed Choice: We clearly communicate MRP information for urea through advertisements and marketing materials, empowering farmers to make informed decisions.

contribution to national exchequer

During the year 2024, the Company contributed nearly PKR 54.5 Bn towards the National Exchequer by way of Government taxes, duties, and levies, compared to PKR 34.7 Bn in 2023. Further, value addition in terms of savings in foreign exchange amounted to approximately US$ 750 Million through import substitution of 2,147 KT of urea and related products manufactured by EFERT in 2024.

internal control framework

responsibility

The Board is ultimately responsible for the Company's systems of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable rather than absolute assurance against material misstatement or loss. 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 Executive.

framework

The Company maintains an established control framework comprising of clear structures, authority limits, and accountabilities, well understood policies and procedures and budgeting for review processes. Policies and control procedures are documented in manuals as well. The Board establishes corporate strategy and the Company's business objectives. Divisional management integrates these objectives into divisional business strategies with supporting financial objectives.

review

The Board meets every quarter to consider the Company's' financial performance, financial and operating budgets and forecasts, business growth and development plans, capital expenditure proposals and other key performance indicators.

The Board Audit & Risk Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls. There is a Company-wide policy governing appraisal and approval of investment expenditure and asset disposals. Once projects are completed, reviews are performed on all material investment expenditure.

adequacy of internal financial controls

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

directors' remuneration

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 Meetings, paid to the Directors and Chief Executive Officer is disclosed in Note No. 40 of the Notes to the unconsolidated financial statements.)

pension, gratuity, and provident fund

The employees of the Company participate in Retirement Funds maintained by Engro Corporation (the Parent Company). The Company contributes to plans that provide post-employment and retirement benefits for its employees. These include DC provident fund, DC gratuity plan and DB gratuity plans. The value of net assets of Provident Fund (as at June 30, 2024) and Gratuity and Pension funds (as at December 31, 2023) based on their respective audited accounts are:

Provident Fund: PKR 6,024 million (EFERT's share: ~PKR 2,051 million)
DC Pension Fund: PKR 686 million (EFERT's share: ~PKR 195 million)
DB Pension Fund: PKR 41 million (All EFERT)
DC Gratuity Fund: PKR 4,008 million (EFERT's share: ~PKR 1,388 million)
DB NMPT Gratuity Fund: PKR 276 million (All EFERT)
DB MPT Gratuity Fund: PKR 143 million (EFERT's share: ~PKR 56 million)

auditors

The existing auditors of the Company are A.F. Ferguson & Co., Chartered Accountants retire and being eligible, have offered themselves for re-appointment. The Board Audit and Risk Committee recommends their appointment as auditors for the year ending December 31, 2025.

pattern of shareholding

As of December 31, 2024, Associated Companies and Directors of the Company held the following number of shares:

Particulars	% of Shareholding
Associated Companies	56.27%
Directors and Dependents	0.003%

A detailed pattern of shareholding is disclosed in the Shareholder's Information section of the Annual Report.

statement of director responsibilities

The Directors confirm the compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Code of Corporate Governance for the following matters:

- The financial statements prepared by the Management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements. Accounting estimates are based on reasonable prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been duly followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There is no doubt about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the Listed Companies (Code of Corporate Governance) Regulations, 2019.

board composition and attendance

The Board of Directors held 5 meetings to cover its complete cycle of activities. The attendance record of the Directors is as follows:

Mr. Ghias Khan***	Non-Executive Director-Chairman	2/2
Mr. Ahsan Zafar Syed****	Non-Executive Director-Chairman	3/5
Mr. Javed Akbar**	Non-Executive Director	5/5
Mr. Farooq Barkat Ali*	Non-Executive Director	4/5
Mr. Ahmad Shakoor**	Non-Executive Director	4/4
Mr. Asim Murteza Khan	Independent Director	5/5
Mr. Asad Said Jafar	Independent Director	5/5
Ms. Danish Zuberi	Independent Director	4/5
Mr. Ali Rathore*****	Chief Executive Officer	5/5

*Mr. Farooq Barkat Ali was appointed as Non-Executive Director on January 26, 2024.
**Mr. Ahmad Shakoor was appointed as Non-Executive Directors on April 16, 2024.
***Mr. Ghias Khan resigned as Non-Executive Director on April 26, 2024.
****Mr. Ahsan Zafar Syed resigned as CEO on April 26, 2024 and was appointed as Non-Executive Director on May 03, 2024.
*****Mr. Ali Rathore was appointed as CEO on April 26, 2024.

BPC composition and attendance

In 2024, the Board People Committee held 3 meetings to cover its complete cycle of activities. The attendance record of the Directors is as follows:

Mr. Asim Murtaza Khan, Chairman	3/3
Mr. Jawed Akbar	3/3
Mr. Ahsan Zafar Syed	1/1
Mr. Ghias Khan*	2/2

*Mr. Ghias Khan resigned on April 25, 2024.

BARC composition and attendance

In 2024, the Board Audit & Risk Committee held 6 meetings to cover its complete cycle of activities. The attendance record of the Directors is as follows:

Mr. Asad Said Jafar, Chairman	6/6
Mr. Asim Murtaza Khan	6/6
Mr. Jawed Akbar	6/6

Chairman

Chief Executive Officer

2/2	
3/3	
3/3	
4/5	
4/4	
3/3	
3/3	
4/5	
3/3	

3/3	
3/3	
1/1	
2/2	

6/6	
6/6	
6/6	

ڈائریکٹرز

کمپنی ایک تاحکم مدت کنٹرول فریم ورک کو ترجیح دیتی ہے جس میں واضح ذمہ داریوں کی حدود اور اچھی طرح سے سمجھی جانے والی پالیسیوں، طریقہ کار اور رپورٹنگ کے ذریعے فیصلہ سازی کو مرکز بنایا جاتا ہے۔ بورڈ کارپوریٹ حکمت عملی اور کمپنی کے کاروباری مقاصد کو آگے بڑھانے کے لیے ذمہ دار ہے جبکہ انتظامیہ روزمرہ کے کاروبار کو چلانے کی ذمہ دار ہے۔

بورڈ کی ساخت

بورڈ 7 ڈائریکٹرز پر مشتمل ہے جن میں 6 نان ایگزیکٹو ڈائریکٹرز اور 1 ایگزیکٹو ڈائریکٹر شامل ہیں۔ بورڈ میں 3 خواتین ڈائریکٹرز کی موجودگی صنفی تنوع کو یقینی بناتی ہے۔ بورڈ کی ساخت کمپنی کے کاروبار کی پیچیدگی، مالیاتی امور، آپریشنز، ایچ آر اور ٹیکنالوجی کے شعبوں میں مہارت کی ضرورت کو ظاہر کرتی ہے۔ بورڈ کے ارکان کا انتخاب ان کی قابلیت، تجربہ اور کمپنی کے مفاد میں فیصلے کرنے کی صلاحیت کی بنیاد پر کیا جاتا ہے۔

بورڈ کی ذمہ داریاں

بورڈ کی ذمہ داریوں میں کمپنی کی مالی کارکردگی، مالیاتی امور، آپریشنز، ایچ آر، ٹیکنالوجی اور دیگر اہم شعبوں میں کاروبار کی ترقی اور تزویراتی منصوبوں پر نظر رکھنے کے لیے انتظامیہ کی قابل پیمائش کارکردگی کے جائزے اور حوالہ جات پر غور کرنے کے لیے اجلاس ہوتا ہے۔

بورڈ آف ڈائریکٹرز کمپنی پر حتمی مالی اور انتظامی ذمہ داری رکھتا ہے۔ بورڈ کی ذمہ داریوں میں کمپنی کے مالیاتی کنٹرول کے نظام کے بارے میں رپورٹ حاصل کرنا ہے اور وہ داخلی کنٹرول کے نظام کا جائزہ لیتا ہے۔ سرمایہ کاری کے اخراجات اور اہم ٹوں کے تعین کی تشخیص اور منظوری کے لیے کمپنی کی تشخیص پالیسی موجود ہے۔ منصوبے مکمل ہونے کے بعد تمام بڑی سرمایہ کاری کے اخراجات کا جائزہ لیا جاتا ہے۔

بورڈ آف ڈائریکٹرز نے کمپنی کے انتظامات اور تکمیل کے معیار اور اخلاقی طرز عمل اور اخلاقی ذمہ داری کے گورننس فریم ورک کے ایک واضح نسخہ متعارف کیا ہے۔

بورڈ کی کارکردگی

کمپنی میں کمپنی ایکٹ 2017 اور اسٹاک ایکسچینج (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق اپنے ڈائریکٹرز کے تقرر کے لیے ایک شفاف پالیسی اور طریقہ کار موجود ہے۔ پالیسی کے تحت نیز ڈائریکٹرز کی کارکردگی کا جائزہ لینے کے لیے سفارش کرنے کے لیے ایک نامزدگی اور معاوضہ کمیٹی تشکیل دی گئی ہے۔ بورڈ کی کارکردگی کا جائزہ سالانہ بنیادوں پر لیا جاتا ہے۔

معاوضہ

بورڈ آف ڈائریکٹرز نے کمپنی کے ایسوسی ایٹس میں شرکت کی فیس اور ڈائریکٹرز کے ریفریشمنٹ الاؤنس کی ادائیگی کی منظوری دی ہے۔ تفصیل غیر ادائیگی مالیاتی گوشواروں کے نوٹ نمبر 40 میں دی گئی ہے۔

ڈائریکٹرز کی تربیت

کمپنی کے 6 نان ایگزیکٹو ڈائریکٹرز (بشمول چیئرمین) کے درج ذیل نظام پر مشتمل ڈگری میں حصہ لیتے ہیں۔ کمپنی ان خصوصیوں میں حصہ لیتی ہے جو اپنے ملازمین کے لیے متعدد ملازمت اور چارٹرڈ سے کے فراہم کرتے ہیں۔ ان میں ڈی سی پروفیشنل ڈویلپمنٹ ڈویژن کی گورننس پروگرامز شامل ہیں۔ یہ ڈویژن (30 جون 2024 تک) اور گریجویٹی فنڈ (31 دسمبر 2023 تک) کے غیر آڈٹ شدہ اکاؤنٹس کی بنیاد ہے۔

پروویڈنٹ فنڈ	6,024 ملین روپے (ایگزیکٹو ڈائریکٹرز کا حصہ: 2,051 ملین روپے)
DC گریجویٹی فنڈ	366 ملین روپے (ایگزیکٹو ڈائریکٹرز کا حصہ: 195 ملین روپے)
DB گریجویٹی فنڈ	41 ملین روپے (کل (ایگزیکٹو ڈائریکٹرز)
DC گریجویٹی فنڈ	4,036 ملین روپے (ایگزیکٹو ڈائریکٹرز کا حصہ: 1,358 ملین روپے)
DB NMPT گریجویٹی فنڈ	276 ملین روپے (کل (ایگزیکٹو ڈائریکٹرز)
DB MPT گریجویٹی فنڈ	143 ملین روپے (ایگزیکٹو ڈائریکٹرز کا حصہ: 56 ملین روپے)

آڈیٹرز

کمپنی کے موجودہ آڈیٹرز سابقہ فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو چکے ہیں اور اپنی خدمات پیش کی ہے۔ بورڈ آڈٹ کمیٹی کی سفارش پر 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے بطور آڈیٹرز ان کی تقرری کی سفارش کرتی ہے۔

شیئر ہولڈنگ کا پیٹرن

31 دسمبر 2024 تک ایسوسی ایٹڈ کمپنیوں اور کمپنی کے ڈائریکٹرز کے پاس درج ذیل تعداد میں شیئرز تھے:

حصص یافتگان	شیئر کا فیصد
حصص یافتگان	99.427 %
ڈائریکٹرز اور ان کے اہل خانہ	0.003 %

شیئر ہولڈنگ کا تفصیلی نمونہ سالانہ رپورٹ کے شیئر ہولڈرز کے انفارمیشن سیکشن میں ظاہر کیا گیا ہے۔

ڈائریکٹرز کی تربیت

ڈائریکٹرز سندھ ایل امور کے لیے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک اور کوڈ آف کارپوریٹ گورننس کی تعمیل کی تصدیق کرتے ہیں۔

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، اس کی صورتحال، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی نے اکاؤنٹس کی کتابیں اور ترتیب رکھا ہے۔
- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا اطلاق کیا ہے۔ اکاؤنٹنگ کے معقول اور محتاط اندازے لگائے ہیں۔
- مالیاتی گوشواروں کی تیاری پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز کے تحت کی گئی ہے جن سے مناسب انحراف کیا ہے۔
- اندرونی کنٹرول کا نظام مؤثر انداز میں منظم طریقے سے نافذ کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- کاروباری رکھنے کی کمپنی کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں کیا گیا جیسا کہ اسٹاک ایکسچینج (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 میں تفصیل سے بتایا گیا ہے۔

بورڈ کی کمیٹیاں اور حاضری

بورڈ آف ڈائریکٹرز نے اپنی ذمہ داریوں سے متعلق 5 اجلاس منعقد کیے۔ ڈائریکٹرز کی حاضری کی تفصیل درج ذیل ہے:

- ضابطہ اخلاق
- فرائض کی تفویض
- معاہدات کے نگران کی تقرری
- اختلافیت اور نگران کی طرف سے نظروں کا بیان
- وسل بلوئر پالیسی
- حصص فریقوں کے ساتھ تعین دین معاہدوں کی نگرانی

سال کے دوران، کمیٹی میں متعدد تبدیلیاں اور قبیل پر تفصیلی سیشن منعقد کیے گئے جس میں ہمارے سیکٹ آئٹ پوزیشن فارم، اعداد و شمار، مختلف معاہدات کے نگران اور اندرونی تجارتی پالیسیوں پر تبصرہ کیا گیا۔

ملازمین کے حقوق کا تحفظ

دیگر ملحقہ اجزاء میں، ہم صارفین کے تحفظ کے متعدد اقدامات کے ذریعے کسانوں کے مفادات کے تحفظ پر توجہ دیتے ہیں تاکہ ان کا استحصال نہ ہو۔ اس لیے ہم درج ذیل کام کرتے ہیں:

- خوراک فصلوں کا تعین جو فراہم کنندہ کو خوردہ فصلوں کی بلیرسٹ فراہم کرتے ہیں تاکہ فصلوں کو مناسب قیمتوں پر فراہم کیا جا سکے۔
- ماہرین کی مدد حاصل کرنا جو ہمیں زراعت، مٹی کی صحت، پانی کے استعمال، فصل کی کٹائی اور پیداوار کے بہترین طریقوں کے بارے میں آگہی فراہم کرتے ہیں۔
- زمین کی معائنہ جانچ: ہم پاکستان بھر میں فصل کے اٹھانے کی وقت خدمت پیش کرتے ہیں، جس سے کاشتکار اس کو ان کی زمین کی ضروریات کو سمجھنے میں مدد ملتی ہے اور بہترین نتائج کے لیے کھاد کے مناسب استعمال کو یقینی بناتا ہے۔
- آسان رسائی اور اشتہار: ضروری پروموشن اور ڈیلیوری کو مستحکم کی وقت ترسیل کو یقینی بناتا ہے تاکہ کسان اس وقت پر قیمت ہر فروخت کر سکیں گی فصلوں کی وقت کاشت شروع ہو۔
- باخبر انتخاب: ہم واضح طور پر پودوں کے لیے اہم آگہی معلومات کا اشتہارات اور مارکیٹنگ مواد کے ذریعے بتاتے ہیں تاکہ کسان اپنی پیداوار کے لیے بہترین معاملہ کر سکیں۔

ماحولیاتی تحفظ

سال 2024 کے دوران، کمیٹی نے 34.7 کے 2023 سب روپے کے مقابلے میں سرکاری یکسوں، ٹیکوں اور محصولات کے ذریعے قومی خزانے میں تقریباً 54.5 ارب روپے کا حصہ الاسر یہ آں، سال 2024 میں انگریز فرٹیلائزر کے ذریعے ملک میں تیار کی جانے والی 2,147 KT یوریا اور متعلقہ پروڈکشن کی درآمدی خریداری کے ذریعے تقریباً 750 ملین امریکی ڈالر کی زرمبادلہ میں بچت حاصل ہوئی۔

ہیلتھ اینڈ سیفٹی سسٹم

ایمپلائی

یورپ محنتی طور پر کمپنی کے اندرونی کنٹرول کے نظام اور اس کی تاثیر کا جائزہ لینے کے لیے ذمہ دار ہے۔ تاہم، ایسے نظام کا کوئی بھی نظام کے حصول میں ناکامی کے خطرے کو ختم کرنے کے چاہے کنٹرول کرنے کے لیے ڈیزائن کیا گیا ہے اور عام طور پر مالی غلط بیانی یا نقصان کے خلاف مکمل یقین دہانی کے بجائے صرف معقول یقین فراہم کر سکتا ہے۔ یورپ نے کمپنی کے اندر مختلف سطحوں پر کنٹرول کا ایک نظام بھی قائم کیا ہے جس کا انتظام اس کی انتظامیہ کی ٹیم کرتی ہے۔ اندرونی کنٹرول کے نظام کے تشریحی ڈیزائن اور آپریشن کی تاثیر کا جائزہ لیا ہے۔

ان چیلنجوں سے نمٹنے کے لیے EFERT نے 2024 میں ہدف پروگرام کا آغاز کیا، یہ ایک اہم اقدام ہے جس کا مقصد خواتین کسانوں کو کراپ جیومیٹ کی اہم ہدایتوں سے روشناس کرانا ہے۔ اس کا بنیادی مقصد چھوٹی سطح کی خواتین کسانوں کی صلاحیتوں کو بڑھانا ہے تاکہ وہ کراپ جیومیٹ میں بہتر طریقوں کو اپنا سکیں۔

فارمر اپوپیٹ آرگنائزیشن (FDO) ایک ماڈیولر فارمر اور مجموعے کسانوں کی بنیاد پر قرضوں کے ذریعے مدد کرتا ہے۔ ان کے تعاون سے ہدف پروگرام کے تحت تقریباً 20 دیہات سے تعلق رکھنے والی 400 خواتین کسانوں (جن میں اقلیتی خواتین کو فوکس کیا گیا ہے) ان خواتین کو فی سیل، گلوبل ریسورس پرسنز (ARPs) کے ذریعے تھیوری اور عملی طریقوں کے بارے میں تربیت دی جاتی ہے۔

یہ پروگرام گندم کی فصل کے بیج سے ساتھ کے پانچ اہم مراحل میں ہر مرحلے پر تربیت فراہم کرتا ہے۔ زمین کی تیاری، بوائی، آبپاشی اور کیڑوں کا انتظام، کیڑے مار ادویات اور حشرہ کی کا استعمال، کٹائی اور فروخت کی مجموعی پر مرحلے میں 20 اہم سیشن شامل ہیں۔ پروگرام کے اثرات کو جانچنے کے لیے شریک خواتین پر سیشن سے پہلے اور بعد میں جائزوں سے گزرتی ہیں جس سے ان کی معلومات اور مہارت میں بہتری کا پتہ لگانے میں مدد ملتی ہے۔

ہدف کے ذریعے EFERT نہ صرف پائیدار زرعی طریقوں کو فروغ دے رہا ہے بلکہ خواتین کسانوں کو اپنی زمین اور وسائل میں زیادہ خوشحال اور بااختیار کرنے کے لیے بااختیار بنا رہا ہے۔

ہیلتھ اینڈ سیفٹی

صحت و سلامتی کو ترجیح فراہم کرنے والے آجر کے طور پر، EFERT ہر وہ کمی کے تمام شعبوں سے تعلق رکھنے والے افراد کا خیر مقدم کرتا ہے اور نظام کی بہتری اور شمولیت کو فروغ دیتا ہے۔ EFERT کے منتظم و رہنما کے اجتماع پورے تعلق سے ظاہر ہوتا ہے۔ جنسی تعلق پر مبنی مظاہرات اور ہراسیت سے تحفظ رکھنے والے اطلاعیت اور پیشہ وارانہ افراد کی کمیٹی کے ذریعے ہوا دیا جاتا ہے جس سب کی ایک ہی سوچ ہوتی ہے کہ ایک بہتر کل ایک بہتر پاکستان۔

EFERT پاکستان میں کام کی بہتر جگہ فراہم کرنے کے لیے پرعزم ہے جہاں تمام افراد کو ملازمت اور پیشہ وارانہ ترقی کے یکساں مواقع میسر ہوں۔ 2024 میں ہم نے مثبت تبدیلی لانے کے لیے مندرجہ ذیل اہم اقدامات کیے جیسا کہ ذیل میں تفصیل ہے۔

- 2024 میں EFERT پاکستان میں لیڈ پوزیشنوں کے لیے کل 14 اندرونی (مستقل) کامیاب 60% خواتین پر مشتمل تھا جب کہ 2023 میں بھی EFERT میں کل ملازمین میں 39% خواتین تھیں۔
- 2024 میں پاکستان میں لیڈ ورکرز میں 2 خواتین کی تعداد میں اضافہ حاصل کی گئیں۔
- حفاظت، گرمی، ملیریا کا عالمی دن، دیا، دھوپ، ہدف دیا کے لیے ملیریا کے خلاف آگہی مہم چلانے کے لیے 25 اپریل 2024 کو ملیریا کے عالمی دن کے موقع پر ڈبوری کے کوارٹر ہیڈ آفس میں ملیریا کے کنٹرول پر ایک سیشن منعقد کیا گیا۔
- انٹرایکٹیو کے لیے ہماری وابستگی کا مظاہرہ کرتے ہوئے ہم نے ڈبوری آفس ورکنگ کو خواتین کے لیے خصوصی سہولیات کے ساتھ اپ گریڈ کیا ہے جس میں ایک بہت الگ باتھ روم کی تعمیر اور مکمل طور پر نئے سرے سے تیار کیا گیا ہے۔ دیگر شامل ہے۔
- خواتین نے 2024 کے دوران ہیڈ آفس اور گرمیوں میں کلیدی کردار ادا کیا، 34 سرگرمیوں کی قیادت کی انہیں اعلیٰ سطح پر تسلیم کیا گیا۔

ہیلتھ اینڈ سیفٹی کے تحفظات

شفافیت اور احتساب کمپنی کے گورننس کے ڈھانچے کی بنیاد ہیں۔ ہم نے پالیسیوں اور معیارات کا ایک مضبوط فریم ورک نافذ کیا ہے جس کی باقاعدگی سے نگرانی کی جاتی ہے جو اس بات کو یقینی بناتی ہیں کہ ہر شعبے میں اعلیٰ اخلاقی اور پیشہ ورانہ طریقوں سے کام کیا جائے۔ اس طریقے کی پالیسیوں میں شامل ہیں:

ہونے پر ذمہ داری بنیادی کے ساتھ سونپ کا ذمہ داریوں کو فروغ دیتے ہیں۔

ٹیلنٹ اور گھر پر اپنا ایک لائف سائیکل ہماری لوگوں کی محنت کشل بنا رہے عمر کی ذمہ داری سے متاثر ہوتی ہے جس سے محنت لوگوں کو آگہی کی ترقی کے لیے ضروری فرار ہو تا ہے۔ چاہے عمر کی ذمہ داریوں پر قدم رکھنے کی حوصلہ افزائی کرتا ہے اس لیے ہمارے لوگوں کو ہماری کاروباری کامیابی کے لیے ایک اسٹریٹجک فریم کے ساتھ ذمہ داری کاروبار چلنے کی ضرورت ہے۔ ہماری بنیادی اقدار اور ایک مضبوط اور متنوع لوگوں کی محنت کشل ہمیں پھلنے پھولنے کا ذمہ داری اسٹریٹجک کامیابی کے ساتھ ہم آہنگ کرنے اور اس بات کو یقینی بنانے میں مدد کرتی ہے کہ ہم جو کرتا ہی طرف جھکیں برقرار رکھیں اور ترقی کرتے رہیں۔

ملازمت فراہم کرنا ہماری کمیونٹی ہماری ثبات کا اصولی ان افراد کی شناخت، حصول، تحفیظ اور ان کی خدمات حاصل کر کے ایک تنظیم کی کامیابی میں اہم کردار ادا کرتا ہے جو کہ کے بنیاد اور قیمت میں حصہ ڈال سکتے ہیں۔ یہ تحفظ کرداروں کے لیے صحیح امیدواروں کو تنظیم بناتا ہے، اسٹریٹجک انداز کی مدد کرتا ہے صحیح ثبات کی خدمات حاصل کر کے ہم کی بنیادی صلاحیت کو بہتر بناتا ہے۔ اہم کی ایک ثبت جگہ ملانے کے لیے اقدام کے ساتھ صف بندی کا جائزہ لیتا ہے تاکہ کلیدی ذمہ داری کو فروغ دینے میں مدد کرنے والے اور ترقی کو فروغ دینے میں مدد کی جا سکے۔

ثبات کے لیے ہمارے ہدف جو ہم نے حاصل کیے اور کارکردگی

1۔ خلیجی تعاون ادارہ جات تجزیہ

2۔ گریجویٹ ٹریننگ انجینئرز ہم نے EFERT کی بھرپور حمایت کرتے ہوئے کیمیکل ڈویژن کے لیے پاکستان کی سرفہرست 10 یونیورسٹیوں کے ساتھ رابطہ کیا۔ مقابلہ جامع کیمپس ڈویژن مارکیٹ میں ہوا۔ یہ پروگرام کی اہمیت کو ظاہر کیا جس کے نتیجے میں متعلقہ یونیورسٹی قابل ذکر تعداد میں درخواستیں موصول ہوئیں۔

3۔ تجربت تربیتی پروگرام تنظیم کے تجارتی اور معاون افعال میں اپنی اصلاحیتوں کی پائپ لائن کو فروغ دینے کے لیے ہم نے اپنا تجربت تربیتی پروگرام دوبارہ شروع کیا ہے جس کے ذریعے ہم نے 44% کے مستقل نمو کے ساتھ 9 MTs کو آن بورڈ کیا ہے۔ MTs پروگرام سے گزرنے پر پہلے کیے گئے تھے۔

4۔ طلبہ اور اداروں کے لیے ہمارے پروگرام کو بڑھانے کے لیے ہم نے کیمپس ڈویژن میں حصہ لیتے ہوئے سوشل میڈیا اور یونیورسٹیوں کے ذریعے ایک آن لائن شپ ہم شروع کی۔ 2024 میں 26 انٹرنز کی خدمات حاصل کی گئیں۔

5۔ انٹرنل جاب مارکیٹ ٹیلنٹ ہم نے انٹرنل جاب مارکیٹ (IJP) کا ایک آزمائشی طور پر شروع کیا تاکہ کمپنی کے اندر موجود مواقع کے بارے میں آگاہی پیدا کی جا سکے۔ جس کے ہوا تمام ایمپلائز ز کو کھل آپن ٹیلنٹ سیکٹر کے ساتھ ساتھ IJP کے کھل اور شفاف مارکیٹ کے ذریعے اندرونی مواقع کے لیے ایک علیحدہ پورٹل ہم بھی چلائی گئی۔

ذیل میں کچھ نئے کی اقدامات ہیں جو ہم نے اپنے لوگوں کے لیے شروع کیے ہیں:

1. سیکھنے کے اقدامات (L&D) ہماری ٹیلنٹ کے سیکٹر کیلئے بات چیت کا آن اور اسٹریٹجک سوچ اور تکنیکی تحفظ، ڈیجیٹل CONNEX کا فارمیٹ، GTE کے لیے کیمپس سے کاروبار رہنما تک۔

2. TDP ٹریننگ (ٹی او کریٹی کلب کرنے والے) LUMS اسٹریٹجک فاضل جامعت LUMS لیڈر شپ اکیڈمی لیڈر شپ ایجنگ پاتھ وے، ہوٹ کیمپ، ہوم آف افغانستان ٹیلنٹ ڈویلپمنٹ پروگرام۔

3. EFERT کو فروغ دینے والے اقدامات ACE (HR) سیکٹر۔ لے سیکٹر اور حسن آفریدی خان شمعون چوہدری، عمر حسن خان

DE & I کلچر کو فروغ دینے کے لیے ہمارے اقدامات

ثبات کے اصول

1۔ ہر کیڈر کے بعد یہ اقدام ملازمین کی مدد کے لیے تیار کیا گیا ہے جنہوں نے مختلف ذاتی وابستگیوں اور جذبات کی بنا پر کیریئر بریک لیا ہے اور اب افرادی قوت میں دوبارہ داخل ہونے کی کوشش کر رہی ہیں۔ اس پروگرام کا مقصد ان خواتین کو کام پر لوٹنے کا ساز گار ماحول میں ایک آسان اور معاون راستہ فراہم کرنا ہے تاکہ وہ مختلف ڈیجیٹل کی تشہیر کرنے والی خواتین کو دوبارہ مواقع میسر ہوں۔

2۔ اس پروگرام کے ذریعے، ملازمت متعدد مرد ملازمین کو اپنے کیریئر میں ترقی کرنے کا ایک نیا موقع فراہم کرنے کا اعتماد دلاتا ہے بلکہ کاروبار دنیا میں کامیابی اور شمولیت کو بھی یقینی بناتا ہے، جس سے افراد اور مجموعی طور پر اداروں کو فائدہ پہنچے گا۔

3۔ ٹیلنٹ ایکوسسٹم میں خواتین کے لیے مواقع: EFERT نے حال ہی میں خواتین کو آگے بڑھانے میں نمایاں ضرورت کو تسلیم کیا ہے۔ خاص طور پر دیہی علاقوں میں خواتین کی شمولیت کو بڑھا رہا ہے۔ سماجی اداروں کو تشکیل کرنے اور شمولیت کو فروغ دینے کے لیے ہماری کوشش کے حصے کے طور پر، ہم نے متنوع صلاحیتوں اقتصادی میں سفر سے تعلق رکھنے والی خواتین کے لیے تکنیکی کرداروں میں حصہ لینے کے لیے دروازے کھول دیے ہیں جو کبھی خواتین کے لیے ٹیلنٹ دیہی کیے جاتے تھے۔ اس کوشش میں ایک اہم اقدام 2023 میں شروع کیا جانے والا پروگرام ہے (2024 میں انلاپ اپنل کے نام سے دوبارہ لانچ کیا گیا)، جو لیبلڈ مارکیٹ کے کرداروں میں خواتین کی نمائندگی بڑھانے پر مرکوز ہے۔

4۔ KDSP کے ساتھ شراکت EFERT کام کی جگہ پر الاؤنس دیہی خواتین کی نمائندگی کو بہتر بنانے کے لیے پرعزم ہے۔ ایک قابل ذکر مثال کراچی ڈاؤن مڈ ڈے پروگرام (KDSP) کے ساتھ ہماری شراکت داری ہے، جو اب اپنے دوسرے سال میں داخل ہو چکا ہے۔ اس میں ہم نے 2 انٹرنز کی خدمات حاصل کر لی ہیں۔

5۔ سینئر سیٹیزن اعزازیہ پروگرام EFERT نے 2024 میں سینئر سیٹیزن اعزازیہ پروگرام شروع کیا، جو 7 ممتاز شہریوں کو کارپوریٹ دنیا سے منسلک ہونے کے باعث مواقع فراہم کرنے کے لیے پرکشش کیا گیا تھا۔ اس کا مقصد ان کے تجربے اور معلومات سے فائدہ اٹھانا ہے۔ اس کے ذریعے وہ اہل اور ٹیلنٹ رہنے ہوئے مختلف منصوبوں میں اپنا حصہ ڈال سکتے ہیں۔ وہ 2025 میں ہمارے ساتھ شامل ہوں گے۔

کمیونٹی انگیجمنٹ اور سرمایہ کاری

EFERT نے سول سوسائٹی کے ساتھ مل کر ان ریسپانسل بزنس (CCIRB) کے ساتھ شراکت داری کی ہے تاکہ 5SDG کے تحت ہم مساوات بھی کی کے ساتھ ہم آہنگی، پائیدار اور جامع ترقی کو فروغ دے سکے۔ یہ تعاون وسائل کا کارکردگی طریقوں پر نتیجہ مرکوز کرتا ہے جو اقتصادی ہمدردی اور کمیونٹی تعمیر پیدا کرنے کو فروغ دیتے ہیں۔ EFERT ان پائیدار کی حمایت کرتا ہے جو جامع ترقی، فرصت میں کمی اور عمل مساوات کے لیے فوری ضرورت کی ترقی کو حوصلہ پہنچاتی ہیں۔

EFERT کے CSR اقدامات کا مقصد پسماندہ کمیونٹیز کی تعلیم، صحت کی دیکھ بھال اور روزگار کے مواقع فراہم کر کے مساوات کو کم کرنا ہے۔ ہماری کاوشوں میں کم آمدنی والے علاقوں میں لڑکیوں کے لیے تعلیمی رسائی، کم لاگت کے گھر پوں کے لیے تکنیکی تربیت اور صحت کی دیکھ بھال کی خدمات شامل ہیں۔

سینڈ ٹیلیجنس (PAVID) پاکستان کے ہیڈ کوارٹر میں شراکت داری اور تدریسی توسیع کے ذریعے MEDA اور DFAT-BPP کے تعاون سے EFERT نے 4,400 سے زیادہ مچھیرے کسانوں کے دیہات کو بہتر بنایا ہے، جن میں 730 خواتین کا شمار بھی شامل ہیں جو کہ 400 کے ابتدائی ہدف سے زیادہ ہے۔ اس پروجیکٹ سے خواتین کے معاشی اختیار، صحت پر خرچ کرنے کی صلاحیت، اور تعلیم کو فروغ دے کر SDG 5 کو آگے بڑھایا گیا۔

ہم آہنگی

ایک ذمہ دار ادارے کے طور پر، EFERT کام کی جگہ پر تنوع، مساوات اور شمولیت (DEI) کو فروغ دینے کے لیے پرعزم ہے۔ تاہم، زمینی سطح سے آگے کا انتظار کیسے ہی کے ساتھ جب ہم شامل ہوتے ہیں تو ہم DEI چیلنجوں کا سامنا کرتا ہے۔ خواتین کا انتظار خاص طور پر، انجانی پیمائش، فیصلہ سازی کی محدود طاقت اور کراپ جیسٹ کی ضروری معلومات تک کم رسائی سے دوچار ہیں۔

ڈبلیو ڈبلیو ایف پاکستان - سندھی ویلڈ ایکسٹینشن پروگرام (ایگرو فارسٹری اینڈ وائلڈ لائف ایکسٹینشن) نے ڈبلیو ڈبلیو ایف پاکستان کے ساتھ مل کر ویلڈ ایریا کے تحفظ کے لیے شراکت داری کی ہے۔ ہم کمیونٹی پر مبنی وائلڈ لائف کنزرویشن پروگرام (CBWCP) کے تحت کام کرتے ہیں، جو صرف ایک منصوبہ نہیں بلکہ ایک طویل المدتی عزم ہے۔ ہمارا مقصد ویلڈ ایریا کے ارد گرد آباد دیہات کے لوگوں کو ایسے مواقع فراہم کرنا ہے جو ان کی زندگی بہتر بنائیں اور ساتھ ہی جنگلی حیات کے تحفظ کو یقینی بنائیں۔ ہم مقامی لوگوں کو ایسے ذرائع فراہم کرتے ہیں جو ان کی روزمرہ ضروریات پوری کریں، تاکہ وہ جنگلی حیات کو نقصان پہنچانے کے بجائے ان کے تحفظ میں دلچسپی لیں۔ ہمارا ماننا ہے کہ جب لوگ خود کو ماحول کا حصہ سمجھیں گے تو وہ اس کی حفاظت بھی کریں گے۔

2024 میں ہم نے درج ذیل کام کیے:

- سندھ اور پنجاب کے 7 اضلاع اور تقریباً 70 دیہات کے ساتھ سماجی متحرکات کی اسٹڈی کی گئی۔
- جامع ڈسٹرکٹ وائلڈ لائف مینجمنٹ پلان کا سندھی زبان میں ترجمہ کیا گیا ہے۔
- مویشی چرانے کے علاقوں میں وائلڈ لائف کی تعداد کم کرنے کے لیے ہنگرز، بھوکی بلاؤں کے ذریعے شکار کے پیٹرن، 7 سال پنجاب کے نگرانی کے اعداد و شمار اور مختلف کنزرویشن طریقوں کے تقریب آنے سے متوقع فوائد کا تجزیہ کیا گیا ہے۔ ہنگرز وائلڈ لائف کے شکار کے علاقوں کے قریب آنے سے روکتے ہیں۔ اس بات کو یقینی بناتے ہوئے کہ وہ 20-40 میٹر کا کھلا علاقہ صاف رہے۔ یہ جڑی بوٹیوں کا ایک جھنڈ ہے جس کی باقی سطح کانٹے دار جھاڑیوں سے ڈھکی ہوتی ہے۔
- 19 جنوری 2024 کو ایک CAVRDS (کنزرویشن اشو ڈرون اینڈ وائلڈ لائف سروے ڈیزائن) ورکشاپ منعقد کیا گیا۔
- ایجنسی آف ہیری ایڈ کے تعاون سے مگسر میں 8 اگست 2024 کو اولین یونین کونسل رپورٹ کارڈ پر ایک ورکشاپ کا انعقاد کیا گیا۔ اس نے ایک ایسے نظام کے قیام پر توجہ مرکوز کی جو لیے پر نتیجہ مرکوز کی جو مختلف ماحولیاتی، سماجی اور اقتصادی اشاریوں کا جائزہ لیتا ہے۔
- ضلع مگسر کے چھ اسکولوں میں پانچ نئے ایکو کلب قائم کیے گئے۔ ریتہ آئی اعلان منعقد کیے گئے جس کے صدر اکاڈمی سیشن ہوا۔
- WWF-Pakistan نے ایک ماحولیاتی گیری ایریا میں خواتین کی (LNA) Livelihood Needs Assessment سروے کے نتائج کی بنیاد پر زیر قیادت آئی (راہنما) کو بطور ماحت متعارف کرایا۔ WWF-Pakistan نے ماحی گیریوں کو 4000 مچھلی کے جال، 2000 کلو کراس پائپ، مچھلی خریدنے اور فروخت کرنے میں مدد کی۔
- 9 سے 11 جولائی 2024 کو آئی ڈی ای سی-گڈو بیراج، ضلع گھوٹکی میں 3 روزہ ٹریننگ ورکشاپ منعقد کی گئی۔
- ایکو ٹورازم کونسل 8 اگست 2024 کو مگسر میں منعقد ہوا۔ ایک تقریب میں دو ایکو ٹورازم گائیڈز کے حوالے کی گئیں۔ ایکو ٹورازم میں شامل ہے: ایڈونچر ٹورازم، کلچرل ٹورازم، ریورز ٹورازم، ایگریکلچر ٹورازم وغیرہ۔ ہر ایکو ٹورازٹ ایک اوسطاً 25 سے 30 ہزار روپے ماہانہ کماتا ہے۔

Community Mobilization

سماجی تنظیم سازی کے پلیٹ فارم کمیٹی نے تعلیم، صحت کی دیکھ بھال، ماحولیات، آبادی بہبود اور بنیادی ڈھانچے کی ترقی میں اہم اقدامات کی ہدایت کے لیے مالی کھول کر 484 ملین روپے کا تعاون کیا۔

Capacity Building

EFERT میں ہیومن کیپیٹل ایک اسٹریٹجک ترجیح کی حیثیت رکھتا ہے کیونکہ ہم طویل المدت میں قدر پیدا کرنے اور اثر بڑھانے میں مدد کرنے کے لیے بہتر رویے کے حامل افراد کی خواہش رکھتے ہیں۔ EFERT کہتا ہے کہ مستقبل میں اس کے کامیاب ہونے کے لیے بہتر ہنر مندی کے متلاشی ہوں گے، اور کمپنی کو ان خواہشوں کا سامنا کرنے کے لیے طویل المدتی صلاحیتوں کو فروغ دینے میں سرمایہ کاری کرنی چاہیے۔ اپنی مسلسل کامیابی کے لیے، اور اس بات کو یقینی بنانے کے لیے کہ ہم اپنے لوگوں پر سرمایہ کاری جاری رکھیں گے، ہم مطلوبہ مہارتوں کے لیے اپنی ضروریات کے ساتھ اپنے ٹیلنٹ مینجمنٹ اور ریکروٹمنٹ کوششوں کو ہم آہنگ کرنے سے ہے کہ ان کی مصروفیت کو بڑھانے اور تبدیلی کی تیاری کی پہلی نشاندہی کو برقرار رکھے۔

ہم جانتے ہیں کہ ہم صرف اپنی خواہشات کو پورا کر سکتے ہیں اگر علاقے کے باصلاحیت نوجوان ہماری ملازمتوں کے لیے اہل ہوں اور ہم نے EFERT میں اس بات کو یقینی

بنانے کے لیے ایک جامع فریم ورک تیار کیا ہے کہ تنوع، مساوات اور شمولیت (DEI) ہماری تنظیمی ثقافت کا حصہ بنے۔ ہم سمجھتے ہیں کہ تنوع کے فوائد ہم سب کے لیے ہیں اور ہر ایک کو اس سفر میں شامل ہونا چاہیے۔ ہم اپنے کام کے ماحول میں مختلف نقطہ نظر کو اپنانے کے لیے پرعزم ہیں اور ہر ایک کو اپنے خیالات کا اظہار کرنے کے لیے محفوظ محسوس کرنے کی ترغیب دیتے ہیں۔ ہم اپنے کام کی جگہ کو ایسی جگہ بنانے کی کوشش کرتے ہیں جہاں ہر ایک کو قدر دی جائے اور اس کا احترام کیا جائے، اور ہم اپنے کام کے ماحول کو ایسا بنانے کی کوشش کرتے ہیں جو ہر ایک کی ضروریات کو پورا کرے۔ ہم اپنے ملازمین کو ان کی ضروریات کے مطابق مہارت کے مواقع فراہم کرتے ہیں۔ ہم اپنے ملازمین کو ان کے کیریئر کے اہداف کے حصول میں مدد کرنے کے لیے کوچنگ اور مینٹرنگ کے مواقع بھی فراہم کرتے ہیں۔

Talent Management

ہم اپنے ٹیلنٹ کو مسلسل سیکھنے پر یقین رکھتے ہیں، جس میں لوگوں کی ترقی کو ترجیح دینے کے لیے ایک اہم اسٹراٹیجی ہے۔ ادارے لیڈروں سے توقع کی جاتی ہے کہ وہ سیکھنے کے مواقع پیدا کریں گے، COACHING فراہم کریں گے اسے باقاعدگی سے تبصرہ فراہم کریں۔ ایک تنظیم جو ہمارے کاروبار کی کامیابی کے انتظام، ہدف کی ترتیب اور سیکھنے کے انتظام کے نظام میں جڑا ہوا ہے۔ ہمارا لیڈر شپ فلاسفی کا دل لیڈر شپ کی پوزیشن کی وضاحت اور مستقبل کو دیکھنے کی صلاحیت ہے۔ ہم نے لیڈر شپ کی تین سطحوں کی نشاندہی کی ہے جو ہمارے کاروبار کے لیے اہم ہیں۔ ہمارے لیڈر شپ فلاسفی کے مرکز میں ہمارے لیڈروں کے لیے ایک مشترکہ زبان ہے جو ان کے کردار کی وضاحت کرتی ہے اور ان کی توقعات کو واضح کرتی ہے۔ ہمارے لیڈر شپ فلاسفی کے مرکز میں ہمارے لیڈروں کے لیے ایک مشترکہ زبان ہے جو ان کے کردار کی وضاحت کرتی ہے اور ان کی توقعات کو واضح کرتی ہے۔ ہمارے لیڈر شپ فلاسفی کے مرکز میں ہمارے لیڈروں کے لیے ایک مشترکہ زبان ہے جو ان کے کردار کی وضاحت کرتی ہے اور ان کی توقعات کو واضح کرتی ہے۔

اپنے ملازمین کی صحت اور تندرستی پر توجہ مرکوز کرنے کے لیے EFERT نے ایک "ہیلتھ پروگرام کے ذریعے مختلف اقدامات نافذ کیے ہیں۔ ان میں سالانہ طبی معائنہ، ہیلتھ ایجوکیشن سیشنز کے لیے ماہرین کے ساتھ ورکشاپس، اور فیملی سپورٹ پروگرام شامل ہیں۔ ہم ملازمین کی ذہنی صحت کی اہمیت کو بھی تسلیم کرتے ہیں اور ایک ایسا ماحول بنانے کی کوشش کرتے ہیں جہاں ملازمین کو مدد مانگنے میں آرام دہ محسوس ہو۔ ہم نے ایک کاؤنسلنگ سروس بھی متعارف کرائی ہے جو ملازمین اور ان کے اہل خانہ کو مفت اور خفیہ مشاورت فراہم کرتی ہے۔

EFERT کا مقصد ایک ایسا کام کی جگہ بنانا ہے جہاں ملازمین کو قدر دی جائے، سپورٹ کیا جائے اور ترقی کے مواقع ملیں۔ ہم ایک ایسا ماحول بنانے کی کوشش کرتے ہیں جہاں ملازمین کو اپنے کام میں مشغول اور متحرک محسوس ہو، اور ہم ایسے ملازمین کو راغب کرنے اور برقرار رکھنے کی کوشش کرتے ہیں جو ہماری کمپنی کی کامیابی میں حصہ ڈالنے کے خواہشمند ہوں۔

Performance Management

ہم اپنے ملازمین کی کارکردگی کا انتظام ایک مسلسل عمل کے طور پر کرتے ہیں جو سال بھر جاری رہتا ہے۔ ہمارا مقصد ملازمین کو ان کے کام کے بارے میں باقاعدہ فیڈبیک فراہم کرنا ہے، ان کی ترقی کے لیے مواقع کی نشاندہی کرنا ہے، اور ان کی کارکردگی کو بہتر بنانے میں مدد کرنا ہے۔ ہمارا کارکردگی کا انتظام کا نظام ایک رسمی سالانہ جائزے کے عمل پر مبنی ہے، جس میں ملازمین اور ان کے منیجرز کے درمیان ایک ون آن ون میٹنگ شامل ہے۔ اس میٹنگ کے دوران، ملازمین اپنی کامیابیوں، چیلنجز اور ترقی کے مواقع پر بات کرتے ہیں۔ منیجرز ملازمین کو فیڈبیک فراہم کرتے ہیں اور ان کے ساتھ مل کر ان کے لیے ترقیاتی منصوبے تیار کرتے ہیں۔ ہم ملازمین کو ان کے کام کے بارے میں باقاعدہ فیڈبیک فراہم کرنے کی اہمیت پر زور دیتے ہیں، اور ہم منیجرز کو اس عمل میں فعال طور پر شامل ہونے کی ترغیب دیتے ہیں۔ ہم ملازمین کو ان کے کیریئر کے اہداف کے حصول میں مدد کرنے کے لیے کوچنگ اور مینٹرنگ کے مواقع بھی فراہم کرتے ہیں۔

ہم کمپنی میں کارکردگی کے کلچر کو فروغ دینے کی اہمیت کو سمجھتے ہیں، جہاں ملازمین کو ان کی کوششوں اور کامیابیوں کے لیے تسلیم کیا جاتا ہے اور انعام دیا جاتا ہے۔ ہم ایک ایسا ماحول بنانے کی کوشش کرتے ہیں جہاں ملازمین کو اپنے کام میں مشغول اور متحرک محسوس ہو، اور ہم ایسے ملازمین کو راغب کرنے اور برقرار رکھنے کی کوشش کرتے ہیں جو ہماری کمپنی کی کامیابی میں حصہ ڈالنے کے خواہشمند ہوں۔ ہم اپنے کام کی جگہ کو ایسی جگہ بنانے کی کوشش کرتے ہیں جہاں ہر ایک کو قدر دی جائے اور اس کا احترام کیا جائے، اور ہم اپنے کام کے ماحول کو ایسا بنانے کی کوشش کرتے ہیں جو ہر ایک کی ضروریات کو پورا کرے۔ ہم اپنے ملازمین کو ان کی ضروریات کے مطابق مہارت کے مواقع فراہم کرتے ہیں۔ ہم اپنے ملازمین کو ان کے کیریئر کے اہداف کے حصول میں مدد کرنے کے لیے کوچنگ اور مینٹرنگ کے مواقع بھی فراہم کرتے ہیں۔

Employee Engagement

ہم ملازمین کی مصروفیت کو اپنی کامیابی کے لیے اہم سمجھتے ہیں اور ہم ایک ایسا کام کی جگہ بنانے کی کوشش کرتے ہیں جہاں ملازمین کو قدر دی جائے، سپورٹ کیا جائے اور ترقی کے مواقع ملیں۔ ہم ایک ایسا ماحول بنانے کی کوشش کرتے ہیں جہاں ملازمین کو اپنے کام میں مشغول اور متحرک محسوس ہو، اور ہم ایسے ملازمین کو راغب کرنے اور برقرار رکھنے کی کوشش کرتے ہیں جو ہماری کمپنی کی کامیابی میں حصہ ڈالنے کے خواہشمند ہوں۔ ہم اپنے کام کی جگہ کو ایسی جگہ بنانے کی کوشش کرتے ہیں جہاں ہر ایک کو قدر دی جائے اور اس کا احترام کیا جائے، اور ہم اپنے کام کے ماحول کو ایسا بنانے کی کوشش کرتے ہیں جو ہر ایک کی ضروریات کو پورا کرے۔ ہم اپنے ملازمین کو ان کی ضروریات کے مطابق مہارت کے مواقع فراہم کرتے ہیں۔ ہم اپنے ملازمین کو ان کے کیریئر کے اہداف کے حصول میں مدد کرنے کے لیے کوچنگ اور مینٹرنگ کے مواقع بھی فراہم کرتے ہیں۔

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ہم ملازمین کی مصروفیت کو اپنی کامیابی کے لیے اہم سمجھتے ہیں اور ہم ایک ایسا کام کی جگہ بنانے کی کوشش کرتے ہیں جہاں ملازمین کو قدر دی جائے، سپورٹ کیا جائے اور ترقی کے مواقع ملیں۔ ہم ایک ایسا ماحول بنانے کی کوشش کرتے ہیں جہاں ملازمین کو اپنے کام میں مشغول اور متحرک محسوس ہو، اور ہم ایسے ملازمین کو راغب کرنے اور برقرار رکھنے کی کوشش کرتے ہیں جو ہماری کمپنی کی کامیابی میں حصہ ڈالنے کے خواہشمند ہوں۔ ہم اپنے کام کی جگہ کو ایسی جگہ بنانے کی کوشش کرتے ہیں جہاں ہر ایک کو قدر دی جائے اور اس کا احترام کیا جائے، اور ہم اپنے کام کے ماحول کو ایسا بنانے کی کوشش کرتے ہیں جو ہر ایک کی ضروریات کو پورا کرے۔ ہم اپنے ملازمین کو ان کی ضروریات کے مطابق مہارت کے مواقع فراہم کرتے ہیں۔ ہم اپنے ملازمین کو ان کے کیریئر کے اہداف کے حصول میں مدد کرنے کے لیے کوچنگ اور مینٹرنگ کے مواقع بھی فراہم کرتے ہیں۔

ہاری 11 تعلیمی 126 اسکولوں کے چلتے ہوئے نیٹ ورک سے باہر ہوتی ہے جو ہم نے قائم کیے ہیں، جن میں سے 14 گھوٹکی کے کچے کے علاقے میں اور 112 ہری ناون میں ہیں۔ یہ اسکول نیم خانہ بدوش برادریوں کے لیے ایک مخصوص اور پرورش کا ماحول فراہم کرتے ہیں جسے اسکا کے روایتی طریقوں سے ہم آہنگ کیا گیا ہے۔ 2024 کے دوران، ہمارا کمیونٹی اسکول نیٹ ورک 543 تک پہنچ گیا۔ 2024 کے آخر میں 2,977 طلباء نے ہمارے کھولے گئے سرکاری اسکولوں میں ترقی کی جب کہ 1,545 طلباء نے کچے کے اسکول نیٹ ورک میں اپنی تعلیم جاری رکھی۔

ہم مستقبل کی نسلوں تک علم کی منتقلی میں ان کے اہم کردار کو تسلیم کرتے ہوئے قدرتی گھومنے کی فطرت اور ترقی میں ہم آہنگ ذہنیت اور سرمایہ کاری کرتے ہیں۔ یہ یقینی بناتا ہے کہ ہمارے طلباء کو اعلیٰ معیار کی تعلیم حاصل ہو اور وہ اپنی مستقبل کی کوششوں میں ہمت حاصل کرنے کے لیے جڑے ہوئے محسوس ہوں۔ تعلیم صرف ہاتھ میں تعلیم کے بارے میں نہیں ہے۔ یہ عزت کے پیمانہ کو توڑنے کے بارے میں ہے۔ معیاری تعلیم تک رسائی فراہم کر کے ہم افراد کو روزگار کے بہتر مواقع حاصل کرنے، ان کے معیار زندگی کو بہتر بنانے اور ان کے کام میں بامعنی حصہ لینے کے لیے بااختیار بنا رہے ہیں۔

سندھ ایجوکیشن فاؤنڈیشن (SEF) ایک غیر منافع بخش ادارہ ہے جو سندھ ایجوکیشن فاؤنڈیشن ایکٹ 1992 کے تحت قائم کیا گیا ہے۔ SEF کے پاس متعدد اضلاع کے ذریعے صوبے میں تعلیم کے فروغ کا مینڈیٹ ہے۔ ایجنگ فلاؤنڈیشن (ایف ایف) کے ساتھ شراکت داری:

1. ایک فاؤنڈیشن اسسٹڈ اسکول (FASI) پاکستان کھول اور یہ SEF کے ذریعے تھاون پاتھ ہے اور کچے کے علاقے میں کام کر رہا ہے۔ کچے کے علاقے میں 165 طلباء (38% لڑکیاں اور 62% لڑکے) پر مشتمل اسکول کے تحت داخل ہیں۔ یہ SEF کی پہلی ہوگی جس میں ہوگی کا استعمال کرتے ہوئے کچے کے علاقے میں آبی بنیاد انجمنوں کی طویل مدتی بنیاد کے لیے SEF اور EF کے درمیان شراکت کو مضبوط کرے گا۔
2. خواتین اور بچوں کے کینسر کے علاج پر قومی پروگرام (AALTP) کے تحت تعلیمی سرگرمیوں کا انعقاد۔ AALTP کو مضبوط کرنا نوجوان مریضوں کے لیے تیز رفتار زندگی بچانے والی تعلیم اور ان کے بنیادی فعال خواندگی فراہم کرنا ہے جو ان کی تشخیص سے متاثر ہیں ہو سکتے ہیں۔ یہ ان کی تعلیمی ضروریات کی تکمیل، خاندانوں کی مدد اور پیشہ ورانہ ترقی کے مواقع فراہم کیے جائیں۔ کچے کے علاقے میں 3 سرگرمی سرگرمیوں 210 طلباء (44% لڑکیاں اور 56% لڑکے) تک پہنچ کر رہے ہیں۔

ہنر مندی

ایجوکیشنل ایکسیلنس اور ٹیکنیکل ایجوکیشن کے ذیلی شعبوں میں 3 سالہ پروگرام کے ذریعے کمیونٹی کے نوجوان خواتین افراد کو ڈگری دینا ہے۔ اس پروگرام کے پہلے دو سال تکنیکی شعبے کے اندر مختلف شعبوں میں بہت سے افراد کے کیریئر کو تقویت دینے میں مدد کی ہے اور اپنے اور اپنے خاندانوں کے لیے معمولی روزگار کرنے میں مدد کی ہے۔ اس ادارے میں موجودہ اندراج کی تعداد 618 ہے جن میں 23 لڑکیاں شامل ہیں۔ ایجوکیشنل ایکسیلنس نے تکنیکی ریپیٹری اسٹیٹ کراچی میں 60 گریجویٹس (جنہوں نے دسمبر 2023 میں گریجویشن کیا) کی ہلوڈر ڈیپارٹمنٹ میں ملازمت کی سہولت فراہم کی۔

صحت کی دیکھ بھال کی خدمات

IEFERT اپنے ہر شمس خاندان کے ہر فرد کی بہتر صحت اور بہبود کو یقینی بنانے کے لیے پرعزم ہے۔ افراد کو بااختیار بنانے اور بنیادی ترقی کو فروغ دینے میں فاضل وسائل صحت کی دیکھ بھال کی اہم کردار کو تسلیم کرتے ہوئے، کمیونٹی لان کیمپ میں صحت کی دیکھ بھال کی متنوع ضروریات کو پورا کرنے کے لیے ایک جامع اور کثیر نظر اپنائی ہے۔

ضروری خدمات فراہم کرنے میں سب سے آگے سہارا کلینک ہے، جو کیونٹی کے اندر قابل رسائی گھومنے کا ایک بنیاد ہے۔ صرف 2024 میں، کلینک نے حیرت انگیز طور پر 7,846 مریضوں کا علاج کیا، جس میں صحت کی اہم بنیادی خدمات مفت فراہم کی گئیں۔ زچگیوں میں کمی لانے کے لیے پرعزم، کلینک نے سانپ کاٹنے کے علاج کی ایک سرشار سہولت قائم کی، جو خطے میں اپنی نوعیت کی پہلی سہولت ہے۔ یہ سہولت پہلے ہی 411 سانپ کاٹنے والے مریضوں کا علاج کر چکی ہے، جو صحت کے ایک اہم خطرے کو کم کرنے میں اس کے اہم کردار کو اجاگر کرتی ہے۔

متحرک کلینک کے چھ یونٹوں سے لیس اور کم از کم اثاثہ کا پتہ لگاتے ہوئے، کلینک نے 2022 میں اپنے آغاز کی ایک ہفت سہولت تا قائم کی۔ اس اہم اقدام سے 2024 میں 4,416 مریضوں کو فائدہ پہنچایا، ان کی زندگیوں میں قفل و حرکت اور آزادی اور اطمینان لایا۔ کیمپ نے یہ اسے لے جانے والے خطوات سے متعلق اور بروقت صحت کی دیکھ بھال کے لیے بنیادی انتظامیہ کو فعال کرنے کے لیے بنیادی کردار ادا کیا ہے۔ 2024 میں 2,267 مریضوں کا علاج کرتے ہوئے کیمپ کے کاٹنے کی ایک خصوصی سہولت نے بھی اہم کردار ادا کیا۔

تعلیم

مختلف طور پر معذور افراد اور ان لوگوں کو بااختیار بنانے میں مدد کے لیے جنہیں آمدنی کی ایک مثل کی ضرورت ہے، آمدنی کے آزاد مواقع پیدا کرنے میں مدد کرنے کے لیے افراد کو 12 روزگار پر مبنی تکنیکی سے لیس کیا ہے۔ یہ پیشہ کمپیوٹر پروں کی ٹائرنگ، گھریلو اشیاء اور کاروبار کی سلائی سے تعلق رکھتے ہیں۔ گھریلو خواتین کی بہتری اقتصادی آزادی کے لیے افراد کو بااختیار بنانے کا ورہ فراہم کرنے اور ان کے خاندانوں کے لیے آمدنی کا ایک آرڈر ذریعہ بنانے میں مدد کے لیے مالی امداد فراہم کی گئی ہے۔

پانی اور صفائی

صحت اور بہبود میں صاف پانی کے اہم کردار کو سمجھتے ہوئے، EFERT نے علاقے میں پانی کی کمی کو پوری تندہی سے حل کیا ہے۔ سال بھر میں 12 ریورس اوسموسس (RO) پلانٹس، جو بنیادی طور پر تاش تھوڑے سے چلتے ہیں، نے تقریباً 4,000 خاندانوں کو یومیہ 15 ملین لیٹر صاف پانی فراہم کیا ہے۔ اس تاش تعریف حصے کو سیدھے اپ کریٹ شن کے اقدامات اور بلدیاتی حصص کی تصب ذہبی کے مختلف دیہاتوں میں اجلاس اور گھر گھر اٹھانے کے لوگوں کی تشکیل سے پورا کیا گیا تاکہ انگریزی ضروریات کو تشخیص بنانے اور مقامی کمیونٹیوں کی ذمہ داری کو بڑھانے کے لزم کو اجاگر کیا جا سکے۔

دیگر اقدامات کمیونٹی کے اجتماعی شعور کو پورا کرنے کے لیے مقامی حکام کے ساتھ مضبوط شراکت داری کو اجاگر کرتے ہیں۔ اس سال، صحتی علامت کے ساتھ تعاون کے ذریعے EFERT نے رمضان پیکیج کی تقسیم میں تعاون کیا۔ اس اقدام نے پسماندہ افراد کو روایتی ترکیبوں پر کھجوریں، چنے، گھی، کپڑے اور دیگر ضروری اشیاء کی اکٹھی کی، جو رمضان کے دوران انتہائی ضروری ریلیف اور مدد فراہم کرتی ہے۔ مزید برآں، کیمپ نے پولیو ٹیکہ کاری مہم کی حمایت کی، جس نے پولیو سے متاثرہ علاقوں میں بچوں کے لیے کرنے کی کاوشوں کی اہم میں اہم کردار ادا کیا۔ EFERT کا ان اور پڑوسی علاقوں میں مچھروں کے خلاف مہم بھی چلائی۔

ڈیزاسٹر ریلیف سے متاثرین کی دیکھ بھال میں معمولی مرمت اور بحالی کے کاموں کی مسودت میں مدد فراہم کی گئی اور اس سال 2 سے بند ہینڈ پمپ بھی لگائے گئے۔

ماحولیات

زرخیز زمین کا تحفظ اور ماحولیاتی آگاہی کی اہمیت کو تسلیم کرتے ہوئے، ایجنگ نے 45 مختلف علاقوں (شمولی ڈیزاسٹر شیلٹر CAER) دیہات (شمولی سرکاری اور کچے کے علاقے کے اسکولوں، بچوں کے کلب، دیہاتی تنظیمات وغیرہ) میں شجرکاری مہم کا اہتمام کیا۔ 4,000 سے زیادہ پھل دار درخت اور ہر موسم کے پودے لگائے گئے۔ جو کہ ایک سرسبز اور زیادہ پائیدار مستقبل کے لیے مگر ارادہ کرتے ہیں۔

EFERT کا خیال ہے کہ مساوات کاروباری کامیابی کا بنیادی محرک ہیں۔ کمپنی اپنے سماجی اور ماحولیاتی اثرات کو اس طرح مؤثر کرنے اور استعمال کرنے کی کوشش کرتی ہے کہ اس کے لوگوں، رہائشیوں، سرمایہ کاروں اور معاشروں کی صحت کی حفاظت اور تحفظ کو مستقل طور پر یقینی بنایا جائے۔ ہمیں یقین ہے کہ ہمارا HSE کا مساوات ہماری ماحولیاتی ذمہ داریوں کے نتائج اور ان میں اضافے سے باہر ہیں۔ چونکہ ماحولیاتی چیلنجز زیادہ دباؤ اور تقاضا ہوتے جاتے ہیں، EFERT اس بات کو یقینی بناتا ہے کہ اس میں شامل خطرات کا پتہ لگائے، ریکارڈ کرنے اور ان کا انتظام کرنے کے لیے مناسب عمل اور کنٹرول موجود ہیں۔ ہم خطرات کی نشاندہی کرنے اور لوگوں اور ماحول کو پہنچنے والے نقصان کو کم کرنے کے لیے احتیاطی تدابیر اختیار کرتے ہیں اور وسائل کی اصلاح کے مواقع کی مسلسل نگرانی کرتے ہیں۔

EFERT کے پاس ایک اچھی طرح سے قائم ماحولیاتی انتظام کا نظام ہے جس میں تفصیلی تکنیکی معیارات اور ایک سیچ آڈٹ اور جائزہ پروگرام شامل ہے۔ ماحولیاتی کام کرنے اور عمل کے خطرناک اقدامات کی نظر رکھنے کی جگہ پر ہے، جس میں ہیزرڈ اینڈ آپریبلٹی اسٹڈیز (HAZOP) آگ کے خطرے کی پرت (LOPA) کو تکنیکی رسک اسیسمنٹ اور پریشر سیفٹی والو (PSV) سائز جیسے رسک اسیسمنٹ سائنسز کی اصل وقت کے نقصان کی نگرانی شامل ہے۔

ہمارے ماحولیاتی خطرات کو الٹرا لو رسک تک کم کرنے کے عمل میں ریزیڈیول ایمپیکٹ کا انتظام کیا جاتا ہے اور ان کا مستقل بنیادوں پر انتظام کیا جاتا ہے۔ ماحولیاتی کارکردگی کی نگرانی کی جاتی ہے اور باقاعدگی سے اندرونی صفر پر ہونے والے حادثات اور ماحولیاتی واقعات کی بنیاد پر ہنگامی ردعمل کے مشقوں کے ذریعے اور بیرونی طور پر رپورٹ کی جاتی ہے۔

سرمایہ کاری کے فیصلہ سازی

ایگرو اس حقیقت سے بخوبی آگاہ ہے کہ موسمیاتی تبدیلی اس کے آپریشنز، منافع اور مستقبل کی ترقی اور مجموعی اعتبار پر اثر انداز ہونے کے لیے جاری اور ابھرتی خطرات اور مواقع پیش کرتی ہے۔ ان کو بہتر طریقے سے حاصل کرنے کے لیے ہم نے آپ کو جوابدہ حقیقی خطرات اور مواقع کا ایک بیانیہ بنایا ہے اور انہیں لمبی یا مختصر کے خطرے کے طور پر درجہ بندی کیا ہے جس کی رہنمائی ٹاسک فورس آن کلائمیٹ ریلیٹڈ فنانشل ڈسکلوژرز (TCFD) فریم ورک کے ذریعے کی گئی ہے۔ یہ مختصر اہم کاروباروں میں کراس فنکشنل کوشش کا نتیجہ

پیشہ ورانہ حفاظت

2024 میں EFERT نے پیشہ ورانہ حفاظت کی انتظامیہ میں اہم پیش رفت کی، جس سے عالمی معیارات اور آپریشنل عملداری کے لیے بہتری کی واضح سمت طے ہوئی۔

- عارضی سرٹیفکیٹ TUV Rheinland:PHA کے ساتھ کوریم نے اپنی ڈیزل ہائیڈرو ٹریٹنگ یونٹ کے لیے پیشہ ورانہ خطرات کی تشخیص (PHA) کیا۔ یہ جامع تشخیص ممکنہ حفاظتی خطرات کی نشاندہی کرنے اور آغاز اور بند کے مراحل کے دوران حفاظتی اثرات کی توثیق کا باعث بنا۔
- SIL سطح کا PHA کے بعد ایک تفصیلی انجینئرنگ تجزیہ (SIL) کے مطالعے نے حفاظتی آلات کے نظام کی حساسیت کی توثیق کی، حفاظتی وارننگ کے ساتھ صنعت بھر کی کوشش بنایا اور ممکنہ خطرے کے انتظام کے طریقوں کو مضبوط کیا۔
- SECE کے لیے تربیت کورس کے معیارات، حفاظت اور ماحولیاتی تجزیہ پر اہم مشاورت (SECE) کی وقف صلاحیت کو بڑھانے کے لیے EFERT نے صنعت کے صنعتی اور تجربہ کار پیشہ ور افراد پر مشتمل ایک ورکشاپ (RAGAGEP) کے ساتھ صنعت بھر میں کارکردگی کے معیارات تیار کیے ہیں۔ یہ معیارات تربیتی اداروں کے لیے بین الاقوامی بہترین طریقوں کو اپنانا ممکن بناتے ہیں، مستقل تعمیل، مسابقت اور اہم مہارتوں کی دستیابی کو یقینی بناتے ہیں۔
- حادثاتی کلاء روانی کے تصور پر ہنگامی تیاری کو بہتر بنانے کے لیے EFERT نے آگ کے خطرات والے علاقوں (IAP) تیار کیے، جنہیں ایمرجنسی رسپانس پروگرام میں شامل کیا گیا ہے۔ یہ منصوبے ہنگامی رسپانس ٹیموں کو واضح رہنمائی فراہم کرتے ہیں، ہر آتش بازک حالات کے دوران تیزی سے اور مؤثر طریقے سے کام کرنے کے قابل بناتے ہیں۔

پروگرام کا سنگ بنیاد کمپنی کی صنعت میں سے حفاظتی معیارات قائم کرتے ہوئے بہادت تشکیل، اور بہترین طریقوں کو پہنچانے کے لیے EFERT کے عزم کو پیش کرتی ہیں۔

HSE کی انتظامیہ اور کارکردگی

بین الاقوامی ایس آئی مُرانی کے ذریعے ایک وقت آپریشنز (SIMOPS) پر ایچ ایس ای کی ایک ورکشاپ کا انعقاد کیا گیا۔ ورکشاپ نے خطرے کے نظام کے جدید ترین معیارات کو اجاگر کیا، جس کو اوور لیپنگ سرگرمیوں کے دوران حفاظتی سہولیات کو لاحق کرنے کی صلاحیت سے آراستہ کیا۔

HSE کی مہارت اور صلاحیتوں کو بڑھانے کے لیے EFERT نے اپنے ساتھی ٹرائپوڈ بیٹا انسیڈنٹ (Tripod - Beta Incident) انویسٹی گیشن ٹیکنیک، GRI سسٹین ایبلٹی رپورٹنگ اور ISO-Lead Auditor میں تربیت دی، جس کے نتیجے میں پوری سائٹ پر حفاظتی طریقوں، ہنگامی کے حفاظتی آلات، واقعات کی تحقیقات اور آڈٹ کی نتیجہ کو بہتر بنایا گیا۔

صحت عامہ کی کارکردگی

EFERT نے 2024 میں متعدد صحت کے اقدامات کی سربراہی کی، جن میں بھرتی کے کیمپ سے تحقیق 7 ہزار سے 500 سے زیادہ خواتین کو فائدہ پہنچایا اور مقامی برادریوں کے لیے صحت سے متعلق 7 کیمپ کے سیشن منعقد کیے۔

کارکنوں کی صحت، حفاظت اور فلاح و بہبود کے لیے شروع کیا گیا تھا جس کی وجہ سے ہیپاٹائٹس بی اور سی کی روک تھام کی بیداری کے کیمپ میں 1 ہزار 5 سو سے زائد افراد نے شرکت کی۔ اس کے علاوہ، ہیپاٹائٹس بی اور سی کے خطرات پر خصوصی سیمینار کے ساتھ ساتھ ضروری انسدادی طبی امداد کے اقدامات، دانتوں کی صحت، دل اور پھیپھڑوں کی صحت اور ٹی بی کی تشخیص سے متعلق 7 کیمپ کے سیشن نے ملازمین اور کمیونٹی کی فلاح و بہبود کے لیے ہمارے عزم کو مزید واضح کیا۔

اس کے علاوہ، ہیپاٹائٹس بی اور سی کے خطرے کے بارے میں آگاہی کی سہولیات سے لگ بھگ 12,000 سے زیادہ ملازمین کو فائدہ پہنچا، جس سے صحت کی بہتر عادات کے لیے ہماری لگن کو تقویت ملی۔

تمام فوڈ پلانٹس اور کچن نے 2024 میں HACCP سرٹیفکیشن کو برقرار رکھا، فوڈ سیفٹی کی تعمیل کے لیے سخت نگرانی اور کنٹرول کے طریقوں کا مظاہرہ کیا۔

ماحولیاتی کارکردگی

2024 میں EFERT نے ماحولیاتی کارکردگی کو بڑھانے کے لیے متعدد کوششیں کی گئیں۔

پانی کی بچت کی طرف ایک اہم قدم میں EFERT کی ذیلی کمپنی نے لاہور میں واقع اپنے دو آفس عمارتوں (CORE (AWS سرٹیفکیشن حاصل کیا، جو پانی کے پائیدار انتظام میں اس کی تعہد کا ثبوت ہے۔ یہ سرٹیفکیشن واٹر کمپ کے اور پیلا پانی کی کارکردگی، اسٹیک ہولڈرز کی مصروفیت اور پانی کی نگرانی میں مالی بہترین طریقوں کے خلاف ایک اہم جانچ کو ظاہر کرتا ہے۔

EFERT کی زیر نگرانی کمپنی نے ماحولیاتی آگاہی کے لیے اپنی لگن کو ظاہر کرتے ہوئے WWF سے گرین آفس سرٹیفکیشن کو بھی برقرار رکھا۔

اس کے علاوہ، EFERT نے قدرتی وسائل کے تحفظ اور پائیداری کی کوششوں کو 2024 میں evaporation pond gravity channel کی شکل میں جاری رکھا اور Net - zero Waste پر اپنی پیش رفت کو برقرار رکھا، ماحولیاتی تحفظ کو فروغ دیا اور اس کے بعد طلباء اور نوجوان کے لیے ورکشاپ کے ذریعے پائیداری کے بنیادی اصولوں کو متعارف کرایا۔

کمیونٹی انویسٹمنٹ

پاکستان میں اپنی موجودگی کا پہلا اسٹیپ ہونے کے ناطے HSE پروگرام سے جو کہ کمپنی کی HSE پالیسی کے مطابق ہے ہم اپنے ملازمین کی حفاظت اور تربیت کے لیے جو عزم رکھتے ہیں اس پر مشتمل ہیں۔ یہ پروگرام کمپنیوں اور ٹھیکیداروں کے عملے کو تحقیق کھلاڑی اور محفوظ کام کرنے کے طریقوں کی تربیت دینے کے لیے ڈیزائن کیا گیا ہے۔ جس کی بنیاد پر جامع ریسک پروفائلنگ ہے۔ اس میں ان کے 4 بنیادی ستون HSEA آتے ہیں اور اس کے بعد طلباء اور نوجوان کے لیے ان کے بنیادی اصولوں کو سمجھانے اور طریقوں کو بہتر بنانے کے لیے ان کی حوصلہ افزائی کرنا بھی شامل ہے۔

2024 میں انگلش زبان کے پروگرام کے تحت کل 800 سے زیادہ ملازمین کی کمپنی اور اس پروگرام کے تحت 27,000 سے زیادہ کسان دوست اقدامات میں مصروف تھے۔ اس میں ملک بھر میں 120 سے زیادہ صحت سے متعلق 7 کیمپ سیشن، 100 سے زیادہ ٹریننگ 7 کیمپ سیشن اور 40 سے زیادہ ٹیکنالوجی کے کیمپ شامل تھے۔

فوسل انرجی ریڈکشن

کمپنی بلند سطح کی تخلیص اور توانائی کے نظام کے لیے لیس انرجی انٹینسو ریفارمنگ ٹیکنالوجی کا استعمال کرتی ہے۔ اہم تبدیلیوں میں ریفارمنگ ٹیکنالوجی کو بہتر بنانے، ایندھن کے حصول پر انحصار کو کم کرنے اور نظام کے لیے ایندھن کا انتظام کرتے ہوئے ریسک ٹیکنالوجی کو ٹیکنالوجی کی قدر کی تخلیق، تحفظ اور اضافہ کے لیے لازمی طور پر دیکھا جاتا ہے۔ کمپنی ایک پیچیدہ کاروباری ماحول میں کام کرتی ہے، اور اسے سخت عمل اور خطرے کی مقدار کا اندازہ لگانے کی ضرورت ہوتی ہے جسے کاروبار، ریگولیٹری تعمیل میں مناسب الاؤنس پر مشتمل بجٹ پیش کرنے کے قابل کرنے کے لیے تیار ہے۔ کمپنی خطرے کے امکان اور اثرات کا اندازہ لگاتی ہے جس کا اسے سامنا ہوتا ہے اور ان خطرات کو ختم کرنے کے لیے اسے ماحولیاتی تحفظ کرتا ہے۔ خطرات کی پوری سپیکٹرم میں شناخت کی جاتی ہے اور ان کے اثرات اور امکانات کی پیمائش اور بندوبستی کی جاتی ہے۔ شناخت کے بعد اس کے اثرات کو کم کرنے کے لیے حکمت عملی وضع کی جاتی ہے، جس کی نگرانی باقاعدہ حکمت عملی اور جائزہ کرتے ہیں۔

ہماری کامیابی کا راستہ

سال بھر کے دوران زرعی زمین کی آبپاشی کے لیے EFERT کے مصنوعات کو مدنظر رکھتے ہوئے EFERT نے اپنے آپریشنز میں ٹیکنالوجی کو شامل کرنے کے لیے کئی منصوبے شروع کیے، کچھ نئے منصوبے درج ذیل ہیں:

ہموار پمپ گریڈ

کیمیائی کھاد پلانٹ پلانٹ پر بہتر اور بہتری کا کام جاری رکھنے ہوئے ہے، اگلے سال کے لیے طے شدہ اپ گریڈ کے لیے ضروری منصوبہ بندی کی گئی۔ تبدیلی ایک نئے آپریشن کی طرف لے جائے گی جو سسٹم کی پیداوار کو بہتر بنائے گی، ایندھن کی کھپت کو کم کرے گی اور پلانٹ کی کارکردگی کو بہتر بنائے گی۔ اس کے نتیجے میں پلانٹ کی صلاحیت 50 ٹن فی گھنٹہ سے بڑھ کر 54 ٹن فی گھنٹہ ہو جائے گی۔ مزید برآں، یہ اپ گریڈ پلانٹ کو ایندھن کے متبادل ذرائع، جیسے کہ قدرتی گیس، کے ساتھ ہم آہنگ بنائے گا، جس سے ماحولیاتی پائیداری میں مزید بہتری آئے گی۔ EFERT کے مسلسل اقدامات میں ایندھن کی کھپت کو کم کرنا ایک اہم ترجیح ہے، اور یہ تبدیلی اس عزم کی عکاسی کرتی ہے۔ پلانٹ کی کل گنجائش اب 740 ٹن یومیہ تک بڑھا دی گئی ہے۔

ہموار پمپ گریڈ

ہم نے فیلڈ فورس ہیلتھ سسٹم (FFMIS) کی ترقی اور نفاذ پر مشتمل پیش رفت کی اطلاع دیتے ہوئے خوشی ہو رہی ہے، جو سیلز کے ساتھ ایک مشترکہ کوشش ہے۔ یہ نیا نظام ہموار اور گمراہ سے متعلقہ ٹریکنگ کے نظام کو بہتر کرنے اور بڑھانے کے لیے ڈیزائن کیا گیا ہے، اس میں مثال بہاؤں کے لیے رہنمائی، ٹریننگ اور بہتر آپریشنل کارکردگی کے فوائد شامل ہیں۔

IFFM انٹیگریشن کا استعمال مجموعی ٹیریٹری مینیجر (TSM)، ریجنل سیلز منیجر (RSM) اور زونل سیلز منیجر (ZSM) ٹولز میں اور سیلز ٹیم کے ساتھ ساتھ ریٹیلرز اور ڈیلرز کے ساتھ بھی کیا جائے گا۔ یہ نظام فروخت اور کسٹمر سے متعلق سرگرمیوں کو ریکارڈ کرنے، ٹریننگ کے لیک ڈیٹا کو اکٹھا کرنے اور کسانوں سے متعلق سرگرمیوں کو ریکارڈ کرنے کے لیے ایک جامع ٹول کے طور پر کام کرے گا۔

ابتدائی فیز کی اہم خصوصیات میں شامل ہیں:

1. ایک مرکزی ڈیٹا بیس جو کہ سسٹم کے تمام صارفین کے لیے معلومات کو یکجا کرے گا اور ان کی نگرانی کرے گا، جو بہتر کی کارکردگی، مصنوعات کی تقسیم اور مارکیٹ میں سرگرمی کی مجموعی صورتحال کے بارے میں تفصیلی بصیرت فراہم کرے گا۔
2. فیلڈ فورس آپریشنز ماڈیولز جیسے ZSMs، RSMs اور TSMs، جو ریجنل آفیسرز اور لیڈ ایجنٹ کے درمیان ہموار کوآرڈینیشن کو قابل بنائے گا، اس بات کو یقینی بنائے گا کہ ہر کسی کو کاروباری معلومات تک بروقت رسائی حاصل ہو، بہتر فیصلہ سازی اور پیداواری صلاحیت میں اضافہ ہو۔
3. ڈیٹا سے حاصل شدہ معلومات: ایپلی کیشن بہتر کے لیے قیمتی ڈیٹا فراہم کرے گی، کارکردگی کے تجزیہ کرنے، اقدامات کا تجزیہ کرنے اور فیلڈ آپریشنز کو بہتر بنانے کے لیے بصیرت کو بروئے کار لانے میں مدد کرے گی۔
4. بہتر رپورٹنگ اور ڈیش بورڈنگ کی صلاحیت: ایپ کے خلاف پیش رفت کو ٹریک کرنے میں مدد کی جائے گی، کارکردگی کے معیارات کے ساتھ بہتر موازنہ کو یقینی بنائے اور ضرورت پڑنے پر اصلاحی اقدامات کو یقینی بنایا جائے گا۔

Smolian کے ساتھ تعاون ایک صارف دوست اور موثر نظام کی ترقی کو یقینی بنانے کے ہماری لیڈ ٹیموں کی ضروریات کو پورا کرتا ہے، جس سے بہتر ڈیٹا بیس کی معیشت اور معلومات تک بھی فراہم کرتا ہے۔ ہم توقع کرتے ہیں کہ FFMS ہمارے لیڈ آپریشنز کی کارکردگی کو نمایاں طور پر بہتر کرے گا، ڈیلرز اور کسانوں کی سرگرمیوں میں مرئیت کو بڑھائے گا اور مجموعی فروخت کی بہتر کارکردگی میں حصہ ڈالے گا۔

ہمیں یقین ہے کہ یہ ابتدائی تخمینہ قدامت پسندانہ ہے کیونکہ حقیقی فوائد بہت زیادہ ہوں گے اور پوری ٹیکنالوجی میں لیبارٹری کے تجزیہ کاروں کے ساتھ ہم آہنگ کرنے کی صلاحیت ہے، اس کے علاوہ مقصد ملازمین کی ذہنیت اور طرز عمل کو بدلنا ہے تاکہ حفاظتی اقدامات کو ذاتی اور پیشہ ورانہ ترقی کے ساتھ ہم آہنگ کیا جا سکے۔

بہتر حفاظت کے اصول

اپنے کاموں کے ہر پہلو میں حفاظت کو سرفہرست رکھنے کے لیے، HSE کو ترجیح دینے کے لیے فیکٹریوں کو بااختیار بنا کر، ہم صنعت کے بہترین طریقوں کے ساتھ مسلسل بہتری اور صف بندی کو یقینی بناتے ہیں۔ سالانہ HSE جائزے (آڈٹ) ہر فیکٹری میں کیے جاتے ہیں، جو کہ ہمارے حفاظتی آلات سے لیس کرنے اور خطرات کی شناخت اور خطرے میں کمی کے ایک فعال نقطہ نظر کو فروغ دینے سے ہوتی ہے۔ یہ جائزے ایک مخصوص اور ایک بھول کی پیمائش کے لیے، روزی شیر خرما کی اہم کارکردگی کا اشاریہ ہے۔

سال 2024 کے لیے ہماری حفاظتی کارکردگی ذیل کے اعداد و شمار سے ظاہر ہوتی ہے:

ٹوٹل ریکارڈ ایبل انجری ریٹ (TRIR)	0.04
سیف ملین مین اور گھنٹے آؤٹ لاسٹ ٹائم انجری	70 ملین مین اور

HSE کمیٹیوں سے کلیدی اقدامات

پورے سال کے دوران، HSE کی حدف شدہ مہمات جیسے وقت ہاتھ دھونے کے دن، ہاتھ کے زخمی ہونے کو روکنے کے بارے میں 50 ٹول بکس میٹنگ (فائر سیفٹی کورسز میں ہنگامی انخلاء کی مشقیں، ایمرجنسی سیفٹی ویک (زمینی حفاظت کے بارے میں مباحثے کے ساتھ منائے جانے والے) STOP IT, SPOT IT اور (آگاہی اور شناخت پر زور دینا) ہنگامی ردعمل کی مشقوں اور صورتی حفاظتی طریقوں کو آگے بڑھانے میں کردار ادا کیا۔ HSE کمیٹیوں کی تشکیل ہر فیکٹری کے ہر شعبے میں کی گئی ہے، جو کہ HSE کی ثقافت کو فروغ دینے اور ہر ملازم کی حفاظت کو یقینی بنانے کے لیے ذمہ دار ہیں۔ ملازمت اور تربیتی سیشنز کے دوران نئے ملازمین کو HSE کی ثقافت سے متعارف کرانے کے لیے ایک بنیادی ذمہ داری ہے۔ ہر ملازم کو ایک مقصد ملازمین کی ذہنیت اور طرز عمل کی تبدیلی کی کوششوں کی حمایت کرنے کے لیے بااختیار بنایا جاتا ہے۔ ملکیت اور تربیتی کے بگڑ کلچر کو فروغ دیتے ہیں۔ ساتھ ساتھ

روزگار پیدا کرنے کے مواقع

روزگار پیدا کرنے کے ایک اور اہم مرکز کے طور پر، EFERT نے ٹریک کے سفر کے دوران ہماری افرادی قوت کی حفاظت کو یقینی بنانے اور صلاحیت فراہم کرنے کے لیے بنیادی ڈھانچے کے بے مثال کے ساتھ قابل ذکر پیش رفت کی ہے۔ ان کوششوں کو ذمہ داری کے ساتھ انجام دینے کے لیے ہنگامی حکمت عملیوں کے ساتھ ذمہ داری کے ساتھ ذمہ داری کی صلاحیت کی تربیت فراہم کر کے مکمل کیا گیا۔

الحمدللہ ادارہ نے مسلسل 15 ویں سال زیرو فیٹل ریکارڈ حاصل کیا، جس نے 170 کے مجموعی ملازمین اور مواصل کے ساتھ HSE کی مضبوط روایت اور HSE کی پالیسیوں اور معاہدوں کی غیر متزلزل پابندی کی عکاسی کرتی ہے۔

EFERT نے نیشنل ڈیزاسٹر مینجمنٹ اتھارٹی (NDMA) اور سول ڈیفنس کمیشن (CWC) کے ساتھ بھی تعاون کیا جس کا اہتمام وزارت خارجہ (MOFA) نے کیا اور خطرناک کیمیکل مینجمنٹ کے ارد گرد EFERT حفاظتی طریقوں کا اشتراک کیا۔

اہم کامیابیاں برائے 2024

- EFERT کا PSX کی مدت 25 کیٹیگری ایوارڈ 2023 میں دوسرے نمبر پر رکھا گیا
- EFERT کی سالانہ رپورٹ کو ICAP اور ICMA کے ذریعے بیسٹ اور فرسٹ ایوارڈ سیکٹر میں بہترین کارپوریٹ رپورٹ 2023 کے لیے نامزد کیا گیا جبکہ اسی رپورٹ کو فائنلسٹ قرار دیا گیا۔
- EFERT نے سیکیورٹیز ایکسچینج آف پاکستان کے 99 ویں کارپوریٹ ایکسی ایلنس ایوارڈز میں ایمرجنگ کمپنی کا کارپوریٹ ایکسی ایلنس ایوارڈ حاصل کیا ہے۔

سماجی ذمہ داری کے پروگرام

ایگرو ڈیولپمنٹ سینٹر (ADC) کا قیام

EFERT نے پاکستان کے مختلف اضلاع میں 2024 کے خریف اور ربیع کے سیزن کے دوران 1380 کسان ہم پلہ پلاٹ قائم کیے جس کا مقصد کسانوں کو بہتر زرعی طریقوں کے بارے میں آگاہی فراہم کرنا ہے۔ اس پروجیکٹ کے تحت مختلف علاقوں میں سیمینارز، ورکشاپس اور سوشل میڈیا کے ذریعے مقامی سرگرمیوں تک کسانوں کو شامل کرکے اور ڈیلرز کی دکانوں میں رابطے بڑھائے گئے۔

ایگرو ٹریننگ سینٹر

ایگرو ٹریننگ سینٹر (ETC) کا قیام نومبر 2021 میں زرعی یونیورسٹی فیصل آباد (UoAF) کے ساتھ مفاہمت کی یادداشت (MOU) کے ذریعے کیا گیا تھا جس کا مقصد کسانوں، طلباء اور صنعتی کو باخبر بنانے کے لیے مختلف تعلیمی سرگرمیاں شروع کرنا تھا۔ ETC کے لیے کام کا دائرہ کار ذیل میں بیان کیا گیا ہے:

- فصلوں کی بہترین پیداوار کے لیے کاشتکاروں اور خواتین کو ٹیکنالوجیز کے استعمال کرنے کے طریقے سے آگاہ کرنا۔
- طلباء اور کسانوں کو زرعی صنعت کے جدید طریقوں کے بارے میں اپنے علم کو بہتر بنانے کے لیے تربیت کا انعقاد کرنا۔
- مستقبل کے منصوبوں میں UoAF کے ساتھ تعاون کرنا۔

2024 میں ETC نے مختلف قسم کے تربیتی پروگرامز کے ذریعے جدید معلومات کی تقسیم اور زرعی صنعت کے تقاضوں کو پورا کرنے کے لیے ایک مضبوط طریقہ کار متعارف کرایا۔ ان سرگرمیوں کا مقصد تکنیکی مہارت کو بڑھانا، حفاظت کو فروغ دینا اور انٹرایکٹو تعلیم اور ترقی کو آگے بڑھاتے ہوئے ملکی ترقی کی حمایت کرنا ہے۔ ذیل میں اہم سرگرمیوں کا خلاصہ ہے۔

1۔ تکنیکی تربیت

- جدید زراعتی طریقوں کے بارے میں ان کی سمجھ کو بہتر بنانے کے لیے علم، رویے اور ہنر کو بڑھانے کے لیے تکنیکی تربیتی سیشنز کا ایک سلسلہ منعقد کیا گیا۔
- تربیت کے لیے موضوعات میں پانی میں حل ہونے والی کھادوں کے مساوی اور موثر استعمال، فصل کی پیداوار پر مٹی کی نامیاتی مادے کے استعمال کے اثرات، گندم کی ہم نشانی اور مکئی کے بیجوں کی فصلوں میں غذائیت کا انتظام شامل ہے۔
- عملی مظاہرے اور ہینڈ آؤٹس دیے گئے تاکہ سیکھنے کو تقویت ملے۔

2۔ صحت، حفاظت اور ماحولیات (HSE) پروگرام

- زرعی طریقوں میں حفاظتی، مہارت اور ماحولیاتی پائیداری کی آگاہی دینے کے لیے باقاعدہ HSE آگاہی سیشن منعقد کیے گئے۔
- جلنے سے رکھی ہونے کی روک تھام اور انتظام کے بارے میں ایک واقف کار کنسلٹنٹ کا انتظام کیا گیا۔ جس میں ذاتی حفاظتی اقدامات پر زور دیا گیا۔
- طلباء اور عملہ کو تحقیق اور فیلڈ سرگرمیوں میں حفاظت کی روایت کو فروغ دینے کے لیے انڈسٹریل وزٹ میں شرکت کروائی گئی۔

3۔ یونیورسٹی کی کفالت اور مشغولیت

- میڈیا یونیورسٹی کے پروگراموں کو بہتر بنانے کے لیے ماہرین کو 2 سے زیادہ مشاورت طویل مدتی تعلقات اور گیریژن کی ترقی کے مواقع فراہم کرنے کے لیے مدعو کیا گیا۔
- منتخب طلباء کو ETC میں ان ٹریننگ فراہم کی گئی، جہاں انہوں نے صنعت کے ماہرین اور تحقیقی اداروں سے براہ راست علم حاصل کیا۔
- یونیورسٹی کے شعبوں کے ساتھ تعاون پر مبنی منصوبوں نے تحقیق، زرعی اپلائی کیشنز میں طلباء کی فعال شمولیت کو یقینی بنایا۔

4۔ ریسرچ کولابوریشن ورکشاپ

- EFERT نے یونیورسٹی کے ماہرین کے ساتھ مل کر R&D کی اہمیت کی پہچان کے لیے ورکشاپ کا اہتمام کیا، جس کا مقصد کھادوں کی بہتر کارکردگی اور فصل کی پیداواری صلاحیت کے لیے جدید حل پر توجہ مرکوز کرنا ہے۔
- کئی مفاہمتی یادداشتوں کی پیشکش کی گئی، ایک قابل ذکر کاوش میں 100 سے زائد طلباء کو انٹرن شپ اور جاب پلیسمنٹ کے مواقع پر ترجیح دی گئی۔
- فصلوں کے انتظام کے طریقوں کو بہتر بنانے کے لیے نئے کھادوں، حیاتیاتی کھادوں اور ماحول دوست اقدامات کے متبادل پر تبادلہ خیال کیا گیا۔

5۔ یونین کونسلوں کے ساتھ رابطہ اور آؤٹ ریچ

- EFERT نے پائیداری طریقوں کو فروغ دینے کے لیے یونین کونسلوں کے ساتھ مشترکہ تقریبات کی میزبانی کی، جس میں WWF اور شریک شراکت داروں سے گئے کی پائیدار پیداوار پر توجہ مرکوز تھی۔ اس میں کاشتکاروں کے تعاون بھی شامل ہے۔
- منتخب طلباء کو اپنے کام کو عملی تجربہ فراہم کرنے کے لیے مدعو کیا گیا، جس کے بعد انہیں ملازمت کی پیشکش بھی کی گئی۔

اقدامات

2024 میں ہونے والی سرگرمیوں کے نتیجے میں:

- شرکاء کے درمیان تکنیکی مہارتوں میں اضافہ ہوا۔
- تعلیمی اداروں اور انڈسٹری کے مابین تعاون کو مضبوط کیا گیا۔
- پائیدار اور موثر زرعی طریقوں میں ترقی کا فروغ ملا۔
- موجودہ اور سابق طلباء کے ساتھ بہتر مصروفیت مستقبل کے کیریئر مواقع کو یقینی بنایا گیا۔

ETC پائیدار زراعت اور دیہی ترقی کو فروغ دینے والے تعلیمی اداروں اور صنعت کے درمیان فاصلے کو کم کرنے کے لیے ایک اہم پلیٹ فارم ہے۔

تعلیمی شعبے کے ساتھ تعاون

2024 میں EFERT نے مخصوص کیریئر پورٹل کو مضبوط بنانے کے لئے تعلیمی مفاہمت ناموں/MOUs/آؤٹ ریچ ریسرچ سرگرمیوں کے ذریعے کوشش کیں اور تحقیقی اداروں کو شامل کیا، جغرافیائی ریموٹ سینسنگ اور جیومیٹکس کو بڑھانے کے مقصد کے ساتھ زراعت پر تحقیق اور فیلڈ ورک کے مشترکہ مواقع پیدا کیے۔ مالک پر مبنی کاشتکاری کے نظام کے لئے ایک ماحولیاتی اعتبار سے مضبوط پیداوار کا نظام متعارف کرایا گیا اور دستیاب وسائل کو مناسب تربیت دی گئی۔

ڈیویڈنڈ کے اعلانات

بورڈ نے 8.00 روپے فی حصص کا حتمی ڈیویڈنڈ تجویز کرتے ہوئے خوشی ہو رہی ہے جو 24 مارچ 2025 کو ہونے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری کے لیے پیش کی جائے گی۔ اس کے علاوہ 13.5 روپے فی شیئر کے عبوری ڈیویڈنڈ پہلے ہی ادا کر دیے گئے ہیں۔

اس رپورٹ کے اجرا کی تاریخ تک کمپنی کی مالی حیثیت کو متاثر کرنے والی کسی طرح کی تبدیلیاں نہیں ہوئیں۔

سرمایہ کاروں کے تحفظ کی ضمانت

سال 2024ء کے اختتام پر مجموعی مالی ثروت 2023ء کے 6.0 ارب روپے کے مقابلے میں 21.5 ارب روپے ہو گئی۔ اس سال واجب الادا ہونے والے تمام قرضوں کی ادائیگی بمقررہ میعادوں کے مطابق کی گئی اور کمپنی نے کسی بھی قرض کی ادائیگی میں کوئی تاخیر نہیں کی۔ 31 دسمبر 2024ء تک کل نقد 47.5 ارب روپے رہا جو کہ 2023ء میں 47.9 ارب روپے تھی۔ سال کے دوران PACRA نے EFERT کی AA کی طویل مدتی کریڈٹ ریٹنگ اور A1+ کی قلیل مدتی کریڈٹ کو برقرار رکھا۔

مالی گوشوارے کا اجرا کی تاریخ

ہمارے آڈیٹرز نے ہمارے کاروباری امور، مالی اثاثہ جات اور سال کے دوران ہونے والے لین دین کا جائزہ لیا ہے اور انہیں اطمینان ہے کہ انہوں نے 31 دسمبر 2024ء کو ختم ہونے والے سال کے لیے کمپنی کے انتظامی اور مشترکہ مالی گوشواروں پر اپنی غیر مشروط رائے کا اظہار کیا ہے۔

کمپنی کے کاروبار پر اثر انداز ہونے والے اہم خطرات

ماری انرجی ایسٹ (MEL) اور ہنی ول (HRL) کے ساتھ ہونے والے انضمام کے بعد ہم نے ایک مضبوط رسک مینجمنٹ فریم ورک تشکیل دیا ہے جو ہمیں ابھرتے ہوئے خطرات کی نشاندہی، ان کا جائزہ لینے اور ان کو کم کرنے میں مدد دیتا ہے۔ ہمارا رسک مینجمنٹ کا طریقہ کار ہمارے کاروبار کے تمام شعبوں پر لاگو ہوتا ہے اور اس میں ماحولیاتی، سماجی اور حکمرانی (ESG) کے عوامل بھی شامل ہیں۔ ہم ان خطرات کو مؤثر طریقے سے کم کرنے کے لیے مضبوط کنٹرولز اور طریقہ کار نافذ کرتے ہیں۔

ہمارے رسک مینجمنٹ کے نظام کا ایک اہم حصہ EFERT رسک مینجمنٹ کمیٹی ہے، جو ہر سہ ماہی میں اجلاس کرتی ہے۔ یہ کمیٹی ہمارے رسک کے پورٹ فولیو کا جائزہ لیتی ہے، نئے خطرات کی نشاندہی کرتی ہے اور ان کے اثرات کو کم کرنے کے لیے حکمت عملی تیار کرتی ہے۔ کمیٹی کے ارکان مختلف شعبوں سے تعلق رکھتے ہیں، جس سے ہمیں مختلف نقطہ نظر اور مہارت حاصل ہوتی ہے۔

ہم نے MEL کے ساتھ ایک معاہدہ کیا ہے۔ اس اقدام میں 300 ملین امریکی ڈالر کی سرمایہ کاری شامل ہے اور اس کا مقصد HRL کو مرحلہ وار طریقے سے قابل تجدید توانائی کے مکمل پورٹ فولیو میں تبدیل کرنا ہے۔ کام کی رفتار کو بہتر طریقے سے قابو میں رکھنے کے لیے، فیز 1 میں 3 گیگا واٹ کے سولر پاور پراجیکٹس کی ڈیولپمنٹ تک کے چھ سائٹس میں مکمل ہونے والا ہے جبکہ فیز 2 میں ونڈ انرجی کی شمولیت کی تیاری بھی شروع ہو چکی ہے۔

2025ء کو دیکھتے ہوئے پاکستان کے معاشی امکانات محتاط طور پر امید افزا ہیں۔ جی ڈی پی کی شرح نمو 3 فیصد کے قریب رہنے کا امکان ہے۔ اس ترقی کو مالی شعبے میں مسلسل بہتری، صنعتی سرگرمیوں میں اضافے اور عالمی افراط زر کے نرم ہونے سے مدد ملے گی۔ پالیسی اصلاحات، مالیاتی نظم و ضبط اور برآمدی مسابقت کو بڑھانے پر حکومت کی توجہ معاشی طور پر مثبتی کے لیے بہت اہم ہے۔ سیاسی استحکام کو آگے بڑھانے میں اہم کردار ادا کرے گی۔ تاہم، عالمی جیو پولیٹیکل سیاسی تناؤ اور آپ دھچکے خطرات ہیں جو مستقل پالیسی کے تسلسل کو ضروری قرار دیتے ہیں جیسے انفلیشن، بڑھتا ہوا قرضہ اور دست اندازیوں کے ساتھ، پاکستان میں پائیدار ترقی حاصل کرنے اور آنے والے سال میں اپنے معاشی امکانات کو بہتر بنانے کی صلاحیت ہے۔

پاکستان کا وژن مضبوط مسلسل ترقی اور خوشحالی کے لیے تیار ہے۔ توقع ہے کہ اس شعبے کو بہتر کاروباری پالیسی اصلاحات، تکنیکی ترقی اور تحقیق اور ترقی میں بڑھتی ہوئی سرمایہ کاری سے فائدہ ہوگا۔ پانی کی کمی اور آب و ہوا کی تبدیلی جیسے چیلنجوں سے نمٹنے کے دوران صحت سے متعلق کاشتکاری، مصنوعی ذہانت کا استعمال اور دوسرا زرعی ٹیکنالوجی کی پیداوار میں نمایاں اضافہ متوقع ہے۔ کاشتکاری کے شعبے کو بڑھانے اور پائیدار طریقوں کو فروغ دینے پر حکومت کی توجہ سے اس شعبے کو مزید تقویت ملے گی۔ ان اقدامات کے ساتھ پاکستان کا زرعی شعبہ اپنی صلاحیت کو حاصل کرنے اور ملک کے مجموعی اقتصادی استحکام میں اہم کردار ادا کرنے کے لیے تیار ہے۔

سرمایہ کاری کی تجاویز

2024ء کے دوران، کمپنی نے متعدد مقامی اور بین الاقوامی فورمز پر مختلف شعبہ جات میں بیرِ معمولی کامیابیاں حاصل کی ہیں، اپنی روایت کو برقرار رکھا۔ ان میں 2024ء کے دوران ایگزیکٹو فرٹیلائزر EFERT کی جانب سے جیتے جانے والے مختلف ایوارڈز شامل ہیں:

ایوارڈز اور اعزازات

2024ء میں EFERT نے صنعت، حکومت اور عوامی حلقوں میں ایک رہنما کے طور پر اپنی پوزیشن کو مستحکم کرتے ہوئے مجموعی طور پر 11 بین الاقوامی اور مقامی سطح کے ایوارڈز حاصل کر کے اپنی شاندار ساکھ کو مزید تقویت بخشی۔

- بہترین کارپوریٹ رپورٹنگ کی کیٹیگری میں گولڈن لیف ایوارڈ: EFERT نے مالیاتی رپورٹنگ میں بہترین، اور ورچوئل پریزنٹیشن سہولیات میں شفافیت کے بہترین طریقوں کو اپنانے کے لیے انسٹیٹیوٹ آف کارپوریٹ ریپریزنٹیٹوز ایسوسی ایشن (IFA) کا گولڈن گرین لیف ایوارڈ جیتا ہے۔
- RoSPA-انٹرنیشنل سیفٹی ایوارڈ: EFERT کیمیکل مینوفیکچرنگ کے زمرے میں 2024ء میں HSE کی شاندار کارکردگی کا مظاہرہ کرنے پر رائل سوسائٹی فار دی پریونشن آف ایکسیڈنٹس (RoSPA) کی طرف سے صنعتی شعبے میں اعزاز ایوارڈ حاصل کیا ہے۔
- برٹش سیفٹی کونسل-انٹرنیشنل سیفٹی ایوارڈ: EFERT مینوفیکچرنگ کے زمرے میں اپنی اثر انداز آفات اور آس پاس کی کمیونٹی کی حفاظت اور فلاح و بہبود کو یقینی بنانے کے لیے غیر معمولی عزم کے لیے برٹش سیفٹی کونسل کی جانب سے انٹرنیشنل سیفٹی ایوارڈ سے نوازا گیا ہے۔
- برٹش سیفٹی کونسل-HSE/A ایوارڈ: EFERT نے حفاظت پر مبنی ثقافتی پروگرام کو اپنانے کے لیے برٹش سیفٹی کونسل کی طرف سے HSE/A ایوارڈ حاصل کیا ہے۔ اس ایوارڈ میں بھی اعزاز پوزیشن بھی حاصل کی۔
- برٹش یورپ کے ایوارڈ-سلور پورٹ پیداواری: EFERT نے اس سال بھی کارکردگی بڑھانے میں شاندار کامیابیوں کے لیے برٹش ایوارڈ UK کی طرف سے سلور پورٹ پیداواری کا ایوارڈ جیتا ہے۔
- Verdantix-EHS ایوارڈ: EFERT نے صحت عملیوں کو اپنانے پر HSE مینجمنٹ اور پیداواری میں ڈیجیٹل ٹیکنالوجی سے نمایاں فوائد کے لیے Verdantix Europe کے EHS ایوارڈ میں اعزاز پوزیشن حاصل کی۔
- EFERT: ایوارڈ EFP-18th OSH: EFERT نے پیشہ ورانہ صحت اور حفاظت اور ماحولیاتی پیداواری کو آگے بڑھانے کے لیے منفرد طریقہ کار کے مظاہرہ کرنے پر ایوارڈ فیڈریشن آف پاکستان کے 18 ویں پیشہ ورانہ حفاظت اور صحت ایوارڈز میں پہلا انعام حاصل کیا ہے۔
- EHS ایوارڈ-ESG: EFERT نے ESG اور EHS کی بہترین پیداواری کے لیے ایوارڈ (USA) کی جانب سے مالیاتی سروسز اور گورننس (ESG) پر مکمل اداروں میں غیر معمولی کارکردگی کا مظاہرہ کرنے پر ESG ایوارڈ کے زمرے میں فائنلسٹ کے طور پر نوازا گیا ہے۔
- ESG ایوارڈ-ESG: EFERT نے UNSDG کے ایجنڈا کو آگے بڑھانے اور پائیدار طریقوں کو فروغ دینے کے لیے غیر معمولی عزم کے لیے ESG ایوارڈ میں فائنلسٹ کے طور پر اعزاز دیا گیا ہے۔
- انٹرنیشنل سیفٹی کونسل-ایکسیلنس ایوارڈ: EFERT نے انٹرنیشنل سیفٹی کونسل، USA کی طرف سے عالمی سطح پر حفاظت کے انتظام میں کم سے کم زخمی ہونے اور بیماری کو کم کرنے کے لیے شاندار حفاظتی ریکارڈ کے لیے فخر حاصل ایوارڈ جیتا ہے۔
- IFA-سیفٹی ٹیچنگ ایوارڈ: EFERT کو IFA سیفٹی ٹیچنگ ایوارڈ کے لیے تسلیم کیا گیا ہے جس کا مقصد HSE کارکردگی کے لیے تسلیم کیا گیا ہے جس کا مقصد قانونی تعمیل پر توجہ مرکوز کرنے کے بجائے فعال حفاظتی ثقافت کو فروغ دینا ہے۔ EFERT نے اس کے علاوہ قابل رپورٹ حادثہ کی شرح (TRIR) اور وقت ضائع ہونے سے بچنے کی شرح (LTIR) میں نمایاں کمی کی ہے۔ EFERT نے 2 فیٹل حادثات سے بچنے کے لیے 83 صنعتی سائٹس میں سے 11 میں پوزیشن حاصل کی، اور سب سے بہترین رہنے والی کمپنیوں میں درجہ بندی میں 20% میں رکھا گیا ہے۔

خواتین کاشتکاروں میں 600 سے زیادہ خواتین اہم آلات اور جدید زرعی سامان کی بہتر سمجھ کر رہی ہیں۔ ESD200 پر ٹیکنیکل اویئرنس، کنٹرول مکانوں کی حفاظتی کی تربیت دیانی اور 100 سے زیادہ HSE / RBA سلامتی ثابت کاغذات کا فالو اپ شامل ہے۔ ان کوششوں کے ذریعے HSE رسک مینجمنٹ فریم ورک کو آگے بڑھاتے ہوئے دیہی علاقے کے خطرے والوں (MAHS) کے تحت گروپ ڈسکشنز کو ہمایوں علوم سے جوڑا گیا، جو پیداوار کی حفاظتی ڈیزائن کردہ HSE TA ایپ، بجلی کی محفوظ حفاظتی اقدامات کے ذریعے کھلا اور کامیاب تبدیلی کو مکمل کرنے میں اہم کردار ادا کرتے ہیں، جن کی حمایت میں پانچ حفاظت (تحفظ اکثروں کی طرف سے چھ سو سے زیادہ حفاظتی کی صحت کی تشریحیں کا کمال طلب پر پہنچایا جا سکے، کا دورانیہ پر معاشرت شامل ہے۔

UgAI

EFERT نے پاکستان کا پہلا اپنی نوعیت کا مصنوعی ذہانت پر مبنی ٹول "UgAI" متعارف کیا، جو کمپنی سے سرکاری ٹیلی پر کھادوں کی براہ راست خریداری کے ذریعے کسانوں کو ریوارڈ فراہم کرتا ہے۔ UgAI ایپ کے ساتھ EFERT اپنے گراہکوں کو براہ راست کسانوں کو ان کے کھیتوں کے مخصوص شرائط کے مطابق کھاد فراہم کرنے کے قابل بنائے گی۔ اس کے نتیجے میں کسانوں کو کھادوں کی بلا تعطل دستیابی، فائنل اکثر معلومات کے ذریعے پیداوار کے نقصان کو کم سے کم کرنے اور براہ راست خریداری کی خصوصیت کے ذریعے UgAI جدید ڈیجیٹل ٹیکنالوجی اور مقامی ڈیلیوری کو بھی سر بمہر کرتا ہے، جو فصلوں کی بہتر نگرانی کی جا سکے، فصل پر لاگت کو کم اور فصل کی صحت اور مٹی کی حالت سے متعلق اہم زرعی بصیرت کو بھی کر کے، انہیں بہتر فیصلے کرنے اور فصل کی پیداوار کو بڑھانے کے لیے بااختیار بنانے میں مددگار ثابت ہوگی۔

ماحول

ریگنگ مرکز کاشتکاروں کو مجموعی زرعی آلودگی پر معیاری کھادوں کی معلومات فراہم کرنے کے ذریعے سے مسلسل فارمنگ کی مدد کرنے میں اہم کردار ادا کرتا ہے۔ یہ اقدام کھاد کے متوازن استعمال کو فروغ دینے کے ذریعے زیادہ سے زیادہ پیداوار میں براہ راست حصہ ڈالتا ہے، اس طرح زرعی معیشت میں مزید کو فروغ دیتا ہے۔

ریگنگ مرکز EFERT کے اہم منصوبوں میں سے ایک ہے، جو کسانوں کو ریگنگ مرکز کے ذریعے کمپنی سے براہ راست معلومات خریدنے کی سہولت فراہم کرتا ہے۔ کمپنی کے ذریعے اس وقت 8 ریگنگ مرکز کام کر رہے ہیں، جن میں ساہیوال (350 میٹرک ٹن صلاحیت)، سرگودھا (900 میٹرک ٹن صلاحیت)، اوکاڑہ (110 میٹرک ٹن صلاحیت) اور بہاولپور (220 میٹرک ٹن صلاحیت) شامل ہیں۔

ریگنگ مرکز کھادوں کے استعمال کے طریقوں، کھادوں کی تقسیم دینے کے لیے معلومات سے متعلق معلومات فراہم کرنے کے لیے مخصوص کا حامل ہے۔ یہ اقدام کاشتکاروں کو درستگی کے ساتھ کھاد کا استعمال کرنے کے قابل بناتا ہے، جس سے EFERT کی پیداوار کی معلومات کی رسائی کو بھی زیادہ آسان بنائے گا۔ اس کے علاوہ، کسان کمپنی کی ٹیموں سے براہ راست معلومات حاصل کر سکیں گے، جس سے ان کا قابل بھروسا ذریعہ پر اعتماد بڑھے گا۔ ریگنگ مرکز کسانوں کو اپنے سوالات، خدشات اور تجربات کو جمع کر کے کمپنی سے براہ راست رابطہ قائم کرنے کے لیے ایک پلیٹ فارم فراہم کرے گا۔

کارکردگی کا جائزہ

سال کے دوران، کمپنی 2023 میں 223.7 ارب روپے کے مقابلے میں 14.7 فیصد کا اضافہ ظاہر کرتے ہوئے 256.7 ارب روپے کی سیلز آمدنی فراہم کرنے میں کامیاب رہی۔ سال کے دوران کمپنی کو مجموعی منافع 72.3 ارب روپے رہا جو کہ 2023 کے 32 فیصد کے مقابلے میں 28 فیصد پر مجموعی منافع میں کمی دیکھی گئی، کی فراہمی کے بڑھنے کی وجہ سے کمی واقع ہوئی ہے۔

کمپنی کے مالیاتی چارجز 215 فیصد بڑھ کر 2023 میں 1.3 ارب روپے کے مقابلے میں 4.1 ارب روپے تک آ گئے۔ یہ اضافہ زیادہ تر مارکیٹ کی روایات میں تبدیلی کی وجہ سے ہوا جو صارفین کی فنڈی پر منتقل ہو گئی۔ 2024 کے لیے کمپنی کا نیٹ کی مد میں خرچہ 2023 میں 23.5 ارب روپے کے مقابلے میں 16.9 ارب روپے رہا۔ 2023 میں میرکنٹائل کے ساتھ اضافے کی وجہ سے نیٹ کی مد خرچ شرح 47% سے کم ہو کر 37% ہو گئی۔

مشترکہ کمپنی نے 28.3 ارب روپے کا بعد از ٹیکس منافع حاصل کیا جو کہ 2023 میں 26.2 ارب روپے کے بعد از ٹیکس منافع کے مقابلے میں 7.9 فیصد زیادہ ہے۔ اس طرح مجموعی طور پر کمپنی کی فی حصص کی بنیاد پر آمدنی 21.16 روپے ہو گئی جو کہ 2023 میں 19.61 روپے فی حصص تھی۔ اکثر کی طرف سے کمپنی کے لیے بعد از ٹیکس منافع 2023 میں 25.7 ارب روپے کے مقابلے میں 30.2 ارب روپے رہا جس میں سال بہ سال 18% کا اضافہ ہوا۔

منافع کی تقسیم اور بونس شیئرز

سال کے آغاز میں کمپنی کے کل آغاز 34.6 ارب روپے تھے جس میں سے کمپنی نے 10.7 ارب روپے کے منافع کا اعلان کیا۔ سال کے دوران، کمپنی نے 28.3 ارب روپے کا خالص منافع کمایا، جس پر مجموعی طور پر 13.5 روپے فی حصص کے 3 عبوری منافع جات کا اعلان کیا۔ 2024 کے آخر تک کل آغاز 34.1 ارب روپے تھے، جو کہ 34.6 ارب روپے کے مقابلے میں کمی ہے۔ خلاصہ درج ذیل اور تفصیص کے کمپنی میں دی گئی ہے۔

منافع اور تقسیم	ملین روپے
ابتدائی آغاز	34,559
کمپنی کا پہلا 8.0.2023 روپے فی حصص	(10,682)
خالص منافع 2024	28,280
دیگر جامع آمدنی	4
تقسیم کے لئے دستیاب	52,132
تخصیصات	
پہلا عبوری 8.0.2024 روپے فی حصص	(10,682)
دوسرا عبوری 5.0.2024 روپے فی حصص	(4,008)
تیسرا عبوری 2.5.2024 روپے فی حصص	(3,338)
اختتامی آغاز	34,106

*تبصروں کو قریب ترین ملین تک جمع کیا گیا ہے۔

گندم کی فصل (2023-24) سے پیداوار سب سے زیادہ رقبہ (23.8 ملین ایکڑ) سے دیکھا گیا جبکہ بلند ترین پیداوار (31.4 ملین ٹن) حاصل کی گئی جس نے زراعت کی ترقی پر مثبت اثر ڈالا لیکن اس کے باوجود کسان کی آمدنی میں کمی واقع ہوئی جس کی بنیادی وجہ فصل کی کٹائی کے وقت قیمت میں کمی ہے جو کہ اضافی فراہمی اور حکومت کی جانب سے ٹیرف پر پابندی کا نتیجہ تھی۔

کپاس کی پیداوار (2024-25) میں 4.88 ملین ایکڑ کے رقبے کے لحاظ سے کم اور کم از 5.4 ملین گانٹھیں رہنے کی توقع ہے جو کہ گزشتہ سال کے مقابلے میں مثبت نمو کو ظاہر کرتی ہے جس کی وجہ بہتر موسم کے ساتھ بہتر پیداوار کے رقبے میں کمی شامل ہے۔

چاول کی پیداوار (2024-25) میں 9.72 ملین ایکڑ کے رقبے کے لحاظ سے 9.5 ملین ٹن ہونے کی توقع ہے کہ پیداوار سب سے زیادہ رقبے پر ہے۔ تاہم چاول کے کاشتکاروں کی آمدنی میں کمی کی توقع ہے جس کی وجہ پیداوار میں قدرتی اور پیداواری لاگت میں اضافہ شامل ہے۔

مثبت مون سون کے آغاز کے باعث گنے کے رقبے (2024-25) میں سال بہ سال 14.1 فیصد کا اضافہ ہوا جبکہ موسمیاتی تبدیلیوں اور پیسٹ حملوں کی وجہ سے پیداوار میں 8.7 فیصد کمی واقع ہوئی۔

اس طرح گندم (2024-25) کی فصل کو کٹائی کے وقت قیمت کے دباؤ کا سامنا کرنا پڑے گا اور کاشتکار کے فائدے کے لیے 3,900 روپے فی من کی امدادی قیمت کے مقابلے میں کم قیمت (یعنی 2,800 سے 3,000 روپے فی من) حاصل ہونے کی توقع ہے۔

ہم سمجھتے ہیں کہ موسم کے بہتر ہونے، زرعی مداخل کی دستیابی اور مؤثر زرعی توسیعی خدمات کے ذریعے پیداوار میں بہتری آئے گی۔ تاہم کاشتکاروں کو اپنی پیداوار کی فروخت کے لیے مناسب منڈی تک رسائی کے مسائل کا بھی سامنا ہے جس کی وجہ سے انہیں اپنی پیداوار کو کم قیمت پر فروخت کرنا پڑتا ہے۔ ہم سمجھتے ہیں کہ حکومت کو کاشتکاروں کی مدد کے لیے اپنی پیداوار کو محفوظ کرنے کے لیے مناسب گودام کی سہولیات فراہم کرنی چاہئیں۔

کھاد

یوریا

مقامی یوریا کی پیداوار میں سال کے دوران 7% کی کمی واقع ہوئی، جو کہ 2023 میں 2,313 KT کے مقابلے میں 2,147 KT ہے۔ پیداوار میں کمی کی وجہ گیس کی کم دستیابی اور پلانٹ کی بندش کے طویل دورانیے تھے۔ پیداوار کی کمی کو پورا کرنے کے لیے درآمدی یوریا کی فروخت کے ذریعے اس فرق کو ختم کیا گیا۔ تاہم یوریا کی فروخت میں بھی 13 فیصد کی واقع ہوئی، جو پچھلے سال 2,327 KT کے مقابلے میں 2,026 KT تک آ گئی۔ اس طرح کل مارکیٹ سیئر 2023 میں 35 فیصد سے کم ہو کر رواں سال کے لیے 31% رہ گیا۔

اس کے علاوہ EFERT نے حکومت کی درآمد شدہ یوریا کی فروخت اور گیس کی مسابقتی سپلائی شروع کرنے کی وجہ سے سال کے دوران قیمتوں میں زبردست اضافہ کیا۔

ڈی اے پی

ڈی اے پی کے کاروبار نے پچھلے سال کے مقابلے میں فروخت کے حجم میں 365 KT سے 366 KT تک معمولی اضافے کے ساتھ مستحکم کارکردگی دکھائی ہے۔ اگرچہ کاروبار نے اگست اور ستمبر میں کم مارکیٹ شیئر کا مظاہرہ کیا، یہ بنیادی طور پر سستا درآمد شدہ فاسفیٹک کھاد کی دستیابی کی وجہ سے کم قیمتوں کی پیشکش کی وجہ سے تھا۔ تاہم اکتوبر اور نومبر کے لیے مارکیٹ شیئر میں نمایاں بہتری آئی، جس سے کاروبار کو پچھلے سال کی طرح بہتر مارکیٹ شیئر کے ساتھ سال 2024 میں کاروبار ختم کرنے کا موقع ملا۔

کیلشیم امونیم نائٹریٹ (CAN)

2024 میں ایفکو فرٹیلائزر بیرلمیٹڈ (SFBL) نے ملوں کے بیرن میں اگست سے مارکیٹ کی ترقی کا ایک سیچ پار کرام شروع کیا، جس میں کسانوں پر توجہ مرکوز کی گئی کہ وہ ان کی فصل کی ضروریات کے بارے میں بہتر فیصلہ کرنے کے لیے مٹی کے تجزیہ کی اہمیت اور فوائد سے آگاہ ہوں۔ اس کے علاوہ، SFBL نے اپنی مصنوعات کے بارے میں آگاہی کو فروغ دیا۔ اس مہم کے نتیجہ میں کسانوں کے ساتھ 1,565 انٹرایکشنز کے ساتھ 42,000 کسانوں کے ساتھ مصروف عمل رہے، جس سے 47 فیصد کسانوں نے اس متبادل طریقہ پر عمل کرنے کے لیے آمادگی ظاہر کی، جس کی وجہ سے انٹیگریٹڈ نیوٹرینٹ مینجمنٹ میں 7 فیصد اضافہ ہوا۔ ان کوششوں کو فیلڈ ڈیمانسٹریشنز کے ذریعے تقویت ملی، جس میں کسانوں نے کسانوں کے ساتھ براہ راست بات چیت کی اور اس رابطے کی کوشش کی جس سے بہتر اثرات کا پتہ لگایا گیا۔

EnVen پلانٹ کی تبدیلی اور ترقی

2024 میں EnVen پلانٹ کی تبدیلی اور ترقی کا کام EFERT کی ہر دلعزیز میں سب سے بڑا اضافہ اور اہم شمال بہادر کے لیے ہمارے فیصلہ کن عزم کا ثبوت تھا۔ مشکل حالات میں 6,000 گھنٹے کے لیے 5,500 میٹرک ٹن کے 10 منصوبوں کے ساتھ پیدا کیے گئے اور اضافی صلاحیت کو کمرشل کی کہ تصدیق کا سکہ کامیابی سے مکمل کیا۔ اہم

سنائی پوٹاش کی طلب نے 2023 میں 6,639 KT کے مقابلے میں 2024 میں 6,574 KT پر بہتری کا مظاہرہ کیا۔ تاہم اپریل میں کھاد کے بحران کی وجہ سے کی فصل کے کمزور کاروبار کی وجہ سے مارکیٹ میں اصلاحات کا اطلاق ہوا۔ تاہم کے تراکت داروں نے کیس میں اضافے کی توقع کرتے ہوئے بیان میں اضافہ کیا جس سے پورے سال کے لیے مارکیٹ میں زبردست بہتری آئی ہوگی۔ 2023 میں 6,639 KT کے مقابلے میں 6,670 KT کی اعلیٰ کل پیداوار اور اضافہ کاروبار نے مارکیٹ کی طلب کو کامیابی سے پورا کیا۔

ڈائی امونیم فاسفیٹ (DAP)

فاسفیٹس کے حصے میں ہدف کی DAP کی طلب 2023 میں 1,558 KT سے بڑھ کر 1,836 KT ہوگئی، جو مارکیٹ کے مضبوط بنیادی اصول کی عکاسی کرتی ہے۔ تاہم مسابقت اور درآمد کنندگان نے کم قیمتوں کی پیشکش کی، اس طرح احمد حسن ایگریٹیک اور مارکیٹ کی صلاحیت کے ذریعے صنعت نے اپنی کارکردگی کو برقرار رکھا۔

فاسفیٹس

یوریا

مقامی یوریا کی پیداوار میں سال کے دوران 7% کی کمی واقع ہوئی، جو کہ 2023 میں 2,313 KT کے مقابلے میں 2,147 KT ہے۔ پیداوار میں کمی کی وجہ گیس کی کم دستیابی اور پلانٹ کی بندش کے طویل دورانیے تھے۔ پیداوار کی کمی کو پورا کرنے کے لیے درآمدی یوریا کی فروخت کے ذریعے اس فرق کو ختم کیا گیا۔ تاہم یوریا کی فروخت میں بھی 13 فیصد کی واقع ہوئی، جو پچھلے سال 2,327 KT کے مقابلے میں 2,026 KT تک آ گئی۔ اس طرح کل مارکیٹ شیئر 2023 میں 35 فیصد سے کم ہو کر رواں سال کے لیے 31% رہ گیا۔

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corporate strategy & resource allocation

strategy

EFERT adopts a structured strategic approach, integrating continuous monitoring and evaluation to maintain agility and alignment with its objectives. This disciplined framework enhances operational efficiency, accountability, and execution excellence, ensuring sustained growth.

By setting well-defined objectives across short, medium, and long-term horizons, EFERT optimizes resource allocation and fosters alignment, focus, and employee motivation. This clear sense of purpose empowers teams to perform effectively while reinforcing EFERT's commitment to stakeholder value creation and long-term resilience.

measurable KPIs in achieving strategic excellence

EFERT prioritizes precision in defining and tracking Key Performance Indicators (KPIs), ensuring alignment with strategic objectives and evolving industry dynamics. These performance indicators are carefully developed to reflect market trends, economic conditions, and profitability drivers, fostering transparency and accountability.

By embedding a structured KPI framework, EFERT facilitates informed discussions among stakeholders, reinforcing the strategic significance of performance measurement. A well-integrated monitoring process ensures adaptability, allowing the company to navigate industry fluctuations while remaining aligned with its long-term goals.

adaptability in strategy: responding to change

EFERT continuously evaluates its business objectives in response to external factors, ensuring agility in strategic decision-making. The company closely monitors macroeconomic and microeconomic developments, enabling proactive adjustments that safeguard business sustainability.

This approach allows EFERT to identify emerging opportunities, mitigate potential risks, and maintain a competitive edge. By integrating flexibility into its strategic framework, the company ensures resilience, protecting the interests of shareholders, partners, and the broader community.

optimized resource allocation for sustainable growth

Achieving strategic objectives requires efficient and purpose-driven resource allocation. EFERT employs a structured approach to optimize the utilization of financial capital, human resources, manufacturing capabilities, and Health, Safety, and Environment (HSE) standards.

Key resource allocation priorities include:

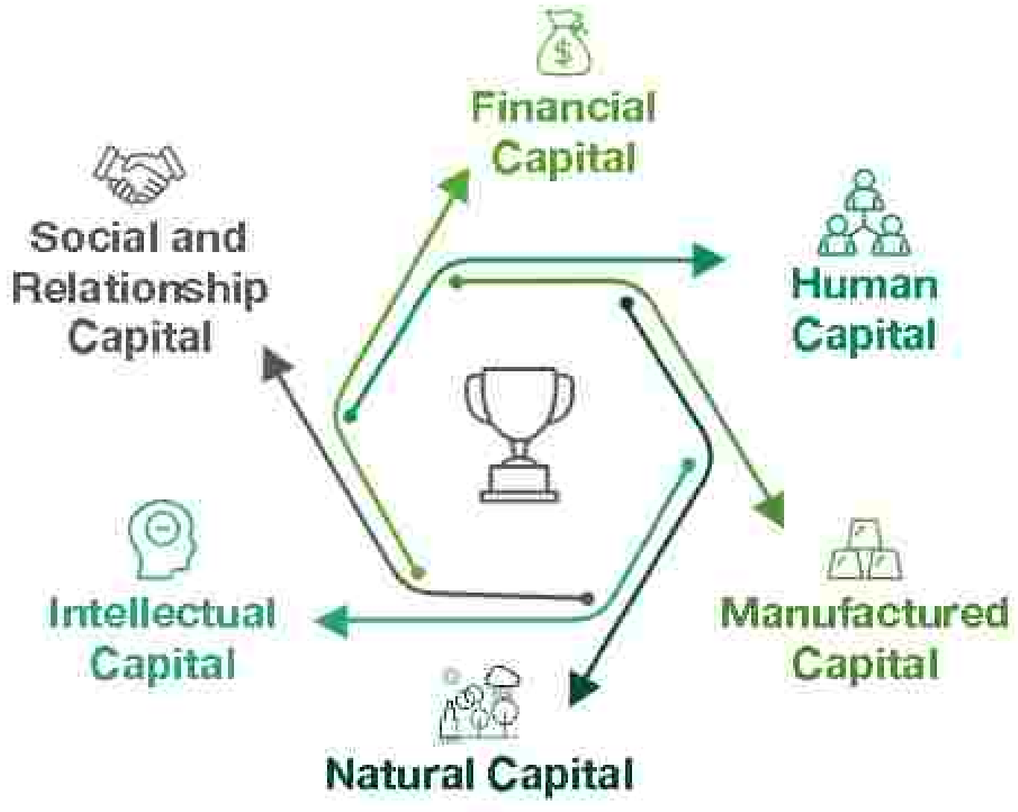
- Enhancing Agricultural Productivity – Supporting farmers with innovative solutions to improve yields and food security.
- Strengthening Market Presence – Expanding trade and distribution networks to reinforce EFERT's leadership position.
- Sustaining Brand Equity – Building on Engro's legacy of excellence through targeted engagement and market-driven initiatives.

ڈائریکٹرز رپورٹ

- Driving Community Impact – Advancing Corporate Social Responsibility (CSR) efforts to create long-term social and economic value.
- Commitment to Sustainability – Integrating environmentally responsible practices to ensure sustainable business growth.

By strategically deploying resources, EFERT aligns its operational and financial objectives with broader business goals, fostering long-term success and value creation.

EFERT remains committed to delivering sustainable growth through strategic foresight, disciplined execution, and a relentless focus on operational excellence.



The relationship between EFERT's objective, strategy, priority, and financial & non-financial performance indicators used to gauge results areas follows:

1. Enhance farmer productivity — **Long-term objective**

Strategic Actions	• Pilot various initiatives of improving farmer productivity • Interact with farmers to provide guidance • Liaison with relevant stakeholders to support use of balanced nutrients
Resource Allocation	
Measurable KPI & its relevance	• Yield per acre • Soil strength and cropping patterns • Will continue to be relevant in the foreseeable future

2. Optimize on manufacturing excellence — **Long-term objective**

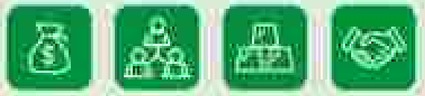
Strategic Actions	• Make efficient use of available gas to improve capacity utilization of manufacturing facility
Resource Allocation	
Measurable KPI & its relevance	• Capacity utilization of Plant 1 and Plant 2 • Will continue to be relevant in the foreseeable future

3. Leverage brand name to increase top-line — Medium-term objective

Strategic Actions

- Use Engro's strong brand name to improve presence across all regions in the country
- Introduce wide range of products and services

Resource Allocation



Measurable KPI & its relevance

- Market share
- Share of dealer wallet
- Will continue to be relevant in the foreseeable future

4. Become the farmer's preferred partner by offering new value added products — Long-term objective

Strategic Actions

- Focus on products diversification and introduced new value added fertilizers that help improve farmer yield

Resource Allocation

Measurable KPI & its relevance

- Growth in revenue
- Enhanced profitability
- Will continue to be relevant in the foreseeable future

5. Achieving operational efficiency — Medium-term objective

Strategic Actions

- Work on improving plant utilization and energy efficiency
- International benchmarking

Resource Allocation

Measurable KPI & its relevance

- Plant energy index
- Less outage days
- Will continue to be relevant in the foreseeable future.

6. Providing agri-inputs at optimal prices — Medium-term objective

Strategic Actions

- Facilitate the local farmers by providing inputs at affordable prices.

Resource Allocation

Measurable KPI & its relevance

- Local vs International Urea prices
- Will continue to be relevant in the foreseeable future.

7. Corporate social responsibility — Long-term objective

Strategic Actions

- Focusing on improving quality of life of people in communities in which we operate

Resource Allocation

Measurable KPI & its relevance

- Total CSR budget
- Number of students at school
- Number of patients treated
- Will continue to be relevant in the foreseeable future

8. Making a positive impact by adopting best sustainable practices — Long-term objective

Strategic Actions

- Minimizing the environmental impacts of our operations
- Responsible consumption & Clean water and sanitization
- People development and engagement
- Sustainable cities and communities

Resource Allocation

Measurable KPI & its relevance

- Contribution towards social cause
- Reduction in CO_2 emissions
- Reduction contamination of underground water
- Reduction in paper consumption
- Will continue to be relevant in the foreseeable future

effect of demographic & climate change

The Country's demographic landscape of a rapidly increasing population will result in higher food demand requiring a consistent supply of fertilizer to increase agri-productivity in order to secure the nation's food supply. Additionally, the impact of climate change may result in unpredictable weather patterns which may positively or negatively impact the Country's area under irrigation.

adoption of united nations sustainable development goals (UNSDGs)

journey to UNSDGs: efert's contributions

With the introduction of the 2030 Sustainable Development Goals, the UN set out to create a more sustainable, just, and equitable world. The 17 SDGs provide a framework for development across People, Planet, Prosperity, and Peace. Pakistan has embraced these goals with dedication since 2016, embedding them into national and corporate initiatives. At EFERT, sustainability is an operational imperative – we integrate world-class sustainability practices into our core business strategy while addressing prevailing environmental and economic challenges. As an active member of the UN Global Compact, we embed its ten principles into our culture, strategy, and daily operations, ensuring long-term value creation for our stakeholders.

no poverty, quality education, decent work and economic growth, reduced inequalities

We believe quality education is the key to breaking the poverty cycle. In line with this mission, Sahara Community School continues to provide quality education near the Daharki manufacturing site, where we currently have 543 students enrolled. The Company has also established a blended learning model for providing quality education to underprivileged communities while consistently improving quality and learning outcomes at these institutions. As of 2024, our Katcha schools network currently comprises 26 schools, out of which 14 are located in the Katcha area and 12 in Daharki. The enrolment at our adopted government schools stands at 2,977 students currently whereas our Katcha school network continues to operate as per plan with 1,646 students.

Engro Foundation has now partnered with Sindh Education Foundation (SEF) on two new interventions. One Foundation Assisted School is entirely supported by SEF and operating within the Katcha Area as a formal school with 166 students (38% girls and 62% boys) enrolled. Additionally, there are three non-formal centers under Adolescent and Adult Learning and Training Program (AALTP) that provide accelerated formal primary education to vulnerable adolescents and basic functional literacy to adults who could not benefit from formal education in early years, enabling them with opportunities of professional and personal growth through literacy, skills development and vocational courses. Current enrolment stands at 210 students (44% girls and 56% boys).

Engro places a special focus on skill development for the youth, with its skills training programs like the Technical Training College (TTC) at Daharki, which offers a 3-year Diploma in Associated Engineering (DAE) in Chemical, Electrical, and Mechanical technologies, as well as short-term vocational training programs for the youth living in the district.

The college has over 3,500+ alumni and the current enrolment stands at 618 including 23 girls. These graduates also regularly attain top positions in the Sindh Technical Board exams. 60 graduates who completed their education in December 2023 as Trade Apprentices at National Refinery Limited, Karachi graduates have been placed in Engro Fertilizers in a variety of roles. Through this program, our Technical Training Institute initiative has helped bolster the careers of many individuals and helped them earn a decent livelihood for themselves and their families.

To help empower differently abled individuals and those in need of a means of gaining income, EFERT has provided PKR 10M in financial grants to help individuals set up sustainable small businesses. Through these grants, 12 livelihood projects were awarded that helped sponsor and set up ventures such as goat farming, grocery stores, and vegetable carts, creating sustainable and independent earning opportunities for widows and people with disabilities. Similarly, to help integrate differently abled individuals into the workforce, we inducted our second batch of interns in 2024 through our Internship Program for Down Syndrome individuals, in collaboration with the Karachi Down Syndrome Program. As of 2024, our employee % of People with Disabilities stands at 1% and we aim to increase this number by 2.5x by 2025. We aim to hire 05 more differently-abled employees in the year 2025 under Engro's Groupwide Khudi Program. The Khudi Training Program is a one-of-a-kind traineeship for persons with disabilities in various open roles in Engro. People with all forms of disabilities are eligible to apply. As an inclusive employer, Engro prioritizes diversity, equity, and belonging, nurturing an environment where the unique strengths and perspectives of every individual are not just welcomed but celebrated.

EFERT has also established a one of its first kind initiative, Engro Muhafiz, related to stakeholder engagement and HSE in 2021. The program is in line with the Company's HSE policy to protect and train all communities involved and linked with our operations. The program is designed to train farmers and dealers in safe and environmentally friendly practices related to their routine operations, based on comprehensive risk profiling. It also includes carrying out HSE audits of their workplaces, encouraging consistent improvement in working conditions. In 2024, a total of 917 activities were conducted across Punjab and Sindh with the support of EFERT Marketing Division's dealer network and Shaandar Kissan Program, resulting in participation from over 28,000 individuals in the communities where we operate. Major activities initiated under the Engro Muhafiz Program included 141 heatwave relief activities, 108 road safety awareness sessions, 45 tree plantation drives, and 4 medical camps.

Recognizing that smallholder female farmers remain highly marginalized, grappling with limited decision-making power and minimal access to essential crop management knowledge, EFERT launched the Buland Program in 2024. A pioneering initiative aimed at empowering female farmers with critical crop management skills, Buland's primary objective is to enhance the capabilities of smallholder female farmers, enabling them to adopt best practices in crop management, thereby leading to economic empowerment. In collaboration with the Farmer Development Organization (FDO), a microfinance organization dedicated to supporting small farmers through interest-free loans, Buland has mobilized 400 female farmers/laborers from 20 villages in Jhang. These women are trained by female Agri-Resource Persons (ARPs) through an innovative blend of theoretical and practical learning methods.

The program provides comprehensive training across five critical stages of the Wheat crop cycle: Land Preparation, Sowing, Irrigation and Disease Management, Pesticide and Machinery Use, and Harvesting and Selling. Each stage includes 20 focused sessions. To evaluate the program's impact, participants undergo assessments before and after each session, enabling us to track measurable improvements in their knowledge and skills.

gender equality

With a great portion of the nation's population being held back by a lack of access to resources, EFERT prioritizes providing an equal opportunity at employment and growth and has taken steps to reduce gender inequality and the pay scale gap between men and women. To ensure equity and diversity across the levels of the Company, the Board has defined measurable KPIs which it uses to monitor the Company's performance and updates under this UNSDG. To help make the workplace more diverse and encouraging for female employees, a 3-point framework for gender diversity and various gender sensitization sessions have been conducted.

EFERT has long been a leader in the industry when it comes to promoting gender diversity. The company has actively created opportunities for women from various socio-economic backgrounds to work in unconventional roles such as Trade Apprentices, Graduate Trainee Engineers (GTEs), Workshop Supervisors, Warehouse In-Charges, and other field-oriented positions. Among the 76 Trade Apprentices hired, 9 were women.

In 2024, EFERT increased its recruitment of women, with 37% of entry-level positions filled by female candidates. Among the 24 Graduate Trainee Engineers recruited, 13 were women, indicating a significant 54% gender diversity within this year's cohort. 2024 also marked the relaunch of the Management Trainee Enablers Program after a seven-year hiatus, with 4 out of 9 management trainees hired being women, achieving a 44% gender diversity score in the initial batch.

Additionally, this year saw a growth in women occupying leadership roles, with 12 women now in such positions, representing a 25% increase from the previous year. Overall, our gender diversity ratio now stands at 7.9%.

In an effort to further enhance gender diversity, EFERT rebranded its Parwaaz recruitment campaign to "Unstoppable" aimed at breaking down gender barriers in traditionally male-dominated roles within field marketing and supply chain. Through this initiative, 50% of the new permanent hires for field positions in the supply chain division were women, resulting in an overall departmental gender diversity score of 10%.

By partnering with CERB, EFERT contributes to shaping policies that encourage businesses to engage in sustainable, inclusive growth. The collaboration is focused on transforming businesses in Pakistan by leveraging private sector growth for inclusive development, poverty reduction, and gender equality. EFERT's sponsorship underscores its role in supporting the larger national agenda for reduced inequality and improved social equity, aligning with its broader DEI and corporate social responsibility objectives. In 2024, EFERT hosted a two-day workshop 'Building Blocks for Successful Gender Strategies', equipping participating organizations with the tools to promote gender balance at all levels by sharing best practices from leading organizations.

To foster supplier diversity, and promote certified women-owned and led businesses, EFERT partnered with P&G for its 4th Edition of Supplier Diversity Academy. The program, spread over three days, delved into critical topics facilitated by internal and external trainers and speakers in the industry. To enhance the learning experience of the participants, access was provided to subject matter experts from prestigious organizations including PwC, Tangent, Entravision, Starcom, acclaimed comedian Faiza Saleem, as well as governmental bodies such as SECP and the State Bank of Pakistan.

The session concluded with a Vendor Quest pitch competition, allowing participants to present their innovative ideas and entrepreneurial drive to a panel of judges. The panel included leaders from P&G and Engro Fertilizers, as well as C-suite executives from TCS and Katalyst Labs. Additionally, select women-owned businesses were added to our list of vendors.

More data regarding the constitution of our employee base can be found in the Human Capital section of this report.

zero hunger

EFERT is dedicated to enhancing food security in Pakistan by serving the farmers with its range of indigenous fertilizer products, accounting for a 31% share of the country's fertilizer market. With the nation's ever-increasing population entirely dependent on local crops for sustenance, the Company continues to play a crucial role in ensuring a supply of fertilizers at the right price to the farmer. With a diverse fertilizer portfolio, the Company continues to work on replenishing nutrient-deficient soil resulting in a larger harvest and promoting sustainable farming practices.

Our products are designed to help boost crop yield and address malnutrition and related health issues. Our innovative product Zabardast Urea (Bioactive Zinc coated Urea) is helping farmers to grow more by improving crop yields by 10% while enriching food with Zinc. Empowering farmers with advanced agricultural practices, EFERT has two mobile soil testing laboratories that provide free-of-cost soil sampling and diagnostics. This service offers farmers precise and data-backed fertilizer recommendations tailored to their specific soil conditions, enabling them to improve overall soil health and achieve optimal crop yields. In 2024, our mobile soil testing labs reached ~5000 farmers, with 56,000 samples collected across roughly 82 villages.

Supporting the Government's efforts to uplift the agricultural sector, EFERT launched Engro Markaz – a flagship project offering farmers quality fertilizer products at suggested retail prices through company-operated outlets. This initiative directly contributes to yield maximization through the promotion of balanced fertilizer use, thereby fostering growth within the agricultural economy.

The Engro Markaz network currently has company-operated outlets at four active locations. Sahiwal (360 MT Capacity), Sargodha (900 MT Capacity), Muridke (110 MT Capacity), and Bahawalpur (220 MT Capacity) offers farmers direct access to high-quality fertilizers at company-controlled prices, addressing availability issues and reducing their dependency on middlemen/arthi. The Engro Markaz outlets are also equipped with dedicated staff available to cater to farmer queries and to impart product-related information to educate farmers.

Moreover, various initiatives have been launched over the years like the Shandaar Kissan Program, aimed at the development and growth of farmers through training, and advisory support based on farmer soil and water testing aimed at balanced use of fertilizers and to improve nutrient use efficiency.

EFERT also trains and educates farmers in agricultural sciences and runs several farmer advisory platforms. With the Agri Services Program arranging seminars, farmer meetings, group discussions, agri-workshops, and educational farm visits for advisory assistance in crop management, soil/water testing services through established labs, and 4R nutrient stewardship, EFERT provides extensive support to the farming community.

good health and well-being

Ensuring the safety, well-being, and health of our employees, communities, and value chain is a top priority for EFERT. A safety-first mindset is an integral part of our operations, accomplished through extensive training and diligent monitoring of compliance with protocols.

In the realm of Healthcare, Engro Fertilizers provides free-of-cost essential services to the communities through clinics, hearing aid camps, and crucial time-sensitive treatments for snake bite and dog bite patients. Our initiatives on the healthcare front include the Sahara Clinic which treated a total of 7,646 patients this year, while a singular snake-bite treatment facility treated a total of 6,411 snake-bite patients.

In 2022, the region's first free-of-cost prosthetic limbs facility was established and has since then treated 1331 patients, with 416 patients treated in 2024. We also developed a dog bite facility that treated 2,267 + patients this year. Under the ambit of the Engro Volunteer program, a three-day camp was set up by Sahara Foundation for free consultation, treatment, and medication. Aside from patients from Daharki, individuals traveled from neighboring cities—Mirpur Mathelo, Murid Shah, Kandhkot—and even from distant places like Rahimyar Khan, Sadiqabad, and Kashmore to avail consultation and treatment at the camp and a total of 825 individuals were treated. Sahara Eye Clinic also provided consultations and treatment to 152 patients in 2024.

Under the Engro Muhafiz Program, our divisional teams led various health initiatives, with the support of Engro's dealer network and Shandar Kissan to support the communities they work with:

- The Agronomy team organized a free eye testing camp, in partnership with King Edward Medical College (KEMU), Lahore. The primary goal of the activity was early detection and treatment, distribution of free medicines and glasses, and community awareness through which more than 100 women & 90 men were facilitated.
- The Field Warehousing team successfully organized a polio vaccination campaign in collaboration with the Health Department of Chiniot City, benefitting 100+ individuals in high-risk areas.

- The agronomy team in collaboration with NFC Faisalabad conducted a heat stroke awareness session and walk which was attended by more than 200 students and faculty members. The Field Warehousing North Zone team arranged a heat stroke relief camp in collaboration with Rescue 1122. The session was attended by around 100 mandi workers and community members. The session aimed at creating awareness of the causes of heat stroke and the preventive measures.

EFERT prioritizes employee wellness by extending the Groupwide Wellness@Work Program to its employees, be it permanent or temporary. This includes access to our in-house Integrative Nutrition Health Coach, who provides free consultations to employees on diet and overall health, along with regular sessions focusing on holistic wellness, nutrition, and the importance of maintaining a balanced lifestyle. Through a partnership with Saaya Health, employees and their immediate family members are offered free-of-cost one-on-one consultations with licensed mental health professionals. To promote fitness, EFERT encourages employees' participation in yoga & high-intensity workout sessions arranged at the Group level thrice a week. Engro also motivates employees with the Groupwide 41-Day Fitness Challenge, an employee engagement initiative where 60+ teams from all subsidiaries, including EFERT, participate in multiple fitness challenges over 5 weeks to win the coveted prize of PKR 50,000 per person.

Our occupational health program encompasses industrial hygiene and occupational health. All food areas, clubs, and canteens at EFERT plant facilities are HACCP certified, ensuring rigorous monitoring and adherence to food safety standards.

clean water and sanitation

EFERT is committed to water stewardship by ensuring responsible use, conservation, and sustainable management of water resources.

Water is essential in the urea manufacturing process, primarily for cooling and steam production. The company sources water from canals and tube wells, ensuring that it meets the necessary quality standards through pre-treatment processes before being used in plant operations. As part of its sustainability strategy to improve water conservation, the company has successfully completed the geo-membrane lining of its 16 evaporation ponds. Furthermore, EFERT has integrated efficient water conservation mechanisms into its operations to maximize reuse. The cooling water system is designed to chemically treat and recycle water, allowing it to be reused in manufacturing processes. This not only minimizes incremental water consumption, but also reduces the strain on freshwater resources.

Several water efficiency projects and reliability upgrades were implemented during the 55-day Long-term Reliability Turnaround (LTR) of the EnVen Plan in 2024:

- Cleaning of heat exchangers to optimize thermal performance and reduce water waste.
- Replacement of waste heat boiler to improve the overall efficiency of the Plant by minimizing the water/steam losses.
- Detailed inspection of cooling towers and their associated utilities network.

EFERT's continued commitment to sustainable water management, community engagement, and ecosystem protection is exemplified in our obtaining the Alliance for Water Stewardship (AWS) Core Certification, a globally recognized standard for responsible water stewardship, through a stringent certification process that involved:

- Identifying and addressing shared water challenges in collaboration with key stakeholders, including local communities, regulatory bodies, and industry peers.
- Implementing water conservation initiatives to optimize consumption, improve wastewater management, and enhance water recycling efforts.
- Ensuring transparent water governance by monitoring, reporting, and disclosing water-related risks and performance metrics.
- Engaging with local communities to promote sustainable water use and build climate resilience.

EFERT prioritizes responsible effluent waste management by operating an effluent treatment plant that processes residential colony wastewater, ensuring it is treated and cleaned before safe discharge into the canal. To reduce dependency on freshwater resources, treated wastewater is also repurposed for irrigation at plant sites. EFERT maintains rigorous control over discharged water quality by regularly testing for pH, conductivity, ammonia, urea, COD, BOD, and SS. The company strictly adheres to Sindh Environmental Quality Standards (SEQS), ensuring discharged water meets regulatory compliance.

To ensure the uninterrupted supply of clean water to EFERT's CAER (Community Awareness and Emergency Response) villages in Daharki City and Ghotki Railway Station, a total of 12 RO plants have been installed by the company, mostly running over renewable solar energy, and providing approximately 15 million liters of water across 4000+ households and to all the daily train passengers this year.

Recognizing the importance of long-term water security, EFERT has developed a detailed five-year water conservation roadmap that outlines strategic initiatives to reduce water withdrawal, improve efficiency, and enhance wastewater reuse. This roadmap addresses physical, regulatory, and

reputational water risks, ensuring the company's sustainability objectives align with evolving environmental challenges.

Under the Engro Muhafiz Program, the South Zone Field Warehousing team installed a water hand pump for a local village where 100+ households faced a lack of access to clean water due to poor underground water quality. This involved an initiative to bore a new water source located around 70 feet away from the village and connecting water lines to the area, making the fresh water easily accessible to everyone.

affordable and clean energy

To ensure sustainable operations with a strong emphasis on energy efficiency, EFERT continuously assesses its energy-sourcing strategies and monitors operational performance to optimize consumption.

The company primarily relies on natural gas, steam, and electricity to meet its energy needs. Natural gas serves as the primary source for generating heat, steam, and electricity and as a feedstock for urea production. EFERT's Daharki plant operates as a self-sufficient facility, producing all its required electricity on-site.

In 2024, several key projects were implemented during the 55-day Long-term Reliability Turnaround (LTR) of the EnVen Plant to improve energy efficiency:

- The installation and inspection of Super Cup Trays in Urea Reactor (R-01) to improve process efficiency and optimized energy utilization.
- A comprehensive internal inspection and repair of Furnace (F-201) was conducted to improve furnace efficiency, reduce energy wastage, and enhance operational reliability.
- A comprehensive overhaul of turbo machinery was conducted, including key upgrades and replacements to improve equipment reliability, thereby reducing energy losses, and improving overall plant efficiency.
- Commissioning of a new CO_2 integration line, connecting all three urea units to minimize CO_2 venting and optimize utilization.
- Replacement of primary reformer burners along with turbine exhaust gas duct of base plant primary reformer resulted in better combustion efficiency. Since its implementation during the Long-Term Reliability (LTR) Turnaround of 2022, this project has continued to deliver sustainable improvements in plant efficiency.
- Reduction of False air ingress in primary reformers of base plant and EnVen plant resulting in better heat efficiency.
- Steam optimization on the EnVen plant resulted in improved fuel efficiency.

Furthermore, EFERT harnesses the power of solar energy to power its 86 field warehouses, setting a new benchmark in the industry.

responsible consumption and production, and industry, innovation, and infrastructure

EFERT 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 safety and health of its people, neighbors, customers and visitors is consistently ensured. We believe our HSE responsibilities extends beyond the protection and enhancement of our own facilities. The Company aims for the highest environmental standards and the best available technologies and strives to be a leader in developing and advocating sustainable approaches. We follow DuPont world-class environment management systems, which are audited and certified regularly by world-renowned environmental experts. The Company's strategic plan for sustainable value creation includes due regard to environmental challenges and plans to minimize its environmental footprint.

EFERT has also set up the Environment Sustainability and Stakeholders Engagement Steering Committee. The main objective of this committee is to ensure social and economic progress in the communities within a two-mile radius of our plant and to train them in emergency response procedures in line with HSE standards. The following are the Environment management system elements ingrained in the culture and governance of the organization which ensure environment and sustainability excellence at EFERT:

- Management Commitment
- Policies and Principles
- Goals, objectives and plans
- Integrated Organizations
- Structure
- Line Management accountability
- Safety Personnel

The Company uses the Lean Enterprise Risk Management framework for assessing and managing risk. It is our policy to view risk management as integral to the creation, protection, and enhancement of shareholder value by managing the significant uncertainties and risks that could possibly influence the achievement of corporate goals and objectives. The Company operates in a complex business environment, and it requires assessment of strategy and quantum of risk that the business is willing to accept by adequately assigning responsibilities throughout the organization. The Company assesses the probability and impact of risk that it is exposed to and assigns responsibilities to manage those risks on an ongoing basis. Risks are identified across the organization and ranked based on their impact and probability. Upon identification, a strategy is devised to mitigate its impact, which is monitored by the Management Committee and the Board.

As environmental challenges become more complex and demanding, EFERT ensures that appropriate processes and controls are in place to ascertain, measure and manage the risks 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.

EFERT 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), Layer of Protection Analysis (LOPA), qualitative risk assessment studies, aspect impact risk assessments, dispersion modelling and real-time monitoring of emissions and discharges.

Major environmental 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 as part of our Sustainability Reporting on an annual basis. EFERT's operations are governed by local environmental permits, with its manufacturing systems meeting the highest industry standards, including ISO 9001 for Quality Management, ISO 14001 for Environmental Management, and ISO 45001 for Occupational Health & Safety. Furthermore, the company actively tracks leading and lagging environmental indicators to ensure compliance with Sindh Environmental Quality Standards (SEQS), industry benchmarks, and our corporate sustainability goals.

EFERT remains committed to managing and reducing its carbon footprint. The company strictly monitors its CO_2 emissions at its plant sites, ensuring compliance with Sindh Environmental Protection Agency (SEPA) limits. In 2024, a new CO_2 integration line was commissioned during the 55-day Long-Term Reliability Turnaround of the EnVen Plant, connecting all three urea units to minimize CO_2 venting and optimize utilization. Furthermore, the HSE division ensures that all locations undergo regular energy audits to identify inefficiencies that may contribute to increased CO_2 emissions. These audits facilitate the development of corrective action plans, which are closely monitored to ensure continuous improvement.

A step in the same direction is EFERTs Zarkhez Division earning the prestigious Green Office Certification for its commitment to sustainable office practices and environmental responsibility.

Health, Safety, and Environment (HSE) is a core value at EFERT, which has played a crucial role in inculcating a safety-first mindset across all our facilities. In 2024, the Zarkhez Plant achieved a significant milestone by completing 7 million man-hours with a Total Recordable Incident Rate (TRIR) of ZERO. The EFERT Daharki site clocked in 70 million safe manhours since last LWI (Lost Workday Injury) with a TRIR of 0.04. Our Marketing HSE Division completed 26.9 million safe manhours since the last recordable injury with ZERO TRIR for the 8th consecutive year. In 2024, EFERT participated in the 21st edition of the International Fertilizer Association (IFA) Global Annual Safety Performance Benchmark. The company was recognized for its standout health, safety, and environmental (HSE) performance. Engro Fertilizers ranked among the top performers in Lost Time Injury Rate (LTIR) performance and ranked 11th out of 63 industrial sites worldwide for Total Recordable Incident Rate (TRIR) performance, placing it within the top 20% of best-in-class companies.

Engro Fertilizers achieved outstanding HSE performance, receiving international recognition by winning first prize at the International Fertilizer Association's (IFA) Green Leaf Awards 2024. Additionally, it secured the first prize in the Nitrogen Category for its innovative environmental project and risk-based approach.

The year 2024 saw EFERT's efforts to transform Pakistan's agricultural landscape come to fruition with the launch of UgAI. The first-of-its-kind B2C app provides farmers with direct access to high-quality fertilizers delivered right to their doorstep at fair prices, reducing dependence on traditional dealer-centric models that the industry had heavily relied on for years. Beyond its direct purchasing capabilities, UgAI integrates global AgTech (Agricultural Technology) standards, including drone and satellite analytics to revolutionize traditional farming practices. By digitizing farmland through geofencing, UgAI provides farmers with precision agriculture services, including high-resolution farm imagery, land diagnostics, and crop health monitoring, empowering them with real-time data-backed insights to help reduce input costs, maximize yields, and drive efficiency. In less than three months since its launch, over 200 verified farmers managing more than 95,000 acres of farmland have registered on the platform, showcasing its rapid adoption and scalability.

The EnVen Plant Turnaround 2024, the largest in EFERT's history, was a testament to our unwavering commitment to safety and operational excellence. Over 6,500 jobs were meticulously executed by 6,000 personnel under challenging conditions and successfully concluded the mega scope with outstanding safety performance. Key safety enhancements included Health Assurance of over 600 Safety Critical Equipment/Safeguards, Integrity Assurance of around 200 BSD protection loops/control barriers, and implementation of over 100 HSE/RBA recommendations. These efforts

significantly strengthened controls around Major Accident Hazard Scenarios (MAHs), advancing our HSE risk management framework. Moreover, innovative initiatives like the custom-designed HSE TA App, safety booths, and impactful safety campaigns were instrumental in achieving a safe and successful turnaround, supported by regular audits (including round-the-clock field audits by the doctors to proactively detect health concern) and on-site inspections.

EFERT has also strengthened its processes more agile via digitalization and automation, with the following applications:

- Markaz application
- Humsafar application upgrade
- Shipment confirmation via Humsafar application
- Humsafar in-application banking integration
- Field force management system update
- Centralized historian
- OneSAP upgrade
- Digital operator rounds
- Electronic document management system
- TA safety audit application
- Pipe thickness application
- Turnaround management application
- Maintenance KPIs application
- PSV overhauling application
- Qlik dashboards
- Freightage monitoring system
- Truck management system axle load

In 2021, EFERT established the Engro Learning Center (ELC) in collaboration with the University of Agriculture Faisalabad (UoAF). The center aims to conduct various technical trainings and research and development projects by engaging with farmers, students, and researchers. In 2024, the ELC initiated several key projects, including:

- A series of technical training sessions focused on issues and opportunities related to water-soluble fertilizers, sugarcane production, trends in phosphatic fertilizers, the wheat campaign, nutrient budgeting, and nutrition management in oilseed crops. These sessions aimed to enhance the understanding of modern agricultural practices among students, farmers, and researchers. A total of 24 training sessions were conducted, benefiting 1,672 participants.
- R&D trials in partnership with university scientists, focusing on innovative solutions for enhanced fertilizer efficiency and crop productivity. The nutrient omission plot trial on maize was a notable success, training over 100 students on deficiency symptom analysis for macro and micronutrients. Trials on coated fertilizers, biofertilizers, and alternative nutrient sources were executed to optimize crop management practices.

In 2024, Engro Fertilizers expanded its outreach efforts by partnering with several reputable research institutes for research and development projects to strengthen its Specialty Fertilizer Portfolio. Notable projects include:

- A research agreement was signed with the Nuclear Institute of Biology & Genetic Engineering (NIBGE) to address Phosphorous Use Efficiency Challenges.
- National Agriculture Research Center was engaged to develop innovative bio-based coated Urea Fertilizers for enhanced use efficiencies of nitrogenous (Urea) and micronutrient (Zinc) fertilizers as an alternative to Zabardast Urea.
- Engaged University of Agriculture Faisalabad (UoAF) using the platform of Engro Learning Center and established R&D plots (Pot-Study) with micronutrients (Zinc) coated urea utilizing a chemical approach.
- Ayub Agriculture Research Institute was engaged in developing Boron-coated urea, an innovative fertilizer to improve crop productivity, concluded and parked as backup strategic planning in Specialty Fertilizer Business (SFB).

climate action & its context

Engro 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 baseline assessment of climate-related risks and opportunities, and classified them as physical or transition risks, guided by the Task Force on Climate-related Financial Disclosures (TCFD) framework. This exercise crosscuts across businesses and aims to broaden our understanding of the climate-related risks and opportunities we are facing and prepare strategies and action for mitigation and adaptation. Extensive data with respect to financial implications based on scenario planning and the cost of actions needed to mitigate the risk or 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.

Like any fertilizer manufacturing facility, EFERT's urea production process generates greenhouse gas (GHG) emissions, primarily carbon dioxide (CO_2). These emissions are an unavoidable consequence of using natural gas as both a feedstock and a fuel source. Despite implementing rigorous environmental protection measures, these emissions cannot be eliminated completely. EFERT's products are vital for enhancing agricultural productivity by supplying essential nutrients for crop growth, which, in turn, contributes to national food security. The main environmental impacts associated with these products include GHG emissions from transportation and the release of nitrous oxide (N_2O) into the soil during the application of fertilizers.

To help reduce GHG emissions related to fertilizer use, EFERT advocates for the adoption of improved farming techniques and promotes 4R nutrient management (Right Source, Right Rate, Right Time, Right Place) through its various farmer advisory and outreach programs. This approach aims to optimize fertilizer efficiency while minimizing environmental impact.

EFERT's urea manufacturing site at Plant-II is equipped with flare systems, which ensure controlled and environmentally responsible flaring during startup and shutdown, significantly reducing the site's overall greenhouse gas emissions. The company strictly monitors its CO_2 emissions at its plant sites, ensuring compliance with Sindh Environmental Protection Agency (SEPA) limits. The company does not yet measure emissions across its full value chain (upstream and downstream operations). However, EFERT is actively exploring feasible mechanisms for capturing these emissions, considering their impact on the supply chain. EFERT assesses the environmental impact of emissions based on the principles outlined in ISO 14040 Life Cycle Assessment Standards and the United Nations Framework Convention on Climate Change (UNFCCC) guidelines.

In 2024, EFERT's Zarkhez Plant reaffirmed its commitment to environmental stewardship with a Plantation Drive, transforming the facility into a thriving green space. Over 680 saplings were planted, with more than 1,000 seasonal vegetable and flower seedlings. Additionally, a fruit orchard was established, featuring a variety of fruit-bearing plants. The planting initiative was carried out on-site and along the entire perimeter of the manufacturing facility to create a cleaner and healthier environment by increasing green spaces, which in turn, improves air quality. By introducing a diverse range of native plant species, the initiative also promotes biodiversity, supporting various ecosystems. In September 2024, a similar plantation drive was conducted in Daharki city, EFERT's CAER (Community Awareness and Emergency Response) villages, and nearby schools, where thousands of fruit trees and seasonal trees were planted.

As part of the Engro Muhafiz Program, the Specialty Fertilizers Business and distribution teams successfully organized a plantation drive in collaboration with Larkana Commerce College. 100+ were planted during the drive to enhance the green cover in the area, contributing to local biodiversity, while engaging college students in hands-on environmental stewardship.

In 2024, EFERT continued to implement its Net Zero Waste Project, which focuses on converting organic waste—including food scraps and garden waste—into high-quality compost, which enhances soil health, moisture retention, and carbon sequestration. By repurposing waste into a valuable resource, EFERT is actively adopting circular economy practices to contribute to long-term environmental sustainability.

life below water

EFERT, along with Engro Foundation partnered with WWF-Pakistan for the conservation of Indus River Dolphins for a five-year period. As part of the project, Engro Foundation works towards protecting, conserving, and managing the viable population of the Indus River Dolphin and its habitat, using internationally developed and tested tools and technological advancements.
Although the last Indus Dolphin population assessment survey conducted in 2017 indicates an increasing trend, the current population is still under 2000, which is an extremely low number for long-term sustainability, especially when the range is restricted and risks are high. Therefore, it requires intensive conservation and management for its viability, incorporating advanced techniques along with conventional conservation approaches.
River dolphin conservation is challenging because of the enormous pressures on its habitat including threats like construction of water infrastructure, diversion of freshwater for agriculture, pollution, stranding in irrigation canals and seasonal lakes, unsustainable fishing practices: net entanglement and illegal fishing (overnight netting, overfishing, poisoning, electro-fishing), inadequate protected area management, etc. and hence the viability of the species needs to be ensured through collective actions.

Some of the key highlights for 2024 include:

- Conservation Assured| River Dolphin Standards (CA | RDS) is a unified tool developed by WWF's River Dolphin Initiative to measure and improve the effectiveness of river dolphin conservation efforts across 15 range countries in Asia and South America. A workshop was hosted for Sindh Wildlife and Fisheries Department and WWF-Pakistan to take forward the (CA|RDS) assessment and monitoring in Sindh, focusing on the Indus River Dolphin Game Reserve.
- Spatial Monitoring and Reporting Tool (SMART) is a desktop-based application linked with a mobile application that supports field staff in collecting data and providing reports and analysis to improve conservation efforts. River guards and wildlife watchers were trained to use this application.

- Total of 50 patrols were conducted across the Indus Dolphin Reserve and adjoining seasonal lakes and irrigation canals to gather actionable insights.
- There were 184 dolphin sightings within the river and 19 sightings in the irrigation canals highlighting the significance of these habitats for the species and enhancing conservation efforts.

- Pinger trials to deter the dolphins from coming closer to fishing gear were conducted during the year. The findings from the trials indicate that pingers are useful in the conservation of the Indus River Dolphin and do not indicate any long-term negative behavioral impacts on the Dolphins. Consultative sessions were held to explore integrating pinger technology into fisheries policy, to strengthen sustainable fisheries management and conservation of the Indus River Dolphin.
- Conferences and workshops:
  - A consultative workshop on the Indus River Health Assessment Report Card was organised with the University of Maryland, the workshop included representatives from government departments, Sindh Environmental Protection Agency (SEPA), Sindh Wildlife Department, Academia, and local communities.
  - 2 Webinars were held to share pingers experiment results. In the first webinar Pakistan, India and Indonesia showcased the results of their respective countries. The second webinar was held on tracking River Dolphin Acoustics using F-PODs across rivers in Asia and South America where Pakistan, India, Nepal, and Brazil shared the River Dolphin acoustic results. The webinar engaged global experts and River Dolphin ranger countries on similar experiments.

- A total of 20 eco-clubs have been established in schools across Districts Ghotki and Kashmore in Sindh, as well as in Muzaffargarh, and DG Khan in Punjab to foster environmental awareness and promote sustainable practices amongst schoolchildren.
- WWF-Pakistan initiated a community-based eco-tourism activity to create alternative livelihood opportunities for the local fisher community. This year they identified 1 site for eco-tourism in Sukkur and formed 2 eco-tour groups. These groups were trained as eco-tour guides and were provided eco-tour and safety kits. 2 fishing boats were converted into eco-tour boats.
- A total of 22 outdoor protected area signages were designed and installed around the Indus River Dolphin Game Reserve, Sukkur, and Taunsa Barrage Wildlife Sanctuary, in collaboration with Sindh and Punjab Wildlife Department.
- The Dolphin Rescue Ambulance, was used for community outreach awareness sessions with fisher communities and schools to highlight the
- Child-focused education toolkit - An educational toolkit was designed for primary-level students containing interactive materials on the importance of the Indus River Dolphin and its habitat.

peace, justice, and strong institutions

Engro has strong governance structures and internal control systems that ensure our businesses are run in an effective and robust manner (please refer to our section on "Governance"). Engro upholds a strong culture of ethics and integrity, underpinned by a stringent code of conduct and governance framework. Our commitment to integrity is reinforced through regular reviews, ongoing accountability, and unwavering adherence to regulatory standards. A dedicated Ethics & Compliance team investigates all E&C-related issues. At Engro, we have a robust whistleblower mechanism that helps us identify risk, and carry out due processes for risks assessed, based on which appropriate actions are taken, which is available for both internal and external stakeholders.

partnerships for the goals

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

Engro Fertilizers is part of various industry associations and forums, reflective of our commitment to long-term sustainable value creation and global cooperation. We are members or signatories to the following:

- United Nations Women's Empowerment Principles (UNWEPs)
- World Economic Forum (WEF)
- Worldwide Fund for Nature (WWF)
- Management Association of Pakistan (MAP)
- Pakistan Business Council (PBC)
- International Fertilizer Association (IFA)
- Pakistan Agricultural Coalition (PAC)
- University of Agriculture Faisalabad
- Fertilizer Manufacturers of Pakistan Advisory Council (FMPAC)
- Karachi Down Syndrome Program (KDSP)
- Centre of Excellence in Responsible Business (CERB)
- United Nations Global Compact (UNGC)
- NOWPDP (Network of Organizations Working for People with Disabilities Pakistan)
- Pakistan Society for Training & Development (PSTD)
- Overseas Investors Chamber of Commerce & Industry (OICCI)

investor relations

Financial Year ended December 31, 2024	
April 18, 2024	Announcement of first Quarter results
July 31, 2024	Announcement of second Quarter results
October 14, 2024	Announcement of third Quarter results
February 10, 2025	Announcement of fourth Quarter results

Financial year ending December 31,2025*	
April 15, 2025	Announcement of first Quarter results
July 29, 2025	Announcement of second Quarter results
October 14, 2025	Announcement of third Quarter results
February 10, 2026	Announcement of fourth Quarter results

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

Trading Performance During the Financial Period	2024
Opening Price	118.82
Closing Price	204.19
Highest Closing Price	210.28
Lowest Closing Price	114.24
Average daily volume traded (million shares)	2.007

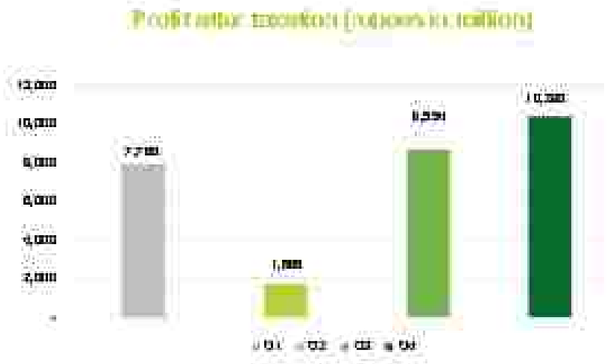
Total Shareholder Return	2024
1 year period (01 January 2024 to 31 December 2024)	101%
3 year period (01 January 2022 to 31 December 2024)	227%
5 year period (01 January 2020 to 31 December 2024)	2805%

financial performance review

quarterly analysis

(Rupees in million)

Description	Q1	Q2	Q3	Q4	FY 2024
Net sales	73,783	39,421	68,641	84,830	266,676
Cost of sales	(55,585)	(32,287)	(49,331)	(55,187)	(184,391)
Gross profit	17,198	7,134	19,310	29,643	72,285
Operating profit	12,209	3607	14,841	17,424	48,081
Finance cost	(99)	(1,226)	(1,279)	(1,467)	(4,122)
Gain/ allowance on subsidy receivable from GoP	68	178	464	503	1,203
Profit before taxation	12,197	2,559	14,026	16,460	45,142
Taxation	(4,345)	(893)	(5,470)	(5,180)	(15,895)
Profit after taxation	7,760	1,666	8,664	10,280	28,250
Urea Production (KT)	606	361	577	604	2,147
Urea sales (KT)	649	307	466	706	2,035
EPS	6.80	1.26	6.41	7.70	21.16



*Final dividend for the year ended December 31, 2024, recommended for approval of members at the Annual General Meeting.

detailed quarterly analysis

first quarter

Period	Production	Sales	Net Profit
Q1 2024	606 KT	648 KT	7,760 Mn
Q1 2023	577 KT	661 KT	4,404 Mn

Production

The Company's urea production in Q1 2024 stood at 606 KT compared to 577 KT in the corresponding period last year, An increase of 5% as compared to the same period last year.

Sales Revenue

Urea Sales clocked in at 648 KT compared to 661 KT in Q1 2023, reflecting the slight decline in sales by 0.64%. Urea price stood at PKR 4,649/bag as on 31st March 2024 depicting a discount of 32% to international price which stood at PKR 6,808/bag. The Company's Urea market share was 30% in Q1 2024 which is almost similar to the market share of Q1 2023. Industry Urea demand increased by 13% in comparison to Q1 2023. The incremental demand for Urea can be attributable to improved farm economics this quarter compared to last year's post flooded scenario.

EFERT phosphates (DAP, Zorawar and NP) sales during Q1 2024 stood at 104 KT vs 86 KT during the samep eriod last year, an increase of 20% YoY.

Cost of Sales and Other Operating Costs

Gross Profit was recorded at Rs. 17 Bn for 1Q 2024, compared to Rs. 10.8 Bn in the same period last year, resulting in an increase of 57% YoY.

Profit

The company's consolidated profit stood at Rs. 7.8 Bn vs. RS. 4.4 Bn in the corresponding period last year, resulting in EPS of Rs. 6.80 vs. last year's EPS of Rs. 3.30.

second quarter

Period	Production	Sales	Net Profit
Q2 2024	361 KT	307 KT	1,888 Mn
Q2 2023	638 KT	483 KT	1,089 Mn

Production

The Company's Urea production in Q2 2024 stood at 361 KT compared to 638 KT in the corresponding period last year as the Company's Enven plant undergone 66 days historic turnaround during Q2 2024.

Sales

Urea sales during the period clocked in at 307 KT compared to 483 KT in Q2 2023 showing a decrease of 36% Vs Q2 2023. Urea price stood at PKR 4,649/bag as on 30th June 2024 depicting a discount of 22% to international price, ensuring fertilizer industry to continue to benefit local farmers from the low prices of domestically produced Urea.

EFERT phosphates sales during Q2 2024 stood at 61 KT vs 44 KT last year, an increase of 38% YoY. International DAP prices declined from their high in the previous quarter of USD 620/ton to USD 530/ton due to higher-than-expected exports from China.

Cost of Sales and Other Operational Costs

Gross Profit of the Company was recorded at Rs. 7 Bn for Q2 2024, compared to Rs. 11.4 Bn in the same period last year, a decrease of 39% owing to a decline in sales volume by 38% as compared to same period last year.

Profit

The company's consolidated profit stood at Rs. 1.7 Bn vs. Rs. 1.06 Bn in the corresponding period last year resulting in EPS of Rs. 1.28 vs. last year's EPS of Rs. 0.79.

third quarter

Period	Production	Sales	Net Profit
Q3 2024	577 KT	486 KT	8,884 Mln
Q3 2023	600 KT	582 KT	9,551 Mln

Production

The Company's urea production in Q3 2024 clocked in at 577 KT compared to 600 KT in the corresponding period last year mainly because of the wheat crisis which significantly impacted farmers liquidity and eventually impacting fertilizer application for kharif season, and due to the effect of climate change.

Sales

Urea sales during the period clocked in at 486 KT compared to 582 KT in Q3 2023, a decrease of 33% YoY. Urea price stood at PKR 4,360/bag as on 30th September 2024 depicting discount of 26% compared to International prices. Industry Urea demand decreased in Q3 by 17% in comparison with Urea demand of Q3 2023.

The Company's phosphates (DAP, Zorawar and NP) sales during Q3 stood at 82 KT vs 106 KT last year, reflecting decrease of 23% in comparison with Q3 2023. DAP international prices rose to fresh levels of USD 560/ton due to the increased demand from India whilst China restricted its production for local consumption.

Cost of Sales and Other Operational Costs

Gross Profit of the Company was recorded at Rs. 18 Bn for Q3 2024, compared to Rs. 21 Bn in the same period last year, decrease of 14% mainly due to decrease in sales volume as compared to Q3 2023 by 33%.

Profit

The company's consolidated profit stood at Rs. 8.6 Bn vs. Rs. 9.6 Bn in the corresponding period last year resulting in quarterly EPS of Rs 6.41 vs last year Q3 EPS of Rs. 7.17.

fourth quarter

Period	Production	Sales	Net Profit
Q4 2024	604 KT	705 KT	10,280 Mln
Q4 2023	698 KT	601 KT	11,147 Mln

Production

The Company's urea production in Q4 2024 clocked in at 604 KT compared to 698 KT in Q4 2023 resulting in almost same production as compared to same period last year.

Sales

The Company was able to sell 705 KT of Urea in Q4 2024 as compared to 601KT in Q4 2023. The Company's Urea market share was 35% in Q4 2024 which is almost similar to the market share of Q4 2023.

The Company's phosphates (DAP, Zorawar and NP) sales during Q4 stood at 119 KT vs 149 KT last year, reflecting an overall decrease of 20% YoY.

Cost of Sales and Other Operational Costs

Gross Profit of the Company was recorded at Rs. 29.6 Bn for Q4 2024, compared to Rs. 29.1 Bn in the same period last year, resulting an increase of 2%. Sales volume in Q4 2023 increased by 17% as compared to Q4 2023 which has resulted in increase in Gross Profit. Furthermore, price revision also resulted in positive impact on Gross profit.

Profit

The company's consolidated profit stood at Rs. 10.3 Bn vs. Rs. 11.1 Bn in the corresponding period last year. Profitability was led by higher sales volume of Urea. Net profit margin during Q4 was stood at 12% as compared to 14.8% for the same period during 2023. Quarterly EPS of Rs 7.7 vs last year Q4 EPS of Rs. 8.36.

Analysis of variation in interim accounts with final accounts

The Company's net sales in 1H 2024 is Rs. 113 Bn whereas, the Company is able to achieve Rs. 143 Bn in 2H 2024. The company's highest quarterly sales were recorded in the last quarter. The Company's market share increased to 31% for FY 2024 as compared to 28% in 1H 2024. Further the Company has sold 868 KT Urea in 1H 2024 whereas it has sold 1,171 KT Urea in 2H 2024.

The company's Gross profit stood at RS. 24,332 Bn in 1H 2024, which increased to RS. 72,285 Bn for Full year 2024. The company's highest quarterly gross profit was recorded in Q4 2024 of Rs. 29643 Bn mainly because of the increase in sales volume during 2H 2024.

GP% of the company increased from 21% in 1H 2024 to 28% for FY 2024.

Net profit for the company increased from Rs. 9,426 Bn to Rs. 28,280 Bn for FY 2024 mainly because of increased sales volume in 2H 2024.

horizontal analysis

consolidated statement of financial position

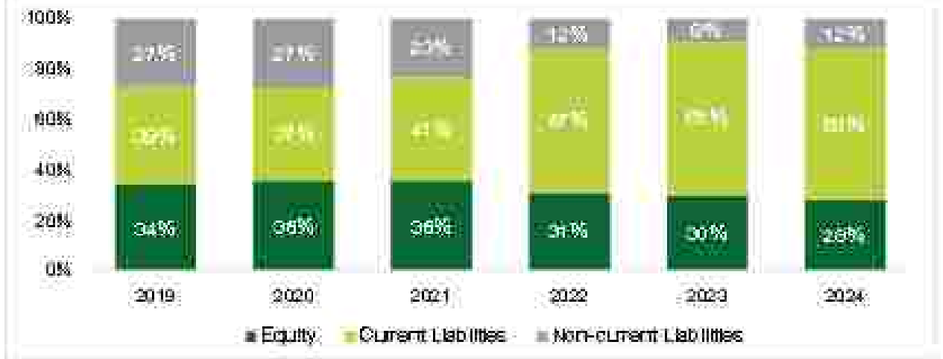
(Amounts in millions)

	2024 Rs.	24 Vs. 23 %	2023 Rs.	23 Vs. 22 %	2022 Rs.	22 Vs. 21 %	2021 Rs.	21 Vs. 20 %	2020 Rs.	20 Vs. 19 %	2019 Rs.
EQUITY AND LIABILITIES											
EQUITY											
Share capital	13,363	-	13,363	-	13,363	-	13,363	-	13,363	-	13,363
Share premium	3,396	-	3,396	-	3,396	-	3,396	-	3,396	-	3,396
Remeasurement of post employment benefits	(70)	(6.1)	(74)	(26.0)	(100)	11.3	(90)	79.3	(50)	(11.0)	(57)
Unappropriated profit	30,790	(1.4)	31,239	9.9	28,415	(6.8)	30,439	1.3	30,043	13.0	26,599
Total Equity	47,482	(0.9)	47,903	6.3	45,073	(4.3)	47,097	0.8	46,751	8.0	43,279
NON-CURRENT LIABILITIES											
Borrowings	19,702	472.4	3,267	(44.1)	5,842	(49.0)	11,460	(15.2)	13,514	(39.1)	22,192
Deferred taxation	673	(93.6)	10,402	27.5	8,155	(31.7)	11,943	2.9	11,879	(4.1)	12,393
Deferred liabilities	249	4.6	237	0.6	236	1.3	232	(16.0)	279	6.1	267
Provision for GIDC	-	-	-	(100.0)	2,315	(63.8)	6,384	(29.8)	10,519	-	-
Deferred income - Government grant	514	(28.7)	721	(19.0)	891	(3.7)	925	-	-	-	-
	20,136	37.7	14,627	(16.1)	17,439	(43.6)	30,924	(14.0)	36,979	3.9	34,852
CURRENT LIABILITIES											
Trade and other payables	66,606	(10.1)	74,096	64.1	45,166	73.6	26,027	(13.9)	30,219	65.79	19,228
Accrued interest / mark-up	1,209	1,560.9	73	(96.0)	620	58.0	262	(0.2)	263	(55.0)	599
Taxation - net	-	(100.0)	994	(79.0)	4,812	231.5	1,861	100.0	-	-	-
Current portion of:											
- borrowings	2,934	4.4	2,716	(90.2)	6,929	19.6	5,796	(42.3)	10,062	14.9	8,760
- deferred income - government grant	200	(14.0)	236	(7.3)	255	65.9	154	100.0	-	-	-
- deferred liabilities	63	-	63	(10.9)	70	10.0	64	17.2	64	(2.9)	66
- provision for GIDC	19,629	-	19,629	17.1	16,706	41.4	11,818	70.6	6,927	(64.40)	19,469
Short-term borrowings	12,452	2,249.9	530	(93.2)	7,828	90.1	4,119	968.6	425	(78.6)	1,986
Unclaimed dividend	82	70.4	48	(1.9)	49	(0.0)	49	(13.7)	57	(4.5)	60
Loan from Holding Company	-	-	-	(100.0)	1,000	(80.0)	5,000	420.0	1,000	100.0	-
	103,007	4.9	98,319	18.6	82,922	81.3	54,807	11.9	49,007	(0.3)	49,135
Total liabilities	123,144	9.0	112,946	12.6	100,360	17.1	85,731	0.9	84,986	1.6	83,988
TOTAL EQUITY AND LIABILITIES	170,626	6.1	160,849	10.6	145,413	9.5	132,817	0.9	131,713	3.7	127,047
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	83,137	6.9	78,440	0.7	77,890	6.6	73,031	11.1	65,734	(0.3)	66,940
Intangible assets	5,008	(3.4)	5,184	(2.0)	5,289	(0.3)	5,301	2.6	5,165	1.9	5,071
Long-term loans and advances	199	(5.7)	210	1.6	207	239.7	61	(25.7)	82	(50.0)	164
Long-term investments	4,269	2,011.8	202	(90.8)	2,204	-	-	-	-	-	-
	92,611	10.2	84,036	(1.8)	85,579	9.2	78,394	10.4	70,981	10.3)	71,175
CURRENT ASSETS											
Stores, spares and loose tools	9,240	(6.6)	9,730	34.4	8,496	1.1	8,402	0.2	8,411	21.3	6,295
Stock-in-trade	26,729	74.1	16,368	(9.0)	16,983	26.0	13,490	79.1	7,533	(39.6)	12,479
Trade debts	9,263	183.4	2,912	(22.9)	3,772	22.9	3,070	6.6	2,906	(79.6)	14,176
Loans, advances, deposits and prepayments	4,295	18.1	3,633	42.9	2,796	26.0	2,237	2.2	2,189	(26.8)	2,949
Other receivables	11,396	(35.3)	16,057	(6.3)	17,226	36.9	12,677	52.7	8,304	(11.9)	9,412
Taxation - net	9,907	100.0	-	-	-	-	-	(100.0)	2,858	12.4	2,542
Accrued income	272	133.3	117	(39.4)	173	906.7	19	(97.3)	159	49.0	106
Short-term investments	3,691	(94.7)	24,063	149.9	9,669	(36.6)	16,238	(43.1)	28,783	(86.6)	6,612
Cash and bank balances	4,309	6.3	4,054	43.0	2,834	123.7	1,266	(84.5)	3,610	6.9	3,413
Assets classified as held for sale	-	(100.0)	1,526	100.0	-	-	-	-	-	-	-
	77,991	1.6	76,907	29.4	59,935	9.9	54,499	(10.4)	60,732	9.7	55,672
TOTAL ASSETS	170,602	6.1	160,943	10.6	145,413	9.5	132,817	0.9	131,713	3.7	127,047

Horizontal Analysis of Consolidated Statement of Financial Position

Capital Structure

Balance Sheet Analysis (Equity and Liabilities)



Shareholders' Equity

Share capital and share premium stood at par Rs. 13,363 and Rs. 3,386 million during the last six years. Further, reserves remain stable due to better profitability and a consistent dividend payout strategy.

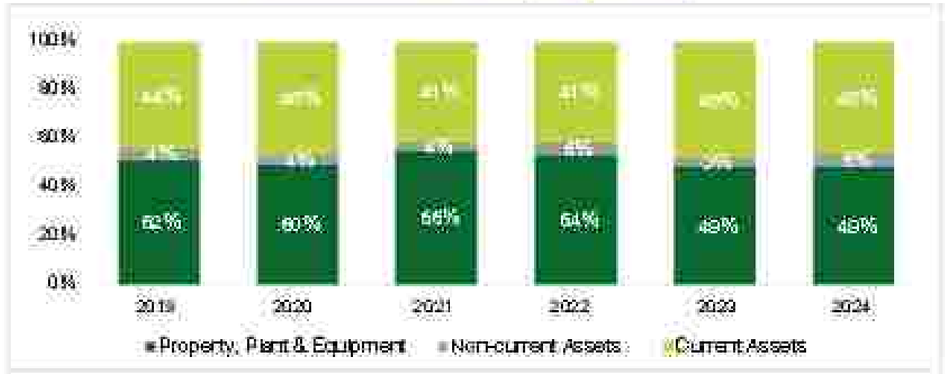
Non-current Liabilities

Non-current liabilities majorly comprise Long-term borrowings from Financial institutions and Deferred Taxation. Borrowings have decreased from Rs. 22,192 million in 2019 to Rs. 18,702 in 2024, in line with the Company's capital structure strategy and repayments. During the year, long-term loans amounting to Rs. 2.69 bn were repaid. Deferred tax liability has decreased from Rs. 12,183 million in 2019 to Rs. 673 million in 2024. The decrease in Deferred tax liability is due to an increase in deductible temporary differences.

Current Liabilities

Current liabilities mainly comprise of Trade and other payables, short-term Borrowings and taxes payable. Trade and other payables have increased to Rs. 66,606 million in 2024 from Rs. 18,228 million in 2019 representing an increase of 265%. Further increase is due to higher accrued liabilities from 26,210 million in 2019 to 47,606 million in 2024 representing accumulation of gas provisions. Further it also includes a provision for GIDC amounting to Rs. 19.668 billion.

Balance Sheet Analysis (Assets)



Non-current Assets

Non-Current assets mainly comprise of Property, Plant & Equipment and intangible assets. Property, plant and equipment have increased by 26% in comparison with 2019. This is mainly due to the major capital investment in debottlenecking and optimization Base and Enven plant netted off by depreciation charge for each financial year. Further, the company has also made investment in ahrafi, PEF and other plant/capital projects.

Current Assets

Over the past six years, current assets have increased by Rs. 22,119 million. They majorly comprise of stock-in-trade, Other receivables, taxation-net, stores and spares and loans, advances, deposits and prepayments. The increase is primarily due to the higher value of stock compared to 2019, along with the net tax receivable position.

vertical analysis

consolidated statement of financial position

(Amounts in millions)

EQUITY AND LIABILITIES	2024		2023		2022		2021		2020		2019	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
EQUITY												
Share capital	13,363	7.9	13,363	8.3	13,363	9.2	13,363	10.1	13,363	10.1	13,363	10.5
Share premium	3,395	2.0	3,395	2.1	3,395	2.3	3,395	2.6	3,395	2.6	3,395	2.7
Remeasurement of post employment benefits	(70)	(0.0)	(74)	(0.0)	(199)	(0.1)	(90)	(0.1)	(90)	(0.0)	(67)	(0.0)
Unappropriated profit	30,790	18.0	31,229	19.4	28,416	19.6	30,429	22.9	30,042	22.8	26,699	20.9
Total Equity	47,488	27.9	47,913	29.9	45,053	31.0	47,097	35.5	46,731	35.5	43,279	34.1
NON-CURRENT LIABILITIES												
Borrowings	18,702	11.0	3,267	2.0	5,942	4.0	11,469	8.6	13,514	10.3	22,192	17.5
Deferred taxation	673	0.4	10,402	6.5	9,150	6.3	11,943	9.0	11,679	8.9	12,193	9.6
Deferred liabilities	249	0.1	237	0.1	235	0.2	232	0.2	273	0.2	267	0.2
Provision for GIDC	-	-	-	-	2,416	1.6	6,264	4.8	10,610	8.0	-	-
Deferred income - Government grant	514	0.3	721	0.4	391	0.3	922	0.7	-	-	-	-
	20,138	11.8	14,627	9.1	17,496	12.0	30,824	23.0	36,076	27.3	34,652	27.3
CURRENT LIABILITIES												
Trade and other payables	66,808	39.0	74,096	46.1	45,186	31.1	26,027	19.6	30,219	22.9	18,229	14.3
Accrued interest / mark-up	1,209	0.7	73	0.0	620	0.4	262	0.2	283	0.2	599	0.5
Taxation - net	-	-	994	0.6	4,612	3.1	1,361	1.0	-	-	-	-
Current portion of:												
- borrowings	2,834	1.7	2,715	1.7	6,329	4.7	5,736	4.3	10,082	7.6	9,790	8.9
- deferred income - government grant	203	0.1	236	0.1	256	0.2	154	0.1	-	-	-	-
- deferred liabilities	63	0.0	63	0.0	70	0.0	64	0.0	54	0.0	36	0.0
- provision for GIDC	19,659	11.6	19,659	12.2	16,706	11.5	11,816	8.9	6,927	5.2	19,453	16.9
Short term borrowings	12,462	7.3	530	0.3	7,326	5.4	4,119	3.1	426	0.3	1,996	1.6
Unclaimed dividend	82	0.0	48	0.0	49	0.0	49	0.0	57	0.0	60	0.0
Loan from Holding Company	-	-	-	-	1,000	0.7	8,200	3.9	1,000	0.8	-	-
	103,007	60.4	98,313	61.1	82,552	57.0	58,007	41.3	49,007	37.2	49,158	39.7
TOTAL EQUITY AND LIABILITIES	170,632	100.00	160,853	100.00	145,413	100.0	132,917	100.0	131,713	100.0	127,047	100.0
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	83,137	48.7	78,440	48.9	77,990	53.6	73,031	55.0	65,734	49.9	65,340	51.9
Intangible assets	5,009	2.9	6,134	3.8	5,238	3.6	5,301	4.0	5,166	3.9	5,071	4.0
Long term loans and advances	199	0.1	210	0.1	207	0.1	61	0.0	82	0.1	164	0.1
Long-term investments	4,266	2.5	202	0.1	2,204	1.5	-	-	-	-	-	-
	92,611	54.3	84,036	52.2	85,079	58.9	78,394	59.0	70,981	53.9	71,176	56.0
CURRENT ASSETS												
Stores, spares and loose tools	9,240	4.9	9,730	6.4	6,495	4.5	6,427	4.9	6,411	4.9	5,286	4.2
Stock-in-trade	26,729	15.7	15,396	9.6	16,869	11.6	13,490	10.2	7,533	5.7	12,479	9.8
Trade debts	8,253	4.8	2,912	1.8	3,772	2.6	3,079	2.3	2,906	2.2	14,176	11.2
Loans, advances, deposits and prepayments	4,286	2.7	3,993	2.5	2,756	1.9	2,237	1.7	2,199	1.7	2,949	2.3
Other receivables	11,996	7.0	16,057	10.0	17,226	11.9	12,677	9.6	9,204	6.9	9,412	7.4
Taxation - net	9,907	5.8	-	-	-	-	-	-	2,869	2.2	2,642	2.0
Accrued income	272	0.2	117	0.1	176	0.1	19	0.0	168	0.1	168	0.1
Short term investments	3,891	2.2	24,083	15.0	9,868	6.8	16,238	11.5	26,763	20.0	5,512	4.3
Cash and bank balances	4,308	2.6	4,054	2.8	2,934	1.9	1,268	1.0	3,610	2.7	3,413	2.7
Assets classified as held for sale	-	-	1,525	0.9	-	-	-	-	-	-	-	-
	77,991	45.7	76,868	47.8	59,698	41.1	54,434	41.0	60,732	46.1	55,879	44.0
TOTAL ASSETS	170,602	100.0	160,848	100.0	145,413	100.0	132,917	100.0	131,713	100.0	127,047	100.0

vertical analysis of consolidated statement of financial position

Shareholders' Equity

Shareholders' equity stands at 27.8% of total equity and liabilities as compared to 34.1% in 2019. Despite increased profitability and a healthy and consistent dividend payout strategy, the change is mainly due to an increase in total liabilities which have increased by 47% from 2019.

Non-current Liabilities

Long term borrowings (including current portion) have reduced from 36.96% of total liabilities in 2019 to 17.49% in the current year. This is in line with EFERT's long-term debt structure strategy. Deferred taxation as a percentage of total non-current liabilities has significantly decreased from 36.18% in 2019 to 3.34% in the current year mainly due to deductible temporary differences.

Current Liabilities

Trade and other payables as a percentage of total current liabilities stood at 66% at the year-end as against 37% in 2019 mainly due to the accumulation of gas provisions. The current portion of GIDC constitutes 19% of total current liabilities as compared to 40% in 2019.

Non-current Assets

Property plant and equipment as a percentage of total non-current assets stood at 98% vs 93% in 2019. This is mainly due to steady depreciation charge over the years of our Base and EnVen production facilities partially offset by major capital expenditures during this time primarily on plant efficiency, gas compression facilities, PEF and implementation of new ERP software in the past six years.

Current Assets

Stock-in-trade stood at 34% of total current assets in 2024 vs 22% in 2019. Other receivables have remained at par and constitute 18% of total current assets in 2024 in comparison to 17% in 2019. In 2024, the taxation-net constitutes 13% of total current assets vs 6% in 2019 due to additional advance tax paid during the year. Trade debts decreased by 42% since 2019 mainly due to management of receivable efficiently.

horizontal and vertical analysis

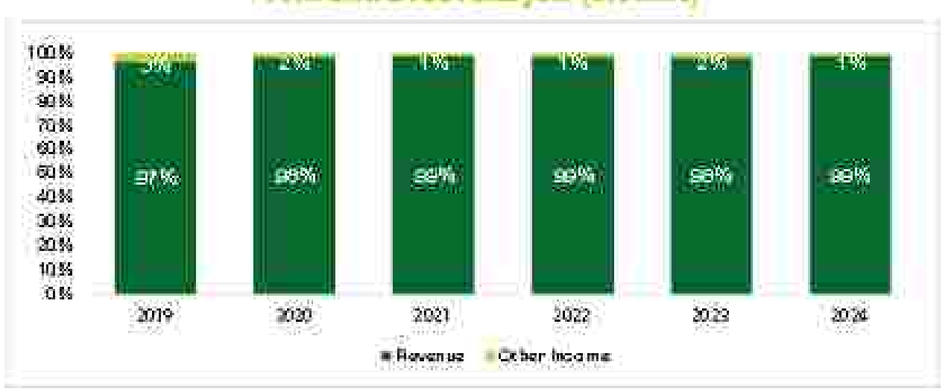
profit or loss account

(Amounts in millions)

	2024		2023		2022		2021		2020		2019	
HORIZONTAL ANALYSIS	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Net sales	299,875	14.7	223,704	42.5	157,017	19.9	132,363	26.1	105,846	(12.9)	121,355	11.1
Cost of sales	(194,290)	21.9	(151,407)	32.6	(114,170)	29.3	(89,299)	23.0	(71,691)	(12.5)	(81,816)	10.7
Gross profit	72,285	(0.5)	72,297	68.7	42,847	(2.9)	44,074	33.7	34,255	(13.4)	39,540	12.0
Selling and distribution expenses	(17,865)	36.9	(13,052)	32.0	(9,886)	16.9	(8,530)	0.2	(8,497)	(9.2)	(9,736)	9.1
Administrative expenses	(4,792)	4.0	(4,679)	106.6	(2,217)	16.7	(1,900)	(1.0)	(1,919)	53.9	(1,248)	(21.3)
Other income	2,925	(21.2)	3,714	39.7	2,326	29.9	1,790	7.4	1,667	(61.7)	4,362	111.0
Other operating expenses	(4,513)	3.3	(4,369)	73.2	(2,523)	(4.5)	(2,641)	39.4	(1,894)	(27.9)	(2,623)	83.2
Operating profit	48,040	(11.0)	54,011	76.9	30,546	(6.9)	32,793	39.6	23,612	(24.4)	31,295	19.7
Finance costs	(4,129)	208.8	(1,338)	(48.9)	(2,622)	93.7	(1,802)	(80.6)	(3,236)	(16.7)	(3,887)	87.7
Remeasurement (loss) / gain on provision for GIDC	-	(100.0)	(539)	(36.0)	(94.0)	13.1	(743)	(135.0)	2,121	100.0	-	
Gain / (loss) allowance on subsidy receivable from GoP	1,203	(149.2)	(2,440)	366.6	(523)	(6.3)	(558)	(62.0)	(1,239)	100.0	-	
Profit for the year before tax	45,186	(9.1)	49,693	87.1	26,581	(11.1)	29,890	40.0	21,258	(22.2)	27,308	12.8
Taxation	(18,936)	(20.1)	(23,502)	122.8	(10,553)	30.0	(8,797)	177.2	(3,166)	(69.9)	(10,528)	63.2
Profit for the year	26,250	7.9	26,191	63.7	16,093	(24.1)	21,093	16.0	18,192	7.6	16,872	(3.1)

	2024		2023		2022		2021		2020		2019	
VERTICAL ANALYSIS	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Net sales	299,875	100.0	223,704	100.0	157,017	100.0	132,363	100.0	105,846	100.0	121,355	100.0
Cost of sales	(194,290)	71.9	(151,407)	67.7	(114,170)	72.7	(89,299)	66.7	(71,691)	67.6	(81,816)	67.4
Gross profit	72,285	28.2	72,297	32.3	42,847	27.3	44,074	33.0	34,255	32.4	39,540	32.6
Selling and distribution expenses	(17,865)	7.0	(13,052)	5.8	(9,886)	6.3	(8,530)	6.4	(8,497)	8.0	(9,736)	7.2
Administrative expenses	(4,792)	1.9	(4,679)	2.0	(2,217)	1.4	(1,900)	1.4	(1,919)	1.8	(1,248)	1.0
Other income	2,925	1.1	3,714	1.7	2,326	1.5	1,790	1.4	1,667	1.6	4,362	3.6
Other operating expenses	(4,513)	1.8	(4,369)	2.0	(2,523)	1.6	(2,641)	2.0	(1,894)	1.8	(2,623)	2.2
Operating profit	48,040	16.7	54,011	24.1	30,546	19.5	32,793	24.8	23,612	22.3	31,295	25.8
Finance costs	(4,129)	1.4	(1,338)	0.6	(2,622)	1.7	(1,802)	1.2	(3,236)	3.1	(3,887)	3.2
Remeasurement (loss) / gain on provision for GIDC	-	-	(539)	0.2	(94.0)	0.6	(743)	0.6	2,121	2.0	-	-
Gain / (loss) allowance on subsidy receivable from GoP	1,203	(0.4)	(2,440)	1.1	(523)	0.3	(558)	0.4	(1,239)	1.2	-	-
Profit for the year before tax	45,186	17.4	49,693	22.2	26,581	16.9	29,890	22.6	21,258	20.1	27,308	22.6
Taxation	(18,936)	6.6	(23,502)	10.6	(10,553)	6.7	(8,797)	6.6	(3,166)	3.0	(10,528)	8.7
Profit for the year	26,250	11.0	26,191	11.7	16,093	10.2	21,093	15.9	18,192	17.1	16,872	13.9

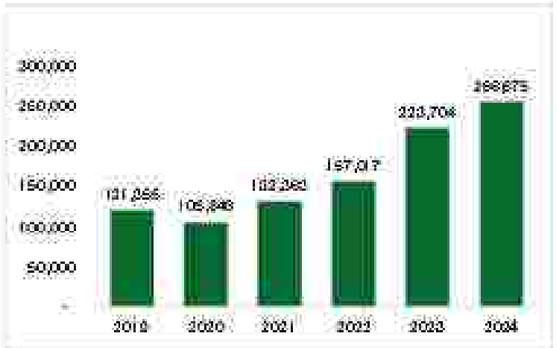
horizontal analysis of consolidated statement of profit or loss



Sales

The primary focus of the Company's sales lies in Urea and Phosphates. In 2019, the Group sold 1,968 KT of Urea. However, with a revised strategy and a more aggressive approach aimed at expanding market share, the Group managed to increase sales of Urea and phosphates to 2,138 KT in 2020. The upward trend continued into 2021, where there was a notable increase in sales compared to 2020, primarily driven by a higher volume of Urea sold, totaling 2,296 KT, marking a historic milestone for the Company. This momentum persisted, with sales experiencing a further 18.6% increase in value in 2022, reaching a record high revenue mark of Rs. 167 billion. In 2023 the Company achieved another significant milestone with its highest-ever Urea sales of 2,327 KT.

In 2024, the company experienced a 13% decline in Urea sales, reaching 2,026 KT compared to 2,327 KT in the previous year, primarily due to the 55-day turnaround of EnVen Plant. As a result, the Company's market share contracted to 31% for the year, down from 36% in 2023.



Cost of Sales

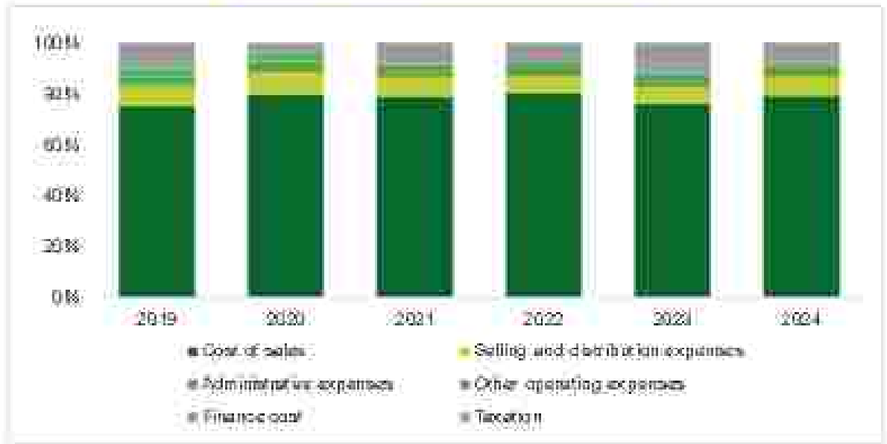
The fluctuations in the cost of sales closely mirror the fluctuations in sales over the past six years. Production from the Urea and NPK plants rose from 2,138 KT in 2019 to 2,252 KT in the current year. In 2023, the Company reached a significant milestone with highest ever production of 2,409 KT. Factors such as gradual increases in gas prices, the impact of inflation, currency devaluation, and heightened consumption to meet local demand have collectively contributed to the increase of Rs. 102,675 million over the six years.

Gross Profit

The Company's gross profit rose to Rs. 72,286 million in 2024 from Rs. 39,540 million in 2019. A notable decline in profitability was experienced in 2020 due to challenging market conditions within the fertilizer industry. However, increased sales in the following years, driven by a focused commercial strategy, cost optimization, efficient plant management and stronger agronomic demand, enabled EFERT to recover and achieve a remarkable 83% increase over the six-year period.

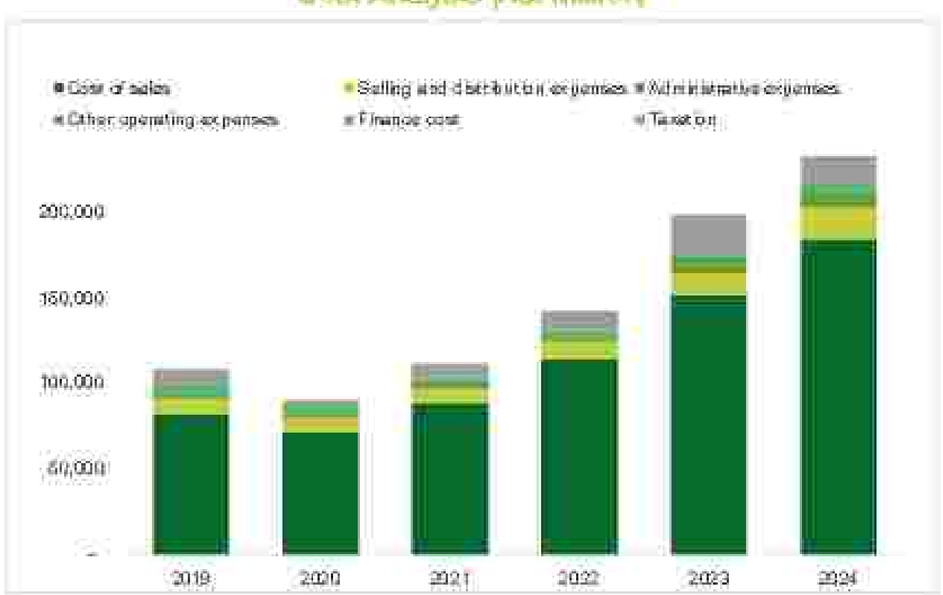
Operating profit

The Company's operating profit has surged by Rs. 16,797 million in the past six years primarily because of heightened urea and phosphates volumes during this period, coupled with the uptick in urea prices adversely impacted by rising international freight and logistic prices.



Finance costs
The finance costs have increased from Rs. 3,887 million to Rs. 4,129 million over the span of six years. This increase can be attributed mainly to the increase in the KIBOR rate in 2024 as compared to 2019. In addition to the total borrowings rising from Rs. 32,903 million in 2019 vs 33,988 million in 2024.

Taxation
Taxation has increased by Rs. 6,370 million in 2024 as compared to 2019. Besides higher profit before tax, this increase is also due to the impact of super tax of 10%.



Net Profit
The Company's net profit has increased to Rs. 28,260 million from Rs. 16,871 million in 2019. The financial year end 2022 was not a fruitful year as the net profit declined to Rs. 16,093 million from Rs. 21,092 million in 2021 for the Company. However, the Company was able to significantly improve its profitability in subsequent financial year through capturing better market share, increase in production levels, efficiency unlocked through cost optimization, efficient plant management, and increase in sales volume.

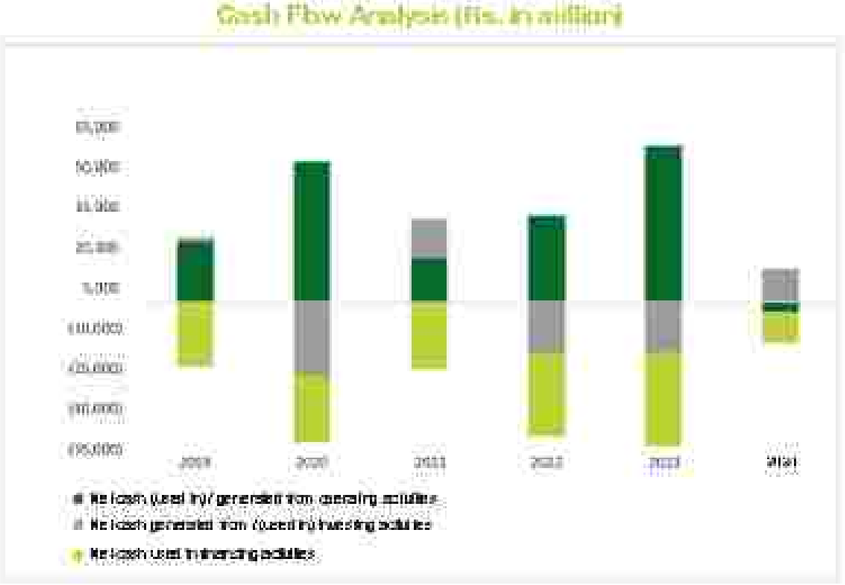
vertical analysis of consolidated statement of profit or loss

Gross Profit
The gross profit surged to Rs. 72,286 million in 2024 from Rs. 39,640 million in 2019. A notable decline in gross profit occurred in 2020, dropping to 34,266 from 39,640 in 2019. This decline was primarily due to reduced DAP offtakes and the announcement of lower Urea prices in 2020. Nonetheless, increased sales in the following years, driven by a focused commercial strategy and stronger agronomic demand, enabled the Group to achieve an overall twofold increase over the past six years.

Taxation
The tax charge as a percentage of turnover dropped from 8.7% in 2019 to 6.8% in 2024. This decrease is mainly attributable to the decline in gross profit margin in 2024 as compared to 2019.

Net Profit
The net profit as a percentage of sales was 11% in 2024, down from 13.9% in 2019. The lower profit margins compared to 2019 are attributed to an increase in the cost of sales, which accounted for 71.8% of turnover in 2024, compared to 67.4% in 2019, as well as a rise in administrative expenses in 2024 relative to 2019.

analysis of consolidated statement of cashflows



Cashflows from operating activities

Cashflows from operating activities declined from Rs. 21,989 million in 2019 to (Rs. 3,947) million in 2024. This decline in the current year as compared to 2019 is primarily attributed to the decrease in working capital changes totaling Rs. 48,188 million. The decline in working capital is mainly due to an increase in stock-in-trade by Rs. 14,281 million and increase in trade and other payables by Rs. 48,379, partially offset by a decrease in other current assets and higher taxes paid as compared to 2019.

Cashflows from investing activities

The cashflows from investing activities primarily involve the acquisition and sale of property, plant, and equipment, as well as short-term and long-term investments. These cash flows have shifted from a positive position of Rs. 4,803 million in 2019 to a positive position of Rs. 9,410 million in 2024.

Cashflows from financing activities

The net cash used in financing activities has seena notable decline, falling from Rs. 22,467 million in 2019 to Rs. 11,891 million in 2024. This decrease primarily stems from the significant dividend payout of Rs. 28,678 million in the current year, compared to Rs. 18,700 million in 2019 which was offset by the net loan obtained of Rs. 19,813 million in 2024 as compared to net loan repayment of Rs. 122 million in 2019. However, finance costs have remained relatively consistent.

business rationale of major capital expenditure and projects

Engro Fertilizers Limited strongly believes that continuous improvement is essential for delivering sustainable value to our shareholders. In addition, the nature of the business in which the company operates is such that we experience an ever-changing paradigm of manufacturing and technological enhancements. As a result, disciplined capital allocation acts as an important tool for the company to achieve its strategic objectives. The Company has a comprehensive set of policies and procedures to plan and execute capital expenditure projects, keeping in view the long-term objectives of the Company. Our robust Capital governance framework ensures that safety, critical and business continuity expenditures are prioritized, thus ensuring smooth and safe operations. All this expenditure is spent with utmost transparency and strict Board oversight.

The company continued making significant major capital expenditures in line with our focus on improving the efficiency and reliability of the Company's manufacturing facilities. In this regard, the Enven Plant undertook the largest turnaround in the company's history lasting 65 days, to ensure long-term reliability and demonstrating Company's unwavering commitment to engineering excellence. Additionally, the company has made substantial investments in a Pressure Enhancement Facility (PEF) to ensure a consistent and uninterrupted gas supply.

Plant reliability and efficiency projects are done on basis of a detailed evaluation to determine the cashflow requirements, the business rationale, and payback periods to ensure that we have a trend to and picture of the benefits and associated costs of the project.

The Company plans to continue making significant capital expenditures encompassing the replacement of integral equipment at the Company's plants. These projects are expected to continue in FY2025 and will ensure continuation of sustainable plant operations.

cash flow statement - direct method

(Amounts in thousand)

	2024	2023
	...Rupees...	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	236,066,609	231,814,907
Cash paid to supplier / service providers and employees - net	(199,946,053)	(143,675,804)
Payment to Workers Welfare fund	(870,742)	(427,671)
Payment to Workers Profit Participation fund	(1,667,618)	(2,384,454)
Income tax paid	(37,529,156)	(24,772,397)
Net cash (utilised in) / generated from operating activities	(3,946,960)	60,554,681
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangibles	(9,227,357)	(6,174,436)
Proceeds from disposal of operating assets	1,581,789	268,056
Purchase of short-term and long-term investments	(99,945,624)	(200,024,474)
Proceeds from sale of short-term and long-term investments	106,001,495	187,196,841
Net cash generated from / (utilised in) investing activities	9,410,293	(18,744,013)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	18,000,000	-
Proceeds from short-term borrowings	4,500,000	-
Loan repaid to the Parent Company	(11,500,000)	(1,000,000)
Repayments of long-term borrowings	(2,686,717)	(7,076,643)
Loan obtained from holding Company	11,500,000	-
Finance cost paid	(3,018,963)	(2,295,234)
Dividends paid	(28,674,529)	(23,369,651)
Net cash utilised in financing activities	(11,880,608)	(33,740,528)
Net (decrease) / increase in cash and cash equivalents	(6,417,275)	8,070,140
Cash and cash equivalents at beginning of the year	3,973,574	(4,096,566)
Cash and cash equivalents at end of the year	(2,443,701)	3,973,574

six years analysis

financial information summary

Amounts in million

	2024	2023	2022	2021	2020	2019
Summary of Consolidated Statement of Financial Position						
Share capital	13,353	13,353	13,353	13,353	13,353	13,353
Reserves	34,106	34,550	31,700	33,734	33,378	29,926
Shareholders equity	47,459	47,903	45,053	47,087	46,731	43,279
Borrowings	21,536	5,982	12,670	17,215	23,576	30,962
Capital employed	68,995	53,885	57,723	64,302	70,306	74,232
Deferred liabilities	920	10,638	8,390	12,175	11,951	12,440
Property, plant & equipment	83,137	78,440	77,880	73,031	65,734	65,924
Long-term assets	92,611	84,036	85,579	78,394	70,981	71,159
Current assets	77,991	76,907	59,835	54,425	60,733	55,888
Summary of Consolidated Statement of Profit or Loss						
Sales	256,675	223,704	157,017	132,363	105,846	121,355
Gross profit	72,285	72,297	42,847	44,074	34,255	39,540
Operating profit	49,091	54,010	30,546	32,793	23,652	31,284
Profit before tax	45,156	49,693	26,561	29,890	21,298	27,397
Profit after tax	28,280	26,191	16,003	21,099	19,133	16,871
EBITDA	53,744	55,691	32,622	34,522	29,878	36,962
Summary of Consolidated Statement of Cash Flows						
Net cash flow from operating activities	(3,947)	60,555	31,634	16,381	51,470	21,989
Net cash flow from investing activities	9,410	(18,744)	(19,927)	14,258	(25,744)	4,503
Net cash flow from financing activities	(11,881)	(33,741)	(29,181)	(23,388)	(24,629)	(22,547)
Changes in cash & cash equivalents	(6,417)	8,070	(16,474)	7,251	1,096	3,944
Cash & cash equivalents – Year end	(2,444)	3,974	(4,097)	12,377	5,126	4,030
Summary of Actual Production (Amount MT)						
Urea	2,147,025	2,313,448	1,954,528	2,104,722	2,263,906	2,003,035
NPK	105,296	96,329	137,075	144,564	127,082	134,794

financial ratios

		2024	2023	2022	2021	2020	2019
Profitability Ratios							
Return on Equity (Profit after tax)	%	69.27	88.36	34.74	44.97	40.29	38.00
Return on Equity (Profit before tax)	%	94.7	108.9	57.7	63.7	47.3	61.7
Return on Capital Employed	%	46.0	46.9	36.2	31.3	25.1	22.4
Return on Shareholders' Funds	%	69.6	54.7	36.6	44.9	39.9	39.0
Shareholders' Funds Ratio	%	27.9	29.3	31.0	36.6	36.6	34.1
Pre tax margin	%	17.6	22.2	16.9	22.6	20.1	22.8
Profit markup	%	19.2	47.9	37.5	49.9	47.9	49.3
Gross Profit ratio	%	29.5	32.0	27.3	33.3	32.4	32.8
Net Profit to Sales	%	11.0	11.7	10.2	16.9	17.1	13.9
EBITDA	Rs. in million	53,744	65,119	32,622	34,622	29,978	36,962
EBITDA	Rs. in million	49,618	53,799	30,000	32,919	28,642	33,076
Growth in EBITDA	%	(2.6)	99.6	(6.5)	16.6	(19.2)	17.2
Growth in EBITDA	%	(7.7)	79.3	(8.9)	23.6	(19.4)	12.2
EBITDA Margin to Sales	%	20.9	24.6	20.8	26.1	28.2	30.6
Operating leverage ratio	Times	(0.2)	1.9	(0.4)	1.1	1.7	1.7
Return on assets	%	17.1	17.1	11.5	16.9	14.0	12.9
Growth in Operating revenue	%	14.2	42.6	19.8	25.1	(12.8)	11.13
Capital Expenditure to total Assets	%	3.41	3.84	6.76	7.96	4.00	3.02
Liquidity Ratios							
Current ratio	Times	0.76	0.79	0.7	1.0	1.2	1.1
Quick / Acid test ratio	Times	0.4	0.5	0.4	0.8	1.0	0.9
Cash and cash equivalents to Current Liabilities	%	(0.1)	0.0	(0.0)	0.2	0.1	0.1
Cash flow from Operations to Sales	%	(0.0)	0.3	0.2	0.1	0.6	0.2
Cash flow to capital expenditure	Times	(0.4)	9.9	3.9	1.4	9.9	5.5
Cash flow coverage ratio	Times	(0.1)	9.2	1.5	0.7	2.1	0.7
Long-term liabilities / current liabilities	%	20	16	21	68	79	70
Activity / Turnover Ratios							
No. of days inventory	Days	42	38	49	43	51	54
Inventory turnover	Times	8.8	9.4	7.5	8.4	7.2	6.8
Debtors turnover ratio	Times	48.0	86.9	46.9	44.3	12.4	10.4
No. of days in receivables	Days	8	4	8	8	29	35
Trade payables turnover ratio	Times	3	2.6	3.2	3.1	3.0	3.5
No. of days in payables	Days	129	144	114	116	123	106
Operating cycle	Days	(90)	(99)	(67)	(65)	(43)	(17)
Total Assets turnover ratio	Times	1.55	1.46	1.13	1.00	0.82	0.99
Fixed Assets turnover ratio	Times	3.1	2.9	2.0	1.9	1.6	1.9
Current Assets Turnover	Times	3.02	3.27	2.76	2.30	1.82	2.41
Operating working capital turnover	Times	(11)	(10)	(10)	23	11	19
Capital employed turnover	Times	4.18	4.01	2.87	1.97	1.66	1.61

financial ratios

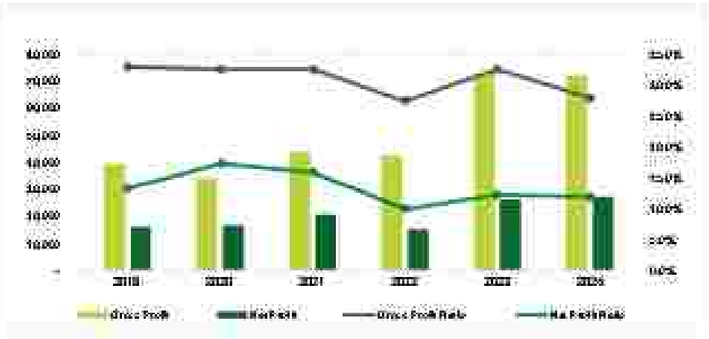
		2024	2023	2022	2021	2020	2019
Investment / Market Ratios							
Earnings per Share - basic	Rs./share	21.16	19.61	11.99	16.8	13.6	12.6
Earnings per Share - diluted	Rs./share	21.16	19.61	11.99	16.8	13.6	12.6
Earnings growth (diluted)	%	7.90	63.58	(24.13)	16.32	7.44	(3.1)
Earnings growth (basic)	%	7.90	63.58	(24.13)	16.32	7.44	(3.1)
Market value per share							
- Year end	Rs./share	204.2	112.2	78.9	78.1	63.2	73.4
- High during the year	Rs./share	216.0	116.4	102.4	79.1	76.0	79.0
- Low during the year	Rs./share	112.7	76.0	74.6	61.9	49.0	63.4
Cash dividend per share	Rs./share	21.5	20.5	13.5	16.5	11.0	14.0
Breakup value per share	Rs./share	36.6	36.9	33.7	36.3	36.0	32.4
Breakup value per share - including surplus on revaluation	Rs./share	36.6	36.9	33.7	36.3	36.0	32.4
Breakup value per share - including investment in related party at market value and surplus on revaluation	Rs./share	36.6	36.9	33.7	36.3	36.0	32.4
Price earning ratio	Times	9.6	5.7	6.4	4.6	4.7	5.8
Change in market value added	%	120.9	77.0	5.7	44.9	(31.2)	17.3
Price to book ratio	Times	5.7	3.1	2.3	2.2	1.8	2.3
Dividend yield ratio	%	10.5	18.8	17.8	29.4	17.4	19.1
Dividend payout ratio	%	101.6	89.2	112.6	99.1	81.0	110.8
Dividend cover ratio	%	98.4	112.1	88.8	101.9	123.6	90.3
Retention	%	(1.6)	10.8	(12.6)	1.9	19.0	(10.3)
Capital Structure Ratios							
Financial leverage ratio	Times	0.6	0.1	0.3	0.4	0.5	0.7
Earning assets to total assets	%	3.1	18.4	7.0	11.7	20.9	6.6
Weighted average cost of deposit	%	18.9	19.9	14.3	7.8	9.1	21.8
Weighted average cost of debt	%	20.4	9.9	12.5	7.1	11.4	12.0
Debt to Equity ratio (as per book)	%	48.4	12.5	29.1	36.8	69.5	71.5
Debt to Equity ratio (as per market value)	%	7.9	4.0	12.3	16.9	27.9	31.8
Interest Cover ratio	Times	11.9	38.1	11.1	19.7	7.6	9.02
Non-Financial Ratios							
Spares inventory over total assets	%	5	5	4	5	5	4
Maintenance cost over operating expenses	%	2.4	1.9	4.8	2.7	1.9	2.1
Production per employee	Units (KT)	1,927	1,996	1,848	1,829	1,755	1,897
Revenue per employee	Rs. in thousands	219,268	194,271	116,051	96,777	77,714	98,313
Net income per employee	Rs. in thousands	24,176	21,674	11,829	16,262	13,314	13,990

analysis of financial ratios

Profitability Ratios

The Company's gross profit margin has decreased to 28.2% in comparison with 32.3% in 2023 due to discount offered to customers, higher gas cost and turnaround cost of Enven plant. The Company's Urea market share has reduced to 31 % as compared to 36 % in 2023. The Phosphates business has shown steady performance with a slight increase in sales volume from 356 KT to 366 KT compared to the previous year. The Company's Net Profit Margin decreased to 11% compared to 11.7% in 2023. This decrease is attributed to increased interest costs, which have been driven by the pressure of working capital requirements resulting from the prolonged market conditions.

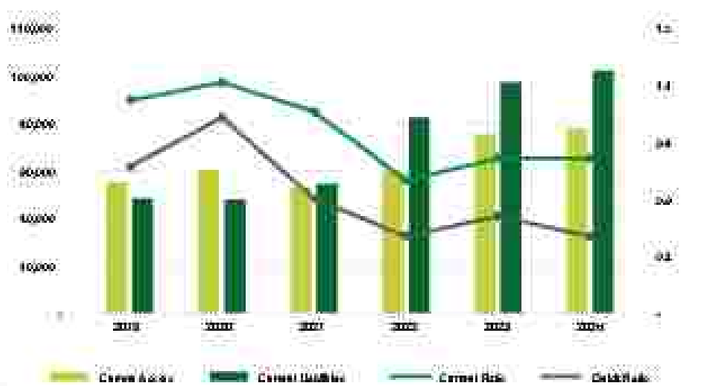
Gross Profit and Net Profit (Rs. in million)



Liquidity Ratios

In 2024, the Company's current ratio stood at 0.76 times, slightly lower than the 0.78 times recorded in 2023 and below the average of 0.94 times since 2019. The Long-term liabilities to current liabilities ratio have increased to 20% in comparison with 16% in 2023.

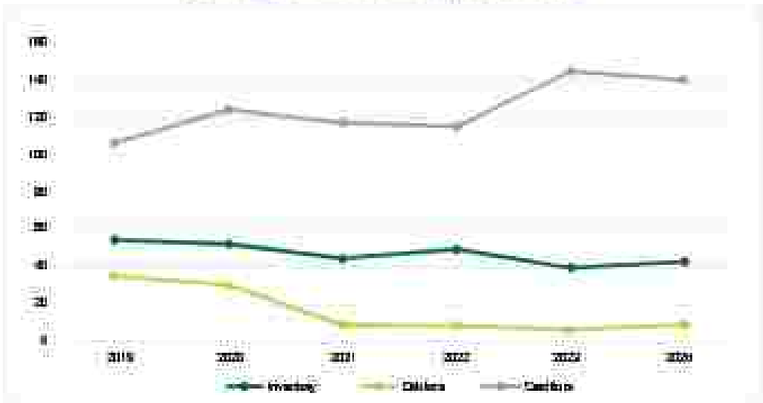
Liquidity Analysis (Rs. in million)



Activity / Turnover Ratios

The company's debtor turnover days has increased to 8 days compared to a six years' average of 16 days since 2019 due to lower credit sales. The inventory turnover days have increased to 42 days compared to 39 days in 2023. Creditor turnover days have decreased to 139 days compared to six years' average of 124 days. Overall, the Company's operating cycle clocked at negative 90 days compared to the average negative of 82 days since 2019.

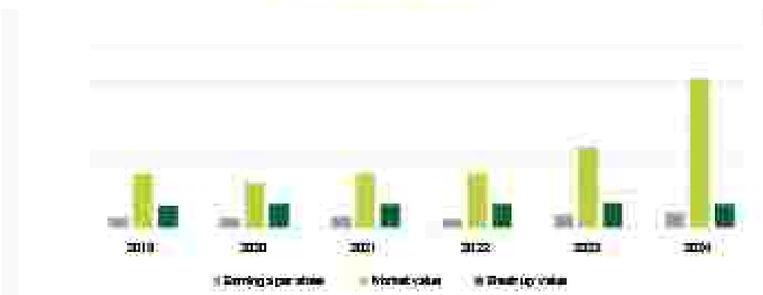
Operating Life Cycle Ratios in Days



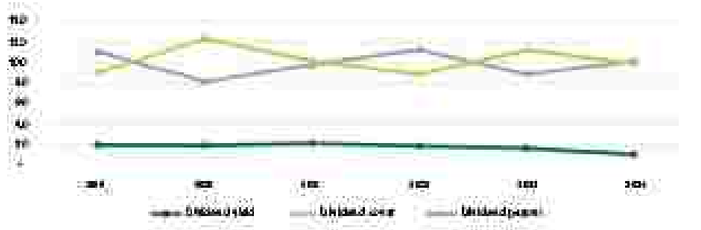
Investor / Market Ratios

Earnings per share surged to Rs 21.16 for the year end 2024, an increase of 8% compared to the previous year. This growth stems from higher net profitability, which drove an increase in the Company's share price by the year's end. The company declared a cash dividend for 2024 amounting to Rs 21.5 per share, compared to 20.5 in 2023, with no issuance of stock dividends. Despite mixed trends witnessed at the Stock Exchange, the Company's share was traded on PSX between a range of Rs 112.7 and Rs 216 closing at Rs 204.2 at the year-end, relatively higher by Rs 91.98 compared to last year. Moreover, the break up value per share for 2024 reached Rs 36.6, slightly lower than Rs 36.9 in 2023 but exceeds the average of Rs. 34.6 since 2019. Further, the dividend payout ratio has decreased to 101.6% compared to 89.2% in the previous year.

Earnings, Break up Value & Market Value (in Rs. per share)



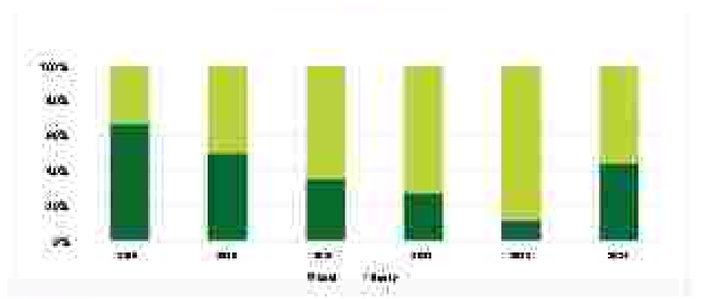
Dividend Ratios (in Percentage)



Capital Structure Ratios

The company's financial leverage has slightly declined compared to a historical average of 0.4 times since 2019. The debt-to-equity ratio has increased to 45:55 compared to 13:87 in 2023. During the year the Company has obtained long-term financing facilities to meet its capital expenditure requirements. The Company has timely repaid all the loans during the year. Interest coverage ratio at the year-end stands at 11.9 times compared to the historical average of 16.9 since 2019.

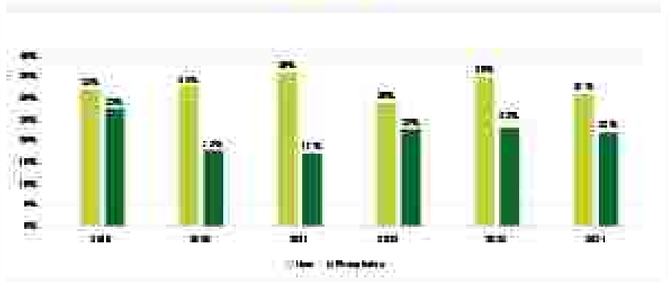
Capital Structure



Market Share Information

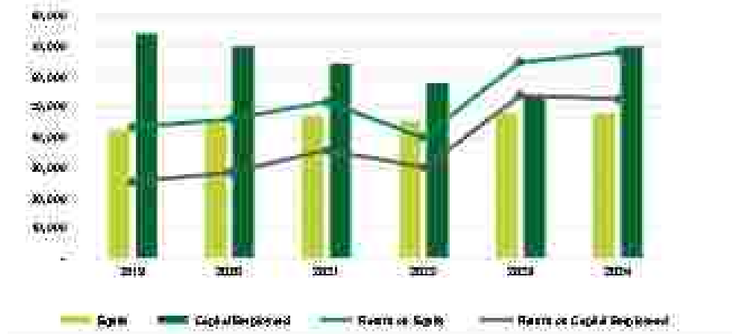
Engro Fertilizers takes pride in the considerable investments made in our manufacturing facilities over the past few years, which have strengthened our operational efficiency and, consequently, enhanced the value we achieve from our input. The phosphates business has demonstrated consistent performance, with a modest rise in sales volume from 368 KT to 386 KT compared to the previous year. The market share of Urea declined from 38% to 31% as the Company's Enven plant underbo k66 days turnaround aimed at ensuring long-term reliability.

Market Share

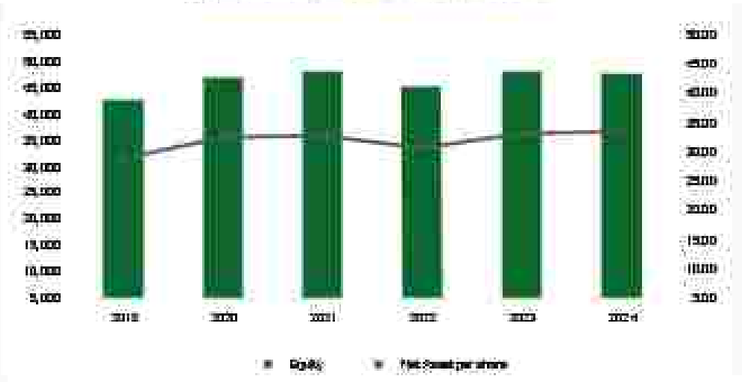


Production and Sales Volume (K Tons)

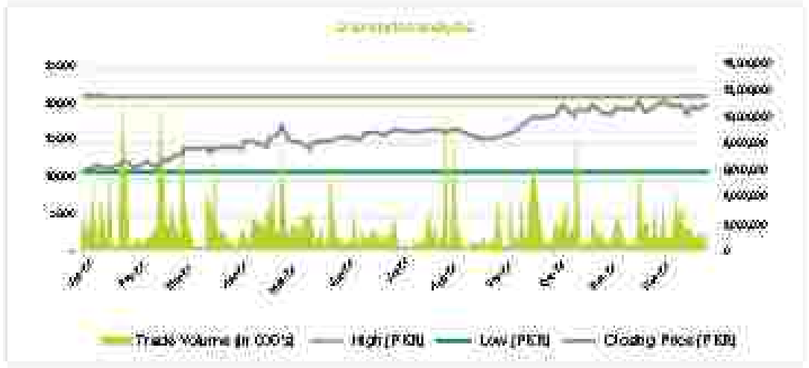
Return on Equity & Capital Employed
(RoE in Million & in Percentage)



Equity and Net Assets Per Share



share price sensitivity



The Company's share price is directly linked to its performance. However, there are various factors, which might affect the share price of our Company. Some of these are as follows:

Macro Economic and Political environment

The political climate and shifts in macroeconomic factors like inflation, interest rates, circular debt, and balance of trade/payments all play a significant role in stock market performance. When these factors trend positively, stock market performance tends to improve, which can drive up share prices, and vice versa. EFERT's share price has performed exceptionally well in 2024, reaching an all-time high.

Government Regulations

The share price is also influenced by changes in government policies and regulations, particularly those related to the fertilizer industry and the wider economy. These policies can include aspects such as taxation, foreign exchange controls, gas pricing etc.

Speculation or rumors

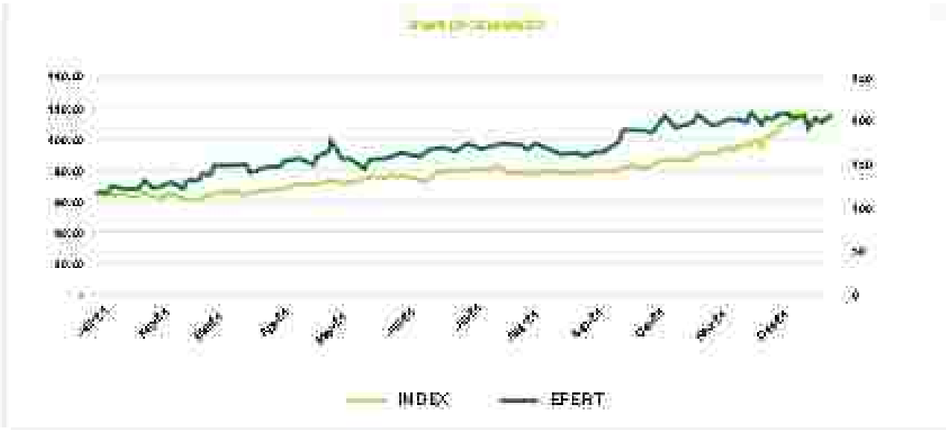
The market share price can also fluctuate based on the investor's perception of the company, which is highly sensitive to news and events linked to the company.

Interest rate

An increase in interest rates leads to higher finance costs, which ultimately reduces the bottom line and negatively affects the Company's share price. Fluctuations in interest rates are influenced by market conditions beyond the Company's control. The exposure to interest rate changes arises from both short-term and long-term borrowings, as well as investments held at variable rates.

Sales volume

Sales volume in the fertilizer industry is strongly influenced by agricultural demand and seasonal changes. Changes in crop prices, weather, and government policies can affect farmers' buying decisions. These factors make sales volume an important driver of revenue and profits, which in turn impacts the Company's share price.



Sensitivity Analysis of Share Price of the Holding Company

Engro Fertilizers' share price is affected by internal and external factors. Furthermore, the Company's performance directly impacts its share price. Certain external factors that impact the share price include the economic and political environment of the Country, as well as Government regulations, macro-economic indicators as well as stakeholder sentiments. The Company regularly monitors these ever-changing factors and remains wary of their impacts.

Steps to be taken to improve share price

The company has continued engagement with shareholders as well as potential investors over the last year. The Company has regularly held Analyst briefings during the year where extensive information over the operating performance of the Company as well as market outlook and strategy has been shared.

While the company's share price increased from Rs. 116.62 on 1 January 2024 to Rs. 204.19 on 31 December 2024, the maximum share price achieved during the year was Rs. 210.28. Our shareholder base comprises of companies, individuals, pension and provident funds, insurance companies, banks and investment companies, and other corporate bodies. The shareholding of Engro Corporation Limited as of 31 December 2024 was 56.27%.

Market capitalization vs equity

As of December 31, 2024, Engro Fertilizers' market capitalization stood at Rs. 272,566 million. A consequent change of 6% in the market price of EFERT's share would result in a change of Rs.13,633 million in the market capitalization.

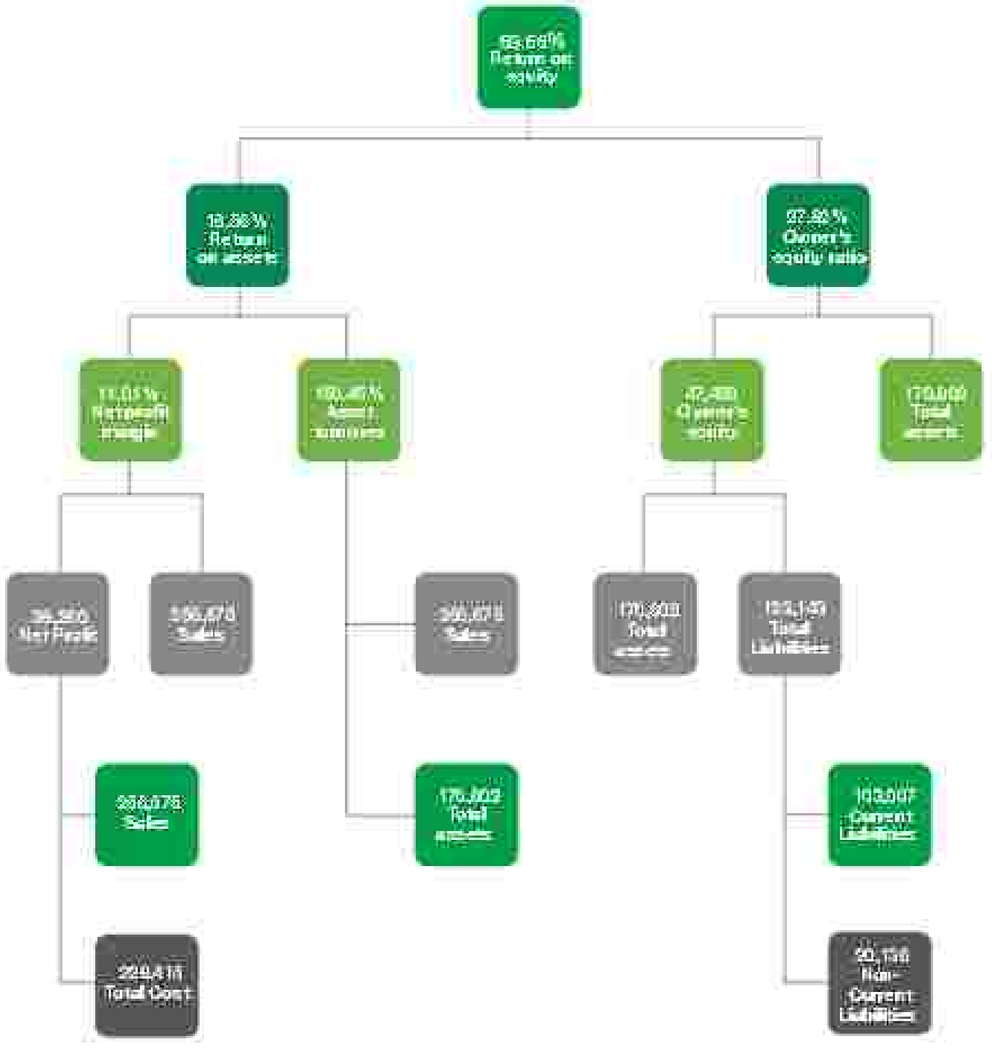
economic value added

(Amounts in million)

Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes.

	2024	2023
NOPAT	31,186	25,229
Less: cost of capital	(11,713)	(9,483)
Economic value added	19,473	15,746

dupont analysis



statement of value addition and distribution

Amounts in millions

	2024	2023
Wealth generated		
Total revenue inclusive of sales-tax and other income	276,542	232,219
Bought-in-materials and services	(192,794)	(160,277)
	83,748	71,942
Wealth distributed		
Taxes, duties and development surcharge to Govt. of Pakistan	38,445	37,490
Salaries wages and benefits	7,954	7,320
Dividend to Shareholders	28,709	23,368
Mark-up / Interest expense on borrowed money	4,165	1,275
Donation	464	678
Retained for reinvestment & future growth, depreciation, amortisation and retained profit	4,010	6,910
	83,748	71,942

Quantification of locally sourced raw material

Since the primary business of the company is Urea, a substantial component of the Company's raw material is sourced locally. However, some component of its raw materials used for production of specialty fertilizers has to be imported. At the same time, the Company's traded portfolio Phosphates, largely depends on foreign sources for its requirement. The imported content accounts for close to 43% of total cost to sales.

social and relationship capital

year 2024

EFERT goes beyond simply giving back and believes in doing good while doing well. As a business, we continuously strive to go beyond just corporate philanthropy to benefit both the company and the communities we engage with. We partner with the Engro Foundation to create a win-win model and take responsibility for people's well-being, investing in sustainable projects that drive positive social and economic change. Through sustainable projects driven by our Engro Foundation, we invest in local development and empower residents to create a brighter future. Our dedicated employees are vital to this success, and we work closely with government and development partners to maximize our impact.

corporate social responsibility (CSR) initiatives

Our Corporate Social Responsibility (CSR) programs are structured to maximize the effects of our investments in the communities and can be categorized into these broad areas: education, skills development, healthcare services, livelihood, community physical infrastructural (CPI) support, and environment-related tree plantation and biodiversity initiatives.

statement of charity account

Committed to social responsibility, the Company generously contributed **PKR 464 million** to support vital education, healthcare, environment, general well-being, and infrastructure development initiatives.

engro muhafiz

Engro Muhafiz is a first-of-its-kind stakeholder engagement HSE program in Pakistan that is in line with the Company's HSE policy to protect & train all communities involved and/or linked with our operations. The program is designed to train farmers and dealers in safe and environment-friendly practices related to their routine operations, based on comprehensive risk profiling. It also includes carrying out HSE audits of their workplaces and subsequently nudging them to improve their infrastructure and practices through competition and token awards.

In 2024, a total of 800+ activities were conducted under the Engro Muhafiz program and 27,000+ farmers, dealers & community members were engaged in various initiatives under this program. This included 120+ Health Awareness Sessions, 100+ Road Safety Awareness Sessions, and 40+ tree plantation drives across the country.

education

The Company believes that education is the bedrock of a brighter future, not just for individuals but for entire communities. That is why education has always been a cornerstone of our Corporate Social Responsibility (CSR) strategy. We are not just building schools; we are investing in long-term change and empowerment.

We heavily invest in the training and development of teaching staff, recognizing their crucial role in transferring knowledge to future generations. This ensures our students receive the highest quality education and are equipped with the skills and knowledge to excel in their future endeavors. Education is not just about academics; it is about breaking the cycle of poverty. By providing access to quality education, we are empowering individuals to secure better job opportunities, improve their living standards, and contribute meaningfully to their communities.

The Sindh Education Foundation (SEF) is a semi-autonomous organization established under the Sindh Education Foundation Act, 1992. SEF has a mandate to support education in the province through multifarious interventions. Engro Foundation is now partnered with SEF on two new interventions:

- One Foundation Assisted School (FAS): This school is entirely supported by SEF and is operating within the Katcha Area. 165 students (38% girls and 62% boys) are enrolled under formal school in Katcha area. This will strengthen the partnership between SEF and EF for the long-term sustainability of operating schools in the Katcha area, using SEF's increased presence.
- Three Non-Formal Centers under Adolescent and Adult Learning and Training Program (AALTP): Program for adolescents and adults who have missed an opportunity to avail education. The AALTP aims to provide accelerated formal primary education for vulnerable adolescents and basic functional literacy for adults who could not benefit from formal education to enable them with opportunities for professional and personal growth through literacy, skills development, and vocational courses. 210 students (44% girls and 56% boys) are enrolled at 6 non-formal centers in the Katcha area.

skills development

Engro is also training young aspiring members of the community through a 3-year Diploma in Associated Engineering in chemical, electrical, and mechanical engineering. Through this program, our Technical Training Institute initiative has helped bolster the careers of many individuals, enabling them to earn a decent livelihood for themselves and their families. The current enrolment in this institute stands at 618 including 23 girls. Engro Foundation facilitated the placement of 60 graduates (who graduated in Dec 2023) as Trade Apprentices at National Refinery Limited, Karachi.

livelihood

To help empower differently abled individuals and those in need of a form of income, 12 livelihood projects were awarded to individuals to help create independent earning opportunities. These projects are constituted of Goat farming, Grocery stores and cart grants. For the socioeconomic independence of the households, financial grants have been provided to help individuals set up sustainable small businesses and ensure an independent source of income for their families.

healthcare

EFERT is deeply committed to ensuring the health and well-being of the communities within its operational footprint. Recognizing the critical role of accessible healthcare in empowering individuals and fostering sustainable development, the Company undertakes a multi-pronged approach to addressing the diverse healthcare needs of these communities.

At the forefront of providing essential services is the Sahara Clinic, a beacon of accessible care within the community. In 2024 alone, the clinic treated a staggering 7,846 patients, providing vital primary healthcare services free of cost. Committed to saving lives, the Company established a dedicated snakebite treatment facility, the first of its kind in the region. This facility has already treated 6,411 snakebite patients, highlighting its crucial role in mitigating a significant health threat. Addressing mobility challenges and detecting the debilitating impact of amputations, the Company established a free-of-cost limbs facility in 2022. This pioneering initiative has benefited 416 patients in 2024, restoring mobility and independence to their lives. To address Canine-Borne threats and demonstrate its commitment to comprehensive healthcare, Engro developed a dedicated dog-bite facility, treating 2,257 patients in 2024.

community physical infrastructural (CPI) support

Understanding the critical role of clean water in health and well-being, EFERT has diligently addressed water scarcity in the region. Throughout the year, 12 Reverse Osmosis (RO) plants, primarily powered by renewable solar energy, have provided an exceptional 15 million liters of clean water to approximately 4,000+ families. This commendable project was complemented by sewerage upgradation initiatives and installation of solar lights, fixing of benches and garbage collection bins in various villages of Daharki to display Engro's commitment to ensuring necessities and improving the lives of local communities.

Other Initiatives: The Company fosters strong partnerships with local authorities to address diverse needs within the community. This year, through collaboration with the District Government, EFERT contributed to the Ramazan Bachat Bazar Daharki. This initiative offered groceries, vegetables, fruits, clothing, and other essential items at subsidized rates to underprivileged individuals, providing much-needed relief and support during Ramadan. Additionally, the Company provided crucial logistical support in the form of rental vehicles for the bi-monthly Polio vaccination campaigns and also carried out anti-mosquito drive in DAER villages and neighboring areas.

Support provided in the upkeep of Daharki Railway Station in the form of minor civil repairs and painting jobs also 2 new hand pumps also installed in this year.

environment

Recognizing the importance of environmental stewardship, Engro organized tree plantation drives in 45 different areas including Daharki city, CAER villages, including government and Katcha area schools, canal banks, public places etc. Over 4,000 fruit trees and all-season plants were planted – contributing to a greener and more sustainable future for the region.

Furthermore, Engro Foundation has partnered with WWF Pakistan for Indus River Dolphin Conservation Program to conserve Indus River Dolphins, one of the six species of freshwater dolphins, endemic to Indus River and its tributaries only. The current population is approximately 2,000 and it is currently endangered on the IUCN Red List.

Activities in 2024 include:

- Stakeholders' engagement meetings were conducted with Wildlife & Fisheries departments of Sindh and Punjab
- Child focused Indus Dolphin education toolkit is translated in Sindhi language.
- The first two years of a series of trials of pingers, acoustic deterrents aimed at mitigating dolphin deaths in fishing nets, have been completed at Ghazi Ghat, Punjab, and Guddu barrage in Sindh. The results depict that the pingers effectively deter dolphins from approaching fishing nets, ensuring they maintain a safe distance of 20 – 40 meters. This component is part of the 'Sound of Safety' project, which is co-financed by Engro Foundation.
- A CARDS (Conservation Assured River Dolphin Standards) consultative workshop was held on Sept. 19, 2024

- A workshop on the 'Indus River Health Assessment Report Card' was held on August 8, 2024, in Sukkur, in collaboration with the University of Maryland. It focused on assessing the health of the river through a system that evaluates various environmental, social, and economic indicators.
- Five new Eco-clubs were set up in six schools of the Sukkur District. Inception meetings were held followed by an awareness session.
- Based on the findings of the Livelihood Needs Assessment (LNA) Survey, WWF-Pakistan introduced women-led aquaculture as a pilot in one fisher community. WWF-Pakistan provided the fisherwomen with 4000 fish seeds, 2000 kg of feed, technical training, and support.
- A three-day training on "Aquaculture Techniques" was held on 9 to 11th July 2024 at IDCC-Guddu Barrage, district Kashmore.
- The ecotour kits were handed over to the two ecotour guides in a ceremony held on August 8, 2024, at Sukkur. The ecotour kit includes life jackets, floating tubes, ice box, rope, torches, etc. Each eco-tour boat is now earning an average of PKRs. 25,000 - 30,000 per month.

manufactured and intellectual capital

zabardast urea

Our innovative product Zabardast Urea (Bioactive Zinc coated Urea) is helping farmers to grow more by improving crop yields by 10% while enriching food with Zinc. In 2024, the Specialty Fertilizer Business (SFB) initiated an extensive market development program from August in Rabi season, focusing on farmers to emphasize the nutritional importance of Zinc and promote awareness of Engro Zabardast Urea as the most cost-effective solution for Zinc-enriched urea. During this period, we engaged with 42,000 farmers through 1,560 farmer meetings, achieving a 47% commitment-to-conversion rate leading to a 1% increase in Engro Zabardast Urea market share. These efforts were further bolstered by the participation of local agriculture department representatives, who attended our farmer meetings and endorsed the brand, adding credibility to our initiatives.

UgAi

EFERT launched "UgAi", the first integrated agri e-commerce platform of Pakistan, to offer farmers relief by enabling the direct purchase of fertilizers at official prices from the Company. With the UgAi app, EFERT will deliver fertilizers straight from its warehouses to farmers, tailored to their farms' size and specific needs. As a result, farmers will benefit from the uninterrupted availability of fertilizers, reliable product quality, and convenient delivery. In addition to its direct purchasing feature, UgAi also integrates advanced drone technology and satellite imagery to monitor crops with precision, reduce input costs, and integrate real-time data on crop health and soil conditions, empowering them to make informed decisions and maximize crop yields.

Our investment reaffirms the Company's commitment to supporting Government initiatives that uplift farmers and enhance Pakistan's food security. EFERT has been at the forefront of launching innovative initiatives that benefit the farming community and UgAi is a key step in the same direction as it will potentially transform agriculture in Pakistan through improved crop management and modernized farming practices.

engro markaz

Engro Markaz plays a crucial role in supporting the agricultural community by providing farmers with quality fertilizer products at suggested retail prices. This initiative directly contributes to yield maximization through the promotion of balanced fertilizer use, thereby fostering growth within the agricultural economy.

Engro Markaz is one of the flagship projects of EFERT offering farmers the facility to directly purchase products from the Company through Engro Markaz's outlets. Our network of Company-operated outlets currently includes four active locations: Sahiwal (360 MT Capacity), Sargodha (900 MT Capacity), Muridke (110 MT Capacity), and Bahawalpur (220 MT Capacity).

Engro Markaz is equipped with dedicated staff available to cater to farmer queries and to impart product-related information to educate farmers. This initiative will provide farmers with access to EFERT's entire product range all year round, addressing availability issues. Secondly, farmers will be able to purchase products at Company prices, reducing their reliance on middlemen/arthi. Engro Markaz will eventually provide a platform for farmers to connect with the Company directly by sharing their queries, concerns, and feedback.

bridging the gap between academia and industry with engro learning center

The Engro Learning Center (ELC) was established in Nov 2021 through a memorandum of understanding (MOU) with University of Agriculture Faisalabad (UoAF) with the objective of undertaking various educational activities to empower farmers, students and researchers. The scope of work for ELC was defined as below:

- To demonstrate seed to harvest solutions using value added fertilizers/technologies to the farming communities for higher crop productivity.
- To conduct training for students and farmers to improve their knowledge about modern approaches to farm management.
- To collaborate with UoAF in future projects.

In 2024, ELC demonstrated a strong commitment to fostering innovation, capacity building, and academic-industry collaboration through a diverse range of initiatives. These activities aimed to enhance technical expertise, promote safety and support academic growth while driving impactful research and development. Below is a summary of key activities:

technical trainings

- A series of technical training sessions were organized, targeting students, professionals, and farmers to improve their understanding of modern agricultural practices.
- Topics included issues and opportunities in water soluble fertilizers, session on sugarcane production, used trends of phosphatic fertilizers, wheat campaign, nutrients budgeting and nutrition management in oilseed crops.
- Practical demonstrations and field visits were conducted to ensure hands-on learning.

health, safety and environment (HSE) programs

- Regular HSE awareness sessions were held to reinforce safety standards and environmental sustainability in agricultural practices.
- A dedicated workshop on burn injury prevention and management was organized, emphasizing practical safety measures.
- Students and staff were engaged in interactive sessions to instill a culture of safety in research and field activities.

university sponsorships and engagement

- Mega University programs were expanded to maximize engagement with talented graduates, fostering long-term relationships and career development opportunities.
- Multiple students were provided internships at ELC, where they gained exposure to industry practices and research methodologies.
- Collaborative projects with university departments ensured active student involvement in real-world applications.

research and development trials

- EFERT facilitated R&D trials in partnership with university scientists, focusing on innovative solutions for enhanced fertilizer efficiency and crop productivity.
- The nutrient omission plot trial on maize was a notable success, training over 100 students on deficiency symptom analysis for macro and micronutrients.

- Trials on coated fertilizers, biofertilizers and alternative nutrient sources were executed to optimize crop management practices.

collaborative events and outreach

- EFERT hosted joint events with university departments to promote sustainable agricultural practices, including a training session on sustainable sugarcane production in collaboration with WWF and Shakarganj Sugar Mill.
- Researchers and students were invited to present their work at scientific forums, stimulating knowledge exchange and innovation.

collaborations with research institutes

In 2024, EFERT extended efforts and engaged research institutes through Research Agreements, MOUs (Memorandum of Understanding), and outreach research activities to strengthen the Specialty Fertilizer Portfolio, conducted comprehensive research and benchmarking on effluent quality standards, aiming to enhance environmental reporting and compliance. Furthermore, as a result of those consultations, an Environmental Management Plan was developed for the management of hazardous materials at the site and resources were adequately trained.

engro zabardast urea campaign

EFERT executed a 360° Degree Campaign during the 2024 Kharif season across Pakistan, aiming to boost the presence of Engro Zabardast Urea. The comprehensive and multi-platform campaign was aimed at educating the farmers on the innovative and beneficial results of Engro Zabardast Urea, by engaging farmers and increasing awareness at dealer shops. The advertising activities had a significant impact on farming communities, as listed below:

- Digital campaign: Engro Zabardast Urea's new DVC was launched across all social media platforms including META, YouTube, and TikTok to reach farmers and agricultural communities.
- Influencer marketing: Key influencers were engaged to create campaign hype on TikTok using a two-way approach.
- Out Of Home (OOH) branding: This included the installation of billboards in high visibility and key strategic locations in Sindh and KPK and creative murals on main roads approaching Mandis to create awareness and hype about Engro Zabardast Urea's campaign launch.
- Dealer shop branding and merchandising drive: Engro Fertilizers initiated Engro Zabardast Urea point of sale (POS) merchandising drive across major outlets nationwide covering south, central, and north zones during Kharif and Rabi seasons. Dealers were encouraged to merchandise their shops with visibility tools, including posters, banners, buntings, danglers and inflatable bags display.
- Engagement through farmer meetings: 10,000 farmers were reached through 150 farmer meetings to educate and build the new category of coated urea and explain the functional benefits of the product.

world fertilizer day

EFERT celebrated World Fertilizer Day on October 13, 2024, through an extensive social media campaign on key digital platforms including META, YouTube, and TikTok, through education-based content covering information based on:

- Key message by Ali Rathore, CEO Engro Fertilizers on awareness of micronutrients NPK for soil fertility and enhancing yield, use of coated fertilizers like Engro Zabardast Urea for balanced nutrition, initiatives undertaken by Engro Fertilizers for introducing innovative product portfolio and providing technological solutions like UgAI, in empowering farmers to boost crop productivity.
- Farmer testimonials, recognizing EFERT's efforts in promoting sustainable agriculture and commitment to providing farmers with innovative solutions, contributing towards strengthening Pakistan's food security.
- Key messages by Mohammad Akram Qazi, Chief Scientist at the Soil Fertility and Research Institute, Punjab, and Dr. Iqrar Ahmed Khan, former Vice Chancellor of the University of Agriculture Faisalabad (UoAF) talking about the role of soil health through comprehensive soil testing and need for balanced fertilizer use to enhance crop yield and quality.
- Atif Mohammad Ali, VP Marketing, conducted a webinar on "Transforming agriculture for a food-secure Pakistan" to commemorate Global Fertilizer Day. He emphasized the importance of educating farmers on modern agricultural techniques and promoting the balanced use of specialty fertilizers such as Engro Zabardast Urea and Engro Zarkhez, which are specially designed to meet the unique needs of Pakistani soils.

The overall campaign honored the farmers of Pakistan for their continuous efforts and hard work in reshaping the agricultural landscape of Pakistan while reinforcing the company's commitment to uplifting farmers by providing innovative products and technological solutions for boosting their land productivity and helping them make data-driven decisions to improve their soil health and maximize efficiency, thereby strengthening the country's food security.

engro NP plus merchandising campaign

NP Plus merchandising campaign was launched across 42 territories in Pakistan at the end of Q2 - 2024. The objective of the campaign was to create brand awareness of Engro NP Plus during its season amongst farmers and dealers. Lifesize inflatable Engro NP Plus bags were installed outside dealer outlets in key Mandis followed by merchandising drive through effective POS display at dealer outlets across Pakistan.

baithak dealer convention

Engro Fertilizers hosted successful dealer conventions, known as "Baithak" in three key business hubs: Lahore, Multan and Hyderabad. The primary focus was on delivering a unified message of "Fair Profit" with the slogan 'Hamari Manzil, Sahi Qeemat, Kissan ki Khushali' (Our destination, Fair Prices, farmer's Prosperity). Across all 3 locations, there was an impressive turnout of over 125 dealers per event.

The positive response from our dealers was notable, who acknowledged Engro Fertilizers' efforts to foster a healthy working relationship and instill accountability throughout the entire process.

grow more cotton seminar

Engro Fertilizers partnered with the Punjab Agriculture Extension Department to host a seminar on 30th April 2024, for focusing on cotton crop cultivation. The event was graced by notable figures including Secretary of Agriculture for South Punjab, Saqib Ali Ateel, former Minister and MNA Malik Iqbal Ahmed Channer, and Director of Agriculture Extension for Bahawalpur, Jameel Ghauri, alongside their respective teams, Engro Shaandar Kissan, and over 500 local growers from Bahawalpur and Lodhran Districts.

Distinguished guests addressed the audience, with Malik Iqbal Channar highlighting government initiatives and developmental projects aimed at supporting the agricultural community, including the Green Punjab Prosperous Farmers Program championed by the Chief Minister of Punjab.

dawn news' grow pakistan segment

EFERT partnered with Dawn News for 4 episodes of their agri-based show, "Grow Pakistan", hosted by Ghasharib Shoukat. The CEO of Engro Fertilizers, Ali Rathore, was invited as a guest speaker, to discuss the emerging role of adopting new technologies in agriculture and the company's expansion into the agri-tech space with the launch of UgAi.

Khuddian sports event

Research indicates that farmers are most engaged in outdoor activities such as cricket and kabaddi, enjoying wide popularity. One prime annual event, Khuddian Khas Mela, in the Khuddian hometown of the Punjab Assembly speaker, Malik Ahmad Khan, was branded. The 20-day sports festival at the local sports complex featured various sports, including cricket, kabaddi and volley ball.

The inaugural match, attended by around 1000 spectators, was played between the Khalsa cricket team from India and a local team from Khuddian. Distinguished guests included Malik Ahmad Khan, speaker of the Punjab Assembly; Malik Rasheed Ahmad Khan, MNA; Mr Rasheed Bhatti, DC Kasur; Prior to the inauguration, the Engro Fertilizers hosted a dinner with the chief guests and collaborated in the sports events through Engro Zabardast Urea branding elements.

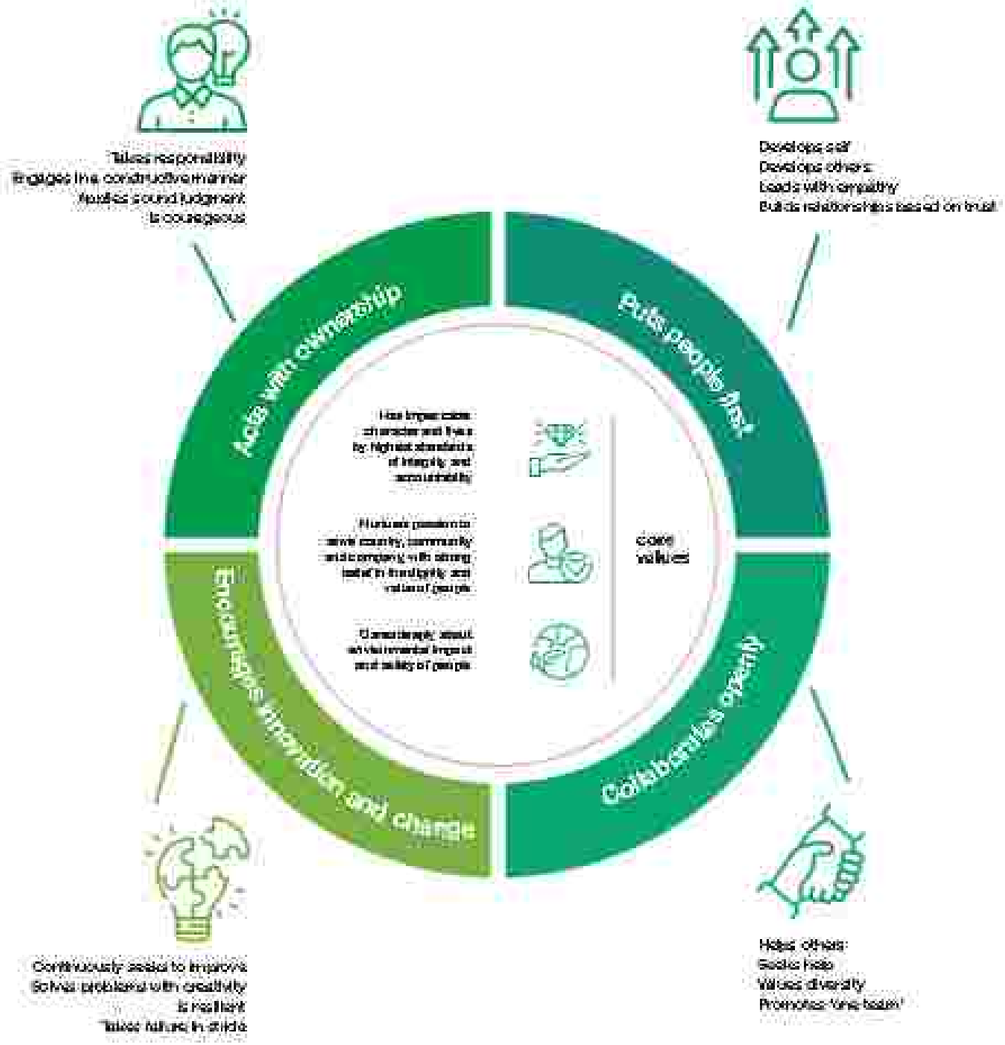
conferences
PAC agri connections conference 2024

EFERT participated as a Platinum sponsor in the Agri-Connections 2024 Conference and Exhibition organized by the Pakistan Agricultural Coalition. The event connected growers, leaders of Pakistan's financial sector, premier industrialists, top-tier government officials, major donors, and international experts to focus on avenues for moving Pakistan's agriculture forward.

8th international horticulture conference and expo (IHCE – 2024)

The Islamia University of Bahawalpur and the Pakistan Society for Horticultural Science (PSHS) jointly organized the 8th International Horticulture Conference and Expo (IHCE – 2024) from February 26-28, 2024. Engro Fertilizers, a proud partner, had the opportunity to showcase its diverse product range, with a focus on Engro Zarkhez Khas 15:15:15, through this platform, which aligned with their theme "Innovations in Sustainable Horticulture".

engro leadership competency model



the guiding principles of character & good manners (CGM)

Truth
Trust
Humility
Integrity
Striving-in-hardship

human capital

developing our people

The development of our people remains at the heart of our endeavors as we enable growth for Engro Fertilizers. Upholding the values of Diversity, Equity, and Inclusion (DE&I), we foster a culture that allows everyone to feel welcome, included, and represented, where their efforts receive due recognition, and their development and experience are of utmost importance as they foster success for EFERT. Employee centricity, maintaining the highest standards of business ethics and integrity, and world-class standards for the workplace are the Engro way.

employee data by location in 2024

total employees

1,169

by gender

men	women
1,074	95

by category

factory	non-factory
771	398

by age

<30	30-50	>50
213	745	211

by location

head office	karachi	faisalabad	hyderabad	mirpur	multan	sukkur	pakpattan
97	718	46	70	62	95	28	53

by employment type

total number of employees	permanent non-management	permanent management
1,169	707	462

HR governance process

EFERT recognizes its "People" to be its most asset and therefore people development has always been our priority. We understand that satisfied and highly motivated employees personify the Company's values, ensuring continued excellence is the foundation for a sustainable and growing company. We recognize the importance of human capital and its critical role in value creation potential for our businesses and a successful corporate ecosystem.

Therefore, EFERT's Board places great importance on people development and related policies and processes which are at the heart of our core values and our people leadership competencies model. To ensure dedicated focus on HR matters, the Board has established the Board people Committee (BPC) that exercises oversight over HR policies and systems and is responsible for the review of performance evaluation, development, and succession plans of its people. The BPC is also responsible for independent review and stewardship of all HR matters including compensation, organization training, and development of people.

The Company has a clearly documented Human Resource management policy that aims to attract, induct, develop, retain, and motivate high-caliber talent who are qualified, capable, and willing to contribute their best towards the accomplishment of Company objectives. This is available for easy access on the internal company portal of SuccessFactors. Any changes to the same are regularly shared with employees through the internal communication team. To complement this policy several other policies have been developed for recruitment, compensation, and organizational development.

EFERT's HR policies encompass these principles

equal opportunity

- Provide equal opportunity to all job applicants through clearly defined and consistently applied induction standards.
- Create a work environment where every employee has an equal opportunity to develop their skills and talents.

training and development

To meet employee and organizational needs, provide opportunities to employees for acquisition of knowledge for technical and managerial skills through classroom and on-the-job learning.

compensation and benefits

- Rewards policies aligned with the best companies in the market that compete for high-quality talent.
- Clear linkage of reward policies with performance and potential.

diversity and non-discrimination

- Provide an environment free from all forms of discrimination and harassment at the workplace.
- Foster gender diversity at all levels within the Company.
- Policies aimed at creating flexible and conducive working arrangements.

performance management

- Have a transparent and merit-based performance management system in place.
- Have a transparent and well-defined career development and succession planning system.
- Clearly defined system for care progression based on merit and potential.

EFERT's HR policies are approved by the BPC and Board, and are stewarded by the Management Committee and Board periodically. The most senior management position that is responsible for HR matters is the Head of Human Resources at the company level, who directly reports to the Company's CEO and indirectly reports to the Chief People Officer (CPO). Certain People level policies are also managed at the group level by Engro's People division based at the holding company.

Furthermore, industrial relations at plant sites are managed by the respective Admin Department at the plant.

The HR function was recently re-modeled to improve HR functional services by inducting HR Business Partners in 3 major divisions to enable the HR function to serve better and be "Fit for Purpose" in line with its shared vision.

de-centralization

In 2024, the HR function underwent another remodeling with de-centralized teams for Culture & Engagement, Learning & Development, Talent Acquisition, and Rewards - i.e., the Centres of Excellence (COEs) - were re-established in the subsidiaries, while their nodes still being in the centre to ensure strategic alignment while catering to the nuanced needs of the individual subsidiaries.

employee remuneration policies and processes

The Company's HR policies ensure competitive and appropriate compensation and remuneration for its employees based on their roles, experience, and performance. Employee remuneration for management employees is determined by regular market surveys and comparison with the relevant competitive markets and guided by Company policies.

The Company strives to maintain a well-balanced program of employee benefits. Various programs mentioned below are currently in place for our employees:

- Defined benefit gratuity fund
- Contributory provident fund
- EFERT pension fund
- Service incentive plans

gender pay gap disclosure

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 1:1.20 (mean) and 1:1.13 (median).

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

Below is the breakdown by grade level:

Grade	Mean	Median
P1	0.98	0.99
P2	1.02	0.96
P4	1.08	1.00
M1	1.03	0.87
M2	0.79	0.72
M3	0.98	1.08
M4	0.80	0.70
AVG	1.20	1.13

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

Details of retirals and long-term benefits are as follows:

The Company maintains separate funded pension and gratuity schemes for its employees. Employees are eligible for these schemes based on completion of the vesting period. Trustees of the Fund are responsible for administering these funds. The annual contributions to gratuity and management staff funds are based on actuarial valuation. The benefits are provided to full-time employees including management and staff. These benefits are not offered to contractual employees. The Company contributes to the defined contribution provident fund for its permanent employees. Monthly contributions are made both by the Company and employees to the fund at the rate of 10% of the basic salary. Additionally, a service incentive plan is also maintained for certain categories of employees to reward them for their service of at least 3 years with the company.

Other benefits to permanent employees include:

- Health insurance
- Life Insurance
- Part-Time work policy
- Compensation cars
- Travel and transport benefits
- Hajj policy
- Annual incentive bonus and performance bonus
- Paternity/ maternity leaves and sabbatical leaves
- Medical and dental benefits
- Long service awards

- Loans and advances
- Home ownership assistance policy
- Club memberships
- Beach Huts and lodges
- Day Care
- Location-specific benefits

job evaluation

All our positions are job description based. Engro has initiated a group-wide job evaluation exercise utilizing the Korn Ferry Hay Method to measure the relative size of its roles, relying on the world's leading method to determine the fair and objective relative value of each role in the organization.

female transport for office staff

Engro has partnered with Careem to provide safe and hassle-free mobility solutions for female employees. This collaboration eases the commute to and from work for women at Engro as part of the Company's diversity, equity, and inclusion initiatives. This travel policy complements other initiatives introduced by Engro to create a gender-diverse workforce.

daycare allowance

To facilitate women employees in the organization, Engro provides a special daycare allowance, enabling them to manage childcare responsibilities as they transition back into the workforce.

maternity leave

Engro offers women employees 6 months of paid maternity leave.

access to female hygiene products

Engro also provides women with access to female hygiene products free of cost at the workplace.

long service benefits

At Engro we use long service awards as a way to recognize and celebrate employees' dedication, loyalty, and sustained contributions over an extended period. These awards acknowledge the value of long-term commitment, fostering a sense of appreciation and belonging, while also reinforcing the organization's culture of recognizing and rewarding consistency and perseverance. They serve as a motivational tool, promoting employee engagement and retention by highlighting the importance of long-term service to the company's success. Employees receive gold coins at the completion of 5, 10, 20, 25, and 30 years of service.

policy roadshow

To continue creating awareness about HR policies, the Rewards team regularly conducts road shows to improve the understanding of the updated and reviewed policies. These awareness sessions not only enable employees to be cognizant of HR policies but also provide a platform where they can voice their opinions and provide feedback.

people and talent development

Engro launched the first Talent Development Program (TDP), which is a documented and structured framework of talent development to identify future leaders amongst the talent in the organization. This program provided an opportunity to develop talent who demonstrated consistent significant performance over a certain period, as per a defined eligibility criterion.

The development of these individuals is actively managed through tailored Individual Development Plans (IDPs), to prepare them for "Key Roles" aligned with future strategy, thereby enhancing the leadership pipeline. Thus, this program serves as a 'leader feeder' of ready talent for succession planning which safeguards engagement of talent within the organization and uninterrupted continuity of business.

Built on the foundational principles of truth, trust, and transparency, this program exemplifies the organization's unwavering dedication to creating an environment that nurtures both personal and professional growth.

E.D.G.E: Empowering development, growth & excellence)

EFERT rolled out EDGE—a pioneering program designed to identify and cultivate the potential future leaders among high-performing individuals within the company. This initiative particularly has four key pillars: developing women in leadership programs, developing our high-performing/ high-potential employees, mentoring for senior leaders, and developing plans for our AM and DM level employees.

Through EDGE, EFERT aims to provide targeted support and resources to these promising talents, equipping them with the tools, skills, and opportunities needed to accelerate their career growth and assume leadership roles within the organization. By fostering diversity, inclusivity, and talent development at all levels, EFERT reaffirms its commitment to unlocking the full potential of its workforce and driving sustainable organizational success.

In 2024, we launched the first leg of this program, i.e., developing high-potential employees. Employees were identified through pre-agreed criteria and their development plans have been put in place to be executed in the year 2025.

The next three pillars will be launched in 2025:

- Mentoring/coaching for all GMs
- Increasing the number of women in leadership positions
- Individual development plans for all M-stream employees

succession planning

EFERT's commitment to ensuring seamless business continuity is evident through its robust succession planning strategy. By creating a talent pipeline for future leadership positions, EFERT aims to guarantee uninterrupted operations even in times of transition. Central to this approach is the emphasis on skill enhancement tailored to meet current and future business demands, ensuring readiness to navigate dynamic environments. Throughout this process, people development remains at the forefront, with EFERT acknowledging the inevitability of change and prioritizing the

growth and development of its workforce. To facilitate career progression and talent development, EFERT has meticulously charted employees' career paths, taking into account factors such as potential, experience, and demonstration of Engro competencies. Each employee is provided with ample opportunities for training and development, alongside the necessary resources and equipment to excel in their respective roles. This holistic approach not only ensures the individual growth and satisfaction of employees but also strengthens EFERT's overall organizational capabilities, positioning it for sustained success in the long run.

learning and development

	Female	Male	Grand Total
Sum of No. of Hours	1,950.79	13,288.58	15,239.37

ACE (achieve, champion, elevate)

In 2024, EFERT proudly launched the ACE (Achieve, Champion, Elevate) program, an initiative where innovation meets inspiration. This program brings together industry experts, startup pioneers, and emerging leaders to ignite meaningful discussions, drive critical conversations, and foster professional growth. ACE is designed to push boundaries and stimulate innovative thinking, positioning participants for success in a rapidly evolving industry.

During the year, four insightful sessions were held featuring:

- Abrar Hasan, Global CEO of National Foods, spoke about Exploring Growth Strategies in a Challenging Economy
- Mujtaba Khan, CEO of Neon Energy, shared valuable insights on Climate Mitigation and the Future of Energy
- Mohammad Shamoon Chaudry, CEO of Dawood Hercules, delved into the rich legacy of Dawood Hercules Corporation and Engro
- Umar Ahsan Khan, Managing Director and CEO of Dawlance, shared his insights on Workplace Burnout and the Gen Z Mindset

1-on-1 feedback conversations

This training module is tailored to cultivate effective feedback communication skills in our Team and Division leads, enabling collaborative growth and transparency in our appraisal and feedback mechanism. These trainings were conducted in our Head Office and in Daharki covering a total population of 19 General Managers across the Company.

In 2024, we conducted online open house sessions for all employees that wanted to join, which reiterated importance of feedback for all employees and also focused on the link between PMGM rating and Increments, focusing on the compa-ratio and performance driven model of Engro.

art of negotiation

Employees took part in an interactive training on the Art of Negotiation in which they explored scenarios where negotiation is crucial, learning ways for creating win-win outcomes with emphasis on effective emotion management.

strategic thinking

The learning intervention offered the toolkit for creating strategies from beginner to advance level that included inspiring and motivating teams to execute strategic plans, focusing on the larger mission, and understanding the importance of effectively evaluating the organizational impact of these strategies.

leadership launchpad

Leadership Launchpad is a 10-day intensive management development program for mid-level executives involved in shaping the growth and future of the organization. This tailor-made program is designed to equip our future leaders to navigate the challenges associated with steering the future of our business and adapting to an evolving workforce.

character & good manners

A Character and Good Manners (C-GM) training was conducted for CGM ambassadors (Managers & above) to inculcate the principles of character-based leadership i.e., TTHIS: Truthfulness, Trustworthiness, Humility, Integrity, and Striving in times of hardship. The session emphasized on self-reflection and how these values of character-based leadership can help foster credibility, teamwork, and resilience.

campus to corporate

This workshop equipped Graduate Trainee Engineers with essential skills and insights necessary for a successful transition into the corporate environment. From understanding workplace dynamics to honing professional communication, our experienced internal facilitators offered valuable advice and practical strategies to ensure smooth adoption.

management development program

In 2024, Marketing Division, through the Capability function, kicked off its first MDP Program for M2s and M3s at KSBL. The program was centered around key technical skills such as Finance, Marketing, Supply Chain and Strategy, providing the participants a well-rounded experience for better decision-making and development.

employee engagement 2024

We believe that our employees are our greatest asset. Our success is driven by our ability to build high-performance teams within a culture of inclusiveness, professionalism, and excellence. However, after conducting a thorough analysis, we have identified key areas in human capital management that can further enhance our competitive edge in attracting and retaining talent.

Engro recognizes that employee engagement is critical for retaining value talent and boost employee experience. Our success is measured by a defined set of engagement perimeters adaptable to our working environment.

Each year, we conduct an employee engagement survey, the results of which are shared with both employees as well as the Board. These results are analyzed and action plans are developed. The survey addresses following dimensions:

- Purpose
- Values
- Puts People First
- Encourages Innovation & Change
- Collaborates Openly
- Acts with Ownership
- Overall Leadership
- Truth, Trust & Transparency
- Diversity & Inclusion
- Wellbeing
- Engagement
- Survey Follow-up

During 2024, the results of engagement survey for Engro Fertilizers were:

Employee Engagement Score	Response Rate
79%	95%

At Engro, we aim to score above the global average which, is close to 67%, as per Qualtrics (2023). Over the last few years, we have managed to remain above the target with variation on year-to-year basis. These results are analyzed by each division's HRBP to understand the factors that are encouraging as well as factors that need interventions and plans are designed to improve employee experience in those areas accordingly.

Recognizing the significance of fostering a culture of active listening beyond yearly EES surveys, we have endeavored to establish continuous avenues for employee feedback. In 2023 EFERT introduced its flagship listening program, 'Let's Tune In', designed to empower employees to share feedback through various channels such as vibe checks, idea boxes, and our semi-annual Pulse Survey, aligned with the organization-wide Employee Experience Survey. This program aims to gauge employee sentiments and preferences, enabling us to better cater to their needs. We continued this program with the same zest.

let's tune in

2023 saw the launch of EFERT's flagship listening Program Let's Tune In, through which we adopted a multi-faceted approach, providing avenues for feedback and dialogue, enhancing employee experience, and providing engagement via fun activities in the workplace. Under the ambit of Let's Tune In, HR introduced several features. Continuing our efforts in 2024, select members from across the Company were appointed as Fun Catalysts who oversaw arranging away days for their respective departments and ensuring the engagement of their departments and participation in other events. Under this ambit, our Fun Friday events throughout the year included:

- Snacktastic
- Fruit Fiesta
- Fun Women Connect
- Monthly Birthday Bash
- Indoor Bowling
- Independence Day Karaoke
- Jingle & Mingle Christmas Event
- Karaoke Afternoon
- Mother's Day Hearts & Crafts

ceo townhall

EFERT's 1H 2024 Town Hall was held at the heart of Engro Fertilizers—our Plant Site in Daharki. CEO Ali Pathore then took the stage, delivering powerful insights on our 1H 2024 achievements, growth, sustainability, and the vital importance of HSE. He also emphasized the power of collaboration, consistency, and planning as the cornerstones of a winning attitude.

The audience was engaged through an interactive Menti session, where everyone enjoyed a lighthearted moment guessing which leadership members could be Bollywood stars. Adding to the energy, our talented team prepared and performed an airline-themed skit, humorously depicting everyday office scenarios. Bringing together colleagues from 11 locations across Pakistan, EFERT Live was a true celebration of our shared journey. We wrapped up by recognizing the employees who bring joy to our workplace, and the Daharki team's song adaptation had everyone smiling with their humorous take on office life.

morning brew with ceo ali rathore

This year, we introduced Morning Brew with CEO Ali Rathore, a series of regular sessions for employees to engage in open, unstructured discussions—no agenda, no formalities—just an opportunity for them to connect directly, outside of the usual formal settings, in an environment that encourages candid and constructive conversation.

Each session is an in-person, 2-hour meeting where employees in cohorts of 25 or less, are welcome to share their thoughts, ideas, and perspectives.

connect corner with qaseq ahmed

Similar open, unstructured sessions were also held at Daharki with Aneeq Ahmed, Head of Manufacturing, presenting a valuable opportunity for our managers to voice their perspectives, share best practices, and explore ways to strengthen our organizational culture. The ideas shared on this platform were then turned into actionable steps to drive continuous improvement and strategic alignment.

departmental away days

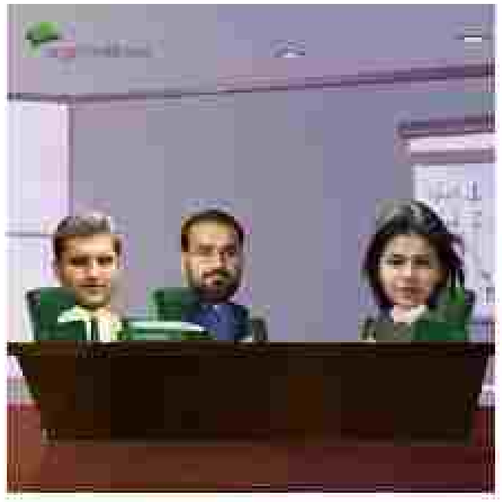
To strengthen bonds and celebrate key milestones, departmental away days were held regularly. This year, MAROON 2024, a three-day getaway, was held in Bhurban to celebrate the Marketing division's achievements of 2023, and expectation-setting for the upcoming year. Similarly, the Supply Chain Synergy Day was organized at Dream World, 2-day event for the Supply Chain division to celebrate their department achievements and participate in team-building activities.

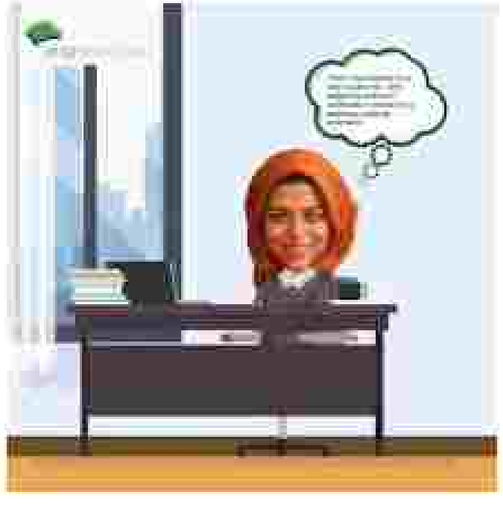
To celebrate Manufacturing division's exceptional achievements during the largest 55-day Turnaround Event, a 3-day Khoj retreat was held in Muree. Over 250 employees attended across four batches, taking time away from daily routines to relax, recharge, and reconnect. Away days were also held for HR & Finance teams at farmhouses and beach huts to promote team-bonding internal campaigns.

Icm refresher campaign

This campaign depicted real-life scenarios from within our organization to help employees understand what our leadership competencies and associated behaviors mean in action. Each animated comic strip featured our colleagues from various teams, exemplifying the competencies and related behaviors in their roles, and clarifying any ambiguity.

The campaign was launched in parallel with the PMGM cycle during December 2024 to create awareness among new employees, and serve as a refresher for the overall workforce.





good manners = good vibes

To inculcate the habit of practicing good manners and professional etiquette, the Good Manners, Good Vibes campaign was launched featuring light-hearted, relatable memes with quirky one-liners.

forward looking statement

source of information and assumptions used for projections / forecasts

Engro Fertilizers Limited (EFERT) prioritizes proactive planning for business sustainability and growth. A structured approach to data collection, analysis, and forecasting enables the company to anticipate market dynamics and make informed strategic decisions.

Our forecasting process is built on a combination of internal and external data sources. Key external factors include macroeconomic indicators, industry trends, global market conditions, regulatory developments, and political dynamics. These insights help assess potential risks and opportunities, ensuring resilience in a rapidly evolving business environment.

Recognizing the dynamic nature of the industry, EFERT continuously refines its forecasting models to align with shifting economic and market trends. This disciplined approach enhances the accuracy of our projections, reinforcing our commitment to sustainable growth and long-term value creation.

Internally, EFERT leverages cross-functional collaboration across Manufacturing, Agronomy, Commercial, Supply Chain, Finance & Accounting, and Human Resources to compile and analyze essential data. Historical performance, operational metrics, and market intelligence form the foundation of our projections, supporting precise and data-driven decision-making.

analysis of last year's forward-looking statement / status of projects

While economic turbulence persisted as a theme in 2023, with geopolitical uncertainties, economic headwinds, high commodity prices, and political instability impacting the domestic economy, 2024 presented a more stable landscape. Although persisting structural weaknesses and fiscal imbalances remained, the economic climate showed signs of improvement. Notably, inflationary pressures eased in 2024, leading to a reduction in interest rates. A healthier trade balance contributed to increased foreign exchange reserves, which in turn fostered stability in the USD to PKR exchange rate. These positive developments, coupled with the continued efforts of management and employees under the guidance of the Board, positioned EFERT to navigate through the challenges and capitalize on emerging opportunities in 2024. The overall economic trajectory appears to be moving in the right direction, creating a foundation for renewed growth and recovery.

Driven by our focus on operational excellence and ongoing investment in manufacturing, we achieved significant growth and several key milestones. These accomplishments demonstrate our commitment to delivering robust and sustainable value creation for all our stakeholders. This fiscal year, we achieved a record profit after tax of PKR 28.3 billion, up 8% from last year.

To ensure continued gas supply for our plant, the Pressure Enhancement Facilities (PEF) project is under development. Phase 1, nearing completion, will mitigate declining pressure at MEL's Habib Rahi Limestone (HRL) Reservoir, benefiting EFERT and other fertilizer manufacturers.

Demonstrating our commitment to operational excellence, EFERT successfully executed a planned turnaround at the EnVen plant. This strategic investment improved reliability, optimized performance, and reinforced our focus on efficiency and long-term sustainability.

Despite operational challenges, we leveraged our competitive strengths to achieve urea sales of 2,026 KT amid a turnaround, compared to 2,327 KT last year. This reinforces our position as a key player in the agriculture sector while significantly contributing to the reduction of the current account deficit. Our import substitution efforts (2,147 KT of urea) generated an estimated US$750 million in value addition.

On suits filed for GIDC and end of concessionary gas period, the stay orders are in place. In 2022, the Government of Pakistan filed a response setting out their stance in the suit filed for GIDC on concessionary gas. The Company drafted a rejoinder to the stance submitted by the Government and submitted the same before the Sindh High Court in due course.

forward looking statement

Engro Fertilizers Limited recognizes the vital role the fertilizer sector plays in the national economy and food security. By providing import substitution at a substantial discount to international prices, and improving crop yields, the sector makes a significant contribution. Currently, the MRP of urea stands at PKR 4,649/bag at year-end, approximately 35% lower than international prices.

Our commitment to our shareholders involves delivering consistent growth by prioritizing operational excellence and cultivating a sustainable business model. We actively contribute to farmer education, utilizing technological and social capital to raise awareness, introducing comprehensive solutions, advocating best practices, and promote responsible use of scarce water resources.

We actively engage with government bodies and stakeholders at all levels to share insights into business dynamics and industry challenges, recognizing the impact of government policies and regulations. This dialogue is crucial for shaping sustainable and progressive agricultural policies.

Our streamlined organization combines efficient manufacturing, a robust trade network, deep understanding of farmer economics, strong governance and advanced technology. Initiatives like UgAi, Pakistan's first integrated agri e-commerce platform, and Engro Markaz, a network of company-operated retail outlets, enhance accessibility and optimize supply chains. With a diverse product portfolio and a focus on innovation, we drive sustainable growth through new product development, value-added solutions, and import substitution.

We are committed to corporate social responsibility (CSR) activities, focusing on infrastructure development, education, livelihood, health, and environmental initiatives. Our goal is to create a brighter future for communities near our facilities and for Pakistan.

Engro Fertilizers Limited looks forward to continuing its role in enhancing agricultural yields and improving farmers' livelihoods in the region.

Response framework for future challenges and uncertainties

Engro Fertilizers Limited remains committed to navigating future challenges with a robust strategy. One key concern is the depletion of allocated gas fields, which could impact urea production. To ensure supply continuity, EFERT, alongside other manufacturers, is investing in Pressure Enhancement Facilities (PEF) at Mari Energies Limited (MEL)'s Habib Rahi Limestone (HRL) Reservoir. Additionally, our investment pipeline remains focused on diversifying the product portfolio and introducing new verticals to strengthen profitability.

Farmers' heavy reliance on urea and resistance to balanced nutrient use remain critical challenges. We are addressing this through targeted awareness programs, field trials, and pilots, while actively collaborating with the government on targeted subsidy mechanisms to promote balanced fertilizer adoption.

Macroeconomic factors such as foreign exchange volatility and the evolving interest rate environment continue to shape profitability. Our treasury function closely monitors these risks, ensuring proactive mitigation strategies. Meanwhile, we continue to drive digital transformation to enhance efficiency and outreach. The Humsafar platform, our digital sales and distribution network, is undergoing a major upgrade to improve scalability and reliability. Additionally, the Field Force Management System (FFMS) will optimize dealer and farmer engagement by enabling real-time data tracking and operational efficiency.

With a strong governance framework and a proactive approach to market dynamics, EFERT is well-positioned to drive sustainable growth while contributing to national food security and economic progress.

financial statements

report of the board audit & risk committee
for the year ended december 31, 2024

composition

The Board Audit & Risk Committee (the Committee) is appointed by the Board and at the year-end it comprised of two Independent Directors:

Category	Name
a. Independent directors	Mr. Asad Said Jafar – Chairman Mr. Asim Murtaza Khan - Member
b. Non-executive directors	Mr. Jawed Akber – Member
c. Secretary	Ms. Mehreen Khalid – Head of Internal Audit

The detailed profiles of the Committee members are given on the Director Profile section of the Annual Report 2024.

Two of the Committee members are qualified finance professionals and the committee, as a whole, possesses significant economic, financial, and business acumen.

The Head of Internal Audit of the Company functions as the Secretary to the Committee. The Chief Financial Officer of the Company attends the meetings by invitation, internal auditors are present in all committee meetings whereas external auditors are invited to the meetings on a requirement basis.

charter of the committee

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 and removal of external auditors;
- To review quarterly, half-yearly, and annual financial statements;
- To review the internal control systems and Internal audit function;
- To monitor compliance with complaints received through the Speak Out – Whistle Blower Policy; and
- To monitor compliance with statutory requirements.

role of the committee

The Committee assists the Board to effectively carry out its supervisory oversight responsibilities on financial reporting and compliance, internal controls and risks, and internal and external audit functions of the Company.

The Committee believes that it has carried out responsibilities to the full, in accordance with Terms of Reference approved by the Board which included principally the items mentioned below and the actions taken by the Committee in respect of each of these responsibilities. Evaluation of the Board performance, which also included members of the Committee was carried out separately and is detailed in the Annual Report.

The Committee has concluded its annual review of the operations of the Company for the year ended December 31, 2024 and reports that:

- The Committee reviewed the quarterly and annual financial statements of the Company and recommended them for approval of the Board;
- The standalone and consolidated financial statements of the Company for the year ended December 31, 2024 have been prepared on a going concern basis under requirements of Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equity of the Company and its subsidiaries for the year under review.
- Appropriate accounting policies have been consistently applied and all applicable accounting standards were followed in preparation of the financial statements for the year ended December 31, 2024.
- The Chairman of the Board, Chief Executive Officer and the Chief Financial Officer have endorsed the standalone and consolidated financial statements of the Company, while the Directors' Report is signed by the Chairman and the Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations, applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- Proper, accurate and adequate accounting records have been maintained by the Company;
- The Company's system of internal control is sound in design and is continuously evaluated for effectiveness and adequacy;
- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the External Auditors of the Company.
- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company. Equitable treatment of shareholders has also been ensured;
- The Committee has reviewed all related party transactions and recommended them for approval of the Board;
- Reviewed and investigated whistleblower complaints received during the year, details of which can be found in 'Internal Audit, Ethics & Compliance' section of the Annual Report.

risk management and internal control

- The Company has developed a sound mechanism for identification of key risks and 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 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 to provide independent opinion on whether the Company's risk management, governance and internal controls processes are operating effectively.

internal audit

- The Committee has ensured achievement of objectives relating to internal controls systems including operational controls, compliance, risk management, financial reporting and determination of appropriate measures to safeguard the Company's assets.
- The Internal Audit function has carried out its duties under the charter defined by the Committee. The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board's attention where required.
- The Committee has provided proper arrangement for staff and management to report to Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairman of the Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.

whistle-blowing incidents

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. No. of whistle-blower complaints investigated and closed during 2024, 30 compared to 28 in 2023. Further, No. of whistle-blower complaints in progress: 17.

external audit

- The statutory auditors of the Company, A. F. Ferguson & Co., Chartered Accountants, have completed their audit assignment of the Company's consolidated and standalone 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 16th 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 management.
- The external auditors have direct access to the Committee and Internal Audit Department, hereby ensuring the effectiveness, independence and objectivity of the audit process.
- A.F Ferguson & Co., Chartered Accountants also provides taxation services to the Company. The objectivity and independence of the auditor is safeguarded through separate engagement partners for the non-audit services and the firm's internal process to ensure independence, as confirmed by them through their engagement letter. The firm has no financial or other relationship of any kind with the Company except that of External Auditor, Taxation Consultant, and other services as disclosed in the financial statements.
- The performance, cost and independence of the external auditors is 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.
- The Committee is satisfied with performance of the External Auditors. The engagement partner on the audit was Mr. Azhar Hussain. Being eligible for reappointment under the Code of Corporate Governance, the Committee has recommended to the Board, reappointment of A.F. Ferguson and Co., Chartered Accountants for the year 2025. A resolution to this effect has been proposed at the 16th Annual General Meeting.

annual report 2024

- The Company has issued a very comprehensive Annual Report which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses other information to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year and future prospects to various stakeholders of the Company.
- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Committee believes that the Annual Report 2024 gives a detailed view of how the Company evolved, its state of affairs and future prospects.

evaluation of bare performance

The Board has also developed a formal mechanism for evaluation of board's own performance, members of board and of its committees. The assessment is carried out on quarterly basis and was done four times during the current year. The Board carries out self-assessment evaluating its own performance against a defined approved criteria which includes its governance over all financial and non-financial matters including risk management and oversight exercised with respect to economic, environmental, and social topics. For detailed criteria used for performance evaluation, please refer the Corporate Governance section of the Annual Report.

Asad Sakt Jafar
Chairman, Board Audit & Risk Committee

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

Engro Fertilizers Limited
For The Year Ended December 31, 2024

Engro Fertilizers 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 CEO, who is a Deemed Director.

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Asim Murtaza Khan Mr. Asad Said Jafar
Independent Director - Female	Ms. Danish Zuberi
Non-Executive Directors	Mr. Ahsan Zafar Syed Mr. Javed Akbar Mr. Farooq Barkat Ali Mr. Ahmad Shakoor
Chief Executive Officer	Mr. Ali Pathore

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

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

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

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

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board.

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

9. All Directors have completed the Directors' Training Program except for Mr. Ali Pathore and Mr. Farooq Barkat Ali who will attend the training in due course. During the year, the Company arranged Directors' Training Program for Mr. Ahmad Shakoor, a Non-Executive Director.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements (standalone and consolidated) before approval of the Board.

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

a) Board Audit & Risk Committee	Mr. Asad Said Jafar - Chairman Mr. Asim Murtaza Khan Mr. Javed Akbar
b) Board People Committee (HR & Remuneration Committee)	Mr. Asim Murtaza Khan - Chairman Mr. Javed Akbar Mr. Ahsan Zafar Syed

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 & Risk Committee - Six meetings held during the year; and
b) Board People Committee - Three meetings held during the year.

15. The Board has set up an effective internal audit function, which is 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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations, or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of Regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

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

Nomination Committee and Risk Management Committee (Regulation 29 and 30)

The responsibilities of the Risk Management Committee and the Nomination Committee are currently fulfilled by Board Audit & Risk Committee and the Board respectively. Therefore, establishing a separate committee for Risk Management and Nomination is not required.

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(I)/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.

Ali Fisthos
Chief Executive Officer

Ansan Zafar Syed
Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Fertilizers 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 Fertilizers Limited 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 06, 2025

UDIN: CR202410299bpaywqlJf

consolidated financial statements

for the year ended december 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of Engro Fertilizers Limited

Opinion

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

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

Basis for Opinion

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

Key Audit 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:

S.No.	Key audit matters	How the matter was addressed in our audit
1	Revenue Recognition (Refer notes 2.20 and 28 to the consolidated financial statements) Group's net sales comprise of revenue from the sale of urea and other fertilizer products, adjusted by trade discounts and sales taxes and duties. Revenue from the sale of goods is recognised in the consolidated statement of profit or loss when control of the product is transferred i.e. when the product is dispatched / delivered to the customer. There is a presumed risk of revenue not being recognised in the correct period, based on our risk assessment. Accordingly, we consider that there is a risk of material misstatement of consolidated financial statements relating to revenue recognition in the incorrect period, hence this has been considered as a key audit matter.	Our audit procedures amongst others included the following: - obtained understanding and evaluated the accounting policies and the Group procedures with respect to revenue recognition; - examined contracts with customers on a sample basis, to obtain an understanding of the terms particularly relating to timing and transfer of control of the products; - tested revenue transactions on a sample basis by inspecting underlying documentation including sales invoices and customer acknowledgement; - tested revenue transactions on a sample basis recorded before and after the reporting date with underlying documentation i.e. customer acknowledgement to assess whether revenue was recognised in the correct period; - obtained understanding of the types and process of discounts offered to customers and tested on a sample basis discounts provided to the customer by examining supporting documentation including approvals of the discounts; and - assessed the adequacy of the related disclosures made in the consolidated financial statements with respect to the applicable accounting and reporting standards.

S. No.	Key audit matters	How the matter was addressed in our audit
2.	Income tax and Sales tax provisions and contingencies (Refer notes 2.18, 3.2, 3.6, 25.2, 25.3, 25.7 to 25.11 and 34 to the consolidated financial statements) The Group has recognised provisions and has disclosed contingencies in respect of certain income tax and sales tax matters, which are pending adjudication before various appellate and legal forums. Provisions and contingencies require management of the Group to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Group for recognition and measurement of any provision and disclosure in respect of such provisions and contingencies. Due to inherent uncertainties associated with the outcome of the matters, legal forums at which these are currently pending and use of significant judgements and estimates to assess the same including related financial impacts, which may change over time as new facts emerge and the matters progress, we have considered income tax and sales tax provisions and contingencies as a key audit matter.	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; - shortlisted 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 contingent tax matters; - checked the mathematical accuracy of the calculations underlying the provisions; and - assessed the adequacy of the related disclosures made in the consolidated financial statements with respect to the applicable accounting and reporting standards.

S. No.	Key audit matters	How the matter was addressed in our audit
3.	Capitalisation of items in property, plant and equipment (Refer notes 2.2, 4.1 and 4.6 to the consolidated financial statements) As at December 31, 2024, the Group has reported Property, Plant and Equipment amounting to Rs. 83,139,401 thousand. This includes capital work-in-progress amounting to Rs. 7,181,646 thousand. During the year, the Group has incurred capital expenditure amounting to Rs. 8,617,770 thousand and transferred Rs. 9,036,720 thousand to operating assets upon the availability of respective assets for intended use. The capital expenditure incurred during the year includes expenditure incurred on major turnaround activity of the Group's Enven Plant to enhance the long-term reliability and sustainable safe operations. The major turnaround activity of the Group's Enven Plant is considered as significant event during the year, significant audit efforts were required to perform audit procedures on the assessment of costs that meet the criteria for capitalisation under the accounting and reporting standards, the determination of dates on which capital work-in-progress is transferred to operating fixed assets and the commencement of related depreciation, accordingly, we have considered this as a key audit matter.	Our audit procedures, amongst others included the following: - obtained an understanding of the Group's process with respect to capital expenditure incurred; - tested, on a sample basis, the cost capitalised with the relevant underlying documentation; - tested, on a sample basis, the date of transferring capital work-in-progress to operating fixed assets by examining the supporting document with relevant approvals; - assessed on a sample basis, the nature of capitalised costs to ensure whether assets capitalised meet the recognition criteria set out in International Accounting Standard 16 'Property, Plant and Equipment'; - tested the calculation of related depreciation; - validated the physical existence of capitalised assets through physical verification on a sample basis; and - assessed the adequacy of the related disclosures made in the consolidated financial statements with respect to the applicable accounting and reporting standards.

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 Azhar Hussain.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 03, 2026

UDIN: AR202410236mKzvED2cI

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	4	83,137,431	78,440,081
Intangible assets	5	5,007,551	5,184,192
Long-term investments	6	4,268,249	202,134
Long-term loans, advances and deposits	7	197,921	209,806
		92,611,152	84,036,213
Current assets			
Stores, spares and loose tools	8	8,239,527	8,729,623
Stock-in-trade	9	26,729,069	16,355,765
Trade debts	10	8,253,231	2,912,496
Other receivables	11	11,995,667	16,066,960
Loans, advances, deposits and prepayments	12	4,694,993	3,990,197
Accrued income		272,080	116,629
Taxation - net		9,907,396	-
Short-term investments	13	3,690,882	24,062,828
Cash and bank balances	14	4,308,149	4,053,684
		77,990,968	76,281,061
Assets classified as held for sale	15	-	1,526,396
TOTAL ASSETS		170,602,110	160,842,670

(Amounts in thousand)	Note	2024 ...Rupees...	2023
EQUITY & LIABILITIES			
Equity			
Share capital	16	13,362,993	13,362,993
Reserves			
Share premium	17	3,384,904	3,384,904
Remeasurement of post employment benefits	17	(69,643)	(74,830)
Unappropriated profit	17	30,790,190	31,238,888
		34,105,551	34,549,762
TOTAL EQUITY		47,468,544	47,902,755
Liabilities			
Non-current liabilities			
Borrowings	18	18,701,703	3,267,427
Government grant	19	614,366	721,334
Deferred taxation	20	672,844	10,401,710
Deferred liabilities	21	247,520	236,702
		20,136,422	14,627,173
Current liabilities			
Trade and other payables	22	66,606,267	74,096,829
Accrued interest / mark-up		1,209,388	72,814
Taxation - net		-	994,344
Current portion of:			
- borrowings	18	2,834,018	2,716,014
- government grant	19	202,737	236,766
- deferred liabilities	21	62,646	62,646
Provision for Gas Infrastructure Development Cess (GIDC)	23	19,668,031	19,668,031
Short-term borrowings	24	12,461,860	630,110
Unclaimed dividend		82,307	48,299
		103,007,144	98,312,742
TOTAL LIABILITIES		123,143,566	112,939,916
TOTAL EQUITY & LIABILITIES		170,602,110	160,842,670
CONTINGENCIES AND COMMITMENTS	25		

The annexed notes from 1 to 63 form an integral part of these consolidated financial statements.

Muhammad Imran Khalil	Ali Rathore	Ahsan Zafar Syed
Chief Financial Officer	Chief Executive Officer	Chairman

consolidated statement of profit or loss
for the year ended december 31, 2024

(Amounts in thousand except for earnings per share)	Note	2024	Rupees 2023
Net sales	26	268,878,163	223,704,592
Cost of sales	27	(194,390,617)	(151,497,364)
Gross profit		72,284,646	72,207,228
Selling and distribution expenses	28	(17,854,636)	(13,053,169)
Administrative expenses	29	(4,760,403)	(4,679,372)
		49,669,607	54,665,688
Other income	30	2,926,210	3,714,027
Other operating expenses	31	(4,613,496)	(4,369,431)
Finance cost	32	(4,128,879)	(1,338,954)
Other gains / (losses)			
- Remeasurement loss on provision for GIDC	23.1	-	(637,911)
- Gain / (loss) allowance on subsidy receivable from GoP	11.3	1,203,088	(2,440,161)
		1,203,088	(3,078,072)
Profit before taxation		46,166,929	49,593,268
Taxation	34	(16,896,682)	(23,502,166)
Profit for the year		29,269,238	26,191,102
Earnings per share - basic and diluted	36	21.16	19.61

The annexed notes from 1 to 63 form an integral part of these consolidated financial statements.

Muhammad Imran Khalil
Chief Financial Officer

Ali Rathore
Chief Executive Officer

Ansar Zafar Syed
Chairman

consolidated statement of comprehensive income
for the year ended december 31, 2024

(Amounts in thousand)	2024	Rupees 2023
Profit for the year	29,269,238	26,191,102
Other comprehensive income / (loss):		
Items that will not be reclassified subsequently to profit or loss		
- Remeasurement of post employment benefits obligations	7,365	42,364
- Tax relating to remeasurement of post employment benefits obligations	(2,869)	(16,600)
	4,497	25,764
Total comprehensive income for the year	29,264,735	26,217,066

The annexed notes from 1 to 63 form an integral part of these consolidated financial statements.

Muhammad Imran Khalil
Chief Financial Officer

Ali Rathore
Chief Executive Officer

Ansar Zafar Syed
Chairman

consolidated statement of changes in equity

for the year ended december 31, 2024

(Amounts in thousand)

	RESERVES				
	CAPITAL	REVENUE			
	Share capital	Share premium	Remeasurement of post employment benefits	Unappropriated profit	Total
	Rupees				
Balance as at January 1, 2024	13,253,229	3,284,504	(94,000)	31,239,999	47,683,732
Transactions with owners:					
Dividends:					
- Final 2023: Rs. 5 per share	-	-	-	(10,882,289)	(10,882,289)
- 1st Interim 2024: Rs. 5 per share	-	-	-	(10,882,289)	(10,882,289)
- 2nd Interim 2024: Rs. 3 per share	-	-	-	(6,005,369)	(6,005,369)
- 3rd Interim 2024: Rs. 2.5 per share	-	-	-	(5,033,249)	(5,033,249)
	-	-	-	(28,703,196)	(28,703,196)
Total comprehensive income for the year ended December 31, 2024					
Profit for the year	-	-	-	33,260,228	33,260,228
Other comprehensive income:					
- remeasurements, net of tax	-	-	4,497	-	4,497
	-	-	4,497	33,260,228	33,264,725
Balance as at December 31, 2024	13,253,229	3,284,504	(89,503)	35,796,930	52,245,160
Balance as at January 1, 2023	13,253,229	3,284,504	(93,284)	28,415,525	45,059,973
Transactions with owners:					
Dividends:					
- Final 2022: Rs. 5 per share	-	-	-	(6,626,457)	(6,626,457)
- 1st Interim 2023: Rs. 3.5 per share	-	-	-	(4,673,249)	(4,673,249)
- 2nd Interim 2023: Rs. 3 per share	-	-	-	(4,005,369)	(4,005,369)
- 3rd Interim 2023: Rs. 6 per share	-	-	-	(8,011,799)	(8,011,799)
	-	-	-	(23,287,732)	(23,287,732)
Total comprehensive income for the year ended December 31, 2023					
Profit for the year	-	-	-	26,191,102	26,191,102
Other comprehensive loss:					
- remeasurements, net of tax	-	-	25,284	-	25,284
	-	-	25,284	26,191,102	26,217,386
Balance as at December 31, 2023	13,253,229	3,284,504	(94,000)	31,239,999	47,683,732

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Imran Khalil
Chief Financial Officer

Ali Rathore
Chief Executive Officer

Ansar Zafar Syed
Chairman

consolidated statement of cash flows

for the year ended december 31, 2024

(Amounts in thousand)

	Note	2024	2023
		Rupees	
Cash flows from operating activities			
Cash generated from operations	40	31,287,821	81,079,011
Retirement and other service benefits paid		(99,299)	(62,849)
Taxes paid		(37,629,168)	(24,772,097)
Long-term loans, advances and deposits		11,386	(3,279)
Income on deposits / other financial assets		2,242,886	2,404,189
Net cash (utilised) / generated from operating activities		(3,946,980)	60,644,981
Cash flows from investing activities			
Purchases of property, plant and equipment and intangibles		(9,227,367)	(5,174,436)
Proceeds from disposal of operating assets		1,581,722	268,566
Purchase of short-term and long-term investments		(88,946,624)	(200,024,474)
Proceeds from sale of short-term and long-term investments		106,001,486	181,186,341
Net cash generated from / (utilised in) investing activities		9,410,393	(13,744,013)
Cash flows from financing activities			
Proceeds from long-term borrowings	18.4	10,000,000	-
Proceeds from short-term borrowings		4,500,000	-
Loan repaid to the Parent Company		(11,500,000)	(1,000,000)
Repayments of long-term borrowings	18.4	(2,586,717)	(7,076,843)
Loan obtained from the Holding Company		11,500,000	-
Finance cost paid		(3,013,983)	(2,295,234)
Dividends paid		(28,574,908)	(23,368,681)
Net cash utilised in financing activities		(11,880,608)	(33,740,758)
Net (decrease) / increase in cash and cash equivalents		(6,417,275)	13,160,210
Cash and cash equivalents at beginning of the year		3,973,574	(4,096,636)
Cash and cash equivalents at end of the year	41	(2,443,701)	9,073,574

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Imran Khalil
Chief Financial Officer

Ali Rathore
Chief Executive Officer

Ansar Zafar Syed
Chairman

notes to the consolidated financial statements

for the year ended december 31, 2024

(Amounts in thousand)

1. legal status and operations

Engro Fertilizers Limited (the Holding Company) is a public company incorporated in Pakistan on June 29, 2009 as a wholly owned subsidiary of Engro Corporation Limited (the Parent Company), which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Holding Company is listed on Pakistan Stock Exchange Limited (PSX). As at December 31, 2024, the Parent Company holds 56.27% share capital of the Holding Company. During the year, the registered office of the Holding Company was changed to 6th Floor, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi.

With effect from January 01, 2025 the Ultimate Parent Company has been renamed as 'Engro Holdings Limited' pursuant to the Scheme of Arrangement sanctioned by the Islamabad High Court vide its order dated July 18, 2024.

The Holding Company is engaged in the manufacturing, purchasing and marketing of fertilizers. The business units of the Holding Company include the following:

Business unit	Geographical location
Head / Registered Office	6th floor, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi.
Engro Daharki Plant	District Ghotki, Sindh
Engro Zarkhez Plant	EZ / 1 / P – 1 – II Eastern Zone, Port Qasim, Karachi

1.1 The 'Group' consists of:

Holding Company: Engro Fertilizers Limited

Subsidiary Company: EFERT Agritrade (Private) Limited (EAPL), which is a wholly owned subsidiary of the Holding Company.

1.1.1 EFERT Agritrade (Private) Limited

EFERT Agritrade (Private) Limited (EAPL) was incorporated on July 6, 2017, as a wholly owned subsidiary of the Holding Company to carry out business of trading and distribution

of imported fertilizer. As part of the business reorganisation in 2017, the Holding Company transferred its business of trading and distribution of imported fertilizer to the new subsidiary and holds 10,000 ordinary shares of Rs. 10 each in EAPL. The registered office of the Subsidiary Company is 6th floor, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi.

2. material accounting policy information

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

2.1 Basis of preparation

2.1.1 These consolidated financial statements have been prepared under the historical cost convention, except for re-measurement of certain financial assets at fair value and recognition of certain staff retirement benefits at present value.

2.1.2 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable on the Group 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 the provisions of and directives issued under the Act differ from the requirements of IFRSs, the provisions of and directives issued under the Act have been followed for the preparation and presentation of these consolidated financial statements.

2.1.3 The preparation of consolidated financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

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

a) Standards, amendments to published standards and interpretations that are effective for the year and are relevant to the Group

There are certain amendments and improvements to approved accounting and reporting standards became applicable to the Group for the financial year beginning on January 1, 2024, however these do not have any material impact on the Group's financial reporting and, therefore, have not been presented in these consolidated financial statements except for the following:

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

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

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

The following standards or amendments are not effective for the accounting periods beginning on or after January 1, 2024 and have not been early adopted by the Group:

i) 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 cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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 derecognised. The previous practice of financial liabilities being derecognised upon issuance of cheques would need to be reconsidered.

ii) IFRS 18 - Presentation and Disclosure in Financial Statements

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

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

Other than above there is a standard and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Group for the financial year beginning on January 1, 2024. The standard and amendments are not expected to have any material impact in the Group's financial reporting and, therefore, have not been presented in these consolidated financial statements.

2.1.5 Basis of consolidation

i) Subsidiaries

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

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

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-recognised from the date the control ceases.

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

ii) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the consolidated statement of profit or loss. The fair value is the inital carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other

comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2 Property, plant and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except for freehold land and capital work in progress which are stated at cost less impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Disposal of asset is recognised when significant risk and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised within 'Other operating expenses / income' in the consolidated statement of profit or loss in the financial year of disposal.

Depreciation is charged to the consolidated statement of profit or loss using the straight line method, except for catalyst whose depreciation is charged on the basis of number of production days, whereby the cost of an operating asset less its estimated residual value, if significant, is depreciated over its useful life. Depreciation on additions is charged from the month following the month in which the asset is available for use and on disposals up to the preceding month of disposal.

Depreciation method, useful lives and residual values are reviewed and adjusted, if appropriate, at each reporting date.

2.3 Intangible assets

a) Computer software and licenses

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. However, costs that are directly attributable to identifiable software and have probable economic benefits beyond one year, are recognised as an intangible asset. Direct costs include the purchase cost of software (license fee) and related overhead costs.

Following inital recognition, computer software and licenses are carried at cost less accumulated amortisation and impairment losses, if any.

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.

Computer software and license cost treated as intangible assets are amortised from the date the software is put to use on a straight-line basis over a period of 4 years, except for the Group's investment in its ERP i.e. OneSAP which is amortised over a period of 8 years.

b) Rights for future gas utilization

Rights for future gas utilisation represent premium paid to the GoP for allocation of 100 MMSCFD natural gas for a period of 20 years for the Holding Company's EnVen plant. The rights are being amortised from the date of commercial production on a straight-line basis over the remaining allocation period.

c) Goodwill

Goodwill represents the difference between the consideration paid for acquiring interests in a business and the fair value of the Holding Company's share of its net assets at the date of acquisition and is carried at cost less accumulated impairment, if any.

d) Right to use the brand

These are stated at cost less accumulated impairment, if any.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, assets or cash generating units are tested for impairment. Also, goodwill is tested for impairment atleast once a year and other intangibles with indefinite

useful life are tested for impairment at each reporting date. Where the carrying value exceeds the estimated recoverable amount, these are written down to their recoverable amount and the resulting impairment is charged to the consolidated statement of profit or loss.

Impairment is reversed only if there have been changes in estimates used to determine recoverable amounts and only to the extent that the revised recoverable amount does not exceed the carrying values that would have existed, had there been no recognition of impairment, except impairment of goodwill which is not reversed.

The useful lives of intangible assets are reviewed at each reporting date to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset.

2.4 Impairment of non-financial assets

Assets that are subject to depreciation / amortisation are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

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

2.5 Joint arrangements

Joint arrangements are arrangements in which the Group has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement. The Group classifies a joint arrangement as joint operation when the Group has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group classifies a joint arrangement as a joint venture when the Group has the rights to the net assets of the arrangement.

In respect of an interest in a joint operation, the Group recognises its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its expenses, including its share of any expenses incurred jointly.

2.5 Financial assets

2.5.1 Classification, initial recognition and measurement

Financial assets are classified into appropriate categories on initial recognition and are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. The management determines the classification of financial assets into appropriate categories based on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

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

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss if it is not measured at amortised cost or at fair value through other comprehensive income.

All financial assets are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date; the date on which the Group commits to purchase or sell the financial asset. 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 the consolidated statement of profit or loss. Financial assets carried at fair value through other comprehensive income 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 fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the consolidated statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair values of the financial assets held at fair value through profit or loss are included in the consolidated statement of profit or loss in the period in which they arise.

2.5.2 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 risk 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 and other comprehensive income (as the case may be).

2.5.3 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt 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 permitted by IFRS 9, 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 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 Group continues to engage in enforcement activity to attempt to recover the balance due. Where recoveries are made, these are recognised in the consolidated statement of profit or loss.

2.7 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.

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 the consolidated statement of profit or loss.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.9 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 incurred thereon till the reporting date. For items which are

slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated realisable value. The Group reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are shown separately as major spare parts and stand-by equipment under property, plant and equipment.

2.10 Stock-in-trade

These are valued at the lower of cost and net realisable value. Cost is determined using weighted average method except for raw materials in transit which are stated at cost (invoice value) plus other charges incurred thereon till the reporting date. Cost in relation to finished goods includes applicable purchase cost and manufacturing expenses. The cost of work in process includes material and proportionate conversion costs.

Net realisable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to be incurred in order to make the sales.

2.11 Trade debts and other receivables

These are recognised initially at fair value plus directly attributable transaction costs, if any, and subsequently measured at amortised cost using effective interest rate method less provision for impairment, if any. The amount of provision is charged to the consolidated statement of profit or loss.

Trade debts and other receivables considered irrecoverable are written-off.

2.12 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of cash flows include cash in hand, balances with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts / short term borrowings which are repayable on demand. Bank overdrafts are shown within short term borrowings in current liabilities in the consolidated statement of financial position.

2.13 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest rate method.

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

2.15 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 liabilities.

2.16 Income tax

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

Current

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

Deferred

Deferred tax is recognised using the balance sheet method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.17 Employee benefits

2.17.1 Defined contribution plans

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

The Group contributes to:

- defined contribution provident fund for its permanent employees. Monthly contributions are made both by the Group and employees to the fund at the rate of 10% of basic salary;
- defined contribution pension fund for the benefit of those management employees who have not opted for defined contribution gratuity fund as explained in note 2.17.3. Monthly contributions are made by the Group to the fund at rates ranging from 12.5% to 13.75% of basic salary; and
- defined contribution gratuity fund for the benefit of those management employees who have selected to opt out of defined benefit gratuity fund and defined contribution pension plans as more fully explained in note 2.17.3. Monthly contributions are made by the Group to the fund at the rate of 8.33% of basic salary.

All of the aforementioned funds are managed by the Parent Company.

2.17.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the Projected Unit Credit Method, related details of which are given in note 39 to the consolidated financial statements.

Remeasurements (actuarial gains / losses) in respect of defined benefit plans are recognised directly in equity through other comprehensive income.

Contributions require assumptions to be made of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

The Group also contributes to:

- defined benefit funded pension scheme for its management employees; and
- defined benefit funded gratuity schemes for its management and non-management employees.

The pension scheme provides life time pension to retired employees or their spouses. Contributions are made annually to these funds on the basis of actuarial recommendations. The pension scheme has been curtailed and effective from July 1, 2005, no new members are inducted in this scheme.

2.17.3 In June 2011, the Group gave a one time irrevocable option to selected members of MPT Employees' Defined Benefit Gratuity Fund and Defined Contribution Pension Fund to join a new MPT Employees' Defined Contribution Gratuity Fund (the Fund), a defined contribution plan. The present value, as at June 30, 2011, of the defined benefit obligation of those employees, who accepted this offer, were transferred to this Fund. Furthermore, from July 2011 onwards, the monthly contributions to Defined Contribution Pension Fund of such employees were discontinued.

2.17.4 Service incentive plan

The Group recognises provision under a service incentive plan for certain category of experienced employees to continue in the Group's employment.

2.17.5 Employees' compensated absences

The Group accounts for compensated absences on the basis of unavailed leave balance of each employee at the end of the year.

2.18 Provision and contingent liabilities

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of an event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses and are reviewed at each reporting date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed when the Group has possible obligation that arises from past event's and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, 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.

2.19 Foreign currency transactions and translation

These consolidated financial statements are presented in Pakistan Rupees, which is the Group's functional and presentation currency. Amounts presented in these consolidated financial statements have been rounded off to the nearest thousand, unless otherwise stated. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the consolidated statement of profit or loss.

2.20 Revenue recognition

The Group manufactures and sells urea and other fertilizers products in the market. Revenue from sale of goods is recognised when control of the products is transferred i.e. when the product is dispatched / delivered to the customer. The payment terms in contracts with customers for sale of goods range from 30 to 180 days from invoice date.

The Group also provides transportation / logistics services to industrial customers. Performance obligation for transportation / logistics services is satisfied upon the goods reaching the designated destination. Revenue from providing such services is recognised in the accounting period in which the services are rendered. The payment terms in contracts with customers for services range from 30 to 120 days from invoice date. During the year transportation / logistics services were discontinued.

Revenue is measured at fair value of the consideration received or receivable (which is generally equal to invoice amount), excluding discounts, rebates and government levies.

2.21 Other income

Income on deposits and other financial assets is recognised on accrual basis.

Commission and sub-licensing income is recognised on approval basis in accordance with the substance of the relevant agreement.

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

2.22 Earnings per share

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

2.23 Segment reporting

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

2.24 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the consolidated financial statements in the period in which these are approved.

2.25 Contract liability

Contract liability is an obligation of the Group to transfer goods and services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when payment is received. Contract liabilities are recognised as revenue when Group fulfils the performance obligation under the contract.

3. critical accounting estimates and judgements

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 Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.1 Property, plant and equipment

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

3.2 Income taxes

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

3.3 Provision for retirement and other service benefits obligations

The present value of these obligations depends on a number of factors that are determined on actuarial basis using various assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present value of these obligations and the underlying assumptions are disclosed in note 39.

3.4 Impairment of goodwill and right to use the brand

Determining the recoverable value of goodwill and right to use the brand involves use of significant estimates and assumptions. In making the aforementioned fair valuation estimates, discounted cash flow approach is used. The underlying assumptions used for such valuation are disclosed in note 5.1.

3.5 Contingencies and provisions

Significant estimates and judgements are being used by the management in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, in accounting for contingencies and provisions pertaining to legal and taxation matters being contested at various forums based on applicable laws and the decisions / judgements.

3.6 Impairment of financial assets

Significant estimates are involved in the assessment of the correlation between historical observed default rates and the projection of cashflows, forecast economic conditions and ECL. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. In respect of ECL on subsidy receivable, since the Holding Company is confident of full recovery therefore only time value of money was considered for the determination of Loss allowance as at the reporting date (note 11.3.1).

3.7 Stock-in-trade

Determining the value of specific category of stock-in-trade i.e. Bulk Urea and Bulk Di-Ammonium Phosphate (DAP), involves the use of significant estimates and assumptions. As the weighing of these inventory items is not practicable, the reasonableness of the quantities on hand is assessed by obtaining measurements of stockpiles and converting these measurements into unit of volume by bulk density values.

4. property, plant and equipment

	2024	2023
	...Rupees...	
Operating assets at net book value (note 4.1)	73,994,621	69,424,498
Capital work in progress (CWIP) (note 4.5)	7,151,645	7,734,095
Major spare parts and stand-by equipment (notes 4.1.1 and 4.1.2)	1,991,165	1,281,678
	83,137,431	78,440,091

4.1 Operating assets

	Land		Buildings on		Plant and machinery	Gas pipeline	Catalyst	Office equipment	Aircraft	Vehicles	Total
	Freehold	Leasehold	Freehold land	Leasehold land							
	..... (Rupees)										
As at January 1, 2023											
Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Year ended December 31, 2023											
Net book value - January 1, 2023	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Additions including transfers from CWIP (note 4.1.1 and 4.2)	-	-	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Disposals / Write-offs (note 4.3)											
Cost	-	-	[illegible]	-	[illegible]	-	-	[illegible]	-	[illegible]	[illegible]
Accumulated depreciation	-	-	[illegible]	-	[illegible]	-	-	[illegible]	-	[illegible]	[illegible]
	-	-	-	-	[illegible]	-	-	[illegible]	-	[illegible]	[illegible]
Depreciation charge (note 4.2)	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assets classified as held for sale (note 13)	-	-	-	-	-	-	-	-	-	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
As at January 1, 2024											
Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assets classified as held for sale (note 13)	-	-	-	-	-	-	-	-	-	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Year ended December 31, 2024											
Net book value - January 1, 2024	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Additions (note 4.1.1)	-	-	[illegible]	[illegible]	-	-	[illegible]	[illegible]	-	[illegible]	[illegible]
Disposals / Write-offs (note 4.3)											
Cost	-	-	[illegible]	[illegible]	-	-	-	[illegible]	-	[illegible]	[illegible]
Accumulated depreciation	-	-	[illegible]	[illegible]	-	-	-	[illegible]	-	[illegible]	[illegible]
	-	-	[illegible]	[illegible]	-	-	-	[illegible]	-	[illegible]	[illegible]
Depreciation charge (note 4.2)	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assets classified as held for sale (note 13)	-	-	-	-	-	-	-	[illegible]	-	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
As at December 31, 2024											
Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Annual rate of depreciation (%)	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	No. of production days	[illegible]	[illegible]	[illegible]	

4.1.1 Includes Nil (2023: 302,556) transferred from major spare parts and stand-by equipment.

4.1.2 During the year, the Company purchased major spare parts and stand-by equipment amounting to Rs. 1,493,260 (2023: Rs. 1,001,144) and transferred such assets to capital work in progress amounting to Rs. 783,575 (2023: Rs. 596,718).

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

	2024	2023
	...Rupees...	
Cost of sales (note 27)	3,698,179	3,468,621
Selling and distribution expenses (note 28)	149,243	139,614
Administrative expenses (note 29)	371,076	275,276
	4,218,498	3,883,511

4.3 The details of operating assets disposed / written off during the year are as follows:

Description and method of disposal	Sold to	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)
		..... Rupees				
Items having net book value of Rs. 500 each or more:						
Vehicles to employees						
As per company policy	Mohammad Ismail	3,135	1,253	1,882	1,539	357
As per company policy	Muhammad Asif	2,533	1,359	1,174	1,073	(101)
As per company policy	Ali Haris	2,258	1,336	922	1,138	216
As per company policy	Maha Khan	2,772	1,090	1,682	1,957	275
As per company policy	Imran Lakhwera	5,410	2,376	3,034	4,144	1,110
As per company policy	Salman Nakeeb Khan	3,873	1,199	2,674	3,080	406
As per company policy	Mazhar Iqbal Qureshi	4,398	1,221	3,177	3,674	497
As per company policy	Haris Riaz Qureshi	3,281	146	3,135	3,135	-
As per company policy	Saif Ullah Khan	6,281	1,669	5,792	6,292	500
As per company policy	Munib Aqib Jawed	4,375	623	4,252	4,263	11
As per company policy	Haris Ilahi	4,617	654	3,963	4,436	473
As per company policy	Saad Ahmed Qureshi	7,284	720	6,544	6,503	(41)
As per company policy	Misbah Hussain Khan	2,227	960	2,267	2,405	138
As per company policy	Muhammad Umair Ul Haque	4,223	623	4,224	4,404	140
As per company policy	Amir Iqbal	22,154	10,936	3,215	16,050	12,835
As per company policy	Lt. Muhammad Ilhani	2,522	1,799	783	987	204
As per company policy	Khalid Rasheed	3,289	2,545	854	1,369	515
As per company policy	Umair Ali Bhatti	5,539	3,138	3,400	3,183	783
As per company policy	Tahir Hameed	4,096	1,239	2,857	3,591	734
As per company policy	Ali Muhammad	7,795	1,875	5,210	6,746	536
As per company policy	Capt. Muhammad Hammad	5,604	4,070	1,534	1,800	266
As per company policy	Archie Ahmed Sadiq	20,542	8,841	11,701	12,290	589
As per company policy	Muhammad Ali Riaz Cheema	3,288	1,288	2,100	2,235	135
As per company policy	Danish Owais	5,420	1,813	3,607	4,606	799
As per company policy	Ali Murtaza Baloch	6,863	1,750	5,113	6,066	(47)
As per company policy	Sayyed Mohsin Hassan	5,471	4,428	1,043	1,082	39
As per company policy	Abdul Latif	2,852	2,147	705	562	457
As per company policy	Majid Khan	5,127	1,181	3,946	4,613	668
As per company policy	Shahid Syed	3,570	1,222	1,848	1,854	206
As per company policy	Amjad Hussain	2,338	1,234	1,104	2,052	468
As per company policy	Umer Jaz Mall	4,223	1,046	3,177	4,412	535
		172,461	76,496	95,965	120,198	24,233

(Amounts in thousand)

Description and method of disposal	Sold to	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)
		Rupees				
Items having net book value of Rs.500 each or more						
Vehicle to employees						
Vehicles						
Bidding	R.K Trading	2,730	1,799	931	3,240	2,409
Bidding	Abdul Kaleem Khan	1,889	1,246	643	2,160	1,517
Bidding	Amir Jan Niazi	1,889	1,246	643	2,015	1,372
Bidding	Maaz Saleem	1,892	1,249	643	2,256	1,613
Bidding	Imran	2,730	1,923	807	3,435	2,628
Bidding	Imran Saeed	1,889	1,231	558	2,530	1,972
Bidding	Nadeem Ahmed	1,892	1,234	558	2,285	1,827
Bidding	Abdul Khalid	1,891	1,220	671	1,880	1,209
Bidding	Abid Ali Khan	2,730	2,128	602	3,490	2,888
		19,532	13,476	6,056	23,590	17,534
Building on Leasehold						
Write Off		5,018	2,754	2,264	-	(2,264)
Office Equipment						
Write Off		1,474	861	613	-	(613)
Items having net book value less than Rs. 500 each						
Operating assets	Various	143,763	131,258	12,505	124,401	111,896
Year ended December 31, 2024		242,248	224,845	117,403	258,139	150,736
Year ended December 31, 2023		273,882	268,724	105,158	268,056	162,898

4.4 Particulars of immovable properties i.e. land and building which are in the name of the Holding Company are as follows:

Location	Total Area (Acreage)
Daharki plant & colony	734
Zarkhez plant land at Port Qasim	112.5

(Amounts in thousand)

4.5 Capital work in progress

	2024	2023
	...Rupees...	
Plant and machinery	4,920,287	6,100,844
Building and civil works including gas pipeline	293,426	346,447
Furniture, fixture and equipment	280,764	616,010
Advances to suppliers	1,373,813	595,477
Others	283,355	75,227
	7,151,645	7,734,005

4.5.1 Includes Rs. 2,050,423 (2023: Rs. 1,299,378) which represents the Holding Company's share in respect of a joint operation related to Pressure Enhancement Facility (PEF), as disclosed in note 50 to the consolidated financial statements.

	2024	2023
	...Rupees...	
4.5.2 Balance as at January 1	7,734,005	7,793,135
Additions during the year	8,517,770	6,112,481
Transferred to:		
- operating assets (note 4.1 and 4.5.3)	(9,035,720)	(6,071,899)
- intangible assets (note 5)	(64,410)	(99,912)
Balance as at December 31	7,151,645	7,734,005

4.5.3 It includes assets transferred to operating asset on account of major turnaround activity of the EnVen Plant to ensure the long-term reliability and sustainable safe operations of the EnVen Plant. The activity was performed between April 21, 2024 till June 14, 2024.

5. Intangible assets

	Goodwill	Right to use the brand (note 5.1)	Software and licenses (note 5.2)	Rights for future gas utilisation	Total
			Rupees		
As at January 1, 2023					
Cost	183,805	4,170,995	1,850,784	102,312	6,117,897
Accumulated amortisation	-	-	(771,044)	(68,873)	(839,917)
Net book value	183,805	4,170,995	839,740	43,439	5,277,980
Year ended December 31, 2023					
Net book value - January 1, 2023	183,805	4,170,995	839,740	43,439	5,277,980
Transfers from CWIP (note 5.2.2)	-	-	99,912	-	99,912
Write off					
Cost	-	-	(38,864)	-	(38,864)
Accumulated amortisation	-	-	38,864	-	38,864
	-	-	-	-	-
Amortisation (note 5.3)	-	-	(188,590)	(6,110)	(203,700)
Net book value	183,805	4,170,995	791,062	38,329	5,184,192
As at December 31, 2023					
Cost	183,805	4,170,995	1,721,842	102,312	6,178,955
Accumulated amortisation	-	-	(930,780)	(63,983)	(994,763)
Net book value	183,805	4,170,995	791,062	38,329	5,184,192
Year ended December 31, 2024					
Net book value - January 1, 2024	183,805	4,170,995	791,062	38,329	5,184,192
Transfers from CWIP (note 5.2.2)	-	-	64,410	-	64,410
Write off					
Cost	-	-	(782)	-	(782)
Accumulated amortisation	-	-	396	-	396
	-	-	(386)	-	(386)
Amortisation (note 5.3)	-	-	(236,676)	(6,110)	(242,786)
Net book value	183,805	4,170,995	619,431	33,219	5,007,451
As at December 31, 2024					
Cost	183,805	4,170,995	1,785,470	102,312	6,242,582
Accumulated amortisation	-	-	(1,166,039)	(69,093)	(1,235,132)
Net book value	183,805	4,170,995	619,431	33,219	5,007,451
Annual rate of amortisation (%)	-	-	12.5 - 25	6	

5.1 Goodwill and Right to use the brand

Goodwill and right to use the brand represent amounts recognised on amalgamation of Engro Eximp (Private) Limited (EEPL) with the Holding Company, being the difference between the fair values of net assets at the time of amalgamation and the amount of consideration given.

Goodwill and right to use the brand have been allocated to the single Cash Generating Unit (CGU) (i.e. Phosphate business) having an indefinite life, till the time the related CGU is disposed / derecognised. The recoverable amount of cash generating unit is the higher of value in use or fair value less costs to sell. Value in use is calculated as the net present value of the projected cash flows of the cash generating unit to which the asset belongs, discounted at risk-adjusted discount rate.

Details relating to the discounted cash flow model used to determine the value in use of goodwill and right to use the brand are as follows:

Valuation basis	Value in use
Key assumptions	Sales growth rates Discount rate
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information and past performance. Cost reflects past experience, adjusted for inflation and expected changes. Discount rate is primarily based on weighted average cost of capital.
Terminal growth rate	2.5%
Period of specific projected	5 years
Discount rate	12.2%

The valuation indicates sufficient headroom such that a reasonably possible change to key assumptions is unlikely to result in impairment of related goodwill and right to use the brand.

5.1.1 Right to use the brand is in respect of selling Phosphate fertilizers, acquired under an agreement with the Parent Company (upon amalgamation of EEPL with the Holding Company), that has been valued at initial recognition using Relief from Royalty Method and is considered to have an indefinite life.

5.2 Primarily relates to cost incurred on implementation of new ERP i.e. OneSAP, which is being amortised over a period of 8 years.

5.3 Amortisation for the year has been allocated as follows:

	2024	2023
	Rupees	
Cost of sales (note 27)	39,924	16,753
Selling and distribution expenses (note 28)	15,219	9,168
Administrative expenses (note 29)	185,542	176,779
	240,685	202,700

6. long-term investments

At amortised cost

Pakistan Investment Bonds (note 6.1)	4,268,249	202,134

6.1 These bonds carry interest at the rate of 13.04% to 16.27% (2023: 13.04%) per annum and have maturity in three to six years (2023: four years).

7. long-term loans, advances and deposits - considered good

	2024	2023
	Rupees	
Loans and advances to:		
- Executives (notes 7.1, 7.2, 7.3, 7.5 and 7.6)	78,374	66,075
- Other employees (notes 7.4 and 7.6)	118,637	15,343
- Deposits to suppliers	11,128	201,245
	208,139	281,663
Less: Current portion shown under current assets (note 12)	(10,218)	(71,859)
	197,921	209,805

7.1 Reconciliation of the carrying amount of loans and advances to executives

Balance as at January 1	66,075	48,215
Disbursements	158,246	99,841
Repayments / amortisation	(144,947)	(82,980)
Balance as at December 31	79,374	66,075

7.2 Details of loans and advances to executives

	2024	2023
	Rupees	
Service incentive loans	1,034	1,141
Advances in respect of:		
- Car earn out assistance	2,663	2,663
- House rent	11,493	1,951
- Salary	34,910	30,837
- Others	28,274	28,674
	78,374	66,075

7.3 The maximum amount outstanding from executives at the end of any month during the year aggregated to Rs. 127,739 (2023: Rs. 64,847).

7.4 Includes interest free loans given to workers pursuant to Collective Labour Agreement.

7.5 Represents loans granted to employees according to the Group's policy. These loans are interest free, are repayable within 1 to 4 years and are secured to the extent of the provident fund balance and retirement benefits, if vested, of the respective employees.

7.6 The carrying values of the loans and advances are neither past due nor impaired.

8. stores, spares and loose tools

	2024	2023
	Rupees	
Consumable stores, spares and loose tools (note 8.2)	9,401,410	9,701,353
Less: Provision for surplus and slow moving items (note 8.1)	(1,161,883)	(971,830)
	8,239,527	8,729,523

8.1 Provision for surplus and slow moving items

Balance as at January 1	971,830	927,932
Charge for the year	309,397	324,181
Reversal during the year	(116,540)	(280,176)
Written off during the year	(804)	(107)
Balance as at December 31	1,161,883	971,830

8.2 During the year, the Group has directly written off stores, spares and loose tools amounting to Rs. 968 (2023: Rs. 4,844).

(Amounts in thousand)

9. stock-in-trade

	2024	2023
	...Rupees...	
Raw materials (note 9.3)	4,731,822	3,322,973
Packing materials	635,397	1,168,432
Work in process	44,113	279,974
	5,711,132	4,771,379
Finished goods		
- manufactured products	6,867,649	740,709
- purchased and packaged products (notes 9.4)	14,380,061	9,880,978
	21,247,709	10,621,717
Less: Provision for impairment against stock-in-trade (note 9.1)	(229,782)	(37,341)
	26,729,059	16,355,755

9.1 Provision for impairment against stock-in-trade

Balance as at January 1	37,341	208,410
Charge for the year	192,441	327,389
Written off during the year	-	(498,458)
Balance as at December 31	229,782	37,341

9.2 During the year, the Group has directly written off stock-in-trade amounting to Rs. 233,930 (2023: Rs. 52,038).

9.3 Includes stock-in-transit amounting to Rs. 998,176 (2023: Rs. 643,764).

9.4 Includes stock-in-transit amounting to Rs. 9,866,371 (2023: Rs. 9,665,519).

10. trade debts

	2024	2023
	...Rupees...	
Considered good		
- Secured (note 10.1)	7,443,377	2,265,511
- Unsecured	809,854	646,984
	8,253,231	2,912,495
Considered doubtful (note 10.2)	80,540	111,560
	8,333,771	3,024,055
Less: Provision for impairment against trade debts (note 10.2)	(80,540)	(111,560)
	8,253,231	2,912,495

10.1 These debts are secured by way of bank guarantee.

(Amounts in thousand)

10.2 Provision for impairment against trade debts

	2024	2023
	...Rupees...	
Balance as at January 1	111,560	81,188
(Reversal) / Charge for the year (notes 30 and 31)	(31,020)	91,290
Written-off during the year	-	(60,918)
Balance as at December 31	80,540	111,560

11. other receivables

Subsidy receivable from the Government of Pakistan - net (notes 11.1 and 11.2)	2,811,755	1,608,657
Sales tax receivable (notes 11.5 and 11.7)	5,666,725	11,188,833
Due from Associated Companies:		
- Engro Polymer and Chemicals Limited	392,856	182,890
- Engro Powergen Qadirpur Limited	-	9,056
- Engro Energy Limited	-	477,983
- Engro Eximp Agriproducts (Private) Limited	8,356	7,533
- Engro Elengy Terminal (Private) Limited	51,134	123,729
- Sindh Engro Coal Mining Company Limited	-	7,347
- Think PVC (Private) Limited	12	20
- Engro Peroxide (Private) Limited	721	31
- Elengy Terminal Pakistan Limited	30	9
- Engro Plasticizer (Private) Limited	-	6
- Engro Infiniti (Private) Limited	-	70
- Engro Energy Services Limited	10	147
- Engro Enfrashare (Private) Limited	2,227	1,569
- Engro Vopak Terminal Limited	12,417	5,830
Receivable from Defined Benefit Gratuity Fund - MPT (note 39.2.1)	22,543	25,938
Workers' profits participation fund (note 22.6)	-	380,056
Claims receivable - net (note 11.4)	62,190	62,190
Others (note 11.8)	2,975,693	1,951,975
	11,996,667	16,066,950

11.1 In FY 2015, the Government of Pakistan (GoP) notified payment of subsidy on sold products at the rate of Rs. 600 per 50 kg bag of DI Ammonia Phosphate (DAP) and Rs. 217 per 50 kg bag of Nitrophos (N) and NPK fertilizers (based on phosphorous content). This subsidy scheme was effective till May 27, 2015.

In FY 2016, a new subsidy scheme was announced by the GoP, effective June 25, 2016 whereby subsidy was payable on sold products at the rate of Rs. 156 per 50 kg bag of Urea and Rs. 300 per 50 kg bag of DAP and for Nitrophos 22:20 & 18:18 grade (based on phosphorus content) and NPK fertilizers (based on phosphorus content).

In FY 2017, another subsidy scheme was announced by the GoP, effective July 01, 2017. Under the new subsidy scheme, aforementioned rates were replaced with Rs. 100 per 50 kg bag for Urea only. This subsidy scheme was effective till June 30, 2018. In line with the notification issued for the said scheme, Ministry of National Food Security and Research has appointed third party auditors for verification of subsidy claims which is underway.

11.2 Subsidy receivable from the Government of Pakistan - net

	2024	2023
	Rupees	
Gross subsidy receivable from the GoP	6,523,493	6,523,493
Less: Provision against doubtful receivable	(155,127)	(155,127)
Less: Loss allowance on subsidy receivable from the GoP (note 11.3)	(3,556,611)	(4,759,699)
	2,811,755	1,608,667

11.3 The movement in loss allowance on subsidy receivable from the GoP is as follows:

	2024	2023
	Rupees	
Balance as at January 1	4,759,699	2,319,549
Loss allowance for the year (note 33)	(1,203,088)	2,440,151
Balance as at December 31	3,556,611	4,759,699

11.3.1 As required under IFRS 9, an entity is required to assess changes in credit risk by taking into account the time value of money, reasonable and supportable assumptions regarding past events, current conditions, forecast of future events and economic conditions attached to its receivables and recognise expected credit loss, if any. Based on this, the Group has recomputed expected credit loss amounting to Rs. 3,556,611 (2023: Rs. 4,759,699) on subsidy receivable from the GoP giving due consideration to the time value of money based on expected recovery of the subsidy receivable. The Group, however, is confident of full recovery of the subsidy amount from the GoP.

11.4 Claims receivable - net

	2024	2023
	Rupees	
Gross claims receivable	138,840	138,840
Less: Provision against claims receivable	(76,650)	(76,650)
	62,190	62,190

11.5 The maximum amount due from the Parent Company and associated companies at the end of any month during the year is as follows

	Maximum aggregate amount outstanding at the end of any month	Not Yet Due	Past Due 1-90 days	Past Due 91-180 days	Past Due More than 180 days	Total 2024
Parent Company	44,960	-	-	-	-	-
Associated Companies						
- Sindh Engro Coal Mining Company Limited	13,233	-	-	-	-	-
- Engro Polymer and Chemicals Limited	414,388	(21,113)	270,732	34,938	18,484	302,998
- Engro Energy Services Limited	157	(147)	-	2	155	10
- Engro Vopak Terminal Limited	13,376	1	215	5,483	6,886	12,587
- Engro Powergen Qadirpur Limited	9,114	-	-	-	-	-
- Engro Powergen Thar (Private) Limited	2,307	-	-	-	-	-
- Engro Energy Limited	477,263	-	-	-	-	-
- Elengy Terminal Pakistan Limited	30	-	-	1	29	30
- Think PVC (Private) Limited	31	(9)	-	7	24	12
- Engro Petrodic (Private) Limited	782	(1)	-	702	43	721
- Engro Plastidot (Private) Limited	8	-	-	-	-	-
- Engro Elengy Terminal (Private) Limited	123,720	(924)	(5,407)	27,209	30,216	51,104
- Engro Infinti (Private) Limited	75	-	-	-	-	-
- Engro Foundation	2,231	-	-	-	-	-
- Engro Eximp Agriproducts (Private) Limited	5,266	1	234	-	3,120	3,355
- Engro Enmasahra (Private) Limited	2,237	-	-	96	2,141	2,237
		(21,913)	265,557	68,438	82,307	467,781

	Maximum aggregate amount outstanding at the end of any month	Not Yet Due	Past Due 1-90 days	Past Due 91-180 days	Past Due More than 180 days	Total 2023
Parent Company	577,251	-	-	-	-	-
Associated Companies						
- FrieslandCampina Engro Pakistan Limited	470	-	-	-	-	-
- Engro Powergen Qadirpur Limited	9,068	339	885	107	7,866	9,066
- Sindh Engro Coal Mining Company Limited	7,247	-	1,276	1,170	4,802	7,247
- Engro Polymer and Chemicals Limited	345,892	9,040	66,873	100,924	92,446	183,370
- Engro Energy Limited	477,263	109,884	92,675	146,250	126,704	477,263
- Engro Powergen Thar (Private) Limited	918	-	-	-	-	-
- Engro Energy Services Limited	147	-	0	9	138	147
- Engro Vopak Terminal Limited	9,835	(634)	594	1,712	4,149	5,820
- Elengy Terminal Pakistan Limited	9	-	9	-	-	9
- Think PVC (Private) Limited	30	-	30	-	-	30
- Engro Petrodic (Private) Limited	31	-	8	12	11	31
- Engro Plastidot (Private) Limited	8	-	-	8	-	8
- Engro Elengy Terminal (Private) Limited	163,870	(23,040)	47,377	27,457	76,206	103,700
- Engro Infiniti (Private) Limited	70	-	-	70	-	70
- Engro Digital Limited	92	-	-	-	-	-
- Engro Eximp Agriproducts (Private) Limited	9,708	200	404	921	5,998	7,523
- Engro Foundation	9,940	-	-	-	-	-
- Engro Enmasahra (Private) Limited	1,938	1,938	(978)	(900)	912	1,972
- Engro Eximp FZE	2,637,195	-	-	-	-	-
		96,803	92,970	276,954	326,235	818,962

11.6 In 2021, after conducting a sales tax refund audit of the Subsidiary Company, the Deputy Commissioner Inland Revenue (DCIR) issued an order disallowing input tax claimed amounting to Rs. 386,739 in respect of 12 months period ended December 31, 2016. On appeal filed by the Subsidiary Company against the order of DCIR, Commissioner Inland Revenue – Appeals (CIRA), in his order dated March 30, 2023, deleted disallowances amounting to Rs. 164,102 and remanded back the disallowances amounting to Rs. 113,882. The Subsidiary Company did not press the disallowance amounting to Rs. 2,085 and also agreed to adjust the duplicate claims filed amounting to Rs. 106,670 against the outstanding refund. The DCIR has filed an appeal against the order with Appellate Tribunal Inland Revenue (ATIR) which is yet to be fixed for hearing.

11.7 Sales tax receivable is net-off provision for input tax disallowance amounting to Rs. 196,600 (2023: Rs. 196,600).

11.8 This includes Rs. 2,970,119 (2023: Rs. 1,936,432) paid to a gas supplier pursuant to an arrangement under which the Holding Company has committed to fulfill certain obligations in case of default by another gas company. The gas supplier will return the amount so paid once another gas company settles its outstanding amount.

12. loans, advances, deposits and prepayments

	2024	2023
	Rupees	
- considered good		
Current portion of long term loans and advances to executives and other employees (note 7)	10,218	71,859
Advances and deposits	2,969,767	3,375,511
Prepayments		
- Insurance	628,403	514,564
- Freight	377,925	19,041
- Others	668,685	12,222
	4,594,998	3,953,197

13. short-term investments

At fair value through profit or loss		
- Investment in units of mutual funds (notes 13.1 and 13.2)	2,490,852	21,848,366
At amortised cost		
- Pakistan Investment Bonds	-	1,764,472
- Term Deposit Receipts (note 13.3)	1,200,000	450,000
	1,200,000	2,214,472
	3,690,852	24,062,838

13.1 This represents investment in 24,555,635 units (2023: 423,222,112 units) of Mutual Funds having cost amounting to Rs. 2,441,002 (2023: Rs. 21,771,717).

13.2 This includes investment in 11,057 units (2023: 56,515,267 units) of Shariah Compliant mutual funds amounting to Rs. 1,011 (2023: Rs. 5,986,860) having cost amounting to Rs. 1,035 (2023: Rs. 5,977,286).

13.3 Term Deposit Receipts have a maturity of one month and carry interest at the rate of 13% (2023: 19.50%) per annum (2023: maturing in one to ten months).

14. cash and bank balances

	2024	2023
	Rupees	
Cash at banks in:		
- deposit accounts (notes 14.1 and 14.4)	1,543,703	2,369,498
- current accounts (notes 14.2, 14.3 and 14.5)	2,761,333	1,672,573
	4,305,036	4,042,071
Cash in hand	3,113	11,613
	4,308,149	4,053,684

14.1 Deposit accounts carry return at the rates ranging from 11.50% to 13.50% (2023: 14.50% to 20.50%) per annum.

14.2 Includes Rs. 574,375 (2023: Rs. 402,089) held in foreign currency bank accounts.

14.3 The Subsidiary Company has a T-Call account with Bank Al Habib Limited having balance of Rs. 50,112 (2023: Rs. 730) as at December 31, 2024 and carried returns during the year ranging from 10% to 20.5% (2023: 14.5% to 20.5%).

14.4 Includes Shariah Compliant bank balances amounting to Rs. 423,924 (2023: Rs. 623,640) and carries profit ranging from 5.50% to 8.50% (2023: 20%).

14.5 Includes Shariah Compliant bank balances amounting to Rs. 214,748 (2023: Rs. 349,019).

15. assets classified as held for sale

As at December 31, 2023, certain assets of the Holding Company had been classified as held for sale due to the decision of the directors of the Holding Company to sell its E-Logistics business (previously classified under vehicles in operating assets). During the year, the Holding Company entered into an agreement with Hamdard Laboratories (Waqf) Pakistan in respect of sale of its entire fleet of vehicles and office equipment. The transaction was completed on May 20, 2024 at a sale price of Rs. 1,550,000.

16. share capital

	2024	2023
	...Rupees...	
Authorised capital		
1,400,000,000 (2023: 1,400,000,000) Ordinary shares of Rs. 10 each	14,000,000	14,000,000
Issued, subscribed and paid-up capital		
256,132,299 (2023: 256,132,299) Ordinary shares of Rs. 10 each, fully paid in cash	2,561,323	2,561,323
9,999,993 (2023: 9,999,993) Ordinary shares of Rs. 10 each issued as at January 1, 2010 on transfer of fertilizer undertaking	100,000	100,000
1,062,800,000 (2023: 1,062,800,000) Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	10,628,000	10,628,000
4,367,083 (2023: 4,367,083) Ordinary shares of Rs. 10 each issued upon exercise of conversion option by International Finance Corporation (IFC)	43,670	43,670
	13,332,993	13,332,993

16.1 As at reporting date, the Parent Company held 56.27% (2023: 56.27%) of the share capital of the Holding Company.

16.2 These fully paid ordinary shares carry one vote per share and right to dividend.

17. reserves

	2024	2023
	...Rupees...	
Capital reserves		
Share premium	3,384,904	3,384,904
Revenue reserves		
Remeasurement of post employment benefits	(69,543)	(74,033)
Unappropriated profit	30,790,190	31,233,888
	30,720,647	31,159,855
	34,105,551	34,544,759

18. borrowings - secured (non-participatory)

	Note	Mark - up rate per annum	Instalments: Number	Instalments: Commenced / Commencing from	2024	2023
					...Rupees...	
Long term finance utilised under mark-up arrangements						
Senior Lenders						
Allied Bank Limited	18.2 and 18.4	3 months KIBOR + 0.25%	8 half yearly	June 21, 2023	[illegible]	[illegible]
Allied Bank Limited	18.2 and 18.4	3 months KIBOR + 0.25%	12 quarterly	March 20, 2022	[illegible]	[illegible]
Allied Bank Limited	18.2 and 18.4	3 months KIBOR + 0.25%	8 half yearly	June 30, 2023	[illegible]	[illegible]
Allied Bank Limited	18.2 and 18.4	3 months KIBOR + 0.25%	8 half yearly	June 16, 2022	-	[illegible]
MCB Bank Limited	18.2 and 18.4	3 months KIBOR + 0.25%	8 half yearly	June 27, 2022	-	[illegible]
United Bank Limited	18.4	3 months KIBOR - 0.25%	4 quarterly	December 31, 2025	[illegible]	-
Meezan Bank Limited	18.4	3 months KIBOR + 0.10%	28 quarterly	February 03, 2029	[illegible]	-
Habib Bank Limited	18.4	3 months KIBOR + 0.10%	12 quarterly	December 30, 2028	[illegible]	-
Habib Bank Limited	18.4	3 months KIBOR - 0.25%	8 half yearly	December 30, 2025	[illegible]	-
MCB Bank Limited	18.4	3 months KIBOR - 0.25%	4 quarterly	February 11, 2026	[illegible]	-
					[illegible]	[illegible]
TERF Loans						
Allied Bank Limited	18.3 and 18.4	1.50%	Various	March 20, 2023	[illegible]	[illegible]
Habib Bank Limited	18.3 and 18.4	2.00%	Various	January 28, 2023	[illegible]	[illegible]
MCB Bank Limited	18.3 and 18.4	1.50%	Various	January 13, 2023	[illegible]	[illegible]
					[illegible]	[illegible]
Less: Fair value adjustment for loan at below market rate	19				[illegible]	[illegible]
					[illegible]	[illegible]
					[illegible]	[illegible]
Less: Current portion shown under current liabilities					[illegible]	[illegible]
					[illegible]	[illegible]
					[illegible]	[illegible]

18.1 All senior debts are secured by an equitable mortgage upon immovable property of the Holding Company and equitable charge over current and future operating assets excluding immovable property of the Holding Company.

18.2 During the year, the Holding Company made principal repayments of long term finances to MCB Bank Limited and Allied Bank Limited amounting to Rs. 833,333 and Rs. 1,240,738, respectively.

18.3 During the year, the Holding Company repaid TERF loan to Allied Bank Limited, Habib Bank Limited and MCB Bank Limited amounting to Rs. 90,719, Rs. 88,814 and Rs. 433,113, respectively. These borrowings have the same charge as the borrowings from other Senior Lenders on operating assets. Mark-up is chargeable at concessional rates ranging from 1.50% to 2.00% per annum and is payable in quarterly or semi-annual installment starting from January 2022.

In accordance with IFRS 9 Financial Instruments, the Holding Company has recognised these loans at their fair value and the differential markup as deferred government grant income, as mentioned in note 19 to the consolidated financial statements, which will be amortised and set off against finance cost over the period of the facilities.

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

	2024	2023
	Rupees	
Balance as at January 1	5,962,441	12,669,828
Borrowings availed during the year	18,000,000	-
Repayment of borrowings	(2,686,717)	(7,076,643)
Fair value adjustment for below market rate - net (note 19)	239,997	169,724
Exchange loss	-	199,532
Balance as at December 31	21,536,721	5,962,441

18.5 In accordance with the terms of the Inter-Creditor Agreement (ICA), the Holding Company is obligated to comply with certain covenants including Senior Finance Service Coverage Ratio, Finance to equity ratio, Total Finance to Equity Ratio, Current Ratio and Senior Finance to EBITDA. The details of such covenants are:

Type of Ratio	Minimum Requirement
Senior Finance Service Coverage Ratio	At least 1.25x
Finance To Equity Ratio	75:25
Total Finance to Equity Ratio	80:20
Current Ratio	At least 1.0x
Senior Finance to EBITDA	Maximum 4.0x

As of the reporting date, the Holding Company has not complied with one of its covenant, i.e current ratio. However, the Holding Company has received a waiver from the respective banks for a period of 12 months from the reporting date. The Holding Company based on it projections remains confident that there are no indicators that it will have difficulties in complying with the required financial covenants when these will be next tested.

19. government grant

	2024	2023
	Rupees	
Balance as at January 1	957,089	1,146,813
Less: released to the consolidated statement of profit or loss (note 32.1)	(239,997)	(189,724)
	717,092	957,089
Less: Current portion	(202,737)	(236,755)
	514,355	721,334

19.1 The Holding Company recognised government grant on loan received at below market interest rate (notes 18.3) in accordance with IAS 20 'Accounting for government grants and disclosure of government assistance'.

20. deferred taxation

	Balance as at January 1, 2023	Recognised in profit or loss (note 34)	Recognised in OCI	Balance as at December 31, 2023	Recognised in profit or loss (note 34)	Recognised in OCI	Balance as at December 31, 2024
	Rupees						
Taxable temporary differences:							
- Accelerated depreciation allowance and Staff retirement benefits	(9,983,833)	(851,480)	16,800	(10,818,513)	(1,400,707)	2,869	(12,216,351)
Deductible temporary differences:							
- Provisions (note 20.1)	6,828,809	1,830,854	-	8,659,663	(1,134,533)	-	7,525,130
	(3,154,024)	979,374	16,800	(2,157,850)	(2,535,240)	2,869	(4,691,221)

20.1 This includes an amount of Rs. 7,631,070 (2023: Rs. 7,631,070) relating to disallowance of GIDC provision by the income tax department on account of non-payment.

21. deferred liabilities

	2024	2023
	Rupees	
Deferred income (note 21.1)	88,329	42,194
Service benefit obligations	271,737	257,054
Less: Current portion shown under current liabilities	(62,546)	(62,546)
	209,191	194,508
	247,520	236,702

21.1 This represents Rs. 96,827 received from Engro Powergen Qadirpur Limited (EPQL), an associated company, for the right to use the Holding Company's infrastructure facilities at Daharki Plant by the employees of EPQL for a period of twenty five years. The amount is being amortised over such period.

22. trade and other payables

	2024	2023
	...Rupees...	
Creditors	1,001,679	2,272,404
Accrued liabilities (notes 22.1 to 22.3)	47,606,014	42,189,804
Advances from customers, contract liabilities (note 22.4)	3,552,441	18,851,279
Payable to:		
- FrieslandCampina Engro Pakistan Limited	20	1,020
- Engro Corporation Limited	540,222	670,916
- Engro Foundation	393,769	247,760
- Engro Powergen Thar (Private) Limited	2,997	1,225
- Engro Eximp FZE	10,105,048	7,897,587
- Engro Energy Limited	479,048	-
- Engro Powergen Qadirpur Limited	9,884	-
- Engro Technical Solutions (Private) Limited	150,542	-
- Sindh Engro Coal Mining Company	884	-
- Defined Contribution Provident Fund	1,358	1,222
- Defined Contribution Provident Fund - NMPT	21	43
- Defined Contribution Gratuity Fund - MPT	4,790	4,583
- Defined Contribution Pension Fund (note 39.2.1)	12,646	16,674
- Defined Benefit Gratuity Fund - NMPT (note 39.2.1)	172,464	136,157
Deposits / Retention from dealers and contractors (note 22.5)	416,296	348,949
Workers' Welfare Fund (WWF) (note 22.6)	1,573,007	1,508,416
Workers' profits participation fund (note 22.6)	298,260	-
Witholding tax payable	144,714	87,670
Others	140,163	60,120
	66,808,267	74,095,829

22.1 On June 4, 2021, the SHC through its judgement upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 promulgated retrospectively with effect from July 01, 1994 as valid and declaring it within the competen ce of provincial legislature. The Group maintains adequate provision in these consolidated financial statements and has filed Civil Petition for Leave to Appeal (CPLA) before the SCP to challenge the SHC Judgement. On September 01, 2021, the SCP granted an interim relief in the appeals and suspended the SHC Judgement. The Group carries an accrual of Rs. 4,949,310 (2023: Rs. 3,854,204) in this respect.

22.2 On June 10, 2021, the Holding Company filed a Suit before the SHC in which it prayed that Sui Northern Gas Pipelines Limited (SNGPL) be directed to supply the contracted / committed volume of feed gas at concessionary pricing under the Gas Sale and Purchase Agreement and in accordance with the Fertilizer Policy 2001, Instructions to Bidders and various Economic Coordination Committee decisions.

The SHC was pleased to grant an ad interim stay vide its order dated June 21, 2021, directing the parties to maintain status quo with regard to disconnection of gas supply and pricing. The Group, without prejudice to the pending Suit and any admission of liability, has on prudent basis recorded an accrual of Rs. 21,219,869 (2023: Rs.16,736,935) in these consolidated financial statements.

22.3 In 2022, the Holding Company received a letter from one of its gas supplier, which indicated that the pricing of gas supplied to the Holding Company from the aforementioned gas field would be higher of the applicable Petroleum Policy or the gas price notified by the Oil and Gas Regulatory Authority ("OGRA") for the fertilizer sector and such charge shall be applicable from the date of execution of the Gas Sale and Purchase Agreement (GSPA).

In this regard, the Holding Company has submitted a formal response to the gas supplier. Without prejudice to the foregoing and any admission of liability, the Group has on prudent basis recorded an accrual amounting to Rs. 2,380,450 (2023: Rs. 2,380,450) in these consolidated financial statements.

22.4 This represents advances received by the Group from customers for goods to be delivered. The advances outstanding as at January 01, 2024 have been fully recognised as revenue during the year.

22.5 The amount is kept in separate term deposits account as per the terms of agreements and is not utilised for the purpose of the business of the Group.

	2024		2023	
	WPPF	WWF	WPPF	WWF
	...Rupees...			
22.6 Movement of WPPF / WWF				
Balances at January 1	(393,086)	1,508,416	(374,563)	939,941
Charge for the year	2,388,934	935,333	2,385,981	996,046
Payments during the year	(1,667,618)	(870,742)	(2,384,454)	(427,571)
Balances at December 31	298,260	1,573,007	(393,086)	1,508,416

23. provision for gas infrastructure development cess

The Honorable Supreme Court of Pakistan (SCP) through its judgement dated August 13, 2020 (judgement) declared that the levy imposed under the Gas Infrastructure Development Cess (GIDC) Act, 2015 (the Act) is valid and in accordance with the provisions of the Constitution of Pakistan 1973 (the Constitution). The SCP in its judgement stated that the Government has already collected Rs. 295 million and this amount combined with the outstanding amount would be in the vicinity of Rs. 700 million. The SCP, therefore, issued the following directions:

- It restrained the Federal Government from charging further GIDC until such time that the GIDC already collected and accrued (but not yet collected), is expended on projects listed under the Act;

- As all industrial and commercial entities which consume gas for their business activities pass on the burden to their customers, therefore, GIDC that has become due up to July 31, 2020, and has not been recovered so far, shall be recovered by the gas companies responsible under the Act to recover from their consumers in twenty-four equal monthly installments, without the component of Late Payment Surcharge (LPS); and

- In case, no work is carried out on the gas infrastructure pipelines in the manner and / or time specified in the judgement, the purpose of levying GIDC shall be deemed to have been frustrated and the Act would become completely in-operational and considered dead for all intents and purposes.

Pursuant to the Judgement, the gas suppliers began invoicing the GIDC installments for recovery with effect from August 01, 2020.

Aggrieved by the judgement, the Holding Company filed a review petition before the SCP, which was dismissed by the SCP on November 02, 2020 (Review Decision). However, the Review Decision (i) noted that the Government of Pakistan (GoP) is agreeable to recover the unpaid arrears in 48 monthly installments instead of 24 monthly installments provided the time period for the projects was extended to 12 months from 6 months, and (ii) upheld the validity of Section 8(2) of the Act. The SCP protected the rights of the Industrial Sector (excluding Fertilizer Fuel Stock) to approach the appropriate fora for enforcement of the exemption provided under the provision to Section 8(2) of the Act.

Subsequent to the Review Decision, the Holding Company filed a rectification application before the SCP seeking a clarification regarding the increase in number of installments.

The Holding Company also filed a suit before the Sindh High Court (SHC) on December 17, 2020 against collection of GIDC on non-concessionary feed gas supplied under the non-fixed price contracts and the fuel gas, on the basis of relief available under section 8(2) of the Act and on the grounds that factual determination of the GIDC passed-on is to be carried out. The SHC granted the Holding Company an interim stay restraining the impleaded gas companies from taking coercive action against the Holding Company for non-payment of GIDC installments.

Further, against the GIDC installment invoice received from SNGPL on concessionary gas supplied under the fixed price Gas Sale and Purchase Agreement dated April 11, 2007 (GSPA), the Holding Company approached the SHC to challenge this imposition. The Holding Company has obtained a stay order in its favour and the SHC has restrained SNGPL from taking any coercive against the Holding Company on collecting GIDC on feed stock gas

supplied to the Holding Company under the GSPA. The management has made an assessment (as confirmed by the legal advisor) that there are reasonable chances of a favourable outcome in relation to the legal proceedings filed against SNGPL for feed gas supplied under the GSPA. Hence no provision on account of GIDC has been recorded by the Group in these consolidated financial statements in respect of feed gas received under the GSPA.

Considering the events and developments in GIDC case the Institute of Chartered Accountants of Pakistan (ICAP) released "Guidance on Accounting of GIDC" via Circular No. 1/2021 dated January 19, 2021, which specifies the requirements for recognition, measurement and presentation of GIDC.

Keeping in view the financial reporting guidance of ICAP, the Group has applied IAS 37 – "Provisions, Contingent Liabilities and Contingent Assets" and re-measured its previously undiscounted provision at its present value using the risk free rate, giving due consideration to the latest available information and the expected timing of the settlement i.e. 48 monthly installments, as also referred to in the Review Decision.

23.1 The movement in provision for GIDC is as follows:

	2024	2023
	...Rupees...	
Balance as at January 1	19,668,031	19,020,120
Remeasurement loss on provision for GIDC	-	537,911
Balance as at December 31	19,668,031	19,668,031
Less: Current portion of provision for GIDC	(19,668,031)	(19,668,031)
	-	-

24. short term borrowings

Holding Company

The Holding Company has funded facilities for short-term finances available from various banks and institutional investors amounting to Rs. 68,420,000 (2023: Rs. 20,930,000) along with non-funded facilities of Rs. 11,432,000 (2023: Rs. 18,432,000) for bank guarantees. The rates of mark-up on funded bank overdraft facilities ranged from minus 2.00% to 0.50% (2023: 0.2% to 0.65%) per annum over 1-month, 3-month and 6-month KIBOR and all facilities are secured by floating charge upon all present and future stocks including raw and packing materials, finished goods, stores and spares and other merchandise and on all present and future book debts, outstanding monies, receivable claims and bills of the Holding Company. The Holding Company has utilised Rs. 12,451,622 (2023: Rs. 322,899) from funded facilities and Rs 6,817,869 (2023: Rs. 6,278,418) from non-funded facilities as at the reporting date.

Subsidiary Company

The facilities for short-term running finances, available from various banks, aggregate to Rs. 11,525,000 (2023: Rs. 11,525,000). The rates of markup on the funded bank overdraft facilities ranged from 0.2% to 0.5% per annum over 1-month and 3-month KIBOR. These facilities are secured by floating charge upon all present and future stocks including raw and packaging materials, finished goods, stores, and spares, and other merchandise and on all present and future book debts, outstanding monies, receivable claims, and bills of the Holding Company. As at December 31, 2024, the Subsidiary Company has utilised Rs. 228 (2023: Rs. 207,211) out of the aforementioned facilities.

25. contingencies and commitments

Contingencies

25.1 As at December 31, 2024, bank guarantees of Rs. 9,984,004 (2023: Rs. 8,444,554) have been issued in favour of third parties.

25.2 In 2021, the income tax department [i.e. Large Taxpayers Unit (LTU)] initiated income tax audits of the Holding Company u/s 177 of the Income Tax Ordinance, 2001 (the Ordinance) for the Tax Year (TY) 2015, 2016, 2018 and 2020 and sales tax audits u/s 25 of the Sales Tax Act, 1990 for TY 2017, 2018 and 2019 in accordance with the sectoral audit directives issued by Federal Board of Revenue (FBR). As such, the Holding Company received audit selection notices for all these years.

In respect of income tax audits, the tax department completed the audits and issued amendment orders for all tax years creating an aggregate demand of Rs. 16,566,262. Disallowances raised in the orders mainly included credit entries in bank statements treated as revenue / suppressed sales, inadmissibility of expenses, proration of expenses to exempt income and chargeability of WWF and Super Tax on the revised taxable income. The Holding Company had filed an appeal before the Commissioner Inland Revenue (Appeals) CIR(A) against all amendment orders.

In 2022, the decision of the CIR(A) was received for all these years where legal objections inter-alia taken up on the selection / conduct of audit in this manner were upheld. In these orders, favorable decisions were made on majority of the matters, certain issues were remanded back for verification while inadmissibility of certain expenses and disallowance of WPPF were maintained, aggregating to Rs. 581,898. The Holding Company has filed an appeal before ATIR against the unfavorable decisions of CIR(A) which is currently pending.

Subsequently, the tax department issued appeal effect orders based on favorable CIR(A)'s decision, where tax department again decided some of the remanded back issues against the Holding Company resulting in tax liability of Rs. 194,148. Appeal before CIR(A) had been filed against these appeal effect orders. During the year, CIR(A)'s order on aforesaid appeal has been received in favour of the Holding Company.

In respect of sales tax audits, in 2021, the tax department only issued a Show Cause Notice (SCN) for TY 2017. The Holding Company filed Constitutional Petitions before the Sindh High Court (SHC) challenging the SCN issued for TY 2017 as well as the audit selection notices for TY 2017, 2018 and 2019. On December 16, 2021, the SHC granted ad-interim orders in favour of the Holding Company for all three tax years.

Management considers, based on the legal / tax advisor's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.

25.3 In 2022, in respect of TY 2018, the Holding Company received an order from the Assistant Commissioner Inland Revenue (ACIR) restricting brought forward losses having a tax impact of Rs. 659,001. This disallowance had been made in the assessment orders relating to prior years which are pending in appeals. Certain errors have been made in relation to allowance of credits which will be taken up in rectification.

Management considers, based on the tax advisor's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.

25.4 The Holding Company filed a constitutional petition in the SHC against the Ministry of Petroleum and Natural Resources (MPNR), Ministry of Industries and Production (MIP) and SNGPL for continuous supply of 100 mmscfd gas per day to the Holding Company's new plant (EnVen) and to prohibit from suspending, discontinuing or curtailing the aforementioned supply. Through its order dated October 18, 2011, the SHC ordered that SNGPL should supply 100 mmscfd gas per day to the Holding Company's new plant. However, five petitions have been filed in the SCP against the aforementioned order of the SHC by SNGPL, MPNR, Agritech Limited, Pak Arab Fertilizers and Kohinoor Mills Limited alongwith twenty one other companies (mainly engaged in textile business). The aforementioned petitions are pending for further hearing. The Holding Company's management, as confirmed by the legal advisor, considers the chances of these petitions being allowed to be low.

Further, the Holding Company upon continual curtailment of gas after the aforementioned decision of the SHC has filed an application in respect of Contempt of Court under Article 199 & 204 of the Constitution of Pakistan. The Holding Company, in the aforementioned application has submitted that SNGPL and MPNR have failed to restore full supply of gas to the Holding Company's plant despite the judgement of the SHC in the Holding Company's favor. A show cause notice has also been issued against MPNR and SNGPL dated December 31, 2011 by the SHC. The application is pending for hearing and no orders have yet been passed in this regard.

25.5 All Pakistan Textile Processing Mills Association (APTMA), Agritech Limited (Agritech), Shan Dying & Printing Industries (Private) Limited and twenty seven others have each contended, through separate proceedings filed before the Lahore High Court that the supply to the Holding Company's new plant is premised on the output from Qadirpur gas field exceeding

500 mmscfd by 100 mmscfd and, therefore, the Gas Sale and Purchase Agreement (GSA) dated April 11, 2007 between the Holding Company and SNGPL be declared void ab initio because the output of Qadirpur gas field has infact decreased. Agritech has additionally alleged discrimination in that it is receiving less gas than the other fertilizer companies on the SNGPL system. The Holding Company has out rightly rejected these contentions, and is of the view that it has a strong case for the reasons that (i) 100 mmscfd gas has been allocated to the Holding Company through a transparent international competitive bidding process held by the Government of Pakistan, and upon payment of valuable license fee; (ii) GSA guarantees uninterrupted supply of gas to the Holding Company's new plant, with right to first 100 mmcfd gas production from the Qadirpur gas field; and (iii) both the Holding Company and the Qadirpur gas field are located in Sindh. Also neither the gas allocation by the Government of Pakistan nor the GSA predicates the gas supply from Qadirpur gas field producing 100 mmscfd over 500 mmscfd. No orders have been passed in this regard and the petition has also been adjourned sine die given that similar matter is pending in the SCP. However, the Holding Company's management, as confirmed by the legal advisor, considers chances of petitions being allowed to be low.

25.5 In 2013, the Holding Company, along with other fertilizer companies, received a show cause notice from the Competition Commission of Pakistan (CCP) for initiating action under the Competition Act, 2010 (2010 Act) in relation to alleged unreasonable increase in fertilizer prices. The Holding Company has responded in detail that factors resulting in such increase were mainly due to imposition of infrastructure cess, sales tax and gas curtailment. The CCP issued an order in March 2013, whereby it held that the Holding Company has a dominant position in the urea market and that it has abused the same by unreasonable increases in urea prices during the period December 2010 to December 2011. The CCP also held another major fertilizer company to be responsible for abusing its dominant position. Moreover, the CCP imposed a penalty of Rs. 3,140,000 and Rs. 5,500,000 on the Holding Company and the other fertilizer company, respectively. An appeal has been filed before the Competition Appellate Tribunal (CAT) and a writ has been filed in the SHC wherein stay has been granted in favour of the Holding Company restraining CCP and Federation of Pakistan (i.e. Respondents) from taking any coercive action.

In case of the other fertilizer company, the CAT has transferred the case back to the CCP for reassessment. The Holding Company has also challenged the composition of the CAT before the SHC and has secured an interim order in its favour whereby the CAT is restrained from passing any final order against the Holding Company during the pendency of the petition. The Holding Company's management believes that the chances of ultimate success are strong and, hence, no provision has been made in this respect.

During the year, the petitions were disposed of with a direction to the CAT to decide the Company's appeal and in the meantime CCP has been restrained from taking any adverse action against us on the basis of the 2013 order.

25.7 In 2015, the Holding Company received a sales tax order from the tax department for the tax periods January 01, 2013 to December 31, 2013, pertaining to discharge of output tax liability, on assumed production of urea amounting to Rs. 402,875 and on the presumption that output tax liability is not being discharged by the Holding Company on advances received from dealers amounting to Rs. 1,844,075. The Holding Company filed an appeal thereagainst, with the CIR(A) which decided the matters in favour of the Holding Company. The department thereafter challenged the decision of the CIR(A) with the ATIR, which is pending to be heard. No provision has been made by the Holding Company in this respect.

25.8 In 2018, the tax department [i.e. Large Taxpayers Unit (LTU)] issued an order for the period June 2016 to July 2017 with a demand of Rs. 1,006,000 mainly on account of further sales tax to be charged on fertilizers sales to unregistered persons. The Holding Company filed an appeal before the CIR(A) who disposed off the appeal in favour of the tax department. Thereafter, the Holding Company filed an appeal before the ATIR, and it also decided the same in favour of the tax department. The Holding Company challenged the ATIR Order, to the extent of its ruling in relation to exemption from further sales tax, before the SHC by filing Sales Tax Reference Application. On October 11, 2021, the SHC granted an ad-interim order restraining the tax department from taking coercive action against the Company in respect of the recovery of the impugned demand. The Holding Company's management believes that the chances of ultimate success are good, hence, no provision has been made in this respect in these consolidated financial statements.

25.9 In accordance with section 4C 'Super tax on high earning persons' introduced in the Ordinance through the Finance Act, 2022, a super tax at ten percent has been imposed on the specified sectors (including the fertilizer sector) in case the income exceeds Rs. 300,000 for the year ended December 31, 2021 (tax year 2022) while for other sectors super tax was levied at four percent. The Holding Company filed a petition against the imposition of super tax before the SHC where through an interim order, relief was granted conditional on submission of equivalent bank guarantees. 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 the imposition of higher rate on the specified sectors as discriminatory.

The SHC decision was challenged by FBR in Supreme Court, where vide an interim order, Supreme Court directed the Nazir SHC to encash the bank guarantees furnished by taxpayers up to the extent of 4%.

The Group's management has recorded provision of super tax at the rate of four percent for TY 2022 amounting to Rs. 1,299,844 on account of prudence and, based on professional advice, considers that the chances of additional super tax levy of six percent for TY 2022 amounting to Rs.1,949,767 are remote and therefore no provision is recorded thereagainst in these consolidated financial statements.

25.10 As a result of merger of Engro Eximp (Private) Limited (EXIMP) with the Holding Company, all pending tax issues of EXIMP have been transferred to the Holding Company. Major pending issue pertains to exercise of option to be taxed under the Normal Tax Regime (NTR) by EXIMP for the years 2012 and 2013, resulting in an aggregate refund of Rs. 796,000. The tax department had not accepted the said treatment for tax year 2013; however, the matter was decided in favor of the Holding Company by the Commissioner Income Tax Appeals (CIT(A)), against which the tax department has filed an appeal with the Income Tax Appellate Tribunal (ITAT). However, the department had given appeal effect order to the aforementioned favourable decision of the CIT(A) for tax year 2013.

In 2019, in respect of tax year 2013, the matter was decided by the ITAT in favor of the Holding Company and the department's appeal in this respect was rejected. The management is confident of a favorable outcome on this case.

25.11 During the year 2023, the Holding Company received amendment orders in respect of TY 2021, creating disallowances having a tax impact of Rs. 916,584. The disallowances mainly pertained to disallowance of provision for WPPF and on account of disallowance of minimum tax on opening stock-in-trade, provision for GIDC and others. The Holding Company had filed an appeal before the CIR(A) in respect of this order, which has been decided during the year, where most of the issue have been decided in favour of the Holding Company, while remaining issues have been remanded back. The Holding Company has filed a rectification application to address an error in the appellate order. Remand back proceedings are yet to be initiated by the department.

The Holding Company's management considers, based on the tax advisor's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.

25.12 For tax matters, refer note 34 to these consolidated financial statements.

25.13 Commitments

	2024	...Rupees... 2023
Commitments in respect of capital expenditure and other operational items	41,977,008	46,344,052

25.14 Commitment in respect of gas supply arrangement amounting to Nil (2023: Rs. 7,776,485).

26. net sales

	2024	...Rupees... 2023
Revenue from contracts with customers - Gross sales:		
- manufactured products	192,233,463	165,154,292
- purchased and packaged products	82,778,673	67,909,985
- services	246,559	954,355
	275,258,695	234,018,612
Less: Trade discounts	(1,642,037)	(513,302)
Less: Sales tax and duties	(16,941,495)	(9,800,718)
	256,675,163	223,704,592

26.1 All revenue earned by the Group is Shariah Compliant.

27. cost of sales

	2024	...Rupees... 2023
Cost of sales - Manufactured products		
Raw materials consumed	88,940,369	57,865,977
Salaries, wages and staff welfare (note 27.1)	3,602,434	3,184,625
Fuel and power	21,527,504	22,141,024
Repairs and maintenance	6,974,954	3,221,193
Depreciation (note 4.2)	3,698,179	3,468,521
Amortisation (note 5.3)	39,924	18,763
Consumable stores	2,106,094	2,328,649
Training, HSE and other related expenses	1,325,938	1,266,610
Purchased services	1,263,032	1,503,380
Travelling	185,689	149,392
Communication, stationery and other office expenses	45,632	20,985
Insurance	1,332,680	1,378,236
Rent, rates and taxes	34,229	98,352
Other expenses	5,263	61,527
Manufacturing cost	131,081,921	96,707,145
Add: Opening stock of work in process	279,974	133,161
Less: Closing stock of work in process (note 9)	(44,113)	(279,974)
Cost of goods manufactured	131,317,782	96,560,332
Add: Opening stock of finished goods	740,739	5,581,621
Less: Closing stock of finished goods (note 9)	(6,887,648)	(740,739)
	125,170,873	101,401,214
Cost of sales - Purchased and packaged products		
Opening stock - net of provision	9,991,335	9,284,272
Add: Purchases during the year	63,752,437	50,713,213
Less: Closing stock - net of provision	(14,524,128)	(9,991,335)
	59,219,644	50,006,150
	184,390,517	151,407,364

(Amounts in thousand)

27.1 Salaries, wages and staff welfare includes Rs. 241,609 (2023: Rs. 209,982) in respect of staff retirement benefits.

28. selling and distribution expenses

	2024	2023
	...Rupees...	
Salaries, wages and staff welfare (note 28.1)	1,367,024	1,266,075
Training, HSE and other related expenses	204,806	161,838
Product transportation and handling	11,341,040	7,382,077
Royalty (note 28.2)	3,020,590	2,599,958
Repairs and maintenance	35,566	20,346
Advertising and marketing	469,869	540,969
Rent, rates and taxes	755,529	595,417
Communication, stationery and other office expenses	19,075	23,484
Travelling	316,410	156,499
Depreciation (note 4.2)	149,243	139,614
Amortisation (note 5.3)	16,219	9,158
Purchased services	134,067	118,764
Insurance	11,575	18,153
Others	25,324	23,407
	17,864,636	13,063,168

28.1 Salaries, wages and staff welfare includes Rs. 121,568 (2023: Rs. 103,143) in respect of staff retirement benefits.

28.2 Royalty is paid to the Parent Company which has its registered office at 19th floor, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi.

29. administrative expenses

	2024	2023
	...Rupees...	
Salaries, wages and staff welfare (note 29.1)	1,401,339	1,335,850
Training, HSE and other related expenses	72,553	86,403
Repairs and maintenance	6,070	50,862
Rent, rates and taxes	276,186	287,862
Communication, stationery and other office expenses	25,974	15,548
Travelling	66,025	54,609
Depreciation (note 4.2)	371,076	276,276
Amortisation (note 5.3)	165,542	176,779
Purchased services	1,901,514	2,068,990
Aircraft operating expense (note 29.2)	285,015	179,889
Insurance	56,954	8,796
Other expenses	83,155	54,108
	4,760,403	4,576,372

(Amounts in thousand)

29.1 Salaries, wages and staff welfare includes Rs. 48,912 (2023: Rs. 47,241) in respect of staff retirement benefits.

29.2 This is net of recoveries from group companies.

30. other income

	2024	2023
	...Rupees...	
On financial assets		
Income on Government securities, Term Deposit receipts, mutual fund units and bank deposits (note 30.1)	2,498,037	3,345,739
On non-financial assets		
Gain on disposal of operating assets (note 4.3)	-	162,838
Scrap sales	95,008	117,066
Reversal of provision for impairment against trade debts (note 10.2)	31,020	-
Others	301,145	88,296
	427,173	368,200
	2,925,210	3,714,027

30.1 It includes profit earned on Shariah Compliant bank deposits and units of Shariah Compliant mutual funds amounting to Rs. 183,531 (2023: Rs. 98,766).

31. other operating expenses

	2024	2023
	...Rupees...	
Workers' profits participation fund	2,358,964	2,355,951
Workers' welfare fund	935,333	996,048
Donation (notes 31.1 and 31.1.1)	463,819	577,510
Legal and professional	100,552	130,867
Provision for impairment against trade debts (note 10.2)	-	91,299
Directors' fees	14,419	22,736
Auditors' remuneration (note 31.2)	34,564	16,050
Loss on disposal of operating assets	191,072	-
Others	414,713	168,971
	4,513,436	4,359,431

31.1 During the year, the Holding Company made the donations to Engro Foundation amounting to Rs. 396,000 (2023: Rs. 430,000). Mr. Ahsan Zafar Syed, the Chief Executive Officer of the Holding Company, is also the trustee of Engro Foundation.

31.1.1 This also includes an amount of Rs. 67,819 (2023: Rs. 45,449) recharged by the Parent Company for operational expenditure of Engro Foundation.

32 auditor's remuneration

	2024	2023
	Rupees	
Fee for:		
- audit of annual financial statements	5,317	4,252
- review of half yearly financial information	1,158	1,011
- review of compliance with the Code of Corporate Governance	88	99
- certifications, secondments and other advisory services	4,071	2,299
- taxation services	21,701	7,279
Reimbursement of expenses	2,199	1,111
	34,664	16,050

32. finance cost

	2024	2023
	Rupees	
Interest / mark-up / return on:		
- long-term borrowings under:		
- interest / mark up arrangements (note 32.1)	887,593	1,237,172
- Shariah permissible arrangements	-	71,340
	887,593	1,308,512
- short-term borrowings under:		
- interest / mark up arrangements (notes 32.2 and 32.3)	2,462,410	(251,690)
- Shariah permissible arrangements	815,534	159,350
	3,267,944	(92,340)
Foreign exchange loss - net	(26,958)	62,792
	4,128,579	1,308,964

32.1 This is net of government grant income on TERF loans amounting to Rs. 239,997 (2023: Rs. 189,724) (note 19).

32.2 This is net of interest income earned on credit facilities offered to customers.

32.3 This is net of recoveries from group companies in respect of finance cost charge for the use of aircraft.

33. loss allowance on subsidy receivable from GoP

This represents loss allowance recognised on 'Subsidy receivable from the GoP' (note 11.2) in accordance with the 'Expected Credit Loss' model under IFRS 9, giving consideration to the time value of money based on expected recovery of subsidy receivable. The Holding Company, however, is confident of full recovery of the subsidy amount from the GoP.

34. taxation

	2024	2023
	Rupees	
Current		
- for the year (note 34.1)	18,621,831	19,026,866
- for prior years (notes 34.1 and 34.11)	8,005,586	1,945,024
	26,627,417	21,271,890
Deferred (note 20)	(9,731,735)	2,330,475
	16,895,682	23,602,166

The Group continually evaluates its tax position based on amendments by the taxation authorities and developments thereon. Adequate provision in this respect is being maintained in these consolidated financial statements without prejudice to the tax proceedings before any appellate / judicial forum and admission of any liability in this respect. Matters where there is a difference between the position taken by taxation authorities and the Group's own position based on its assessment of law and in accordance with its legal / tax consultant's opinion, such matters are being reported as contingent liabilities. Please refer note 25 in this respect.

34.1 Section 4C 'Super tax on high earning persons' of the Ordinance amended through the Finance Act, 2023, retrospectively increased the tax rate to 10% where the income exceeds Rs. 500,000 for tax year 2023. The Group filed a petition against this retrospective increase in tax rate for TY 2023 before the Islamabad High Court (IHC), which gave a decree against this retrospective increase, in favour of the taxpayers. During the year, the tax department has filed an intra-court appeal against the IHC judgement, which is currently pending adjudication.

The group continues to maintain super tax provision at 10% for tax year 2023 and onwards.

34.2 In 2020, the income tax department amended the assessment filed by the Holding Company for tax year 2019. The Holding Company filed an appeal before the CIR(A) against the disallowances, which mainly pertained to proration of expenses to exempt / FTR incomes, tax credit on investment in plant and machinery, disallowance of deductible allowances for WWF / WPPF resulting in demand of Rs. 1,145,227 (additions to taxable income of Rs. 3,305,906). In addition, the tax department raised demand for Super tax amounting to Rs. 476,629.

In 2022, the appeal was heard by CIR(A) and favorable decision was passed mainly pertaining to proration of expenses to exempt income, tax credit on investment in plant and machinery, and disallowance of deductible allowances for WWF and WPPF, hence, reducing the aggregate demand to Rs. 294,586. The Holding Company has filed an appeal before the ATIR against the unfavorable decision of CIR(A).

Subsequently, the tax department passed an appeal effect order based on favourable CIRA's decision and has maintained disallowance on deductible allowance for WPPF having tax impact of Rs. 269,455. Appeal before CIR(A) has been filed against this matter.

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on this amendment.

34.3 In 2015, the income tax department amended the assessment filed by the Holding Company for tax year 2014. The Holding Company filed an appeal before the CIR(A) against the disallowances, which mainly pertained to exchange gain and loss, loss on derivatives and losses purchased from Engro Eximp Agriproducts (Private) Limited, an associate, under section 59B the Ordinance resulting in demand of Rs. 1,231,201 (additions to taxable income of Rs. 3,191,963). In addition, the tax department raised demand for the Alternative Corporate Tax (ACT) through the same order, for which the Company specifically obtained a stay order. The matter was heard by the CIR(A) and favorable decision was made in respect of exchange gain and loss and acceptance of tax refunds of prior years, whilst other additions made by the tax department in respect of ACT, loss on derivatives and group relief under section 59B were maintained in the order. The Holding Company has filed an appeal against the order of CIR(A) before the ITAT which is pending to be heard.

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on this amendment.

34.4 In 2019, the income tax department amended the assessment filed by the Holding Company for the tax years 2016, 2016 and 2017. The Holding Company filed appeals before the CIR(A) for disallowances made in the orders which mainly included proration of expenses to exempt / FTR incomes, exchange loss disallowances, loss on derivatives and losses purchased from Engro Eximp Agriproducts (Private) Limited, an associate, under section 59B of the Ordinance resulting in cumulative demand of Rs. 1,980,696 (cumulative additions of Rs. 16,173,626 to taxable income) for these tax years. Subsequently, the CIR(A) passed an order for tax years 2016, 2016 and 2017 maintaining most of the additions made by the taxation officer in the amendment order, whilst allowing deletion of expenses on allocation basis to exempt income and claim of exchange losses on realised basis. The Holding Company, as well as the tax department, filed appeals against the CIR(A)'s order before the ATIR.

Through order dated February 26, 2020, ATIR decided the amendment orders for Tax year 2015 and 2016 mainly in favor of the Holding Company, except for certain disallowances including provisions on other receivables, retirement benefits and disallowance of loss on fair valuation of embedded derivative which were maintained or remanded back to the tax department for verification. On June 01, 2020, the tax department filed reference application before the SHC for questions of law arising out of the ATIR order.

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on these amendments.

34.5 In 2022, in respect of tax year 2018, the Holding Company received an amendment order from the ACIR majorly pertaining to issues of amortisation on intangibles, claim of WPPF, allowance of minimum tax credit and others. The Holding Company filed an appeal before the CIR(A) against this order. During the year, an appellate order was passed by the CIR(A) confirming certain additions, certain issues were remanded back whereas certain issues were allowed. An appeal effect in this respect is still awaited. The Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue against the order of CIRA.

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on this amendment.

34.6 In 2014, the income tax department amended the assessment filed by the Holding Company for TY 2010 and 2011. The Holding Company filed appeals thereagainst before the ATIR against the said disallowances, which through its decision provided relief in respect of certain items and confirmed certain disallowances in favor of the tax department. The said disallowances included charge in respect of exchange gain and loss incurred for TY 2010 and TY 2011, and loss on derivative for TY 2011 raising a demand in respect of these years in aggregate of Rs. 1,075,466. The Holding Company had challenged the said decision before the SHC. In the year 2020, the matter was heard, and is reserved for judgement.

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on this amendment.

34.7 In 2023, the Holding Company received an order from the ACIR creating a demand of Rs. 494,108 in respect of tax year 2017. The Holding Company filed an appeal before the CIR(A) against this order. During the year, hearing was held and appellate order was passed by the CIR(A) where certain issues were remanded back and certain issues were allowed. Subsequently, the tax department passed an appeal effect order based on CIR(A)'s favorable decision on the matter of amortisation on intangibles while appeal effect on remaining issues is yet to be issued. Remand back proceedings are also yet to be concluded.

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on this amendment.

34.8 In 2018, the Holding Company received recovery notice from the Federal Board of Revenue for payment of Super tax, in accordance with Section 4B of the Ordinance for TY 2018. The Holding Company filed a Constitutional Petition before the SHC challenging the notice as well as the vires of Section 4B of the Ordinance. An interim order was granted in favour of the Holding Company. On July 21, 2020, the SHC held that Section 4B was intra vires the Constitution (SHC judgement). Thereafter, the Holding Company filed a Civil Petition for Leave to Appeal (CPLA) before the SCP challenging the SHC judgement. The CPLA was filed by the Holding Company only in relation to TY 2018 i.e. the year which was challenged before the SHC as well.

Pursuant to the SHC Judgement, the tax department passed orders to the Holding Company for tax years 2015 to 2019 in relation to recovery of Super tax aggregating to Rs. 2,110,491. The Holding Company filed appeals against the orders before the CIR(A).

On November 26, 2020, the SCP granted leave to appeal and passed an interim order restraining the Respondents from taking any coercive action against the Petitioner taxpayers (including the Holding Company) subject to them depositing 50% of the impugned outstanding tax amount. The Holding Company has till date paid Super tax amounting to Rs. 1,573,528 against the relevant tax years. Adequate provision for the remaining amount related to Super tax for the respective tax years is being maintained in these consolidated financial statements.

34.9 In 2023, the Holding Company received an order from the Deputy Commissioner Inland Revenue (DCIR), in respect of tax year 2022, amending the Group return filed along with the Subsidiary Company to make disallowances having a tax impact of Rs. 3,716,104. The Holding Company filed an appeal before the CIR(A) against this order. During the year, hearing was held and appellate order was passed by the CIR(A). Subsequently, the tax department passed an appeal effect order based on CIR(A)'s decision, reducing the aggregate demand to Rs. 3,173,104.

The Group maintains adequate provision in these financial statements and is confident of an ultimate favorable outcome on this amendment.

34.10 As a result of demerger in the year 2009, all pending tax issues of the then Parent Company, Engro Chemical Pakistan Limited had been transferred to the Holding Company. Major issues pending before the taxation authorities are described below.

In previous years, the taxation department had filed reference applications in the SHC against the below-mentioned ATIR's decisions in the Holding Company's favor. No hearing has been conducted to-date. The reference application includes the following matters:

- Group Relief (Financial year 2006 to 2008): Rs. 1,500,847
- Inter-Corporate Dividend (Financial year 2007 to 2008): Rs. 336,500
- G.P. Apportionment (Financial years 1996 to 2002): Rs. 653,000

The Group maintains adequate provision in these consolidated financial statements and is confident of an ultimate favorable outcome on these cases.

34.11 During the year, the Holding Company received an order from the Additional Commissioner Inland Revenue (ACIR), in respect of tax year 2023, amending the Group return filed along with the Subsidiary Company to make disallowances having a tax impact of Rs. 4,815,451. These pertain to disallowance of provisions made for Sindh Infrastructure Development Cess accruals, provision for gas pricing under the Gas Supply and Purchase Agreement, provision for impairment against trade debts, loss on disposal of operating assets and WPPF. The Holding Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] which was heard and an appellate order was passed. Subsequently, the tax department passed an appeal effect order based on CIR(A)'s decision, reducing the aggregate demand to Rs. 4,204,700.

34.12 Relationship between tax expense and accounting profit

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Group's applicable tax rate as follows:

	2024	2023
	...Rupees...	
Profit before taxation	45,155,920	49,690,268
Tax calculated at the rate of 29% (2023: 29%)	13,095,217	14,411,048
Tax effect of:		
- Expenses not allowed for tax	932,649	616,006
- Change in tax rate	-	1,853,639
- Final / Special Tax Regime and exempt income	(16,333)	(162,868)
Super tax	4,422,998	5,027,329
Effect of prior year tax charge / (note 34.13)	(273,051)	1,946,024
Tax charge for the year	18,896,682	23,602,168

34.13 This is net of the corresponding deferred tax impact.

(Amounts in thousand)

35. earnings per share (EPS)

35.1 Basic EPS has been calculated by dividing the profit attributable to equity holders of the Holding Company by weighted average number of ordinary shares in issue during the year.

35.2 As at December 31, 2024, there is no dilutive effect on the basic earnings per share of the Holding Company. EPS is based on the following:

	2024	2023
	...Rupees...	
Profit for the year	28,260,238	26,191,102
	.....Numbers of Shares.....	
Weighted average number of ordinary shares (in thousands)	1,335,299	1,335,299

36. financing structure / mode

	2024	2023
	...Rupees...	
Conventional mode:		
Assets		
Short-term investments	3,689,841	18,075,978
Long-term investments	4,268,249	101,067
Cash and bank balances	3,669,563	3,081,025
	11,627,653	21,258,070
Liabilities		
Long-term borrowings	8,535,721	5,982,441
Short-term borrowings	7,318,439	530,110
	15,854,160	6,512,551
Shariah compliant mode:		
Assets		
Short-term investments	1,011	5,986,850
Cash and bank balances	638,672	972,659
	639,683	6,959,509
Liabilities		
Long-term borrowings	13,000,000	-
Short-term borrowings	5,133,411	-
	18,133,411	-

(Amounts in thousand)

37. shariah compliance disclosure

	Note	2024 Conventional	2024 Shariah Compliant	2024 Total	2023 Conventional	2023 Shariah Compliant	2023 Total
		---Rupees---			---Rupees---		
Statement of Financial Position							
Borrowings	18	8,535,721	13,000,000	21,535,721	5,982,441	-	5,982,441
Short-term borrowings	24	7,318,439	5,133,411	12,451,850	530,110	-	530,110
Accrued interest / mark-up		963,611	246,777	1,209,388	67,294	5,520	72,814
Long-term investments	6	4,268,249	-	4,268,249	202,134	-	202,134
Short-term investments	13	3,689,841	1,011	3,690,852	19,085,542	5,977,286	24,062,828
Accrued income		271,970	110	272,080	116,629	-	116,629
Cash and bank balances	14	3,669,477	638,672	4,308,149	3,081,490	972,204	4,053,694
Statement of profit or loss							
Net sales	26	-	256,675,163	256,675,163	-	223,704,592	223,704,592
Other income	30	2,529,067	396,153	2,925,210	3,508,637	205,390	3,714,027
Finance cost	32	3,313,045	816,634	4,129,679	1,139,614	199,360	1,038,964

38. remuneration of chief executive, directors and executives

38.1 The aggregate amounts for remuneration, including all benefits, to chief executive, directors and executives of the Group are given below:

	2024 Directors Chief Executive	2024 Directors Others	2024 Executives	2023 Directors Chief Executive	2023 Directors Others	2023 Executives
	---Rupees---					
Managerial remuneration including bonus	117,836	1,969	3,894,028	128,262	318	3,249,997
Staff retirement benefits	6,630	168	346,214	8,392	22	306,332
Other benefits	1,909	39	74,197	217	2	69,912
Fees	-	14,619	-	-	23,136	-
Total	126,076	16,795	4,313,439	136,871	23,478	3,626,241
Number of persons, including those who worked part of the year	2	11	626	1	10	528

38.2 The Group also provides vehicles and certain household items for use of some executives and directors.

38.3 Premium charged in respect of directors' indemnity insurance policy, purchased by the Holding Company during the year, amounted to Rs. 301 (2023: Rs. 367).

39. retirement and other service benefits

39.1 Salient features

The Group offers a defined post-employment gratuity benefit to permanent management and non-management employees. In addition, until June 30, 2005, the Group offered a defined post-employment pension benefit to management employees in service which has been discontinued and the plan now only covers a handful of retired pensioners.

The gratuity and pension funds are governed under the Trusts Act, 1882, Trust Deed and the Rules of the Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002.

Responsibility for governance of plan, including investment decisions and contribution schedule lie with the Board of Trustees of the funds.

The Group faces the following risks on account of gratuity and pension funds:

- Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

- Asset volatility - Most assets are invested in risk free investments of 3, 5 or 10 year Special Saving Certificates, Regular Income Certificates, Defence Saving Certificates or Government Bonds. However, investments in equity instruments are subject to adverse fluctuations as a result of change in the market price.

- Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

- Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investments.

- Risk of insufficiency of assets - This is managed by making regular contribution to the funds as advised by the actuary.

- In addition to above, the pension fund exposes the Group to Longevity risk i.e. the pensioners survive longer than expected.

39.2 Valuation results

The latest actuarial valuation of the defined benefit plans was carried out as at December 31, 2024, using the Projected Unit Credit Method. Details of the defined benefit plans are as follows:

39.2.1 Consolidated Statement of financial position reconciliation

	Defined Benefit Gratuity Plans - Funded				Defined Benefit Pension Plan - Funded (Curtailed)	
	NMPT		MPT			
	2024	2023	2024	2023	2024	2023
	Rupees					
Present value of obligation (note 39.2.3)	495,642	392,666	33,044	76,411	63,398	67,602
Fair value of plan assets (notes 39.2.4)	(324,178)	(256,407)	(66,687)	(101,399)	(40,782)	(40,704)
Net liability / (asset) at end of the year	172,464	136,168	(22,643)	(25,988)	12,646	16,898

39.2.2 Movement in net liability / (asset) recognised

Net liability / (asset) at beginning of the year	136,168	127,063	(25,988)	(22,604)	16,898	-
Charge / (reversal) for the year (note 39.2.6)	42,883	36,683	(2,638)	230	2,610	29,380
Remeasurements charged to OCI (note 39.2.7)	(6,677)	(26,468)	6,983	(3,614)	(6,762)	(12,482)
Net liability / (asset) at end of the year	172,464	136,168	(22,643)	(25,988)	12,646	16,898

39.2.3 Movement in defined benefit obligation

As at beginning of the year	392,666	349,731	76,411	90,624	67,602	19,103
Current service cost	21,322	18,918	1,826	3,044	-	32,467
Interest cost	62,967	46,689	8,295	12,033	9,095	2,297
Benefits paid during the year	(17,569)	(18,723)	(45,682)	(26,266)	(6,180)	(6,649)
Remeasurements charged to OCI (note 39.2.7)	37,457	(3,950)	(6,906)	(3,934)	(8,120)	9,276
As at end of the year	495,642	392,666	33,044	76,411	63,398	67,602

(Amounts in thousand)

	Defined Benefit Gratuity Plans - Funded				Defined Benefit Pension Plan - Funded (Curtailed)	
	NMPT		MPT			
	2024	2023	2024	2023	2024	2023
	Rupees					
39.2.4 Movement in fair value of plan assets						
As at beginning of the year	266,407	222,668	101,399	113,128	40,704	43,900
Expected return on plan assets	41,406	29,944	12,669	14,847	6,686	6,384
Benefits paid during the year	(17,669)	(18,723)	(46,682)	(26,266)	(6,180)	(6,640)
Remeasurements charged to OCI (note 39.2.7)	44,034	22,618	(11,889)	(320)	(1,368)	(3,040)
As at end of the year	324,178	266,407	88,687	101,399	40,762	40,704
39.2.5 Charge / (reversal) for the year						
Current service cost	21,322	18,918	1,826	3,044	-	32,467
Net interest cost	21,561	16,645	(4,364)	(2,814)	2,510	(3,087)
	42,883	35,563	(2,538)	230	2,510	29,380
39.2.6 Actual return on plan assets	65,468	51,590	490	13,788	8,228	6,667
39.2.7 Remeasurements recognised in the Consolidated Statement of Comprehensive Income						
(Gain) / loss from change in experience assumptions	38,860	(4,781)	(6,906)	(3,934)	(8,120)	(2,741)
(Gain) / loss from change in financial assumptions	(1,393)	831	-	-	-	12,016
Remeasurement of obligation	37,467	(3,950)	(6,906)	(3,934)	(8,120)	9,275
Expected return on plan assets (note 39.2.4)	41,406	29,944	12,669	14,847	6,686	6,384
Actual return on plan assets (note 39.2.6)	(65,468)	(51,590)	(490)	(13,788)	(8,228)	(6,667)
Difference in fair value opening	(19,982)	(872)	(280)	(739)	-	3,313
Remeasurement of plan assets	(44,034)	(22,618)	11,889	320	1,368	3,040
Effect of asset ceiling	-	-	-	-	-	(24,797)
	(6,577)	(26,468)	6,983	(3,614)	(6,752)	(12,462)

(Amounts in thousand)

	Defined Benefit Gratuity Plans - Funded				Defined Benefit Pension Plan - Funded (Curtailed)	
	NMPT		MPT			
	2024	2023	2024	2023	2024	2023
	Rupees					
39.2.8 Principal actuarial assumptions used in the actuarial valuation						
Discount rate	12.25%	16.00%	12.25%	16.00%	12.25%	16.00%
Expected per annum rate of return on plan assets	12.25%	16.00%	12.25%	16.00%	12.25%	16.00%
Expected per annum rate of increase in salaries - next year	11.25%	16.00%	12.25%	16.00%	-	-
Expected per annum rate of increase in salaries - long term	11.25%	16.00%	12.25%	16.00%	-	-

39.2.9 Demographic assumptions

Mortality rate	SLIC (2001-06) - I	SLIC (2001-06) - I	SLIC (2001-06) - I
Rate of employee turnover	Light	Heavy	-

39.2.10 Sensitivity Analysis

The impact of 1% change in following variables on defined benefit obligation is as follows:

	Increase in assumption			Decrease in assumption		
	Gratuity Plans		Pension Plan	Gratuity Plans		Pension Plan
	NMPT	MPT		NMPT	MPT	
	Rupees					
Discount rate	466,676	32,369	60,108	642,238	33,735	67,069
Long term salary increases	642,238	33,736	-	466,997	32,363	-
Long term pension increases	-	-	67,066	-	-	60,080

(Amounts in thousand)

392.11 Maturity Profile

Time in Years	Gratuity Plans NMPT	Gratuity Plans MPT	Pension Plan
	Rupees		
1	20,139	937	4,713
2	37,378	21,843	4,252
3	48,648	6,049	3,823
4	26,043	11,926	3,399
5-10	439,948	6,609	12,792
11-15	641,253	-	3,816
16-20	838,640	-	1,080
20+	2,519,956	-	429
Weighted average duration (years)	8.06	2.04	6.16

392.12 Plan assets comprise of the following:

	Defined Benefit Gratuity Plans - Funded				Defined Benefit Pension Plan - Funded (Curtailed)	
	NMPT		MPT*			
	2024		2024		2024	
	Rupees	%	Rupees	%	Rupees	%
Fixed income instruments	270,439	83	42,235	76	-	-
Investment in equity instruments	38,412	12	-	-	-	-
Others (including bank balance)	16,327	5	13,352	24	40,752	100
	324,178	100	55,587	100	40,752	100

* The employees of the Holding Company in respect of gratuity are members of Defined Benefit Gratuity Fund maintained and operated by the Parent Company. Accordingly, the above information is based upon the plan assets of Engro Corporation Limited Gratuity Fund.

392.13 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed income investments are based on gross redemption yields as at the reporting date.

392.14 Expected future cost / (reversal) for the year ending December 31, 2025 is as follows:

	Rupees
- Gratuity Fund - NMPT	46,914
- Gratuity Fund - MPT	(1,541)
- Pension Fund	1,462

(Amounts in thousand)

392.15 Historical information of staff retirement benefits:

	2024	2023	2022	2021	2020
	Rupees				
Gratuity Plan - NMPT					
Present value of defined benefit obligation	496,642	392,866	349,731	311,858	414,687
Fair value of plan assets	(324,178)	(256,407)	(222,668)	(214,650)	(398,165)
Deficit	172,464	136,158	127,063	97,008	16,522
Gratuity Plan - MPT					
Present value of defined benefit obligation	33,044	76,411	90,824	72,202	67,423
Fair value of plan assets	(55,587)	(101,399)	(113,128)	(106,426)	(98,965)
Surplus	(22,543)	(25,988)	(22,604)	(34,224)	(31,542)
Pension Plan					
Present value of defined benefit obligation	53,398	57,802	19,103	22,324	26,836
Fair value of plan assets	(40,752)	(40,704)	(43,900)	(42,821)	(38,820)
Deficit / (Surplus)	12,646	16,898	(24,797)	(20,497)	(11,984)

39.3 Defined contribution plans

An amount of Rs. 355,386 (2023: Rs. 295,041) has been charged during the year in respect of defined contribution plans maintained by the Parent Company.

(Amounts in thousand)

40. cash generated from operations

	2024	2023
	...Rupees...	
Profit before taxation	45,155,920	49,659,269
Adjustment for non-cash charges and other items:		
Depreciation (note 4.1)	4,216,498	3,883,411
Amortisation of intangibles (note 5.3)	240,685	203,700
Amortisation of deferred income	(3,866)	(3,866)
Loss / (Gain) on disposal of operating assets (notes 30 and 31)	191,072	(162,858)
Provision for retirement and other service benefits	81,335	76,489
Income on deposits / other financial assets (note 30)	(2,496,097)	(3,245,739)
Exchange loss on revaluation of long term borrowings (note 18.4)	-	199,782
Remeasurement gain on GIDC provision (note 22.1)	-	537,911
Finance cost (note 32)	4,155,567	1,848,038
Provision against stock-in-trade (note 9.1)	192,441	327,389
Provision for surplus and slow moving stores and spares (note 8.1)	309,097	324,181
Reversal of provision against stores and spares (note 8.1)	(118,540)	(260,176)
Stock-in-trade directly written off (note 9.2)	233,993	52,088
(Reversal) / Provision for impairment against trade debts (note 10.2)	(31,020)	91,290
Stores and spares directly written off (note 8.2)	968	4,844
Loss allowance on subsidy receivable from the GoP (note 11.3)	(1,203,088)	2,440,151
Working capital changes (note 40.1)	(19,638,275)	26,069,247
	31,287,721	81,979,011

40.1 Working capital changes

(Increase) / decrease in current assets		
- Stores, spares and loose tools	296,171	(2,305,142)
- Stock-in-trade	(11,799,738)	1,133,254
- Trade debts	(5,309,715)	788,343
- Loans, advances, deposits and prepayments	(601,801)	(1,197,881)
- Other receivables (net)	5,264,371	(1,270,383)
	(12,148,713)	(2,870,289)
(Decrease) / increase in trade and other payables	(7,489,562)	28,939,536
	(19,638,275)	26,069,247

(Amounts in thousand)

41. cash and cash equivalents

	2024	2023
	...Rupees...	
Cash and bank balances (note 14)	4,308,149	4,063,894
Short term investments (note 13)	1,200,000	450,000
Short-term borrowings	(7,951,850)	(530,110)
	(2,443,701)	3,983,574

42. financial instruments by category

	2024	2023
	...Rupees...	
Financial assets at amortised cost		
Long-term investments	4,268,249	202,134
Loans, advances and deposits	3,197,906	3,667,175
Trade debts	8,333,771	3,024,056
Other receivables	10,105,787	9,440,549
Accrued income	272,080	116,829
Short-term investments	1,200,000	2,214,472
Cash and bank balances	4,308,149	4,063,894
	31,686,942	22,709,099
Financial assets at fair value through profit or loss		
Short-term investments	2,490,662	21,848,366
Financial liabilities at amortised cost		
Long-term borrowings	21,535,721	5,362,441
Government grant	717,092	957,089
Trade and other payables	60,846,565	53,489,785
Accrued interest / mark-up	1,209,068	72,814
Short-term borrowings	12,451,849	530,110
	96,760,815	61,032,239

43. financial risk management

43.1 Financial risk factors

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

Risk management is carried out by the Group's Finance and Planning department under policies approved by the Management Committee.

a) Market risk

i) Currency risk

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

This exists due to the Group's exposure resulting from outstanding import payments and foreign currency bank accounts. A foreign exchange risk management policy has been developed and approved by the management. The policy allows the Group to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored. The Group ensures to the extent possible that it has options available to manage exposure, either through forward contracts, options or prepayments, etc. subject to the prevailing foreign exchange regulations.

As at December 31, 2024, if exchange rates had been 1% higher / lower with all other variables held constant, post tax consolidated profit for the year would have been lower / higher by Rs. 3,938 (2023: Rs. 48,391)

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from bank deposits, long-term and short term borrowings, and long-term and short-term investments. Borrowing are benchmarked to variable rates which expose the Group to cash flow interest rate risk.

The Group analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether they should enter into hedging alternatives.

As at December 31, 2024, if interest rates had been 1% higher / lower with all other variables held constant, post tax consolidated profit for the year would have been lower / higher by Rs. 168,958 (2023: Rs. 80,935).

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors effecting all similar financial instruments traded in the market. The Group is exposed to price risk on its investments in units of Mutual Funds.

As at December 31, 2024, if net asset value had been 1% higher / lower with all other variables held constant, post tax consolidated profit for the year would have been higher / lower by Rs. 17,621 (2023: Rs. 133,277).

b) Credit risk

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

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits, bank guarantees and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with a reasonably high credit rating or mutual funds which in turn are deposited in banks and government securities. The Group maintains an internal policy to place funds with commercial banks and mutual funds of asset management companies having a minimum short term credit rating of A1 and management quality rating of AM3, respectively. However, the Group maintains operational balances with certain banks of lower rating for the purpose of effective collection of bank guarantees and to cater to loan disbursements.

The Group is exposed to a concentration of credit risk on its trade debts by virtue of all its customers being agri-based businesses in Pakistan. However, this risk is mitigated by applying individual credit limits and by securing the majority of trade debts against bank guarantees.

The credit risk arising on account of acceptance of these bank guarantees is managed by ensuring that the bank guarantees are issued by banks of reasonably high credit ratings as approved by the Board of Directors.

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 which are neither past due nor impaired are as under:

	2024	2023
	...Rupees...	
Long-term investments	4,269,249	202,134
Loans, advances and deposits	3,197,906	3,657,176
Trade debts	8,253,231	2,912,455
Other receivables	6,817,399	4,449,073
Accrued income	272,080	116,629
Short-term investments	3,690,952	22,296,365
Bank balances	4,305,036	4,042,071
	30,804,753	37,677,934

The credit quality of receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history. Investments in Pakistan Investment Bonds are government guaranteed. The credit quality of the Group's bank balances and short term investments can be assessed with reference to recent external credit ratings as follows:

	Rating agency	Rating	
		Short term	Long term
Conventional			
- Allied Bank Limited	PACRA	A1+	AAA
- Askari Bank Limited	PACRA	A1+	AA+
- Bank Alfalah Limited	PACRA	A1+	AA+
- Bank Al Habib Limited	PACRA	A1+	AAA
- The Bank of Punjab	PACRA	A1+	AA+
- Citibank N.A.	MOODYS	P1	Aa3
- Habib Bank Limited	JCR-VIS	A1+	AAA
- Habib Metropolitan Bank Limited	PACRA	A1+	AA+
- Industrial and Commercial Bank of China	MOODYS	-	A1
- JS Bank Limited	PACRA	A1+	AA
- MCB Bank Limited	PACRA	A1+	AAA
- National Bank of Pakistan	PACRA	A1+	AAA
- Samba Bank Limited	PACRA	A1	AA
- Soneri Bank Limited	PACRA	A1+	AA-
- Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
- Summit Bank Limited	JCR-VIS	A3	BBB-
- Mobilink Microfinance Bank Limited	PACRA	A1	A
- Telenor Microfinance Bank Limited	PACRA	A1	A
- United Bank Limited	JCR-VIS	A1+	AAA
- UBL Fund Managers Limited	JCR-VIS	-	AM1
- ABL Asset Management Company Limited	PACRA	-	AM1
Islamic			
- BankIslami Pakistan Limited	PACRA	A1	AA-
- Al Baraka Bank (Pakistan) Limited	JCR-VIS	A1	A+
- Faysal Bank Limited	JCR-VIS	A1+	AA
- Meezan Bank Limited	JCR-VIS	A1+	AAA
- UBL Fund Managers Limited	JCR-VIS	-	AM1
- ABL Asset Management Company Limited	PACRA	-	AM1

c) Liquidity risk

Liquidity risk represents the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Group maintains flexibility in funding by maintaining committed credit lines available.

The Group's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2024			2023		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	Rupees					
Financial liabilities						
Borrowings	4,636,765	23,798,149	28,403,914	3,187,647	4,417,338	7,604,985
Trade and other payables	60,846,865	-	60,846,865	63,469,756	-	63,469,756
Accrued interest / mark-up	1,209,338	-	1,209,338	72,814	-	72,814
Short-term borrowings	12,481,880	-	12,481,880	630,110	-	630,110
	79,174,848	23,798,149	102,941,997	67,360,327	4,417,338	71,777,665

43.2 Capital risk management

The Group's objective when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders or issue new shares.

The total long term borrowings to equity ratio as at December 31, 2024 based on total long term borrowings at its present value of Rs. 21,535,721 (2023: Rs. 5,982,441) and total equity of Rs. 47,458,544 (2023: Rs. 47,902,756) was 31%:69% (2023: 11%:89%).

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

43.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at December 31, 2024, all financial assets and financial liabilities, except for investment in units of mutual funds, are carried at amortised cost. Mutual funds are measured at fair value using the fair value measurement method in accordance with IFRS 13.

The carrying value of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values. The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The table below analyses financial instruments carried at fair value by valuation method.

	Level 1	Level 2	Level 3	Total
	----------	Rupees	----------	
As at December 31, 2024				
Fair value through profit or loss	-	2,490,852	-	2,490,852
As at December 31, 2023				
Fair value through profit or loss	-	21,848,368	-	21,848,368

Represents investment in units of mutual funds that are measured at fair value using the fund's respective net asset value.

There were no transfers between the levels of hierarchy during the year.

44. transactions with related parties

44.1 Following are the names of associated companies and undertakings and other related parties with whom the Group had entered into transactions or had agreements and / or arrangements in place during the year:

Name of Related parties	Direct shareholding	Relationship
Engro Corporation Limited	56.27%	Parent Company
Engro Eximp FZE	N/A	Subsidiary of Parent Company
Engro Elengy Terminal (Private) Limited	N/A	Subsidiary of Parent Company
Elengy Terminal Pakistan Limited	N/A	Subsidiary of Parent Company
Engro LNG FZE	N/A	Subsidiary of Parent Company
Engro Energy Limited	N/A	Subsidiary of Parent Company
Engro Energy Services Limited	N/A	Subsidiary of Parent Company
Engro Eximp Agriproducts (Private) Limited	N/A	Subsidiary of Parent Company
Engro Polymer and Chemicals Limited	N/A	Subsidiary of Parent Company
Engro Peroxide (Private) Limited	N/A	Subsidiary of Parent Company
Engro Plastiche (Private) Limited	N/A	Subsidiary of Parent Company
Think PVC (Private) Limited	N/A	Subsidiary of Parent Company
Engro Powergen Qadirpur Limited	N/A	Subsidiary of Parent Company
Engro Powergen Thar (Private) Limited	N/A	Subsidiary of Parent Company
Engro Enfrashare (Private) Limited	N/A	Subsidiary of Parent Company
Engro Connect (Private) Limited	N/A	Subsidiary of Parent Company
FrieslandCampina Engro Pakistan Limited	N/A	Associate of Parent Company
Engro Foundation	N/A	Associate of Parent Company
Engro Vopak Terminal Limited	N/A	Associate of Parent Company
Sindh Engro Coal Mining Company Limited	N/A	Associate of Parent Company
Engro Technical Solution (Private) Limited	N/A	Associate of Parent Company
Engro Power Services Limited (Nigeria)	N/A	Common Directorship
Tenaga Generasi Limited	N/A	Common Directorship
EngroTech Ventures -FZCO	N/A	Common Directorship
Dawood Foundation	N/A	Common Directorship
Javed Akbar Associates (Private) Limited	N/A	Common Directorship
NED International Alumni Network Association	N/A	Common Directorship
Sindh Petroleum (Pvt) Limited	N/A	Common Directorship
Unilever Pakistan Foods Limited	N/A	Common Directorship
Colgate-Palmolive Pakistan Limited	N/A	Common Directorship
Al Meezan Investment Management Limited	N/A	Common Directorship
Engro Power International Holding BV	N/A	Common Directorship
Engro Power Investments International BV	N/A	Common Directorship
Engro Power Services Holding BV	N/A	Common Directorship
Karachi Education Initiative	N/A	Common Directorship
Signify Pakistan Limited	N/A	Common Directorship
Ahsan Zafar Syed	N/A	Director
Ali Rathore	N/A	Chief Executive Officer
Javed Akbar	N/A	Director
Asim Murtaza Khan	N/A	Director
Mr. Ahmad Chinoy	N/A	Director
Farooq Rehmat Ali	N/A	Director
Asad Sadiq Jafar	N/A	Director
Ghias Khan	N/A	Director
Ismail Mahmud	N/A	Director
Danish Zuberi	N/A	Director

Name of Related parties	Direct share holding	Relationship
Muhammad Saad Khan	N/A	Key Management Personnel
Aneeq Ahmad	N/A	Key Management Personnel
Muhammad Majid Latif	N/A	Key Management Personnel
Khawaja Bilal Mustafa	N/A	Key Management Personnel
Atif Muhammad Ali	N/A	Key Management Personnel
Muhammad Imran Khalil	N/A	Key Management Personnel
Ammar Shah	N/A	Key Management Personnel
Syed Shahzad Nabi	N/A	Key Management Personnel
FrieslandCampina Engro Pakistan Limited Employees Gratuity Fund	N/A	Associate of Parent Company
Engro Corporation Limited DC Pension Fund	N/A	Post Employment Benefits
Engro Corporation Limited MPT Gratuity Fund	N/A	Post Employment Benefits
Engro Corporation Limited NMPT Gratuity Fund	N/A	Post Employment Benefits
Engro Corporation Limited DB Pension Fund	N/A	Post Employment Benefits
Engro Corporation Limited DC Gratuity Fund	N/A	Post Employment Benefits
Engro Corporation Limited Provident Fund	N/A	Post Employment Benefits

44.2 Following are the names of related parties incorporated outside Pakistan with whom the Group had entered into transactions or had agreements and arrangements in place during the year:

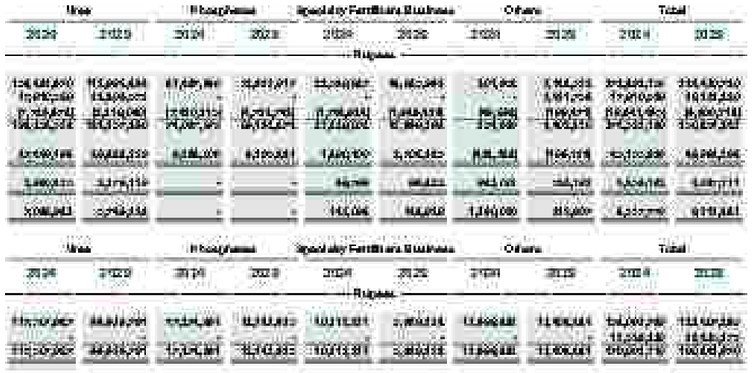
Name of Related Party	Country of Incorporation	Registered Address
Engro Eximp FZE	United Arab Emirates	BC:W JAFZA 18 & 19, Office # 110, United Arab Emirates

44.3 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

	2024	...Rupees...	2023
Parent Company			
Dividend paid	16,163,210		13,147,951
Mark-up paid / payable on subordinated loan	183,393		42,976
Reimbursements made:			
- by the Parent Company	414,511		167,127
- to the Parent Company	2,819,513		2,431,898
Royalty	3,016,514		2,599,958
Use of assets	1,162,726		1,073,020
Loan received from Parent Company	11,500,000		-
Repayment of sub-ordinated loan	11,500,000		1,000,000
Purchase of taxable loss	-		319,748
Associated companies			
Purchases and services received	69,893,694		55,706,549
Services provided	19,104		101,202
Reimbursements made:			
- by the Group	148,800		449,170
- to the Group	189,526		767,454
Donations	396,000		430,000
Dividend paid to Trustees of Frieslandd Campina Engro Pakistan Limited Employees Gratuity Fund	-		341
Use of assets	417,147		977,136
Purchase of taxable loss	1,649,933		-
Contribution to staff retirement benefits			
Pension fund	3,120		12,555
Gratuity fund	184,618		170,764
Provident fund	230,934		209,052
Dividend paid to staff retirement benefits			
Pension fund	112		179
Gratuity fund	3,207		4,455
Provident fund	4,894		8,442
Others			
Remuneration of key management personnel	344,160		359,230
Directors' fees	14,619		23,136

(Amounts in thousand)

45. operating segment results



	Urea		Phosphates		Specialty Fertilizers Business		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	...Rupees...									
Sales										
Inter-segment sales										
Sales tax										
Cost of sales										
Gross profit										
Depreciation & amortization										
Capital expenditure										

	Urea		Phosphates		Specialty Fertilizers Business		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	...Rupees...									
Segment assets										
Unallocated assets										
Total assets										

45.1 Reconciliation of reportable segment net sales

	2024 ...Rupees...	2023
Net Sales		
Total net sales for reportable segment	274,532,196	250,851,342
Elimination of intersegment net sales	(17,610,538)	(26,231,330)
Elimination of net sales to subsidiary	(246,497)	(915,420)
Total net sales	256,675,163	223,704,592

45.2 Reconciliation of reportable segment total assets

Total assets for reportable segments	158,062,780	132,407,395
Add: Unallocated assets		
- Accrued income	272,080	116,629
- Short-term investments	3,690,862	24,082,828
- Long-term investments	4,268,249	202,134
- Cash and bank balances	4,398,149	4,053,684
	12,539,330	28,436,275
Total assets	170,602,110	160,842,670

(Amounts in thousand)

46. production capacity

	Designed annual capacity		Actual production		Remarks
	Metric Tons		Metric Tons		
	2024	2023	2024	2023	
Urea plant I & II	2,275,000	2,275,000	2,147,026	2,313,446	Production planned as per market demand
NPK plant	100,000	100,000	105,295	96,528	

47. number of employees

	Number of employees as at December 31		Average number of employees during the year	
	2024	2023	2024	2023
Management employees	707	734	717	767
Non-management employees	462	480	467	477
	1,169	1,214	1,184	1,244

48. contributory retirement funds

The employees of the Group participate in the Retirement Fund maintained by the Parent Company. The investments out of the retirement fund have been made in accordance with the provisions of Section 218 of the Act and the conditions specified there-under.

49. seasonality

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

50. interest in joint arrangements

In 2022, the Holding Company, Fauji Fertilizer Company Limited (Fauji) and Fatima Fertilizer Company Limited (FATIMA) (collectively the Fertilizer Manufacturers) entered into a Framework Agreement dated November 30, 2022 (the Agreement) for Gas Pressure Enhancement Facilities (PEP) project. Under the Agreement, the Fertilizer Manufacturers have decided to jointly develop and install pressure enhancement facilities at Mari Petroleum Company Limited's (MPCL's) delivery node to sustain the current level of pressure of gas supply from HRL reservoir of MPCL.

All decisions with respect to the development and operations of PEF would be made only with unanimous consent of the Fertilizer Manufacturers. Accordingly, PEF arrangement would be classified as a 'Joint Arrangement' in accordance with IFRS 11 - Joint Arrangements. Further, PEF would not be established through a separate legal entity and consists of an asset i.e. PEF facility which will be jointly owned and operated by the Fertilizer Manufacturers, hence, the joint arrangement for establishment and operations of PEF has been classified as a 'Joint Operation' in these consolidated financial statements. Current cost sharing percentages in PEF of the Holding Company, Fauji and FATIMA are 33.9%, 47.7% and 18.4%, respectively. The Holding Company has continued to recognise its share of jointly held asset in these consolidated financial statements.

51. non-adjusting event after the reporting date

The Board of Directors of the Holding Company in its meeting held on February 07, 2025 has proposed a final cash dividend of Rs. 6.00 per share for the year ended December 31, 2024 amounting to Rs. 10,682,395 for approval of the members at the Annual General Meeting to be held on March 24, 2025.

52. corresponding figures

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of better presentation and / or to comply with the requirements of accounting and reporting standards applicable on the Group.

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

53. date of authorisation for issue

These consolidated financial statements were authorised for issue on February 07, 2025 by the Board of Directors of the Holding Company.

Muhammad Imran Khalil Chief Financial Officer	Ali Raza Chief Executive Officer	Ansar Zafar Syed Chairman

standalone financial statements

for the year ended december 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Engro Fertilizers Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Engro Fertilizers Limited (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss, the statement of 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, the statement of 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:

S.No.	Key audit matters	How the matter was addressed in our audit
1	Revenue recognition (Refer notes 2.21 and 28 to the financial statements) Company's net sales comprise of revenue from the sale of urea and other fertilizer products, adjusted by trade discounts and sales taxes and duties. Revenue from the sale of goods is recognised in the statement of profit or loss when control of the product is transferred i.e. when the product is dispatched / delivered to the customer. There is a presumed risk of revenue not being recognised in the correct period, based on our risk assessment. Accordingly, we consider that there is a risk of material misstatement of financial statements relating to revenue recognition in the incorrect period, hence this has been considered as a key audit matter.	Our audit procedures, amongst others, included the following: - obtained understanding and evaluated the accounting policies and the Company's procedures with respect to revenue recognition; - examined contracts with customers on a sample basis, to obtain an understanding of the terms particularly relating to timing and transfer of control of the products; - tested revenue transactions on a sample basis by inspecting underlying documentation including sales invoices and customer acknowledgement; - tested revenue transactions on a sample basis recorded before and after the reporting date with underlying documentation i.e. customer acknowledgement to assess whether revenue was recognised in the correct period; - obtained understanding of the types and process of discounts offered to customers and tested on a sample basis discounts provided to the customer by examining supporting documentation including approvals of the discounts; and - assessed the adequacy of the related disclosures made in the financial statements with respect to the applicable accounting and reporting standards.

S. No.	Key audit matters	How the matter was addressed in our audit
2.	Income tax and Sales tax provisions and contingencies (Refer notes 2.19, 3.2, 36, 27.2, 27.3, 27.7 to 27.11 and 38 to the financial statements) The Company has recognised provisions and has disclosed contingencies in respect of certain income tax and sales tax matters, which are pending adjudication before various appellate and legal forums. Provisions and contingencies require 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, on the Company for recognition and measurement of any provision and disclosure in respect of such provisions and contingencies. Due to inherent uncertainties associated with the outcome of the matters, legal forums at which these are currently pending and use of significant judgements and estimates to assess the same including related financial impacts, which may change over time as new facts emerge and the matters progress, we have considered income tax and sales tax provisions and contingencies as a key audit matter.	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; - obtained direct 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 contingent tax matters; - checked the mathematical accuracy of the 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 standards.

S. No.	Key audit matters	How the matter was addressed in our audit
3.	Capitalisation of items in property, plant and equipment (Refer notes 2.2, 4.1 and 4.6 to the financial statements) As at December 31, 2024, the Company has reported Property, Plant and Equipment amounting to Rs. 83,139,401 thousand. This includes capital work-in-progress amounting to Rs. 7,181,646 thousand. During the year, the Company has incurred capital expenditure amounting to Rs. 8,617,770 thousand and transferred Rs. 9,035,720 thousand to operating assets upon the availability of respective assets for intended use. The capital expenditure incurred during the year includes expenditure incurred on major turnaround activity of the Company's Enven Plant to enhance the long-term reliability and sustainable safe operations. The major turnaround activity of the Company's Enven Plant is considered as significant event during the year, significant audit efforts were required to perform audit procedures on the assessment of costs that meet the criteria for capitalisation under the accounting and reporting standards, the determination of dates on which capital work-in-progress is transferred to operating fixed assets and the commencement of related depreciation, accordingly, we have considered this as a key audit matter.	Our audit procedures, amongst others included the following: - obtained an understanding of the Company's process with respect to capital expenditure incurred; - tested, on a sample basis, the cost capitalised with the relevant underlying documentation; - tested, on a sample basis, the date of transferring capital work-in-progress to operating fixed assets by examining the supporting document with relevant approvals; - assessed on a sample basis, the nature of capitalised costs to ensure whether assets capitalised meet the recognition criteria set out in International Accounting Standard 16 'Property, Plant and Equipment'; - tested the calculation of related depreciation; - validated the physical existence of capitalised assets through physical verification on a sample basis; and - assessed the adequacy of the related disclosures made in the financial statements with respect to the applicable accounting and reporting standards.

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.

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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, the statement of 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 Azhar Hussain.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 03, 2026

UDIN: AF202410260fRtseNxBU

statement of financial position

as at december 31, 2024

(Amounts in thousand)	Note	2024 ...Rupees...	2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	83,137,431	78,440,081
Intangible assets	5	5,007,551	5,184,192
Investment in subsidiary	6	100	100
Long-term investments	7	3,517,074	101,057
Long-term loans, advances and deposits	8	197,921	209,806
		91,860,077	83,935,246
Current assets			
Stores, spares and loose tools	9	8,239,627	8,729,823
Stock-in-trade	10	12,204,931	5,364,420
Trade debts	11	6,687,349	2,059,174
Other receivables	12	10,800,236	14,301,939
Loans, advances, deposits and prepayments	13	3,417,141	2,691,814
Working capital loan to subsidiary	14	11,902,310	1,882,107
Taxation - net		11,344,778	-
Accrued income		764,926	518,466
Short-term investments	15	2,739,411	23,601,793
Cash and bank balances	16	4,261,446	3,436,826
		71,062,054	62,266,063
Assets classified as held for sale	17	-	1,828,396
TOTAL ASSETS		162,922,131	147,726,708

(Amounts in thousand)	Note	2024 ...Rupees...	2023
EQUITY & LIABILITIES			
Equity			
Share capital	18	13,362,993	13,362,993
Reserves			
Share premium	19	3,384,904	3,384,904
Reserve on amalgamation	19	(304,027)	(304,027)
Remeasurement of post employment benefits	19	(69,897)	(74,384)
Unappropriated profit	19	30,164,684	28,666,888
		33,175,664	31,673,361
TOTAL EQUITY		46,828,657	45,026,344
Liabilities			
Non-current liabilities			
Borrowings	20	18,701,783	3,267,427
Government grant	21	814,366	721,334
Deferred taxation	22	1,863,670	10,401,710
Deferred liabilities	23	242,948	232,130
		21,322,676	14,622,601
Current liabilities			
Trade and other payables	24	58,688,376	64,725,828
Accrued interest / mark-up		1,191,361	72,626
Taxation - net		-	337,082
Current portion of:			
- borrowings	20	2,834,018	2,716,014
- government grant	21	202,737	236,766
- deferred liabilities	23	62,365	62,366
Provision for Gas Infrastructure Development Cess (GIDC)	25	19,668,031	19,668,031
Short-term borrowings	26	12,461,622	322,899
Unclaimed dividend		82,307	48,259
		96,070,798	88,077,760
TOTAL LIABILITIES		116,393,474	102,700,361
TOTAL EQUITY & LIABILITIES		162,922,131	147,726,708
CONTINGENCIES AND COMMITMENTS	27		

The annexed notes from 1 to 88 form an integral part of these financial statements.

Muhammad Imran Khalil	Ali Rathore	Ansan Zafar Syed
Chief Financial Officer	Chief Executive Officer	Chairman

statement of profit or loss
for the year ended december 31, 2024

(Amounts in thousand except for earnings per share)	Note	2024	2023
		Rupees	
Net sales	28	186,708,968	181,685,127
Cost of sales	29	(126,170,873)	(102,243,887)
Gross profit		60,538,095	79,422,240
Selling and distribution expenses	30	(18,843,702)	(11,796,178)
Administrative expenses	31	(4,757,879)	(4,873,186)
		40,936,514	42,142,879
Other income	32	10,792,699	10,120,660
Other operating expenses	33	(4,130,601)	(3,988,088)
Finance cost	34	(3,981,836)	(1,312,640)
Other losses:			
- Remeasurement loss on provision for GIDC	26	-	(637,911)
- Gain / (Loss) allowance on subsidy receivable from GoP	36	1,203,088	(2,449,161)
		1,203,088	(2,978,092)
Profit before taxation		44,819,748	44,984,762
Taxation	35	(14,612,984)	(19,306,334)
Profit for the year		30,206,762	25,678,418
Earnings per share - basic and diluted	37	22.62	19.23

The annexed notes from 1 to 66 form an integral part of these financial statements.

Muhammad Imran Khalil
Chief Financial Officer

Ali Rathore
Chief Executive Officer

Ansar Zafar Syed
Chairman

statement of comprehensive income
for the year ended december 31, 2024

(Amounts in thousand)	2024	2023
	Rupees	
Profit for the year	30,206,762	25,678,418
Other comprehensive income / (loss):		
Items that will not be reclassified subsequently to profit or loss		
- Remeasurement of post employment benefits obligation	7,356	(42,954)
- Tax relating to remeasurement of post employment benefits obligation	(2,869)	(16,600)
	4,487	25,354
Total comprehensive income for the year	30,211,249	25,704,382

The annexed notes from 1 to 66 form an integral part of these financial statements.

Muhammad Imran Khalil
Chief Financial Officer

Ali Rathore
Chief Executive Officer

Ansar Zafar Syed
Chairman

statement of changes in equity

for the year ended december 31, 2024

(Amounts in thousand)

		Reserves				
		Capital		Revenue		
	Share capital	Share premium	Reserve on amalgamation	Remeasurement of post employment benefits	Unappropriated profit	Total
	Rupees					
Balance as at January 1, 2024	13,352,223	3,384,204	(304,027)	(74,384)	28,666,856	45,028,244
Transactions with owners						
Dividends:						
- Final 2023: Rs. 8.00 per share	-	-	-	-	(10,682,395)	(10,682,395)
- 1st interim 2024: Rs. 8.00 per share	-	-	-	-	(10,682,395)	(10,682,395)
- 2nd interim 2024: Rs. 3.00 per share	-	-	-	-	(4,006,398)	(4,006,398)
- 3rd interim 2024: Rs. 2.5 per share	-	-	-	-	(3,338,248)	(3,338,248)
	-	-	-	-	(28,708,236)	(28,708,236)
Total comprehensive income for the year ended December 31, 2024						
Profit for the year	-	-	-	-	30,206,782	30,206,782
Other comprehensive income:						
- remeasurements, net of tax	-	-	-	4,487	-	4,487
	-	-	-	4,487	30,206,782	30,211,249
Balance as at December 31, 2024	13,352,223	3,384,204	(304,027)	(69,897)	30,164,634	46,528,057
Balance as at January 1, 2023	13,352,223	3,384,204	(304,027)	(100,348)	26,268,179	42,600,701
Transactions with owners						
Dividends:						
- Final 2022: Rs. 5.00 per share	-	-	-	-	(6,676,497)	(6,676,497)
- 1st interim 2023: Rs. 3.5 per share	-	-	-	-	(4,673,548)	(4,673,548)
- 2nd interim 2023: Rs. 3 per share	-	-	-	-	(4,006,398)	(4,006,398)
- 3rd interim 2023: Rs. 6 per share	-	-	-	-	(8,011,796)	(8,011,796)
	-	-	-	-	(23,367,739)	(23,367,739)
Total comprehensive income for the year ended December 31, 2023						
Profit for the year	-	-	-	-	25,878,418	25,878,418
Other comprehensive income:						
- remeasurements, net of tax	-	-	-	25,964	-	25,964
	-	-	-	25,964	25,878,418	25,704,382
Balance as at December 31, 2023	13,352,223	3,384,204	(304,027)	(74,384)	28,666,856	45,028,244

The annexed notes from 1 to 55 form an integral part of these financial statements.

Muhammad Imran Khalil
Chief Financial Officer

Ali Rathore
Chief Executive Officer

Ahsan Zafar Syed
Chairman

statement of cash flows

for the year ended december 31, 2024

(Amounts in thousand)

	Note	2024	2023
		...Rupees...	
Cash flows from operating activities			
Cash generated from operations	42	31,126,477	70,301,687
Retirement and other service benefits paid		(89,298)	(82,630)
Taxes paid		(34,835,723)	(20,302,860)
Long-term loans, advances and deposits		11,886	(3,276)
Income on deposits / other financial assets received		3,803,863	4,600,118
Net cash (utilised) / generated from operating activities		(283,094)	54,543,140
Cash flows from investing activities			
Purchases of property, plant and equipment and intangibles		(9,227,367)	(5,174,436)
Proceeds from disposal of operating assets		1,881,739	258,586
Disbursement of working capital loan to subsidiary		(100,316,602)	(70,718,202)
Payment received against working capital loan to subsidiary		89,966,399	71,897,162
Purchase of short-term and long-term investments		(88,294,969)	(191,720,836)
Proceeds from sale of short-term and long-term investments		108,991,344	178,429,087
Dividends received		8,780,000	4,891,649
Net cash generated / (utilised) in investing activities		6,460,604	(13,427,220)
Cash flows from financing activities			
Proceeds from long-term borrowings	20.4	18,000,000	-
Proceeds from short-term borrowings		4,800,000	-
Loan obtained from the Holding Company		11,800,000	-
Repayment of long-term borrowings	20.4	(2,686,717)	(7,076,643)
Loan repaid to the Holding Company		(11,800,000)	(1,000,000)
Finance cost paid		(2,889,968)	(1,686,288)
Dividends paid		(28,574,928)	(23,368,681)
Net cash utilised in financing activities		(11,781,613)	(33,131,649)
Net (decrease) / increase in cash and cash equivalents		(6,564,103)	7,984,371
Cash and cash equivalents at beginning of the year		3,113,926	(4,870,445)
Cash and cash equivalents at end of the year	43	(3,440,177)	3,113,926

The annexed notes from 1 to 55 form an integral part of these financial statements.

Muhammad Imran Khalil
Chief Financial Officer

Ali Rathore
Chief Executive Officer

Ahsan Zafar Syed
Chairman

notes to the financial statements

for the year ended december 31, 2024

(Amounts in thousand)

1. legal status and operations

1.1 Engro Fertilizers Limited (the Company) is a public company incorporated in Pakistan on June 29, 2009 as a wholly owned subsidiary of Engro Corporation Limited (the Holding Company), which is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company). The Company is listed on Pakistan Stock Exchange Limited (PSX). As at December 31, 2024, the Holding Company holds 56.27% share capital of the Company. During the year the registered office of the Company was changed to 6th floor, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi.

With effect from January 01, 2025 the Ultimate Parent Company has been renamed as 'Engro Holdings Limited' pursuant to the Scheme of Arrangement sanctioned by the Islamabad High Court vide its order dated July 18, 2024.

The Company is engaged in the manufacturing, purchasing and marketing of fertilizers. The business units of the Company include the following:

Business unit	Geographical location
Head / Registered Office	6th floor, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi.
Engro Daharki Plant	District Ghotki, Sindh.
Engro Zarkhez Plant	EZ / 1 / P – 1 – II Eastern Zone, Port Qasim, Karachi

1.2 These financial statements are the unconsolidated financial statements of the Company. The consolidated financial statements of the Company and its wholly owned subsidiary are presented separately. Details of investment held by the Company in its subsidiary have been provided in note 6.

2. 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 the years presented, unless otherwise stated.

(Amounts in thousand)

2.1 Basis of preparation

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

2.1.2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable on the Company 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 the provisions of and directives issued under the Act differ from the requirements of IFRSs, the provisions of and directives issued under the Act have been followed for the preparation and presentation of these financial statements.

2.1.3 The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

a) Standards, amendments to published standards and interpretations that are effective for the year and are relevant to the Company

There are certain amendments and improvements to approved accounting and reporting standards 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 presented in these financial statements except for the following:

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

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

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

The following standards or amendments are not effective for the accounting periods beginning on or after January 1, 2024 and have not been early adopted by the Company:

i) 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 cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

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 derecognised. The previous practice of financial liabilities being derecognised upon issuance of cheques would need to be reconsidered.

ii) IFRS 18 - Presentation and Disclosure in Financial Statements

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

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

Other than above there is a standard and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2024. The standard and amendments are not expected to have any material impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

22 Property, plant and equipment

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except for freehold land and capital work in progress which are stated at cost less accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs. The cost of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Disposal of asset is recognised when significant risk and rewards incidental to ownership have been transfered to buyers. Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised within 'Other operating expenses / Income' in the statement of profit or loss in the financial year of disposal.

Depreciation is charged to the statement of profit or loss using the straight line method, except for catalyst whose depreciation is charged on the basis of number of production days, whereby the cost of an operating asset less its estimated residual value, if significant, is depreciated over its estimated useful life. Depreciation on additions is charged from the month following the month in which the asset is available for use and on disposals up to the preceding month of disposal.

Depreciation method, useful lives and residual values are reviewed and adjusted, if appropriate, at each reporting date.

2.3 Intangible assets

a) Computer software and licenses

Costs associated with maintaining computer software programmes are recognised as an expense when incurred. However, costs that are directly attributable to identifiable software and have probable economic benefits beyond one year, are recognised as an intangible asset. Direct costs include the purchase cost of software (license fee) and related overhead costs.

Following initial recognition, computer software and licenses are carried at cost less accumulated amortisation and impairment losses, if any.

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.

Computer software and license cost treated as intangible assets are amortised from the date the software is put to use on a straight line basis over a period of 4 years, except for the Company's investment in its ERP i.e. OneSAP, which is being amortised over a period of 8 years.

b) Rights for future gas utilisation

Rights for future gas utilisation represent premium paid to the GoP for allocation of 100 MMSCFD natural gas for a period of 20 years for the Company's Enven plant. The rights are being amortised from the date of commercial production on a straight line basis over the remaining allocation period.

c) Goodwill

Goodwill represents the difference between the consideration paid for acquiring interests in a business and the fair value of the Company's share of its net assets at the date of acquisition and is carried at cost less accumulated impairment, if any.

d) Right to use the brand

These are stated at cost less accumulated impairment, if any.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, assets or cash generating units are tested for impairment. Also, goodwill is tested for impairment at least once a year and other intangibles with indefinite usefuly life are tested for impairment at each reporting date. Where the carrying value exceeds the estimated recoverable amount, these are written down to their recoverable amount and the resulting impairment is charged to the statement of profit or loss.

Impairment is reversed only if there have been changes in estimates used to determine recoverable amounts and only to the extent that the revised recoverable amount does not exceed the carrying values that would have existed, had there been no recognition of impairment, except impairment of goodwill which is not reversed.

The useful lives of intangible assets are reviewed at each reporting date to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset.

2.4 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the statement of profit or loss.

The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units).

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

2.5 Investment in subsidiary

Investment in subsidiary companies are initially recognised at cost. These are subsequently measured at cost less accumulated impairment, if any. Where impairment losses subsequently reverse, the carrying amount of the investments are increased to the revised amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognised in the statement of profit or loss.

2.6 Joint arrangements

Joint arrangements are arrangements in which the Company has contractually agreed sharing of control, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint arrangements are classified as joint operations or joint ventures depending upon the rights and obligations arising from the joint arrangement. The Company classifies a joint arrangement as joint operation when the Company has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company classifies a joint arrangement as a joint venture when the Company has the rights to the net assets of the arrangement.

In respect of an interest in a joint operation, the Company recognises its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; its expenses, including its share of any expenses incurred jointly.

2.7 Financial assets

2.7.1 Classification, initial recognition and measurement

Financial assets are classified into appropriate categories on initial recognition and are subsequently measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss. The management determines the classification of financial assets into appropriate categories at initial recognition based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss if it is not measured at amortised cost or at fair value through other comprehensive income.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the financial asset. 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 the statement of profit or loss. Financial assets carried at fair value through other comprehensive income 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 fair value through profit or loss are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair values of the financial assets held at fair value through profit or loss are included in the statement of profit or loss in the period in which they arise.

2.7.2 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 risk 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 and other comprehensive income (as the case may be).

2.7.3 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt 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 debts, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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 is 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 the statement of profit or loss.

2.8 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.

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 the statement of profit or loss.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.10 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 incurred thereon till the reporting date. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated realisable value. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are shown separately as major spare parts and stand-by equipment under property, plant and equipment.

2.11 Stock-in-trade

These are valued at the lower of cost and net realisable value. Cost is determined using weighted average method except for raw materials in transit which are stated at cost (invoice value) plus other charges incurred thereon till the reporting date. Cost in relation to finished goods includes applicable purchase cost and manufacturing expenses. The cost of work in process includes material and proportionate conversion costs.

Net realisable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to be incurred in order to make the sales.

2.12 Trade debts and other receivables

These are recognised initially at fair value plus directly attributable transaction costs, if any and subsequently measured at amortised cost using effective interest rate method less provision for impairment, if any. The amount of provision is charged to the statement of profit or loss.

Trade debts and other receivables considered irrecoverable are written-off.

2.13 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include cash in hand, balances with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts / short term borrowings which are payable on demand. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

2.14 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest rate method.

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

2.16 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 liabilities.

2.17 Income tax

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

Current

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

Deferred

Deferred tax is recognised using the balance sheet method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.18 Employee benefits

2.18.1 Defined contribution plans

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

The Company contributes to:

- defined contribution provident fund for its permanent employees. Monthly contributions are made both by the Company and employees to the fund at the rate of 10% of basic salary;

- defined contribution pension fund for the benefit of those management employees who have not opted for defined contribution gratuity fund as explained in note 2.18.3. Monthly contributions are made by the Company to the fund at rates ranging from 12.5% to 13.75% of basic salary; and

- defined contribution gratuity fund for the benefit of those management employees who have selected to opt out of defined benefit gratuity fund and defined contribution pension plans as explained in note 2.18.3. Monthly contributions are made by the Company to the fund at the rate of 8.33% of basic salary.

All of the aforementioned funds are managed by the Holding Company.

2.18.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the Projected Unit Credit Method, related details of which are given in note 41.1 to the financial statements.

Remeasurements (actuarial gains / losses) in respect of defined benefit plans are recognised directly in equity through other comprehensive income.

Contributions require assumptions to be made of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

The Company also contributes to:

- defined benefit funded pension scheme for its management employees; and

- defined benefit funded gratuity schemes for its management and non-management employees.

The pension scheme provides life time pension to retired employees or their spouses. Contributions are made annually to these funds on the basis of actuarial recommendations. The pension scheme has been curtailed and effective from July 1, 2005, no new members are inducted in this scheme.

2.18.3 In June 2011, the Company gave a one time irrevocable option to selected members of MPT Employees' Defined Benefit Gratuity Fund and Defined Contribution Pension Fund to join a new MPT Employees' Defined Contribution Gratuity Fund (the Fund), a defined

contribution plan. The present value, as at June 30, 2011, of the defined benefit obligation of those employees, who accepted this offer, were transferred to this Fund. Furthermore, from July 2011 onwards, the monthly contributions to Defined Contribution Pension Fund of such employees were discontinued.

2.18.4 Service incentive plan

The Company recognises annual provision under a service incentive plan for certain category of experienced employees to continue in the Company's employment.

2.18.5 Employees' compensated absences

The Company accounts for compensated absences on the basis of unavailed leave balance of each employee at the end of the year.

2.19 Provision and contingent liabilities

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses and are reviewed at each reporting date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed when the Company has possible obligation that arises from past event's and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, 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.

2.20 Foreign currency transactions and translation

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency. Amounts presented in these financial statements have been rounded off to the nearest thousand, unless otherwise stated. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the statement of profit or loss.

2.21 Revenue recognition

The Company manufactures and sells urea and other Fertilizers products in the market. Revenue from sale of goods is recognised when control of the products is transferred i.e. when the product is dispatched / delivered to the customer. The payment terms in contracts with customers for sale of goods range from 30 to 180 days from invoice date.

The Company also provides transportation / logistics services to Industrial customers. Performance obligation for transportation / logistics services is satisfied upon the goods reaching the designated destination. Revenue from providing such services is recognised in the accounting period in which the services are rendered. The payment terms in contracts with customers for services range from 30 to 120 days from invoice date. During the year transportation / logistics services were discontinued.

Revenue is measured at fair value of the consideration received or receivable (which is generally equal to invoice amount), excluding discounts, rebates and government levies.

2.22 Other income

Income on deposits and other financial assets is recognised on accrual basis.

Commission and sub-licensing income is recognised on accrual basis in accordance with the substance of the relevant agreement.

Dividend income on equity investments is recognised when the Company's right to receive the dividend is established.

2.23 Earnings per share

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

2.24 Segment reporting

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

2.25 Dividend and appropriation to reserves

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

2.26 Contract liability

Contract liability is an obligation of the Company to transfer goods and services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If the customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when payment is received. Contract liabilities are recognised as revenue when Company fulfils the performance obligation under the contract.

3. critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

3.1 Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation. Further, where applicable, an estimate of recoverable amount of assets is also made for possible impairment on an annual basis.

3.2 Income taxes

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

3.3 Provision for retirement and other service benefits obligations

The present value of these obligations depends on a number of factors that are determined on actuarial basis using various assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present value of these obligations and the underlying assumptions are disclosed in note 41.

3.4 Impairment of goodwill and right to use the brand

Determining the recoverable amount of goodwill and right to use the brand involves use of significant estimates and assumptions. In making the aforementioned fair valuation estimates, discounted cash flow approach is used. The underlying assumptions used for such valuation are disclosed in note 5.1.

3.5 Contingencies and provisions

Significant estimates and judgements are being used by the management in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, in accounting for contingencies and provisions pertaining to legal and taxation matters being contested at various forums based on applicable laws and the decisions / judgements.

3.6 Impairment of financial assets

Significant estimates are involved in the assessment of the correlation between historical observed default rates and the projection of cashflows, forecast economic conditions and ECL. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. In respect of ECL on subsidy receivable, since the Company is confident of full recovery therefore only time value of money was considered for the determination of loss allowance as at the reporting date (note 12.3.1).

3.7 Stock-in-trade

Determining the value of specific category of stock-in-trade i.e. Bulk Urea and Bulk DI-Ammonium Phosphate (DAP), involves the use of significant estimates and assumptions. As the weighing of these inventory items is not practicable, the reasonableness of the quantities on hand is assessed by obtaining measurements of stockpiles and converting these measurements into unit of volume by bulk density values.

4. property, plant and equipment

	2024	2023
	...Rupees...	
Operating assets at net book value (note 4.1)	73,994,621	69,424,499
Capital work in progress (CWIP) (note 4.6)	7,151,645	7,734,005
Major spare parts and stand-by equipment (notes 4.1.1 and 4.1.2)	1,991,166	1,281,578
	83,137,431	78,440,081

4.1 Operating assets

	Land		Buildings on		Plant and machinery	Gas pipeline	Catalyst	Office equipment	Aircraft	Vehicles	Total
	Freehold	Leasehold	Freehold land	Leasehold land							
	...Rupees...										
As at January 1, 2023											
Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Year ended December 31, 2023											
Net book value - January 1, 2023	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Additions including transfers from CWIP (note 4.1.1 and 4.1.2)	-	-	[illegible]	[illegible]	[illegible]	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Disposals (write-off) (note 4.1)											
Cost	-	-	[illegible]	-	[illegible]	-	-	[illegible]	-	[illegible]	[illegible]
Accumulated depreciation	-	-	[illegible]	-	[illegible]	-	-	[illegible]	-	[illegible]	[illegible]
	-	-	[illegible]	-	[illegible]	-	-	[illegible]	-	[illegible]	[illegible]
Depreciation charge (note 4.2)	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assets classified as held for sale (note 4.1.3)	-	-	-	-	-	-	-	-	-	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
As at January 1, 2024											
Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assets classified as held for sale (note 4.1.3)	-	-	-	-	-	-	-	-	-	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Year ended December 31, 2024											
Net book value - January 1, 2024	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transfer from CWIP (note 4.1.1)	-	-	[illegible]	-	[illegible]	-	[illegible]	[illegible]	-	[illegible]	[illegible]
Disposals (write-off) (note 4.1)											
Cost	-	-	[illegible]	[illegible]	-	-	-	[illegible]	-	[illegible]	[illegible]
Accumulated depreciation	-	-	[illegible]	[illegible]	-	-	-	[illegible]	-	[illegible]	[illegible]
	-	-	[illegible]	[illegible]	-	-	-	[illegible]	-	[illegible]	[illegible]
Depreciation charge (note 4.2)	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assets classified as held for sale (note 4.1.3)	-	-	-	-	-	-	-	[illegible]	-	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
As at December 31, 2024											
Cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Accumulated depreciation	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Annual rate of depreciation (%)	-	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Unit of production	[illegible]	[illegible]	[illegible]	

4.1.1 Includes Nil (2023: Rs. 302,566) transferred from major spare parts and standby equipment.

4.12 During the year, the Company purchased major spare parts and stand-by equipment amounting to Rs. 1,498,260 (2023: Rs. 1,001,144) and transferred such assets to capital work in progress amounting to Rs. 783,675 (2023: Rs. 696,718).

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

	2024	2023
	...Rupees...	
Cost of sales (note 29)	3,696,179	3,493,521
Selling and distribution expenses (note 30)	149,243	139,614
Administrative expenses (note 31)	371,075	275,276
	4,216,498	3,883,411

4.3 The details of operating assets disposed / written off during the year are as follows:

Description and method of disposal	Sold to	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)
		...Rupees...				
Items having net book value of Rs. 500 each or more						
Vehicle to employees						
As per company policy	Muhammad Ismail	3,145	1,258	1,887	1,589	857
As per company policy	Muhammad Asif	2,593	1,356	1,204	1,073	(131)
As per company policy	Ali Haris	2,356	1,328	828	1,135	308
As per company policy	Maha Khan	2,772	1,090	1,682	1,967	285
As per company policy	Imran Lakhvera	5,410	2,376	3,034	4,144	1,110
As per company policy	Salman Naseeb Khan	3,679	1,105	2,574	3,080	506
As per company policy	Mazhar Iqbal Qureshi	4,328	1,221	3,177	3,674	497
As per company policy	Haris Riaz Qureshi	3,281	346	3,135	3,135	-
As per company policy	Saif Ullah Khan	6,361	1,090	5,792	6,299	507
As per company policy	Mohib Adib Jawed	4,375	621	4,253	4,368	115
As per company policy	Haris Iram	4,917	654	3,963	4,436	473
As per company policy	Saad Ahmed Qureshi	7,284	720	6,544	6,503	(41)
As per company policy	Mustafa Hussain Khan	3,227	960	2,267	2,405	138
As per company policy	Muhammad Umair Ul Haque	4,923	628	4,294	4,434	140
As per company policy	Amir Iqbal	32,154	10,262	2,215	15,050	12,835
As per company policy	Lal Muhammad Mirani	2,982	1,252	730	937	204
As per company policy	Khalid Rasheed	3,229	2,545	684	1,269	515
As per company policy	Umair Ali Bhatti	5,535	3,135	2,400	3,133	733
As per company policy	Tahir Hameed	4,089	1,228	2,857	3,581	724
As per company policy	Ali Muhammad	7,735	1,875	5,910	6,746	836
As per company policy	Qazi Muhammad Hammad	5,634	4,070	1,564	1,800	236
As per company policy	Arshia Ahmed Sadiq	30,940	8,841	11,708	12,230	522
As per company policy	Muhammad Ali Riaz Cheema	3,388	1,288	2,100	2,238	138
As per company policy	Danish Owais	5,420	1,813	3,607	4,399	792
As per company policy	Ali Murtaza Baloch	6,863	1,750	5,113	5,066	(47)
As per company policy	Sayyed Mohsin Hassan	5,471	4,426	1,045	1,080	35
As per company policy	Abdul Latif	2,852	2,147	505	992	487
As per company policy	Majid Khan	5,127	1,162	3,966	4,813	848
As per company policy	Sheeraz Syed	3,570	1,223	1,648	1,954	306
As per company policy	Amjad Hussain	2,888	1,284	1,504	2,059	555
As per company policy	Umar Baz Marri	4,223	1,046	3,377	4,412	535
		172,461	78,486	25,995	130,193	24,220

Vehicles						
Bidding	S.K Trading	2,730	1,756	911	2,240	2,429
Bidding	Abdul Naeem Khan	1,888	1,248	640	2,180	1,517
Bidding	Amir Jan Nasir	1,888	1,248	640	2,015	1,375
Bidding	Nasir Saleem	1,892	1,240	652	2,255	1,603
Bidding	Imran	2,730	1,823	907	2,435	2,528
Bidding	Imran Saeed	1,889	1,231	658	2,530	1,872
Bidding	Nadeem Ahmed	1,892	1,234	658	2,295	1,637
Bidding	Abdul Khalid	1,891	1,220	671	1,980	1,309
Bidding	Abid Ali Khan	2,730	2,128	602	2,460	1,858
		19,859	13,478	6,088	20,590	17,534
Building on Leasehold						
Write-Off		9,018	9,754	3,264	-	(6,264)
Office Equipment						
Write-Off		1,474	661	813	-	(813)
Items having net book value less than Rs. 500 each						
Operating assets	Various	140,780	101,258	12,906	124,401	111,395
Year ended December 31, 2024		342,248	224,385	117,403	268,192	150,789
Year ended December 31, 2023		372,832	268,724	105,154	268,056	162,902

4.4 Particulars of immovable properties i.e. land and building which are in the name of the Company are as follows

Location	Total Area (Acreage)
Daharki plant & colony	734
Zarkhez plant land at Port Qasim	1125

4.5 **Capital work in progress**

	2024	2023
	Rupees	
Plant and machinery	4,900,287	5,100,844
Building and civil works including gas pipeline	293,426	346,447
Furniture, fixture and equipment	280,764	616,010
Advances to suppliers	1,373,813	595,477
Others	283,355	75,227
	7,151,645	7,734,005

4.5.1 Includes Rs. 2,050,423 (2023: Rs. 1,299,378) which represents the Company's share in respect of a joint operation related to Pressure Enhancement Facility (PEF), as disclosed in note 52 to the financial statements.

	2024	2023
	Rupees	
4.5.2 Balance as at January 1	7,734,005	7,793,135
Additions during the year	9,517,770	6,112,481
Transferred to		
- operating assets (note 4.1 and 4.5.3)	(9,035,720)	(6,071,699)
- intangible assets (note 5)	(64,410)	(99,912)
Balance as at December 31	7,151,645	7,734,005

4.5.3 It includes assets transferred to operating asset on account of major turnaround activity of the EnVen Plant to ensure the long-term reliability and sustainable safe operations of the EnVen Plant. The activity was performed between April 21, 2024 till June 14, 2024.

5. **intangible assets**

	Goodwill	Right to use the brand (note 5.1)	Software and licenses (note 5.2)	Rights for future gas utilisation	Total
			Rupees		
As at January 1, 2023					
Cost	183,805	4,170,993	1,650,764	102,212	6,117,897
Accumulated amortisation	-	-	(771,044)	(68,873)	(839,917)
Net book value	183,805	4,170,993	879,720	43,439	5,277,980
Year ended December 31, 2023					
Net book value - January 1, 2023	183,805	4,170,993	879,720	43,439	5,277,980
Transfers from CWIP (note 4.5.2)	-	-	99,912	-	99,912
Write off					
Cost	-	-	(38,864)	-	(38,864)
Accumulated amortisation	-	-	38,864	-	38,864
	-	-	-	-	-
Amortisation (note 5.3)	-	-	(188,690)	(6,110)	(203,700)
Net book value	183,805	4,170,993	791,062	37,329	5,184,190
As at December 31, 2023					
Cost	183,805	4,170,993	1,721,842	102,212	6,178,856
Accumulated amortisation	-	-	(930,780)	(64,883)	(994,763)
Net book value	183,805	4,170,993	791,062	37,329	5,184,190
Year ended December 31, 2024					
Net book value - January 1, 2024	183,805	4,170,993	791,062	37,329	5,184,190
Transfers from CWIP (note 4.5.2)	-	-	64,410	-	64,410
Write off					
Cost	-	-	(762)	-	(762)
Accumulated amortisation	-	-	396	-	396
	-	-	(366)	-	(366)
Amortisation (note 5.3)	-	-	(235,676)	(6,110)	(240,686)
Net book value	183,805	4,170,993	619,431	31,219	5,007,651
As at December 31, 2024					
Cost	183,805	4,170,993	1,785,490	102,212	6,242,503
Accumulated amortisation	-	-	(1,165,959)	(69,993)	(1,235,952)
Net book value	183,805	4,170,993	619,531	33,219	5,007,651
Annual rate of amortisation (%)	-	-	12.5 - 25	6	

5.1 Goodwill and Right to use the brand

Goodwill and right to use the brand represent amounts recognised on amalgamation of Engro Eximp (Private) Limited (EEPL) with the Company, being the difference between the fair values of net assets at the time of amalgamation and the amount of consideration given.

Goodwill and right to use the brand have been allocated to the single Cash Generating Unit (CGU) (i.e Phosphate business) having an indefinite life, till the time the related CGU is disposed / derecognised. The recoverable amount of cash generating unit is the higher of value in use or fair value less costs to sell. Value in use is calculated as the net present value of the projected cash flows of the cash generating unit to which the asset belongs, discounted at risk-adjusted discount rate.

Details relating to the discounted cash flow model used to determine the value in use of goodwill and right to use the brand are as follows:

Valuation basis	Value in use
Key assumptions	Sales growth rates Discount rate
Determination of assumptions	Growth rates are internal forecasts based on both internal and external market information and past performance. Cost reflects past experience, adjusted for inflation and expected changes. Discount rate is primarily based on weighted average cost of capital.
Terminal growth rate	2.5%
Period of specific projected cash flows	5 years
Discount rate	12.2%

The valuation indicates sufficient headroom such that a reasonably possible change to key assumptions is unlikely to result in impairment of related goodwill and right to use the brand.

5.1.1 Right to use the brand is in respect of selling Phosphate fertilizers, acquired under an agreement with the Holding Company (upon amalgamation of EEPL with the Comapny), that has been valued at initial recognition using Relief from Royalty Method and is considered to have an indefinite life.

5.2 Primarily relates to cost incurred on implementation of new ERP i.e. OneSAP, which is being amortised over a period of 8 years.

5.3 Amortisation for the year has been allocated as follows:

	2024	2023
	...Rupees...	
Cost of sales (note 29)	39,924	16,753
Selling and distribution expenses (note 30)	15,219	9,168
Administrative expenses (note 31)	185,542	175,779
	240,685	203,700

6. investment in subsidiary

6.1 Represents investment in EFERT Agritrade (Private) Limited (EAPL) which was incorporated on July 6, 2017 as a wholly owned subsidiary of the Company to carry out business of trading and distribution of imported fertilizer. As part of the business reorganisation in 2017, the Company transferred its business of trading and distribution of imported fertilizer to EAPL and holds 10,000 ordinary shares of Rs. 10 each in EAPL.

6.2 No new investment in associated companies and undertakings have been made during the year.

7. long-term investments

	2024	2023
	...Rupees...	
At amortised cost		
Pakistan Investment Bonds (note 7.1)	3,517,074	101,057

7.1 These bonds carry interest at the rate of 13.04% to 17.70% (2023: 13.04%) per annum and have maturity in three to five years (2023: four years).

8. long-term loans, advances and deposits - considered good

	2024	2023
	...Rupees...	
Loans and advances to:		
- Executives (notes 8.1, 8.2, 8.3, 8.5 and 8.6)	78,374	64,847
- Other employees (notes 8.4 to 8.6)	118,637	15,343
- Deposits to suppliers	11,128	201,246
	208,139	281,436
Less: Current portion shown under current assets (note 13)	(10,218)	(71,630)
	197,921	209,806

(Amounts in thousand)

8.1 Reconciliation of the carrying amount of loans and advances to executives

	2024	2023
	...Rupees...	
Balance as at January 1	64,847	47,762
Disbursements	158,474	99,841
Repayments / Amortisation	(144,947)	(82,756)
Balance as at December 31	78,374	64,847

8.2 Details of loans and advances to executives

Service incentive loans	1,034	1,141
Advances in respect of		
- Car earn out assistance	2,863	2,863
- House rent	11,453	1,961
- Salary	34,910	30,537
- Others	28,274	28,445
	78,374	64,847

8.3 The maximum amount outstanding from executives at the end of any month during the year aggregated to Rs. 127,739 (2023: Rs. 64,847).

8.4 Includes interest free loans given to workers pursuant to Collective Labour Agreement.

8.5 Represents loans granted to employees according to the Company's policy. These loans are interest free, repayable within 1 to 4 years and secured to the extent of the provident fund balance and retirement benefits, if vested, of the respective employees.

8.6 The carrying values of the loans and advances are neither past due nor impaired.

9. stores, spares and loose tools

	2024	2023
	...Rupees...	
Consumable stores, spares and loose tools (note 9.2)	9,401,410	9,701,353
Less: Provision for surplus and slow moving items (note 9.1)	(1,161,883)	(971,830)
	8,239,527	8,729,523

9.1 Provision for surplus and slow moving items

Balance as at January 1	971,830	907,932
Charge for the year	309,097	324,161
Reversal during the year	(118,540)	(260,175)
Written off during the year	(504)	(107)
Balance as at December 31	1,161,883	971,830

(Amounts in thousand)

9.2 During the year, the Company has directly written off stores, spares and loose tools amounting to Rs. 988 (2023: Rs. 4,844).

10. stock-in-trade

	2024	2023
	...Rupees...	
Raw materials (note 10.3)	4,791,822	3,322,973
Packing materials	771,330	1,058,075
Work in process	44,113	279,974
	5,547,066	4,661,022
Finished goods - manufactured products	6,887,848	740,739
Less: Provision for impairment against stock-in-trade (note 10.1)	(229,782)	(37,341)
	12,204,931	5,364,420

10.1 Provision for impairment against stock-in-trade

Balance as at January 1	37,341	187,697
Charge for the year	192,441	327,389
Written off during the year	-	(477,745)
Balance as at December 31	229,782	37,341

10.2 During the year, the Company has directly written off stock-in-trade amounting to Rs. 79,061 (2023: Rs. 15,878).

10.3 Includes stock-in-transit amounting to Rs. 998,176 (2023: Rs. 643,764).

11. trade debts

	2024	2023
	...Rupees...	
Considered good		
- Secured (note 11.1)	4,944,266	1,461,849
- Unsecured	743,083	607,325
	5,687,349	2,069,174
Considered doubtful (note 11.2)	80,540	111,560
	5,767,889	2,180,734
Less: Provision for impairment against trade debts (note 11.2)	(80,540)	(111,560)
	5,687,349	2,069,174

11.1 These debts are secured by way of bank guarantee.

11.2 Provision for impairment against trade debts

	2024	2023
	...Rupees...	
Balance as at January 1	111,560	81,188
(Reversal) / Charge for the year (notes 32 and 33)	(31,020)	91,290
Written off during the year	-	(60,918)
Balance as at December 31	80,540	111,560

12. other receivables

Subsidy receivable from the Government of Pakistan - net (notes 12.1 and 12.2)	2,811,755	1,808,667
Sales tax receivable	4,222,484	9,496,235
Due from Associated Companies		
- Engro Polymer and Chemicals Limited	392,865	182,890
- Engro Powergen Qadirpur Limited	-	9,056
- Engro Energy Limited	-	477,963
- Engro Eximp Agriproducts (Private) Limited	8,365	7,533
- Sindh Engro Coal Mining Company Limited	-	7,124
- Engro Elengy Terminal (Private) Limited	51,124	129,729
- Engro Vopak Terminal Limited	12,417	5,830
- Engro Enfrashare (Private) Limited	2,227	1,589
- Think PVC (Private) Limited	12	20
- Engro Peroxide (Private) Limited	721	31
- Elengy Terminal Pakistan Limited	30	9
- Engro Energy Services Limited	10	147
- Engro Plasticizer (Private) Limited	-	6
- Engro Infiniti (Private) Limited	-	70
Receivable from Defined Benefit Gratuity Fund - MPT (note 41.2.1)	22,543	25,968
Workers' profits participation fund (note 24.6)	-	393,056
Others (note 12.5)	2,975,863	1,961,975
	10,500,226	14,301,589

12.1 In FY 2015, the Government of Pakistan (GoP) notified payment of subsidy on sold products at the rate of Rs. 500 per 50 kg bag of Di Ammonia Phosphate (DAP) and Rs. 217 per 50 kg bag of Nitrophos (N) and NPK fertilizers (based on phosphorous content). This subsidy scheme was effective till May 27, 2016.

In FY 2016, a new subsidy scheme was announced by the GoP, effective June 25, 2016 whereby subsidy was payable on sold products at the rate of Rs. 156 per 50 kg bag of Urea and Rs. 300 per 50 kg bag of DAP and for Nitrophos 22:20 & 18:18 grade (based on phosphorus content) and NPK fertilizers (based on phosphorus content).

In FY 2017, another subsidy scheme was announced by the GoP, effective July 01, 2017. Under the new subsidy scheme, aforementioned rates were replaced with Rs. 100 per 50 kg bag for Urea only. This subsidy scheme was effective till June 30, 2018. In line with the notification issued for the said scheme, Ministry of National Food Security and Research has appointed third party auditors for verification of subsidy claims which is underway.

12.2 Subsidy receivable from the Government of Pakistan - net

	2024	2023
	...Rupees...	
Gross subsidy receivable from the GoP	6,623,493	6,623,493
Less: Provision against doubtful receivable	(155,127)	(155,127)
Less: Loss allowance on subsidy receivable from the GoP (note 12.3)	(3,656,611)	(4,759,699)
	2,811,755	1,808,667

12.3 The movement in loss allowance on subsidy receivable from the GoP is as follows:

	2024	2023
	...Rupees...	
Balance as at January 1	4,759,699	2,319,548
(Gain) / Loss allowance for the year (note 35)	(1,203,088)	2,440,151
Balance as at December 31	3,656,611	4,759,699

12.3.1 As required under IFRS 9, an entity is required to assess changes in credit risk by taking into account the time value of money, reasonable and supportable assumptions regarding past events, current conditions, forecast of future events and economic conditions attached to its receivables and recognise expected credit loss, if any. Based on this, the Company has recomputed expected credit loss amounting to Rs. 3,656,611 (2023: Rs. 4,759,699) on subsidy receivable from the GoP giving due consideration to the time value of money based on expected recovery of the subsidy receivable. The Company, however, is confident of full recovery of the subsidy amount from the GoP.

(Amounts in thousand)

12.4 The maximum amount due from the associated companies at the end of any month during the year is as follows:

	Maximum aggregate amount outstanding at the end of any month	Not Yet Due	Past Due 1-90 days	Past Due 91-180 days	Past Due More than 180 days	Total 2024
Holding Company	54,260	-	-	-	-	-
Subsidiary Company						
- EFERT Agritrade (Private) Limited	10,823,235	-	-	-	-	-
Associated Companies						
- Sindh Engro Coal Mining Company Limited	15,232	-	-	-	-	-
- Engro Polymer and Chemicals Limited	414,553	21,119	310,732	34,905	15,804	382,560
- Engro Energy Services Limited	197	(147)	-	2	155	10
- Engro Vopak Terminal Limited	13,304	1	372	5,468	6,535	12,417
- Engro Powergen Qadirpur Limited	9,118	-	-	-	-	-
- Engro Powergen Thar (Private) Limited	2,207	-	-	-	-	-
- Engro Energy Limited	477,283	-	-	-	-	-
- Elengy Terminal Pakistan Limited	20	-	-	1	29	30
- Trikmic PVC (Private) Limited	31	(1)	-	7	24	12
- Engro Peroxide (Private) Limited	752	(61)	-	709	43	721
- Engro Plasticizer (Private) Limited	6	-	-	-	-	-
- Engro Elengy Terminal (Private) Limited	120,720	(68)	25,403	37,206	90,216	91,184
- Engro Infiniti (Private) Limited	72	-	-	-	-	-
- Engro Foundation	2,231	-	-	-	-	-
- Engro Eximp Agriproducts (Private) Limited	5,266	1	234	-	5,120	5,355
- Engro Enfrashare (Private) Limited	2,227	-	-	86	2,141	2,227
		21,213	348,937	88,169	82,907	492,781

	Maximum aggregate amount outstanding at the end of any month	Not Yet Due	Past Due 1-90 days	Past Due 91-180 days	Past Due More than 180 days	Total 2023
Holding Company	577,251	-	-	-	-	-
Subsidiary Company						
- EFERT Agritrade (Private) Limited	5,243,695	-	-	-	-	-
Associated Companies						
- Fauji Engro Pakistan Limited	472	-	-	-	-	-
- Engro Powergen Qadirpur Limited	9,099	352	885	137	7,995	9,099
- Sindh Engro Coal Mining Company Limited	7,124	-	1,065	1,170	4,889	7,124
- Engro Polymer and Chemicals Limited	237,692	9,220	(66,973)	120,924	22,446	185,620
- Engro Energy Limited	477,283	109,894	30,535	141,259	135,704	477,393
- Engro Powergen Thar (Private) Limited	215	-	-	-	-	-
- Engro Energy Services Limited	147	-	2	9	136	147
- Engro Vopak Terminal Limited	6,835	(62)	584	1,715	4,148	6,385
- Elengy Terminal Pakistan Limited	9	-	9	-	-	9
- Trikmic PVC (Private) Limited	20	-	20	-	-	20
- Engro Peroxide (Private) Limited	31	-	8	12	11	31
- Engro Plasticizer (Private) Limited	8	-	-	8	-	8
- Engro Elengy Terminal (Private) Limited	151,770	(23,040)	47,077	27,457	76,926	128,420
- Engro Infiniti (Private) Limited	70	-	-	70	-	70
- Engro Digital Limited	69	-	-	-	-	-
- Engro Eximp Agriproducts (Private) Limited	6,708	209	404	221	5,969	7,203
- Engro Foundation	3,240	-	-	-	-	-
- Engro Enfrashare (Private) Limited	1,532	1,295	(378)	(909)	912	1,920
		92,099	32,750	303,084	385,335	813,268

(Amounts in thousand)

12.5 This includes Rs. 2,970,119 (2023: Rs. 1,936,432) paid to a gas supplier pursuant to an arrangement under which the Company has committed to fulfil certain obligations in case of default by another gas company. The gas supplier will return the amount so paid once another gas company settles its outstanding amount.

13. loans, advances, deposits and prepayments - considered good

	2024	2023
	...Rupees...	
Current portion of long term loans and advances to executives and other employees (note 8)	10,218	71,600
Advances and deposits	1,912,406	2,081,241
Prepayments		
- Insurance	529,737	514,554
- Freight	282,022	19,041
- Others	682,759	5,378
	3,417,141	2,691,814

14. working capital loan to subsidiary

Represents unsecured loan given to EAPL (a subsidiary company) amounting to Rs. 11,902,310 (2023: Rs. 1,552,107). The mark-up is receivable on quarterly basis at the rate of 1 month KIBOR + 0.5% (2023: 1 month KIBOR + 0.5%) per annum.

15. short-term investments

	2024	2023
	...Rupees...	
At fair value through profit or loss		
Investment in units of mutual funds (notes 15.1 and 15.2)	2,489,411	21,847,462
At amortised cost		
- Pakistan Investment Bonds	-	1,754,331
- Term Deposit Receipts (note 15.3)	250,000	-
	250,000	1,754,331
	2,739,411	23,601,793

15.1 This represents investment in 24,842,639 units (2023: 423,222,112 units) of Mutual Funds having cost amounting to Rs. 2,439,561 (2023: Rs. 21,771,823).

15.2 This includes investment in 11,057 units (2023: 56,515,267 units) of Shariah Compliant mutual funds amounting to Rs. 1,011 (2023: Rs. 5,996,850) having cost amounting to Rs. 1,036 (2023: Rs. 5,977,266).

15.3 Term Deposit Receipts carry interest at the rate of 13.00% (2023: Nil) per annum.

16. cash and bank balances

	2024	2023
	...Rupees...	
Cash at banks in:		
-deposit accounts (notes 16.1 and 16.3)	1,543,703	2,388,788
-current accounts (notes 16.2 and 16.4)	2,714,629	1,036,444
	4,258,332	3,425,212
Cash in hand	3,113	11,613
	4,261,445	3,436,825

16.1 Deposit accounts carry return at the rates ranging from 10% to 20.50% (2023: 14.50% to 20.50%) per annum.

16.2 Includes Rs. 574,375 (2023: Rs. 644,279) held in foreign currency bank accounts.

16.3 Includes Shariah Compliant bank balances amounting to Rs. 423,924 (2023: Rs. 623,151) and carries profit ranging from 5.50% to 8.50% (2023: 20%).

16.4 Includes Shariah Compliant bank balances amounting to Rs. 214,861 (2023: Rs. 349,019).

17. assets classified as held for sale

As at December 31, 2023, certain assets of the Company had been classified as held for sale due to the decision of the directors of the Company to sell its E-Logistics business (previously classified under vehicles in operating assets). During the year, the Company entered into an agreement with Hamdard Laboratories (Waqf) Pakistan in respect of sale of its entire fleet of vehicles and office equipment. The transaction was completed on May 20, 2024 at a sale price of Rs. 1,550,000.

18. share capital

	2024	2023
	...Rupees...	
Authorised capital		
1,400,000,000 (2023: 1,400,000,000) Ordinary shares of Rs. 10 each	14,000,000	14,000,000
Issued, subscribed and paid-up capital		
258,132,299 (2023: 258,132,299) Ordinary shares of Rs. 10 each, fully paid in cash	2,581,323	2,581,323
9,999,993 (2023: 9,999,993) Ordinary shares of Rs. 10 each issued as at January 1, 2010 on transfer of fertilizer undertaking	100,000	100,000
1,062,800,000 (2023: 1,062,800,000) Ordinary shares of Rs. 10 each, issued as fully paid bonus shares	10,628,000	10,628,000
4,367,063 (2023: 4,367,063) Ordinary shares of Rs. 10 each issued upon exercise of conversion option by International Finance Corporation (IFC)	43,670	43,670
	13,352,993	13,352,993

18.1 As at reporting date, the Holding Company held 56.27% (2023: 56.27%) of the share capital of the Company.

18.2 These fully paid ordinary shares carry one vote per share and right to dividend.

19. reserves

	2024	2023
	...Rupees...	
Capital reserves		
Share premium	3,334,904	3,334,904
Reserve on amalgamation (note 19.1)	(304,027)	(304,027)
	3,030,877	3,030,877
Revenue reserves		
Remeasurement of post employment benefits	(69,897)	(74,594)
Unappropriated profit	30,164,584	28,666,068
	30,094,787	28,592,474
	33,125,664	31,623,351

19.1 This reserve was created upon amalgamation of Engro Eximp (Private) Limited with the Company.

20. borrowings - secured (non-participatory)

	Note	Mark - up rate per annum	Instalments Number	Instalments Commenced / Commending from	2024	2023
					...Rupees...	
Long term finance utilised under mark-up arrangements:						
Banking Company						
Allied Bank Limited	20.2 and 20.3	3 months KIBOR + 0.25%	8 half yearly	June 21, 2022	[illegible]	[illegible]
Allied Bank Limited	20.2 and 20.3	3 months KIBOR + 0.25%	12 quarterly	March 20, 2029	[illegible]	[illegible]
Allied Bank Limited	20.2 and 20.3	3 months KIBOR + 0.25%	8 half yearly	June 20, 2022	[illegible]	[illegible]
Allied Bank Limited	20.2 and 20.3	3 months KIBOR + 0.25%	8 half yearly	June 19, 2022	-	[illegible]
MCB Bank Limited	20.2 and 20.3	3 months KIBOR + 0.25%	8 half yearly	June 27, 2022	-	[illegible]
United Bank Limited		3 months KIBOR - 0.25%	4 quarterly	December 27, 2025	[illegible]	-
Meezan Bank Limited		3 months KIBOR + 0.15%	28 quarterly	February 05, 2029	[illegible]	-
Habib Bank Limited		3 months KIBOR + 0.10%	12 quarterly	December 30, 2028	[illegible]	-
Habib Bank Limited		3 months KIBOR - 0.25%	8 half yearly	December 30, 2025	[illegible]	-
MCB Bank Limited		3 months KIBOR - 0.25%	4 quarterly	February 11, 2025	[illegible]	-
					10,487,223	8,941,484
TERF Loans						
Allied Bank Limited	20.2 and 20.3	1.50%	Various	March 20, 2029	[illegible]	[illegible]
Habib Bank Limited	20.2 and 20.3	2.00%	Various	January 29, 2029	[illegible]	[illegible]
MCB Bank Limited	20.2 and 20.3	1.50%	Various	January 13, 2029	[illegible]	[illegible]
					[illegible]	[illegible]
Less: Fair value adjustment for loan at below market rate	21				[illegible]	[illegible]
					[illegible]	[illegible]
					21,535,721	5,982,441
Less: Current portion shown under current liabilities					[illegible]	[illegible]
					[illegible]	[illegible]

20.1 All senior debts are secured by an equitable mortgage upon immovable property of the Company and equitable charge over current and future operating assets excluding immovable property of the Company.

20.2 During the year, the Company made principal repayments of long term finances to MCB Bank Limited and Allied Bank Limited amounting to Rs. 833,333 and Rs. 1,240,738 respectively.

20.3 During the year, the Company repaid TERF loan to Allied Bank Limited, Habib Bank Limited and MCB Bank Limited amounting to Rs. 90,719, Rs. 88,814 and Rs. 433,113, respectively. These borrowings have the same charge as the borrowings from other Senior Lenders on operating assets. Mark-up is chargeable at concessional rates ranging from 1.50% to 2.00% per annum and is payable in quarterly or semi-annual installment starting from January 2022.

In accordance with IFRS 9 Financial Instruments, the Company has recognised these loans at their fair value and the differential markup as deferred government grant income, as mentioned in note 21 to the financial statements, which will be amortised and set off against finance cost over the period of the facilities.

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

	2024	2023
	...Rupees...	
Balance as at January 1	5,982,441	12,669,628
Borrowings availed during the year	18,000,000	-
Repayment of borrowings	(2,686,717)	(7,076,643)
Fair value adjustment for below market rate - net (note 21)	239,997	189,724
Exchange loss	-	199,732
Balance as at December 31	21,535,721	5,982,441

20.5 In accordance with the terms of the Inter-Creditor Agreement (ICA), the Company is obligated to comply with certain covenants including Senior Finance Service Coverage Ratio, Finance to equity ratio, Total Finance to Equity Ratio, Current Ratio and Senior Finance to EBITDA. The details of such covenants are:

Type of Ratio	Minimum Requirement
Senior Finance Service Coverage Ratio	At least 1.25x
Finance to Equity Ratio	75:25
Total Finance to Equity Ratio	80:20
Current Ratio	At least 1.0x
Senior Finance to EBITDA	Maximum 4.0x

As of the reporting date, the Company has not complied with one of its covenant, i.e current ratio. However, the Company has received a waiver from the respective banks for a period of 12 months from the reporting date. The Company based on it projections remains confident that there are no indicators that it will have difficulties in complying with the required financial covenants when these will be next tested.

21. government grant

	2024	2023
	...Rupees...	
Balance as at January 1	957,089	1,146,813
Less: released to the statement of profit or loss (note 34.1)	(239,997)	(189,724)
	717,092	957,089
Less: Current portion	(202,737)	(235,755)
	514,355	721,334

21.1 The Company recognised government grant on loan received at below market interest rate (note 20.3) in accordance with IAS 20 'Accounting for government grants and disclosure of government assistance'.

(Amounts in thousand)

22. deferred taxation

	Balance as at January 1, 2023	Recognised in profit or loss	Recognised in OCI	Balance as at December 31, 2023	Recognised in profit or loss	Recognised in OCI	Balance as at December 31, 2024
	Rupees						
Taxable temporary differences							
- Accelerated depreciation allowance and Staff retirement benefits	15,080,533	3,511,430	18,800	18,611,563	1,402,727	2,889	20,017,229
Deductible temporary differences							
- Provisions	8,222,229	1,287,554	-	8,209,883	9,940,706	-	18,150,589
	8,181,234	2,223,876	18,800	10,401,710	(8,540,200)	2,889	1,863,879

22.1 This includes an amount of Rs. 7,631,070 (2023: Rs. 7,631,070) relating to disallowance of GIDC provision by the income tax department on account of non-payment.

23. deferred liabilities

	2024	2023
	...Rupees...	
Deferred income (note 23.1)	38,329	42,194
Service benefit obligations	266,975	252,292
Less: Current portion shown under current liabilities	(62,356)	(62,356)
	204,619	189,936
	242,948	232,130

23.1 This represents Rs. 96,627 received from Engro Powergen Qadirpur Limited (EPQL), an associated company, for the right to use the Company's infrastructure facilities at Daharki Plant by the employees of EPQL for a period of twenty five years. The amount is being amortised over such period.

(Amounts in thousand)

24. trade and other payables

	2024	2023
	...Rupees...	
Creditors	938,866	2,166,926
Accrued liabilities (notes 24.1 to 24.2)	44,114,798	39,423,895
Advances from customers, contract liabilities (note 24.4)	1,867,608	13,942,402
Payable to:		
- FrieslandCampina Engro Pakistan Limited	20	1,020
- EFERT Agritrade (Private) Limited	7,067,328	6,206,173
- Engro Powergen Thar (Private) Limited	2,997	1,225
- Engro Eximp FZE	523,601	147,697
- Engro Corporation Limited	539,830	669,814
- Sindh Engro Coal Mining Limited	1,107	-
- Engro Foundation	393,769	247,760
- Engro Energy Limited	479,048	-
- Engro Powergen Qadirpur Limited	9,884	-
- Engro Technical Solutions (Private) Limited	150,542	-
- Defined Contribution Provident Fund	1,352	1,216
- Defined Contribution Provident Fund - NMPT	21	43
- Defined Contribution Gratuity Fund - MPT	4,790	4,583
- Defined Benefit Pension Fund (note 41.2.1)	12,646	16,898
- Defined Benefit Gratuity Fund - NMPT (note 41.2.1)	172,464	136,158
Deposits / Retention from dealers and contractors (note 24.5)	376,296	295,449
Workers' welfare fund (WWF) (note 24.6)	1,459,852	1,324,099
Workers' profits participation fund (WPPF) (note 24.6)	298,260	-
Witholding tax payable	133,373	80,713
Others	140,024	59,757
	58,688,376	64,725,828

24.1 On June 4, 2021, the SHC through its judgement upheld the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 promulgated retrospectively with effect from July 01, 1994 as valid and declaring it within the competence of provincial legislature. The Company maintains adequate accrual in these financial statements and has filed Civil Petition for Leave to Appeal (CPLA) before the SCP to challenge the SHC Judgement. On September 01, 2021, the SCP granted an interim relief in the appeals and suspended the SHC Judgement. The Company carries an accrual of Rs. 1,895,910 (2023: Rs. 1,742,984) in this respect.

24.2 On June 10, 2021, the Company filed a Suit before the SHC in which it prayed that Sui Northern Gas Pipelines Limited (SNGPL) be directed to supply the contracted / committed volume of feed gas at concessionary pricing under the Gas Sale and Purchase Agreement and in accordance with the Fertilizer Policy 2001, Instructions to Bidders and various Economic Coordination Committee decisions.

The SHC was pleased to grant an ad interim stay vide its order dated June 21, 2021, directing the parties to maintain status quo with regard to disconnection of gas supply and pricing. The Company, without prejudice to the pending Suit and any admission of liability, has on prudent basis recorded an accrual of Rs. 21,219,869 (2023: Rs. 16,736,935) in these financial statements.

24.3 In 2022, the Company received a letter from one of its gas supplier, which indicated that the pricing of gas supplied to the Company from the aforementioned gas field would be higher of the applicable Petroleum Policy or the gas price notified by the Oil and Gas Regulatory Authority ("OGRA") for the fertilizer sector and such charge shall be applicable from the date of execution of the Gas Sale and Purchase Agreement (GSPA).

In this regard, the Company has submitted a formal response to the gas supplier. Without prejudice to the foregoing and any admission of liability, the Company has on prudent basis recorded an accrual amounting to Rs. 2,360,460 (2023: Rs. 2,360,460) in these financial statements.

24.4 This represents advances received by the Company from customers for goods to be delivered. The advances outstanding as at January 01, 2024 have been fully recognised as revenue during the year.

24.5 The amount is kept in seperate term deposits account as per the terms of agreements and is not utilised for the purpose of the business of the Company.

24.6 Movement of WPPF / WWF

	2024		2023	
	WPPF	WWF	WPPF	WWF
	Rupees			
Balance as at January 1	(393,856)	1,324,999	(374,663)	939,941
Charge for the year	2,366,934	816,763	2,366,991	769,119
Payments during the year	(1,887,818)	(680,000)	(2,384,464)	(374,061)
Balance as at December 31	285,260	1,461,762	(392,856)	1,324,999

25. provision for gas infrastructure development cess

The Honorable Supreme Court of Pakistan (SCP) through its judgement dated August 13, 2020 (the Judgment) declared that the levy imposed under the Gas Infrastructure Development Cess (GIDC) Act, 2015 (the Act) is valid and in accordance with the provisions of the Constitution of Pakistan 1973 (the Constitution). The SCP in its Judgement stated that the Government has already collected Rs. 295 million and this amount combined with the outstanding amount would be in the vicinity of Rs. 700 million. The SCP, therefore, issued the following directions:

- It restrained the Federal Government from charging further GIDC until such time that the GIDC already collected and accrued (but not yet collected), is expended on projects listed under the Act;

- As all industrial and commercial entities which consume gas for their business activities pass on the burden to their customers, therefore, GIDC that has become due up to July 31, 2020, and has not been recovered so far, shall be recovered by the gas companies responsible under the Act to recover from their consumers in twenty-four equal monthly installments, without the component of Late Payment Surcharge (LPS); and

- In case, no work is carried out on the gas infrastructure pipelines in the manner and / or time specified in the Judgement, the purpose of levying GIDC shall be deemed to have been frustrated and the Act would become completely in-operational and considered dead for all intents and purposes.

Pursuant to the Judgement, the gas suppliers began invoicing the GIDC instalments for recovery with effect from August 01, 2020.

Aggrieved by the Judgement, the Company filed a review petition before the SCP, which was dismissed by the SCP on November 02, 2020 (Review Decision). However, the Review Decision (i) noted that the Government of Pakistan is agreeable to recover the unpaid arrears in 48 monthly installments instead of 24 monthly installments provided the time period for the projects was extended to 12 months from 6 months, and (ii) upheld the validity of Section 8(2) of the Act. The SCP protected the rights of the Industrial Sector (excluding Fertilizer Feed Stock) to approach the appropriate fora for enforcement of the exemption provided under the proviso to Section 8(2) of the Act.

Subsequent to the Review Decision, the Company filed a rectification application before the SCP seeking a clarification regarding the increase in number of installments.

The Company also filed a suit before the Sindh High Court (SHC) on December 17, 2020 against collection of GIDC on non-concessionary feed gas supplied under the non-fixed price contracts and the fuel gas, on the basis of relief available under Section 8(2) of the Act and on the grounds that factual determination of the GIDC passed-on is to be carried out. The SHC granted the Company an interim stay restraining the impleaded gas companies from taking coercive action against the Company for non-payment of GIDC instalments.

Further, against the GIDC instalment invoice received from SNGPL on concessionary gas supplied under the fixed price Gas Sale and Purchase Agreement (GSPA) dated April 11, 2007, the Company approached the SHC to challenge this imposition. The Company has obtained a stay order in its favour and the SHC has restrained SNGPL from taking any coercive against the Company on collecting GIDC on feed stock gas supplied to the Company under the GSPA. The management has made an assessment (as confirmed by the legal advisor) that there are reasonable chances of a favourable outcome in relation to the

legal proceedings filed against SNGPL for feed gas supplied under the GSPA. Hence, no provision on account of GIDC has been recorded by the Company in these financial statements in respect of feed gas received under the GSPA.

Considering the events and developments in GIDC case, the Institute of Chartered Accountants of Pakistan (ICAP) released "Guidance on Accounting of GIDC" via Circular No. 1/2021 dated January 19, 2021, which specifies the requirements for recognition, measurement and presentation of GIDC.

Keeping in view the financial reporting guidance of ICAP, the Company has applied IAS 37 – "Provisions, Contingent Liabilities and Contingent Assets" and re-measured its previously undiscounted provision at its present value using the risk free rate, giving due consideration to the latest available information and the expected timing of the settlement i.e. 48 monthly installments, as also referred to in the Review Decision.

25.1 The movement in provision for GIDC is as follows:

	2024	2023
	...Rupees...	
Balance as at January 1	19,568,031	19,030,120
Remeasurement loss on provision for GIDC	-	537,911
Balance as at December 31	19,568,031	19,568,031
Less: Current portion of provision for GIDC	(19,568,031)	(19,568,031)
	-	-

26. Short-term borrowings

The Company has funded facilities for short-term finances available from various banks and institutional investors amounting to Rs. 68,420,000 (2023: Rs. 20,930,000) along with non-funded facilities of Rs. 11,432,000 (2023: Rs. 18,432,000) for bank guarantees. The rates of mark-up on funded bank overdraft facilities ranged from minus 2.00% to 0.50% (2023: 0.2% to 0.66%) per annum over 1-month, 3-month and 6-month KIBOR and all facilities are secured by floating charge upon all present and future stocks including raw and packing materials, finished goods, stores and spares and other merchandise and on all present and future book debts, outstanding monies, receivable claims and bills of the Company. The Company has utilised Rs. 12,451,622 (2023: Rs. 322,899) from funded facilities and Rs. 6,817,869 (2023: Rs. 6,278,416) from non-funded facilities as at the reporting date.

27. Contingencies and commitments

Contingencies

27.1 As at December 31, 2024, bank guarantees of Rs. 6,817,869 (2023: Rs. 6,278,416) have been issued in favour of third parties.

27.2 In 2021, the income tax department [i.e. Large Taxpayers Unit (LTU)] initiated income tax audits of the Company u/s 177 of the Income Tax Ordinance, 2001 (the Ordinance) for the Tax Year (TY) 2015, 2016, 2018 and 2020 and sales tax audits u/s 26 of the Sales Tax Act, 1990 for TY 2017, 2018 and 2019 in accordance with the sectoral audit directives issued by Federal Board of Revenue (FBR). As such, the Company received audit selection notices for all these years.

In respect of income tax audits, the tax department completed the audits and issued amendment orders for all tax years creating an aggregate demand of Rs. 16,666,262. Disallowances raised in the orders mainly included credit entries in bank statements treated as revenue / suppressed sales, inadmissibility of expenses, proration of expenses to exempt income and chargeability of WWF and Super Tax on the revised taxable income. The Company had filed an appeal before the Commissioner Inland Revenue (Appeals) CIR(A) against all amendment orders.

In 2022, the decision of the CIR(A) was received for all these years where legal objections inter alia taken up on the selection / conduct of audit in the manner were upheld. In these orders, favorable decisions were made on majority of the matters, certain issues were remanded back for verification while inadmissibility of certain expenses and disallowance of WPPF were maintained, aggregating to Rs. 581,898. The Company has filed an appeal before the Appelate Tribunal Inland Revenue (ATIR) against the unfavorable decisions of CIR(A) which is currently pending.

Subsequently, the tax department issued appeal effect orders based on favorable CIR(A)'s decision, where tax department again decided some of the remanded back issues against the Company resulting in tax liability of Rs. 194,148. Appeal before CIR(A) had been filed against these appeal effect orders. During the year, CIR(A)'s order on aforesaid appeal has been received in favour of the Company.

In respect of sales tax audits, in 2021, the tax department only issued a Show Cause Notice (SCN) for TY 2017. The Company filed Constitutional Petitions before the Sindh High Court (SHC) challenging the SCN issued for TY 2017 as well as the audit selection notices for TY 2017, 2018 and 2019. On December 13, 2021, the SHC granted ad-interim orders in favour of the Company for all three tax years.

Management considers, based on the legal / tax advisor's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.

27.3 In 2022, in respect of TY 2018, the Company received an order from the Assistant Commissioner Inland Revenue (ACIR) restricting brought forward losses having a tax impact of Rs. 639,001. This disallowance had been made in the assessment orders relating to prior years which are pending in appeals. Certain errors have been made in relation to allowance of credits which will be taken up in rectification.

Management considers, based on the tax advisor's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.

27.4 The Company filed a constitutional petition in the SHC against the Ministry of Petroleum and Natural Resources (MPNR), Ministry of Industries and Production (MIP) and SNGPL for continuous supply of 100 mmscfd gas per day to the Company's new plant (Enven) and to prohibit from suspending, discontinuing or curtailing the aforementioned supply. Through its order dated October 18, 2011, the SHC ordered that SNGPL should supply 100 mmscfd gas per day to the Company's new plant. However, five petitions have been filed in the SCP against the aforementioned order of the SHC by SNGPL, MPNR, Agritech Limited, Pak Arab Fertilizers and Kohinoor Mills Limited along with twenty one other companies (mainly engaged in textile business). The aforementioned petitions are pending for further hearing. The Company's management, as confirmed by the legal advisor, considers the chances of these petitions being allowed to be low.

Further, the Company upon continual curtailment of gas after the aforementioned decision of the SHC filed an application in respect of Contempt of Court under Article 199 & 204 of the Constitution of Pakistan. The Company, in the aforementioned application has submitted that SNGPL and MPNR have failed to restore full supply of gas to the Company's plant despite the judgement of the SHC in the Company's favor. A show cause notice has also been issued against MPNR and SNGPL dated December 31, 2011 by the SHC. The application is pending for hearing and no orders have yet been passed in this regard.

27.5 All Pakistan Textile Processing Mills Association (APTMA), Agritech Limited (Agritech), Shan Dying & Printing Industries (Private) Limited and twenty seven others have each contended, through separate proceedings filed before the Lahore High Court that the supply to the Company's new plant is premised on the output from Qadirpur gas field exceeding 500 mmscfd by 100 mmscfd and, therefore, the Gas Sale and Purchase Agreement (GSA) dated April 11, 2007 between the Company and SNGPL be declared void ab initio because the output of Qadirpur gas field has in fact decreased. Agritech has additionally alleged discrimination in that it is receiving less gas than the other fertilizer companies on the SNGPL system. The Company has outrightly rejected these contentions, and is of the view that it has a strong case for the reasons that (i) 100 mmscfd gas has been allocated to the Company through a transparent international competitive bidding process held by the Government of Pakistan, and upon payment of valuable license fee; (ii) GSA guarantees uninterrupted supply of gas to the Company's new plant, with right to first 100 mmscfd gas production from the Qadirpur gas field; and (iii) both the Company and the Qadirpur gas field are located in Sindh. Also, neither the gas allocation by the Government of Pakistan nor the GSA predicates the gas supply from Qadirpur gas field producing 100 mmscfd over 500 mmscfd. No orders have been passed in this regard and the petition has also been adjourned sine die given that a similar matter is pending in the SCP. However, the Company's management, as confirmed by the legal advisor, considers chances of petitions being allowed to be low.

27.6 In 2013, the Company, along with other fertilizer companies, received a show cause notice from the Competition Commission of Pakistan (CCP) for initiating action under the Competition Act, 2010 (2010 Act) in relation to alleged unreasonable increase in fertilizer prices. The Company has responded in detail that factors resulting in such an increase were mainly due to the imposition of infrastructure cess, sales tax and gas curtailment. The CCP issued an order in March 2013, whereby it held that the Company has a dominant position in the urea market and that it has abused the same by unreasonable increases in urea prices during the period December 2010 to December 2011. The CCP also held another major fertilizer company to be responsible for abusing its dominant position. Moreover, the CCP imposed a penalty of Rs. 3,140,000 and Rs. 5,500,000 on the Company and the other fertilizer company, respectively. An appeal has been filed before the Competition Appellate Tribunal (CAT) and a writ has been filed in the SHC wherein stay has been granted in favour of the Company restraining CCP and Federation of Pakistan (i.e., Respondents) from taking any coercive action.

In the case of the other fertilizer company, CAT has transfered the case back to the CCP for reassessment. The Company has also challenged the composition of the CAT before the SHC and has secured an interim order in its favour whereby the CAT is restrained from passing any final order against the Company during the pendency of the petition. The Company's management believes that the chances of ultimate success are strong and, hence, no provision has been made in this respect.

During the year, the petitions were disposed of with a direction to the CAT to decide the Company's appeal and in the meantime CCP has been restrained from taking any adverse action against us on the basis of the 2013 order.

27.7 In 2015, the Company received a sales tax order from the tax department for the tax periods January 01, 2013 to December 31, 2013, pertaining to discharge of output tax liability, on assumed production of urea amounting to Rs. 402,875 and on the presumption that output tax liability is not being discharged by the Company on advances received from dealers amounting to Rs. 1,844,075. The Company filed an appeal thereagainst, with the CIR(A) which decided the matters in favour of the Company. The department thereafter challenged the decision of the CIR(A) with the ATIR, which is pending to be heard. No provision has been made by the Company in this respect.

27.8 In 2018, the tax department [i.e., Large Taxpayers Unit (LTU)] issued an order for the period June 2016 to July 2017 with a demand of Rs. 1,006,000 mainly on account of further sales tax to be charged on fertilizers sales to unregistered persons. The Company filed an appeal before the CIR(A) who disposed off the appeal in favour of the tax department. Thereafter, the Company filed an appeal before the ATIR, and it also decided the same in favour of the tax department. The Company challenged the ATIR Order, to the extent of its ruling in relation to exemption from further sales tax, before the SHC by filing Sales Tax Reference

Application. On October 11, 2021, the SHC granted an ad-interim order restraining the tax department from taking coercive action against the Company in respect of the recovery of the impugned demand. The Company's management believes that the chances of ultimate success are good, hence, no provision has been made in this respect in these financial statements.

27.9 In accordance with section 4C 'Super tax on high earning persons' introduced in the Ordinance through the Finance Act, 2022, a super tax at ten percent has been imposed on the specified sectors (including the fertilizer sector) in case the income exceeds Rs. 300,000 for the year ended December 31, 2021 (tax year 2022) while for other sectors super tax was levied at four percent. The Company filed a petition against the imposition of super tax before the Sindh High Court (SHC) where through an interim order, relief was granted conditional on submission of equivalent bank guarantees. 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 the imposition of higher rate on the specified sectors as discriminatory.

The SHC decision was challenged by FBR in Supreme Court, where vide an interim order, Supreme Court directed the Nazir SHC to encash the bank guarantees furnished by taxpayers up to the extent of 4%.

The Company's management has recorded provision of super tax at the rate of four percent for TY 2022 amounting to Rs. 1,015,819 on account of prudence and, based on professional advice, considers that the chances of additional super tax levy of six percent for TY 2022 amounting to Rs. 1,523,729 are remote and therefore no provision is recorded thereagainst in these financial statements.

27.10 As a result of merger of Engro Eximp (Private) Limited (EXIMP) with the Company, all pending tax issues of EXIMP have been transferred to the Company. Major pending issue pertains to exercise of option to be taxed under the Normal Tax Regime (NTR) by EXIMP for the years 2012 and 2013, resulting in an aggregate refund of Rs. 796,000. The tax department had not accepted the said treatment for tax year 2013, however, the matter was decided in favor of the Company by the Commissioner Income Tax Appeals (CITA), against which the tax department has filed an appeal with the Income Tax Appellate Tribunal (ITAT). However, the department had given appeal effect order to the aforementioned favourable decision of the CIT(A) for tax year 2013.

In 2019, in respect of tax year 2013, the matter was decided by the ITAT in favor of the Company and the department's appeal in this respect was rejected. The management is confident of a favorable outcome on this case.

27.11 During the year 2023, the Company received amendment orders in respect of TY 2021, creating disallowances having a tax impact of Rs. 916,584. The disallowances mainly pertained to disallowance of provision for WPPF and on account of disallowance of minimum tax on opening stock-in-trade, provision for GIDC and others. The Company had filed an appeal before the CIR(A) in respect of this order, which has been decided during the year, where most of the issue have been decided in favour of the Company, while remaining issues have been remanded back. The Company has filed a rectification application to address an error in the appellate order. Remand back proceedings are yet to be initiated by the department.

The Company's management considers, based on the tax advisor's opinion, that it has reasonable grounds to defend the case and therefore will not be exposed to any additional liability in this respect.

27.12 Commitments

	2024	2023
	...Rupees...	
Commitments in respect of capital expenditure and other operational items	41,137,617	31,423,131

27.13 Commitment in respect of gas supply arrangement amounting to Nil (2023: Rs. 7,776,486).

28. net sales

	2024	2023
	...Rupees...	
Revenue from contracts with customers - Gross sales:		
- manufactured products	192,233,463	166,154,232
- purchased and packaged products	5,378,944	1,009,635
- services	301,655	1,252,592
	197,912,062	167,416,459
Less: Trade discount	(1,542,382)	(512,216)
Less: Sales tax and duties	(9,660,749)	(5,238,116)
	186,708,958	161,666,127

28.1 All revenue earned by the Group is Shariah Compliant.

(Amounts in thousand)

29. cost of sales

	2024	2023
	...Rupees...	
Cost of sales - Manufactured products		
Raw materials consumed	88,940,369	67,865,977
Salaries, wages and staff welfare (note 29.1)	3,602,434	3,184,626
Fuel and power	21,527,504	22,141,024
Repairs and maintenance	6,974,954	3,221,193
Depreciation (note 4.2)	3,696,179	3,468,521
Amortisation (note 5.3)	39,924	18,763
Consumable stores	2,106,094	2,328,649
Training, HSE and other related expenses	1,325,938	1,266,610
Purchased services	1,283,032	1,503,380
Travelling	185,689	149,302
Communication, stationery and other office expenses	45,632	20,985
Insurance	1,332,680	1,378,236
Rent, rates and taxes	34,229	98,352
Other expenses	5,263	61,527
Manufacturing cost	131,081,921	96,707,145
Add: Opening stock of work in process	279,974	133,161
Less: Closing stock of work in process (note 10)	(44,113)	(279,974)
Cost of goods manufactured	131,317,782	96,560,332
Add: Opening stock of finished goods	740,739	5,581,621
Less: Closing stock of finished goods (note 10)	(6,887,648)	(740,739)
	125,170,873	101,401,214
Cost of sales - Purchased and packaged products		
Opening stock - net of provision	-	842,673
	125,170,873	102,243,887

29.1 Salaries, wages and staff welfare includes Rs. 241,639 (2023: Rs. 209,982) in respect of staff retirement benefits.

(Amounts in thousand)

30. selling and distribution expenses

	2024	2023
	...Rupees...	
Salaries, wages and staff welfare (note 30.1)	1,357,024	1,265,076
Training, HSE and other related expenses	204,306	181,638
Product transportation and handling	9,334,182	6,018,255
Royalty (note 30.2)	3,016,514	2,599,958
Repairs and maintenance	35,565	20,346
Advertising and marketing	469,669	540,568
Rent, rates and taxes	755,529	595,417
Communication, stationery and other office expenses	19,075	23,484
Travelling	316,410	155,498
Depreciation (note 4.2)	149,243	139,614
Amortisation (note 5.3)	15,219	9,158
Purchased services	134,067	118,764
Insurance	11,575	18,153
Others	25,324	20,247
	15,843,702	11,706,176

30.1 Salaries, wages and staff welfare includes Rs. 121,568 (2023: Rs. 103,143) in respect of staff retirement benefits.

30.2 Royalty is paid to the Holding Company which has its registered office at 19th floor, The Harbour Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi.

31. administrative expenses

	2024	2023
	...Rupees...	
Salaries, wages and staff welfare (note 31.1)	1,399,163	1,333,572
Training, HSE and other related expenses	72,553	86,403
Repairs and maintenance	6,070	50,862
Rent, rates and taxes	276,186	287,852
Communication, stationery and other office expenses	25,974	15,548
Travelling	85,025	54,509
Depreciation (note 4.2)	371,076	275,276
Amortisation (note 5.3)	185,542	175,779
Purchased services	1,931,514	2,058,990
Aircraft operating expense (note 31.2)	285,015	179,589
Insurance	56,954	3,796
Others	82,807	51,009
	4,757,879	4,573,185

31.1 Salaries, wages and staff welfare includes Rs. 48,912 (2023: Rs. 47,069) in respect of staff retirement benefits.

31.2 This is net of recoveries from group companies.

32. other income

	2024	2023
	...Rupees...	
On financial assets		
Income on working capital loan to subsidiary	1,527,264	1,189,415
Income on government securities, term deposit receipts, mutual fund units and bank deposits (note 32.2)	2,222,757	3,125,363
Dividend income (note 46.3)	5,750,000	4,591,649
	9,500,021	8,906,428
On non-financial assets		
Commission income (note 32.1)	968,714	849,190
Scrap sales	96,008	117,095
Sub-licensing income from subsidiary	28,504	24,421
Gain on disposal of operating assets	-	162,898
Reversal of provision for impairment against trade debts (note 11.2)	31,020	-
Others	149,323	60,628
	1,292,569	1,214,232
	10,792,590	10,120,660

32.1 Represents commission earned as a selling agent of imported fertilizer on behalf of EAPL, a subsidiary company.

32.2 It includes profit earned on Shariah Compliant bank deposits and units of Shariah Compliant mutual funds amounting to Rs. 183,531 (2023: Rs. 98,768).

33. other operating expenses

	2024	2023
	...Rupees...	
Workers' profits participation fund	2,358,934	2,366,961
Workers' welfare fund	815,753	759,119
Donations (notes 33.1 and 33.1.1)	463,819	577,510
Legal and professional	94,959	126,670
Provision for impairment against trade debts (note 11.2)	-	91,290
Directors' fees (note 39.1)	14,419	22,739
Auditor's remuneration (note 33.2)	30,842	12,838
Loss on disposal of operating assets	191,072	-
Others	160,793	30,161
	4,130,601	3,986,088

33.1 During the year, the Company made the donations to Engro Foundation amounting to Rs. 396,000 (2023: Rs. 430,000). Mr. Ahsan Zafar Syed, the Chief Executive Officer of the Holding Company, is also the trustee of Engro Foundation.

33.1.1 This also includes an amount of Rs. 67,819 (2023: Rs. 46,449) recharged by the Holding Company for operational expenditure of Engro Foundation.

33.2 Auditor's remuneration

	2024	2023
	...Rupees...	
Fee for:		
- audit of annual financial statements	4,817	3,850
- review of half yearly financial information	970	849
- review of compliance with the Code of Corporate Governance	88	98
- certifications, secondments and other advisory services	3,906	2,299
- taxation services	18,951	4,560
Reimbursement of expenses	2,100	982
	30,842	12,838

34. finance cost

	2024	2023
	...Rupees...	
Interest / mark-up / return on:		
- long-term borrowings under:		
- interest / mark-up arrangements (note 34.1)	887,593	1,297,172
-Shariah permissible arrangements	-	71,340
	887,593	1,368,512
-short term borrowings under:		
- interest / mark-up arrangements (note 34.2)	2,305,265	(259,014)
-Shariah permissible arrangements	815,504	199,350
	3,121,200	(59,664)
Foreign exchange (gain) / loss - net	(26,958)	62,792
	3,981,835	1,371,640

34.1 This is net of government grant income on TERF loans amounting to Rs. 239,997 (2023: Rs. 189,724) (note 21).

34.2 This is net of recoveries from group companies in respect of finance cost charge for the use of aircraft.

35. loss allowance on subsidy receivable from gop

This represents loss allowance recognised on 'Subsidy receivable from the GoP (note 12.2) in accordance with the 'Expected Credit Loss' model under IFRS 9, giving consideration to the time value of money based on expected recovery of subsidy receivable. The Company, however, is confident of full recovery of the subsidy amount from the GoP.

36. taxation

	2024	2023
	...Rupees...	
Current		
-for the year (note 36.1)	15,877,204	15,705,499
-for prior years (notes 36.1 and 36.11)	7,276,689	1,376,959
	23,153,893	17,082,458
Deferred	(8,540,909)	2,223,875
	14,612,984	19,306,334

The Company continually evaluates its tax position based on amendments by the taxation authorities and developments thereon. Adequate provision in this respect is being maintained in these financial statements without prejudice to the tax proceedings before any appellate / judicial forum and admission of any liability in this respect. Matters where there is a difference between the position taken by taxation authorities and the Company's own position based on its assessment of law and in accordance with its legal / tax consultant's opinion, such matters are being reported as contingent liabilities. Please refer note 27 in this respect.

36.1 Section 4C 'Super tax on high earning persons' of the Ordinance amended through the Finance Act, 2023, retrospectively increased the tax rate to 10% where the income exceeds Rs. 500,000 for tax year 2023. The Company filed a petition against this retrospective increase in tax rate for TY 2023 before the Islamabad High Court (IHC), which gave a decree against this retrospective increase, in favour of the taxpayers. During the year, the tax department has filed an intra-court appeal against the IHC judgement, which is currently pending adjudication.

The Company continues to maintain super tax provision at 10% for tax year 2023 and onwards.

36.2 In 2020, the income tax department amended the assessment filed by the Company for tax year 2019. The Company filed an appeal before the CIR(A) against the disallowances, which mainly pertained to proration of expenses to exempt / FTR incomes, tax credit on investment in plant and machinery, disallowance of deductible allowances for WWF / WPPF resulting in demand of Rs. 1,145,227 (additions to taxable income of Rs. 3,305,905). In addition, the tax department raised demand for Super tax amounting to Rs. 476,629.

In 2022, the appeal was heard by CIR(A) and favorable decision was passed mainly pertaining to proration of expenses to exempt income, tax credit on investment in plant and machinery, and disallowance of deductible allowances for WWF and WPPF, hence, reducing the aggregate demand to Rs. 294,586. The Company has filed an appeal before the ATIR against the unfavorable decision of CIR(A).

Subsequently, the tax department passed an appeal effect order based on favourable CIRA's decision and has maintained disallowance on deductible allowance for WPPF having tax impact of Rs. 289,436. Appeal before CIR(A) has been filed against this matter.

The Company maintains adequate provision in these financial statements and is confident of an ultimate favorable outcome on this amendment.

36.3 In 2015, the income tax department amended the assessment filed by the Company for tax year 2014. The Company filed an appeal before the CIR(A) against the disallowances, which mainly pertained to exchange gain and loss, loss on derivatives and losses purchased from Engro Eximp Agriproducts (Private) Limited, an associate, under section 59B the Ordinance resulting in demand of Rs. 1,231,201 (additions to taxable income of Rs. 3,191,963). In addition, the tax department raised demand for the Alternative Corporate Tax (ACT) through the same order, for which the Company specifically obtained a stay order. The matter was heard by the CIR(A) and favorable decision was made in respect of exchange gain and loss and acceptance of tax refunds of prior years, whilst other additions made by the tax department in respect of ACT, loss on derivatives and group relief under section 59B were maintained in the order. The Company has filed an appeal against the order of CIR(A) before the ITAT which is pending to be heard.

The Company maintains adequate provision in these financial statements and is confident of an ultimate favorable outcome on this amendment.

36.4 In 2019, the income tax department amended the assessment filed by the Company for the tax years 2015, 2016 and 2017. The Company filed appeals before the CIR(A) for disallowances made in the orders which mainly included proration of expenses to exempt / FTR incomes, exchange loss disallowances, loss on derivatives and losses purchased from Engro Eximp Agriproducts (Private) Limited, an associate, under section 59B of the Ordinance resulting in cumulative demand of Rs. 1,988,698 (cumulative additions of Rs. 16,173,826 to taxable income) for these tax years. Subsequently, the CIR(A) passed an order for tax years 2015, 2016 and 2017 maintaining most of the additions made by the taxation officer in the amendment order, whilst allowing deletion of expenses on allocation basis to exempt income and claim of exchange losses on realised basis. The Company, as well as the tax department, filed appeals against the CIR(A)'s order before the ATIR.

Through order dated February 26, 2020, ATIR decided the amendment orders for Tax year 2015 and 2016 mainly in favor of the Company, except for certain disallowances including provisions on other receivables, retirement benefits and disallowance of loss on fair valuation of embedded derivative which were maintained or remanded back to the tax department for verification. On June 01, 2020, the tax department filed reference application before the SHC for questions of law arising out of the ATIR order.

The Company maintains adequate provision in these financial statements and is confident of an ultimate favorable outcome on these amendments.

36.5 In 2022, in respect of tax year 2018, the Company received an amendment order from the ACIR majorly pertaining to issues of amortisation on intangibles, claim of WPPF, allowance of minimum tax credit and others. The Company filed an appeal before the CIR(A) against this order. During the period, an appellate order was passed by the CIR(A) confirming certain additions, certain issues were remanded back whereas certain issues were allowed. An appeal effect in this respect is still awaited. The Company has filed an appeal before the Appellate Tribunal Inland Revenue against the order of CIRA.

The Company maintains adequate provision in these financial statements and is confident of an ultimate favorable outcome on this amendment.

36.6 In 2014, the income tax department amended the assessment filed by the Company for Tax year 2010 and 2011. The Company filed appeals thereagainst before the ATIR against the said disallowances, which through its decision provided relief in respect of certain items and confirmed certain disallowances in favor of the tax department. The said disallowances included charge in respect of exchange gain and loss incurred for TY 2010 and TY 2011, and loss on derivative for TY 2011 raising a demand in respect of these years in aggregate of Rs. 1,075,466. The Company had challenged the said decision before the SHC. In the year 2020, the matter was heard, and is reserved for judgement.

The Company maintains adequate provision in these financial statements and is confident of an ultimate favorable outcome on this amendment.

36.7 In 2023, the Company received an order from the ACIR creating a demand of Rs. 494,108 in respect of tax year 2017. The Company filed an appeal before the CIR(A) against this order. During the year, hearing was held and appellate order was passed by the CIR(A) where certain issues were remanded back and certain issues were allowed. Subsequently, the tax department passed an appeal effect order based on CIR(A)'s favorable decision on the matter of amortisation on intangibles while appeal effect on remaining issues is yet to be issued. Remand back proceedings are also yet to be concluded.

The Company maintains adequate provision in these financial statements and is confident of an ultimate favorable outcome on this amendment.

36.8 In 2018, the Company received recovery notice from the FBR for payment of Super Tax, in accordance with Section 4B of the Ordinance 2001, for TY 2018. The Company filed a Constitutional Petition before the SHC challenging the notice as well as the vires of Section 4B of the Ordinance. An interim order was granted in favour of the Company. On July 21, 2020, the SHC held that Section 4B was intra vires the Constitution (SHC Judgement). Thereafter, the Company filed a Civil Petition for Leave to Appeal (CPLA) before the SCP challenging the SHC Judgement. The CPLA was filed by the Company only in relation to tax year 2018 i.e., the year which was challenged before the SHC as well.

Pursuant to the SHC Judgement, the tax department passed orders to the Company for tax year 2015 to 2019 in relation to recovery of Super Tax aggregating of Rs. 2,110,491. The Company filed appeals against the orders before the CIR(A).

On November 25, 2020, the SCP granted leave to appeal and passed an interim order restraining the Respondents from taking any coercive action against the Petitioner taxpayers (including the Company) subject to them depositing 50% of the impugned outstanding tax amount. The Company has till date paid Super Tax amounting to Rs. 1,573,528 against the relevant tax years. Adequate provision for the remaining amount related to Super Tax for the respective tax years is being maintained in these financial statements.

36.9 In 2023, the Company received an order from the Deputy Commissioner Inland Revenue (DCIR), in respect of tax year 2022, amending the Group return filed along with the subsidiary company to make disallowances having a tax impact of Rs. 3,718,104. The Company filed an appeal before the CIR(A) against this order. During the year, hearing was held and appellate order was passed by the CIR(A). Subsequently, the tax department passed an appeal effect order based on CIR(A)'s decision, reducing the aggregate demand to Rs. 3,173,104.

The Company maintains adequate provision in these financial statements and is confident of an ultimate favorable outcome on this amendment.

35.10 As a result of demerger in the year 2009, all pending tax issues of the then Holding Company, Engro Chemical Pakistan Limited had been transferred to the Company. Major issues pending before the taxation authorities are described below.

In previous years, the taxation department had filed reference applications in the SHC against the below-mentioned ATIR's decisions in the Company's favor. No hearing has been conducted to date. The reference application includes the following matters:

- Group Relief (Financial year 2006 to 2008): Rs. 1,600,847
- Inter-Corporate Dividend (Financial year 2007 to 2008): Rs. 338,500
- G.P. Apportionment (Financial years 1995 to 2002): Rs. 663,000

The Company maintains adequate provision in these financial statements and is confident of an ultimate favorable outcome on these cases.

35.11 During the year, the Company received an order from the Additional Commissioner Inland Revenue (ACIR), in respect of tax year 2023, amending the Group return filed along with the subsidiary company to make disallowances having a tax impact of Rs. 4,603,257. These pertain to disallowance of provisions made for Sindh Infrastructure Development Cess accruals, provision for gas pricing under the Gas Supply and Purchase Agreement, provision for impairment against trade debts, loss on disposal of operating assets and WPPF. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] which was heard and an appellate order was passed. Subsequently, the tax department passed an appeal effect order based on CIR(A)'s decision, reducing the aggregate demand to Rs. 4,204,700.

35.12 Relationship between tax expense and accounting profit

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Company's applicable tax rate as follows:

	2024	2023
	....Rupees....	
Profit before taxation	44,819,746	44,984,762
Tax calculated at the rate of 29% (2023: 29%)	12,997,726	13,046,578
Tax effect of:		
- Expenses not allowed for tax	(332,849)	818,006
- Change in tax rate	-	1,563,630
- Final / Special Tax Regime and exempt income	(1,583,833)	(1,494,989)
Super tax	3,814,381	4,097,130
Effect of prior year tax charge (note 35.13)	(182,441)	1,376,969
Tax charge for the year	14,512,984	19,306,304

35.13 This is net of the corresponding deferred tax impact.

37. earnings per share (EPS)

37.1 Basic EPS has been calculated by dividing the profit attributable to equity holders of the Company by weighted average number of ordinary shares in issue during the year.

37.2 As at December 31, 2024, there is no dilutive effect on the basic earnings per share of the Company. EPS is based on the following:

	2024	2023
	....Rupees....	
Profit for the year	30,206,762	25,678,458
	....Numbers of Shares....	
Weighted average number of ordinary shares (in thousands)	1,335,299	1,335,299

38. financing structure / mode

Conventional mode:		
Assets		
Short-term investments	2,738,400	17,614,943
Long-term investments	3,517,074	101,057
Cash and bank balances	9,622,859	2,464,666
Working capital loan to subsidiary	11,902,310	1,552,107
	27,780,643	21,732,772
Liabilities		
Borrowings	8,535,721	5,982,441
Short-term borrowings	7,318,211	322,899
	15,853,932	6,305,340
Shariah compliant mode:		
Assets		
Short-term investments	1,011	5,986,850
Cash and bank balances	638,586	972,170
	639,597	6,959,020
Liabilities		
Borrowings	13,000,000	-
Short-term borrowings	5,133,411	-
	18,133,411	-

(Amounts in thousand)

39. shariah compliance disclosure

	Note	2024 Conventional	2024 Shariah Compliant	2024 Total	2023 Conventional	2023 Shariah Compliant	2023 Total
		Rupees			Rupees		
Statement of Financial Position							
Borrowings	20	8,535,721	13,000,000	21,535,721	5,982,441	-	5,982,441
Short-term borrowings	26	7,318,211	5,133,411	12,451,622	322,999	-	322,999
Accrued interest / mark-up		945,574	245,777	1,191,351	67,008	5,520	72,528
Investment in subsidiary	6	100	-	100	100	-	100
Long-term investments	7	3,517,074	-	3,517,074	101,067	-	101,067
Short-term investments	15	2,738,400	1,011	2,739,411	17,624,507	5,977,286	23,601,793
Accrued income		764,916	110	764,926	519,469	-	519,469
Cash and bank balances	16	3,622,859	638,586	4,261,445	2,464,655	972,170	3,436,825
Statement of profit or loss							
Net sales	29	-	186,709,958	186,709,958	-	161,696,127	161,696,127
Other income	32	3,781,041	7,011,549	10,792,590	4,477,677	5,642,983	10,120,660
Finance cost	34	3,166,301	815,534	3,981,836	1,113,290	199,350	1,312,640

40. remuneration of chief executive, directors and executives

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

	2024 Directors Chief Executive	2024 Directors Others	2024 Executives	2023 Directors Chief Executive	2023 Directors Others	2023 Executives
	Rupees					
Managerial remuneration including bonus	117,536	-	3,894,028	127,696	-	3,249,997
Staff retirement benefits	5,630	-	345,214	8,385	-	306,332
Other benefits	1,999	-	74,197	201	-	69,912
Fees	-	14,419	-	-	22,736	-
Total	125,075	14,419	4,313,439	136,182	22,736	3,626,241
Number of persons, including those who worked part of the year	2	9	626	1	9	528

40.2 These amounts are net off salaries, wages and other staff benefits incurred on behalf of EAPL and subsequently charged to EAPL.

(Amounts in thousand)

40.3 The Company also provides vehicles and certain household items for use of some executives and directors.

40.4 Premium charged in respect of directors' indemnity insurance policy, purchased by the Company during the year, amounted to Rs. 301 (2023: Rs. 367).

41. retirement and other service benefits

41.1 Salient features

The Company offers a defined post-employment gratuity benefit to permanent management and non-management employees. In addition, until June 30, 2005, the Company offered a defined post-employment pension benefit to management employees in service which has been discontinued and the plan now only covers a handful of retired pensioners.

The gratuity and pension funds are governed under the Trusts Act, 1882, Trust Deed and the Rules of the Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002.

Responsibility for governance of plan, including investment decisions and contribution schedule lie with the Board of Trustees of the funds.

The Company faces the following risks on account of gratuity and pension funds:

- Final salary risks - The risk that final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

- Asset volatility - Most assets are invested in risk free investments of 3, 5 or 10 year Special Saving Certificates, Regular Income Certificates, Defence Saving Certificates or Government Bonds. However, investments in equity instruments are subject to adverse fluctuations as a result of change in the market price.

- Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

- Investment risks - The risk of investment underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investments.

(Amounts in thousand)

- Risk of insufficiency of assets – This is managed by making regular contribution to the funds as advised by the actuary.
- In addition to above, the pension fund exposes the Company to Longevity risk i.e. the pensioners survive longer than expected.

41.2 Valuation results

The latest actuarial valuation of the defined benefit plans was carried out as at December 31, 2024, using the Projected Unit Credit Method. Details of the defined benefit plans are as follows:

41.2.1 Statement of financial position reconciliation

	Defined Benefit Gratuity Plans – Funded				Defined Benefit Pension Plan – Funded (Curtailed)	
	NMPT		MPT			
	2024	2023	2024	2023	2024	2023
	Rupees					
Present value of obligation (note 41.2.3)	496,642	392,666	33,044	76,411	63,398	67,602
Fair value of plan assets (notes 41.2.4)	(324,178)	(266,407)	(66,687)	(101,399)	(40,762)	(40,704)
Net liability / (asset) at end of the year	172,464	136,168	(22,643)	(25,988)	12,646	16,898

41.2.2 Movement in net liability / (asset) recognised

Net liability / (asset) at beginning of the year	136,168	127,063	(25,988)	(22,604)	16,898	-
Charge / (reversal) for the year (note 41.2.5)	42,883	36,663	(2,638)	230	2,610	29,380
Remeasurements charged to OCI (note 41.2.7)	(6,577)	(26,468)	5,983	(3,614)	(6,762)	(12,482)
Net liability / (asset) at end of the year	172,464	136,168	(22,643)	(25,988)	12,646	16,898

41.2.3 Movement in defined benefit obligation

As at beginning of the year	392,666	349,731	76,411	90,824	67,602	19,103
Current service cost	21,322	18,918	1,826	3,044	-	32,467
Interest cost	62,967	46,689	8,296	12,033	9,096	2,297
Benefits paid during the year	(17,669)	(18,723)	(46,682)	(26,266)	(6,180)	(6,640)
Remeasurements charged to OCI (note 41.2.7)	37,467	(3,950)	(5,906)	(3,934)	(8,120)	9,275
As at end of the year	496,642	392,666	33,044	76,411	63,398	67,602

(Amounts in thousand)

	Defined Benefit Gratuity Plans – Funded				Defined Benefit Pension Plan – Funded (Curtailed)	
	NMPT		MPT			
	2024	2023	2024	2023	2024	2023
	Rupees					
41.2.4 Movement in fair value of plan assets						
As at beginning of the year	266,407	222,668	101,399	113,128	40,704	43,900
Expected return on plan assets	41,406	29,944	12,659	14,847	6,686	6,384
Benefits paid during the year	(17,669)	(18,723)	(46,682)	(26,266)	(6,180)	(6,640)
Remeasurements charged to OCI (note 41.2.7)	44,034	22,618	(11,889)	(320)	(1,368)	(3,040)
As at end of the year	324,178	266,407	66,687	101,399	40,762	40,704
41.2.5 Charge / (reversal) for the year						
Current service cost	21,322	18,918	1,826	3,044	-	32,467
Net interest cost	21,561	16,646	(4,364)	(2,814)	2,610	(3,087)
	42,883	36,663	(2,638)	230	2,610	29,380
41.2.6 Actual return on plan assets	66,468	61,690	490	13,788	6,228	6,667
41.2.7 Remeasurements recognised in the Statement of Comprehensive Income						
(Gain) / loss from change in experience assumptions	38,880	(4,781)	(5,906)	(3,934)	(8,120)	(2,741)
(Gain) / loss from change in financial assumptions	(1,393)	831	-	-	-	12,016
Remeasurement of obligation	37,467	(3,950)	(5,906)	(3,934)	(8,120)	9,275
Expected return on plan assets (note 41.2.4)	41,406	29,944	12,659	14,847	6,686	6,384
Actual return on plan assets (note 41.2.6)	(66,468)	(61,690)	(490)	(13,788)	(6,228)	(6,667)
	(19,982)	(872)	(280)	(739)	-	3,313
Difference in fair value opening						
Remeasurement of plan assets	(44,034)	(22,618)	11,889	320	1,368	3,040
Effect of asset ceiling	-	-	-	-	-	(24,797)
	(6,577)	(26,468)	5,983	(3,614)	(6,762)	(12,482)

(Amounts in thousand)

		Defined Benefit Gratuity Plans - Funded				Defined Benefit Pension Plan - Funded (Curtailed)	
		NMPT		MPT			
41.2.8	Principal actuarial assumptions used in the actuarial valuation	2024	2023	2024	2023	2024	2023
		Rupees					
	Discount rate	12.26%	16.00%	12.26%	16.00%	12.26%	16.00%
	Expected per annum rate of return on plan assets	12.26%	16.00%	12.26%	16.00%	12.26%	16.00%
	Expected per annum rate of increase in salaries - next year	11.26%	16.00%	12.26%	16.00%	-	-
	Expected per annum rate of increase in salaries - long term	11.26%	16.00%	12.26%	16.00%	-	-

41.2.9 Demographic assumptions

Mortality rate	SLIC (2001-05) - I	SLIC (2001-05) - I	SLIC (2001-05) - I
Rate of employee turnover	Light	Heavy	-

41.2.10 Sensitivity Analysis

The impact of 1% change in following variables on defined benefit obligation is as follows:

	Increase in assumption			Decrease in assumption		
	Gratuity Plans		Pension Plan	Gratuity Plans		Pension Plan
	NMPT	MPT		NMPT	MPT	
	Rupees					
Discount rate	466,676	32,359	60,108	642,233	33,735	67,069
Long term salary increases	642,233	33,736	-	466,992	32,383	-
Long term pension increases	-	-	67,066	-	-	60,080

(Amounts in thousand)

41.2.11 Maturity Profile

Time in Years	Gratuity Plans		Pension Plan
	NMPT	MPT	
	Rupees		
1	20,139	927	4,713
2	37,376	21,843	4,262
3	48,648	6,049	3,823
4	26,040	11,926	3,369
5-10	439,946	6,809	12,792
11-15	641,263	-	3,216
16-20	838,840	-	1,080
20+	2,619,966	-	429
Weighted average duration (years)	8.08	2.04	6.16

		Defined Benefit Gratuity Plans - Funded				Defined Benefit Pension Plan - Funded (Curtailed)	
		NMPT		MPT*			
41.2.12	Plan assets comprise of the following:	2024		2024		2024	
		Rupees	%	Rupees	%	Rupees	%
	Fixed income instruments	270,439	83	42,235	75	-	-
	Investment in equity instruments	38,412	12	-	-	-	-
	Others (including bank balance)	15,227	5	13,352	24	40,762	100
		324,078	100	55,587	100	40,762	100

* The employees of the Company in respect of gratuity are members of Defined Benefit Gratuity Fund maintained and operated by the Holding Company. Accordingly, the above information is based upon the plan assets of Engro Corporation Limited Gratuity Fund.

41.2.13 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed income investments are based on gross redemption yields as at the reporting date.

41.2.14 Expected future cost / (reversal) for the year ending December 31, 2025 is as follows:

	Rupees
- Gratuity Fund - NMPT	45,914
- Gratuity Fund - MPT	(1,541)
- Pension Fund	1,462

41.2.15 Historical information of staff retirement benefits:

	2024	2023	2022	2021	2020
	..... Rupees				
Gratuity Plan - NMPT					
Present value of defined benefit obligation	485,642	392,855	349,731	311,588	414,587
Fair value of plan assets	(324,178)	(256,407)	(222,668)	(214,580)	(398,165)
Deficit	172,464	136,168	127,063	97,008	16,422
Gratuity Plan - MPT					
Present value of defined benefit obligation	33,044	76,411	90,824	72,202	67,423
Fair value of plan assets	(66,687)	(101,399)	(113,128)	(106,429)	(98,965)
Surplus	(33,643)	(25,988)	(22,804)	(34,224)	(31,542)
Pension Plan					
Present value of defined benefit obligation	63,398	57,802	19,103	22,324	25,835
Fair value of plan assets	(40,782)	(40,704)	(43,900)	(42,821)	(38,820)
Deficit / (Surplus)	22,616	16,898	(24,797)	(20,497)	(11,984)

41.3 Defined contribution plans

An amount of Rs. 355,366 (2023: Rs. 295,041) has been charged during the year in respect of defined contribution plans maintained by the Holding Company.

42. cash generated from operations

	2024	2023
	..... Rupees	
Profit before taxation	44,819,746	44,954,752
Adjustment for non-cash charges and other items:		
Depreciation (note 4.2)	4,218,498	3,883,411
Amortisation of intangibles (note 5.3)	240,686	203,700
Amortisation of deferred income	(3,866)	(3,866)
Loss / (Gain) on disposal of operating assets	191,072	(162,658)
Provision for retirement and other service benefits	81,336	76,442
Income on deposits / other financial assets	(3,759,021)	(4,314,779)
Exchange loss on revaluation of long term borrowings (note 20.4)	-	199,732
Re-measurement loss on GIDC provision (note 25.1)	-	637,911
Finance cost	4,008,793	1,249,846
Dividend income (note 32)	(5,750,000)	(4,591,649)
Provision against stock-in-trade (note 10.1)	192,441	327,389
Stock-in-trade written off (note 10.2)	79,061	15,878
Provision for surplus and slow moving stores and spares (note 9.1)	309,397	324,181
Stores, spares and loose tools written off (note 9.2)	988	4,844
Reversal of provision against stores, spares an loose tools (note 9.1)	(116,540)	(60,179)
(Reversal) / Provision for impairment against trade debts (note 11.2)	(91,020)	91,290
(Gain) / Loss allowance on subsidy receivable from the GoP (note 12.3)	(1,203,068)	2,440,151
Working capital changes (note 42.1)	(12,158,985)	25,295,525
	31,126,477	70,301,857

42.1 Working capital changes

(Increase) / decrease in current assets		
- Stores, spares and loose tools	296,171	(2,303,142)
- Stock-in-trade	(7,112,013)	2,719,150
- Trade debts	(3,687,155)	317,393
- Loans, advances, deposits and prepayments	(725,327)	(419,409)
- Other receivables (net)	5,004,791	3,064,681
	(6,121,533)	3,378,674
(Decrease) / increase in trade and other payables	(6,037,452)	21,916,851
	(12,158,985)	25,295,525

43. cash and cash equivalents

	2024	2023
	...Rupees...	
Cash and bank balances (note 16)	4,261,446	3,436,825
Short-term investments (note 15)	250,000	-
Short-term borrowings	(7,951,622)	(322,899)
	(3,440,176)	3,113,926

44. financial instruments by category

Financial assets at amortised cost		
Long-term investments	3,517,074	101,067
Loans, advances and deposits	2,120,544	2,262,677
Trade debts	5,767,889	2,180,734
Working capital loan to subsidiary	11,992,310	1,552,107
Other receivables	9,966,947	9,329,773
Accrued income	764,926	518,468
Short-term investments	250,000	1,754,331
Cash and bank balances	4,261,446	3,436,825
	38,561,155	21,234,982
Financial assets at fair value through profit or loss		
Short-term investments	2,489,411	21,847,462
Financial liabilities at amortised cost		
Borrowings	21,535,721	5,982,441
Government grant	717,092	967,089
Trade and other payables	54,929,263	49,578,614
Accrued interest / mark-up	1,191,061	72,525
Short-term borrowings	12,451,622	322,899
	90,825,089	56,713,589

45. financial risk management

45.1 Financial risk factors

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

Risk management is carried out by the Company's Finance and Planning department under policies approved by the Management Committee.

a) Market risk

i) Currency risk

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

This exists due to the Company's exposure resulting from outstanding import payments and foreign currency bank accounts. A foreign exchange risk management policy has been developed and approved by the management. The policy allows the Company to take currency exposure for limited periods within predefined limits while open exposures are rigorously monitored. The Company ensures to the extent possible that it has options available to manage exposure, either through forward contracts, options or prepayments, etc. subject to the prevailing foreign exchange regulations.

As at December 31, 2024, if exchange rates had been 1% higher / lower with all other variables held constant, post tax profit for the year would have been higher / lower by Rs. 3,880 (2023: Rs. 2,336).

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from bank deposits, long-term and short term borrowings, and long term and short-term investments. Borrowings are benchmarked to variable rates which expose the Company to cash flow interest rate risk.

The Company analyses its interest rate exposure on a regular basis by monitoring interest rate trends to determine whether they should enter into hedging alternatives.

As at December 31, 2024, if interest rates had been 1% higher / lower with all other variables held constant, post tax profit for the year would have been lower / higher by Rs. 159,742 (2023: Rs. 12,998).

iii) Other price risk

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

As at December 31, 2024, if net asset value had been 1% higher / lower with all other variables held constant, post tax profit for the year would have been higher / lower by Rs. 17,805 (2023: Rs. 133,271).

b) Credit risk

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

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits, bank guarantees and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with a reasonably high credit rating or mutual funds which in turn are deposited in banks and government securities. The Company maintains an internal policy to place funds with commercial banks and mutual funds of asset management companies having a minimum short term credit rating of A1 and management quality rating of AM3, respectively. However, the Company maintains operational balances with certain banks of lower rating for the purpose of effective collection of bank guarantees and to cater to loan disbursements.

The Company is exposed to a concentration of credit risk on its trade debts by virtue of all its customers being agri-based businesses in Pakistan. However, this risk is mitigated by applying individual credit limits and by securing majority of trade debts against bank guarantees and inland letters of credit.

The credit risk arising on account of acceptance of these bank guarantees is managed by ensuring that the bank guarantees are issued by banks of reasonably high credit ratings as approved by the Board of Directors.

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

	2024	2023
	...Rupees...	
Long-term investments	3,617,074	101,067
Loans, advances and deposits	2,120,544	2,352,677
Trade debts	5,687,349	2,069,174
Working capital loan to subsidiary	11,902,310	1,552,107
Other receivables	8,227,922	4,386,680
Accrued income	764,926	516,488
Short-term investments	2,759,411	21,847,462
Bank balances	4,256,332	3,426,212
	37,217,868	36,352,827

The credit quality of receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history. Investments in Pakistan Investment Bonds are government guaranteed. The credit quality of the Company's bank balances and short-term investments can be assessed with reference to recent external credit ratings as follows:

	Rating agency	Rating	
		Short term	Long term
Conventional			
- Allied Bank Limited	PACRA	A1+	AAA
- Askari Bank Limited	PACRA	A1+	AA+
- Bank Alfalah Limited	PACRA	A1+	AA+
- Bank Al Habib Limited	PACRA	A1+	AAA
- The Bank of Punjab	PACRA	A1+	AA+
- Citibank N.A.	MOODY'S	P1	Aa2
- Habib Bank Limited	JCR-VIS	A1+	AAA
- Habib Metropolitan Bank Limited	PACRA	A1+	AA+
- Industrial and Commercial Bank of China	MOODY'S	-	A1
- JS Bank Limited	PACRA	A1+	AA
- MCB Bank Limited	PACRA	A1+	AAA
- National Bank of Pakistan	PACRA	A1+	AAA
- Samba Bank Limited	PACRA	A1	AA
- Soneri Bank Limited	PACRA	A1+	AA-
- Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
- Summit Bank Limited	JCR-VIS	A3	BBB-
- Mobilink Microfinance Bank Limited	PACRA	A1	A
- Telenor Microfinance Bank Limited	PACRA	A1	A
- United Bank Limited	JCR-VIS	A1+	AAA
- UBL Fund Managers Limited	JCR-VIS	-	AM1
- ABL Asset Management Company Limited	PACRA	-	AM1
Islamic			
- BankIslami Pakistan Limited	PACRA	A1	AA-
- Al Baraka Bank (Pakistan) Limited	JCR-VIS	A1	A+
- Faysal Bank Limited	JCR-VIS	A1+	AA
- Meezan Bank Limited	JCR-VIS	A1+	AAA
- UBL Fund Managers Limited	JCR-VIS	-	AM1
- ABL Asset Management Company Limited	PACRA	-	AM1

c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dyhamic nature of the business, the Company maintains flexibility in funding by maimaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2024			2023		
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total
	---------- Rupees ----------					
Financial liabilities						
Borrowings	4,896,786	23,798,149	28,460,935	3,187,847	4,417,338	7,605,185
Trade and other payables	54,429,233	-	54,429,233	49,076,814	-	49,076,814
Accrued interest/ mark-up	1,191,391	-	1,191,391	72,625	-	72,625
Short-term borrowings	12,461,822	-	12,461,822	322,899	-	322,899
	73,259,022	23,798,149	97,057,171	52,661,185	4,417,338	57,078,523

45.2 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefit for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders or issue new shares.

The total long term borrowings to equity ratio as at December 31, 2024 based on total long term borrowings at its present value of Rs. 21,535,721 (2023: Rs. 5,962,441) and total equity of Rs. 46,528,667 (2023: Rs. 45,026,344) was 32%:68% (2023: 12%:88%).

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

45.3 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at December 31, 2024, all financial assets and financial liabilities, except for investment in units of mutual funds, are carried at amortised cost. Mutual funds are measured at fair value using the fair value measurement method in accordance with IFRS 13.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values. The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The table below analyses financial instruments carried at fair value by valuation method.

	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------			
As at December 31, 2024				
Fair value through profit or loss	-	2,499,411	-	2,499,411
As at December 31, 2023				
Fair value through profit or loss	-	21,847,462	-	21,847,462

Represents investment in units of mutual funds that are measured at fair value using the fund's respective net asset value.

There were no transfers between the levels of hierarchy during the year.

45.4 Fair value of financial assets and liabilities

The carrying value of all other financial assets and liabilities reflected in these financial statements approximate their fair values.

(Amounts in thousand)

46. transactions with related parties

46.1 Following are the names of associated companies and undertakings and other related parties with whom the Company had entered into transactions or had agreements and / or arrangements in place during the year.

Name of Related parties	Direct share holding	Relationship
Engro Corporation Limited	56.27%	Holding Company
EFERT Agritrade (Private) Limited	100%	Subsidiary Company
Engro Eximp FZE	N/A	Subsidiary of Holding Company
Engro Elengy Terminal (Private) Limited	N/A	Associate of Holding Company
Elengy Terminal Pakistan Limited	N/A	Subsidiary of Holding Company
Engro Energy Limited	N/A	Subsidiary of Holding Company
Engro Eximp Agriproducts (Private) Limited	N/A	Subsidiary of Holding Company
Engro Polymer and Chemicals Limited	N/A	Subsidiary of Holding Company
Engro Peroxide (Private) Limited	N/A	Subsidiary of Holding Company
Engro Plasticizer (Private) Limited	N/A	Subsidiary of Holding Company
Think PVC (Private) Limited	N/A	Subsidiary of Holding Company
Engro Powergen Qadirpur Limited	N/A	Subsidiary of Holding Company
Engro Powergen Thar (Private) Limited	N/A	Subsidiary of Holding Company
Engro Enfrashare (Private) Limited	N/A	Subsidiary of Holding Company
Engro Connect (Private) Limited	N/A	Subsidiary of Holding Company
FrieslandCampina Engro Pakistan Limited	N/A	Associate of Holding Company
Engro Energy Services Limited	N/A	Associate of Holding Company
Engro Foundation	N/A	Associate of Holding Company
Engro Vopak Terminal Limited	N/A	Associate of Holding Company
Sindh Engro Coal Mining Company Limited	N/A	Associate of Holding Company
Engro Technical Solutions (Private) Limited	N/A	Subsidiary of Holding Company
Unilever Pakistan Foods Limited	N/A	Common Directorship
Colgate-Palmolive Pakistan Limited	N/A	Common Directorship
Al Meezan Investment Management Limited	N/A	Common Directorship
Engro Power International Holding BV	N/A	Common Directorship
Engro Power Investments International BV	N/A	Common Directorship
Engro Power Services Holding BV	N/A	Common Directorship
Karachi Education Initiative	N/A	Common Directorship
EngroTech Ventures-FZCO	N/A	Common Directorship
Dawood Foundation	N/A	Common Directorship
Signify Pakistan Limited	N/A	Common Directorship
Unilever Pakistan Foods Limited	N/A	Common Directorship
Ahsan Zafar Syed	N/A	Director
Ali Rathore	N/A	Chief Executive Officer
Javed Akbar	N/A	Director

Name of Related parties	Direct share holding	Relationship
Asim Murtaza Khan	N/A	Director
Mr. Ahmad Shakoor	N/A	Director
Farooq Barkat Ali	N/A	Director
Asad Sabi Jaffer	N/A	Director
Danish Zuberi	N/A	Director
Ismail Mahmud	N/A	Director
Ghias Khan	N/A	Director
Muhammad Saad Khan	N/A	Key Management Personnel
Aneeq Ahmad	N/A	Key Management Personnel
Muhammad Majid Latif	N/A	Key Management Personnel
Khawaja Bilal Mustafa	N/A	Key Management Personnel
Atif Muhammad Ali	N/A	Key Management Personnel
Muhammad Imran Khalil	N/A	Key Management Personnel
Ammar Shah	N/A	Key Management Personnel
Syed Shahzad Naqvi		
FrieslandCampina Engro Pakistan Limited Employees Gratuity Fund	N/A	Associate of Holding Company
Engro Corporation Limited DC Pension Fund	N/A	Post Employment Benefits
Engro Corporation Limited MPT Gratuity Fund	N/A	Post Employment Benefits
Engro Corporation Limited NMPT Gratuity Fund	N/A	Post Employment Benefits
Engro Corporation Limited DB Pension Fund	N/A	Post Employment Benefits
Engro Corporation Limited DC Gratuity Fund	N/A	Post Employment Benefits
Engro Corporation Limited Provident Fund	N/A	Post Employment Benefits

46.2 Following are the names of related parties incorporated outside Pakistan with whom the Group had entered into transactions or had agreements and arrangements in place during the year.

Name of Related Party	Country of Incorporation	Registered Address
Engro Eximp FZE	United Arab Emirates	BOW JAFZA 18 & 19, Office # 110, United Arab Emirates

46.3 Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

(Amounts in thousand)

	2024	...Rupees... 2023
Holding Company		
Dividend paid	16,153,210	13,147,951
Mark-up paid / payable on subordinated loan	183,393	42,976
Reimbursements made:		
- by the Holding Company	414,611	166,536
- to the Holding Company	2,819,513	2,431,898
Royalty	3,016,514	2,599,958
Use of assets	1,162,726	1,073,020
Loan received from Holding Company	11,500,000	-
Repayment of sub-ordinated loan	11,500,000	1,000,000
Purchase of taxable loss	-	319,748
Subsidiary company		
Purchase of products	191,400	517,243
Disbursement of working capital loan	100,316,602	70,718,202
Repayment received against working capital loan disbursed	89,966,399	71,897,162
Sub-licensing fee charged by the Company	28,504	24,421
Commission income	988,714	849,190
Dividend income / received	5,750,000	4,591,649
Services provided	65,097	240,810
Funds collected against sales made on behalf of subsidiary	77,516,987	58,217,706
Income on working capital loan to subsidiary company	1,527,264	1,189,416
Reimbursements made by the subsidiary company	1,732	
Associated companies		
Purchases and services received	9,966,731	7,715,990
Services provided	19,104	101,202
Reimbursements made:		
- by the Associated Company	148,090	449,170
- to the Associated Company	189,526	531,544
Donations	396,000	430,000
Dividend paid to Trustees of FrieslandCampina Engro Pakistan Limited		
Employees Gratuity Fund	-	341
Use of assets	417,147	977,136
Purchase of taxable loss	1,649,933	-

(Amounts in thousand)

	2024	...Rupees... 2023
Contribution to staff retirement benefits		
Pension fund	3,120	12,555
Gratuity fund	184,478	170,698
Provident fund	230,772	208,973
Dividend paid to staff retirement benefits		
Pension fund	112	179
Gratuity fund	3,207	4,455
Provident fund	4,894	8,442
Others		
Remuneration of key management personnel	340,250	358,629
Directors' fees	14,419	22,736

47. operating segment results

	Urea		Specialty Fertilizers Business		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Sales	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Intersegment sales	[illegible]	[illegible]	-	-	-	[illegible]	[illegible]	[illegible]
Sales recognised dates	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Profit before tax	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Depreciation and amortisation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Capital Expenditure	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Urea		Specialty Fertilizers Business		Others		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	Rupees							
Segment assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Unallocated assets							[illegible]	[illegible]
Total assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

47.1 Reconciliation of reportable segment net sales

	2024	...Rupees... 2023
Total net sales for reportable segment	204,319,494	187,897,457
Elimination of intersegment net sales	(17,610,536)	(26,231,330)
Total net sales	186,708,958	161,666,127

47.2 Reconciliation of reportable segment total assets

	2024	2023
	...Rupees...	
Total assets for reportable segments	151,659,225	120,068,562
Add: Unallocated assets		
- Accrued income	764,926	518,468
- Long-term investments	3,517,074	101,057
- Short-term investments	2,739,411	23,901,793
- Cash and bank balances	4,261,446	3,436,026
	11,282,856	27,658,153
Total assets	162,922,131	147,726,766

48. production capacity

	Designed annual capacity		Actual production		Remarks
	Metric Tons		Metric Tons		
	2024	2023	2024	2023	
Urea plant I & II	2,276,000	2,276,000	2,147,025	2,013,448	Production planned as per market demand
NPK plant	100,000	100,000	105,296	96,328	

49. number of employees

	Number of employees as at December 31		Average number of employees during the year	
	2024	2023	2024	2023
Management employees	707	734	717	765
Non-management employees	462	480	467	477
	1,169	1,214	1,184	1,242

50. contributory retirement funds

The employees of the Company participate in the Retirement Fund maintained by the Holding Company. The investments out of the retirement fund have been made in accordance with the provisions of Section 218 of the Act and the conditions specified there-under.

51. seasonality

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

52. interest in joint arrangements

In 2022, the Company, Fauji Fertilizer Company Limited (Fauji) and Fatima Fertilizer Company Limited (FATIMA) (collectively the Fertilizer Manufacturers) entered into a Framework Agreement dated November 30, 2022 (the Agreement) for Gas Pressure Enhancement Facilities (PEF) project. Under the Agreement, the Fertilizer Manufacturers have decided to jointly develop and install pressure enhancement facilities at Mari Petroleum Company Limited's (MPCL's) delivery node to sustain the current level of pressure of gas supply from HRL reservoir of MPCL.

All decisions with respect to the development and operations of PEF would be made only with unanimous consent of the Fertilizer Manufacturers. Accordingly, PEF arrangement would be classified as a 'Joint Arrangement' in accordance with IFRS 11 - Joint Arrangements. Further, PEF would not be established through a separate legal entity and consists of an asset i.e. PEF facility which will be jointly owned and operated by the Fertilizer Manufacturers, hence, the joint arrangement for establishment and operations of PEF has been classified as a 'Joint Operation' in these financial statements. Current cost sharing percentages in PEF of the Company, Fauji and FATIMA are 33.9%, 47.7% and 18.4%, respectively. The Company has continued to recognised its share of jointly held asset in these financial statements.

53. non-adjusting event after the reporting date

The Board of Directors in its meeting held on February 07, 2025 has proposed a final cash dividend of Rs. 8.00 per share for the year ended December 31, 2024 amounting to Rs. 10,662,395 for approval of the members at the Annual General Meeting to be held on March 24, 2025.

(Amounts in thousand)

54. corresponding figures

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of better presentation and / or to comply with the requirements of accounting and reporting standards applicable on the Company.

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

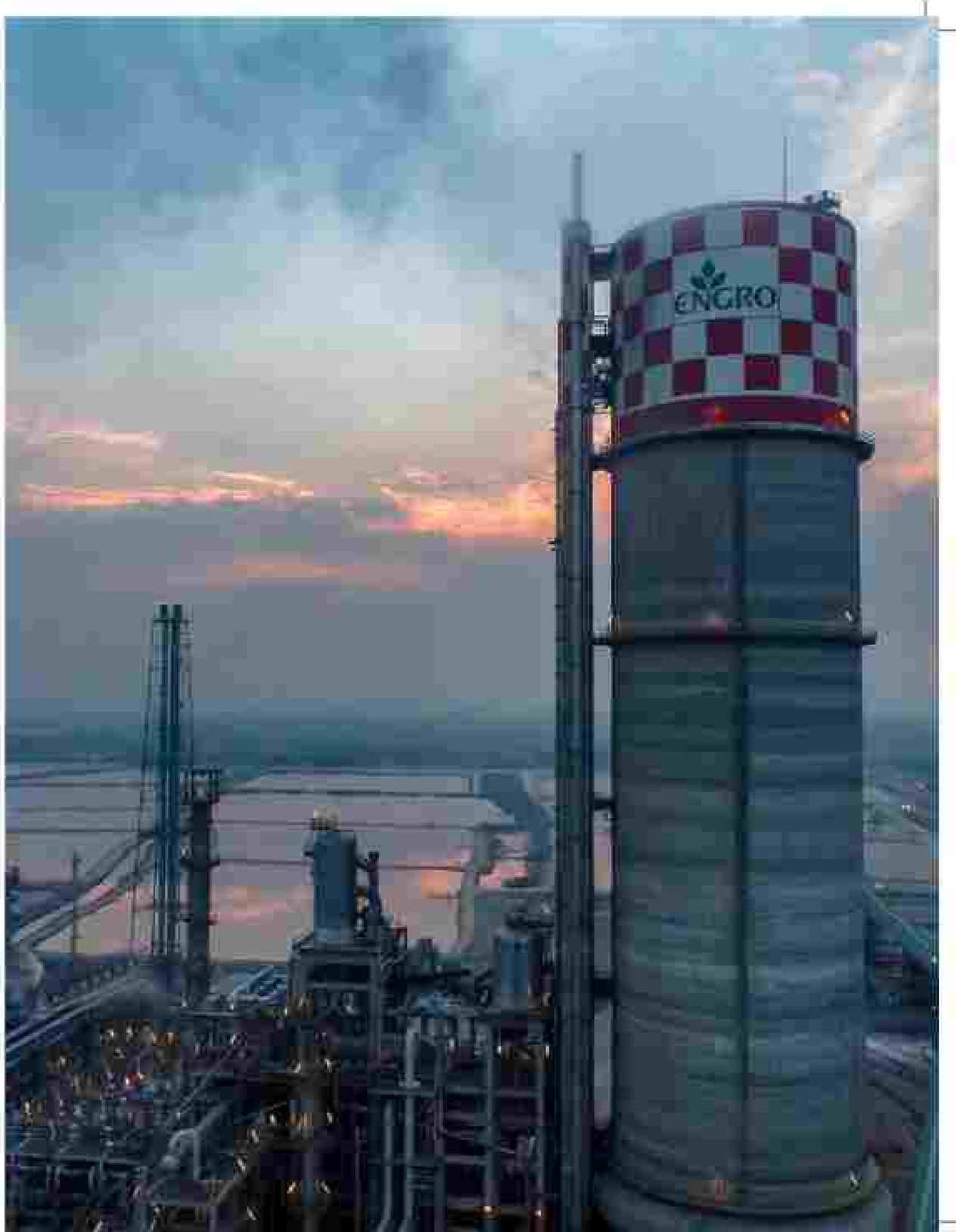
55. date of authorisation for issue

These financial statements were authorised for issue on February 07, 2026 by the Board of Directors of the Company.

Muhammad Imran Khalil
Chief Financial Officer

Ali Raza
Chief Executive Officer

Ansar Zafar Syed
Chairman



shareholders information

notice of annual general meeting

Notice is hereby given that the Sixteenth Annual General Meeting ("AGM") of the members of Engro Fertilizers 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 Monday, March 24, 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.engrofertilizers.com/investor-relations#reports

2. To declare and approve, as recommended by the Directors, the payment of final cash dividend at the rate of PKR 8.00 per share i.e. 80% for the year ended December 31, 2024. This is in addition to interim cash dividends of PKR 13.50 per share i.e. 135%.

3. To appoint Auditors for the year 2025 and fix their remuneration.

4. To elect seven (07) directors in accordance with section 159 (1) of the Act for a term of three years commencing from the date of holding of AGM i.e. March 24, 2025. The name of retiring directors are Mr. Ahsan Zafar Syed, Mr. Javed Akbar, Mr. Farooq Barkat Ali, Mr. Ahmad Shakoor, Mr. Asad Said Jaffar, Mr. Asim Murtaza Khan, and Ms. Danish Zuberi.

b) special business

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

"RESOLVED THAT, approval of the members of Engro Fertilizers Limited (the "Company") is hereby accorded by way of special resolution (in accordance with Section 199 of the Companies Act, 2017 read with Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017) for the following acts by the Company:

a. Approval for the Company to extend to its associated company, Engro Polymer & Chemicals Limited, an intercompany loan in the 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 the Company to extend to its holding company, Engro Corporation Limited, an intercompany loan in the aggregate amount of up to PKR Six billion (PKR 6,000,000,000) 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

DANISH RAZA
Company Secretary

Dated: March 03, 2025
Karachi

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 proceedings 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/e/aaeC2SPEA. 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-etpl@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. The Share Transfer Book of the Company will be closed from Tuesday, March 18, 2025 to Monday, March 24, 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@famcoshares.com by the close of business (03:00 p.m.) on Monday, March 17, 2025 will be treated in time for purpose of determining entitlement of final cash dividend, and to attend and vote at the meeting.

5. 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 are 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.

6. **requirements for appointing proxies**

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.

7. 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.

8. **electronic dividend mandate**

Under Section 242 of the Act, it is mandatory for all listed companies to pay cash dividend to its Shareholders through electronic mode directly into the bank account designated by the entitled Shareholders.

To receive dividend directly into their bank account, Shareholders are requested (if not already provided) to fill in the Shareholder Information Form for Electronic Credit of Cash Dividend available on the Company's website and send it duly signed along with a copy of valid CNIC to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in case of physical shares.

In case of shares held in CDC, Electronic Dividend Mandate Form must be directly submitted to Shareholder's brokers / participant / CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to Shareholders.

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

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

10. In order to claim exemption from compulsory deduction of Zakat, Shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs.200/- to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, of the Company by first day of book closure. In case shares are held in scripless form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the Shareholder, through their participant / Investor Account Services.

Further, Non-Muslim Shareholders are also required to file Solemn Affirmation (available on https://famcosas.com/downloads/) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents complete in all respects have been made available as above.

11. submission of valid cnic (mandatory)

As per SECP directives, the dividend of Shareholders, whose valid CNICs are not available with the Share Registrar, may be withheld. All Shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited without any further delay.

12. 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 the 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.

13. 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 166(3) of the companies act, 2017.

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

Agenda item 4

The term of office of the current directors of the Company will expire on March 22, 2025. In accordance with Section 159(1) of the Act, the Board of Directors have fixed the number of Directors to be elected at the AGM at seven (07) to hold the office of director for a period of three (3) years commencing from the date of the AGM.

Independent Directors shall be selected in accordance with the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Accordingly, in compliance with the provisions of Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019, Election of Directors will be held separately for the following three categories:

S. No.	Categories	No. of Seats
1.	Female Director (may also be considered as an Independent Director if meets the criteria of independence set out under Section 166 of the Act)	01
2.	Independent Directors	02
3.	Other Directors	04

In order to safeguard the interest of the minority shareholders, any member can send his/her nomination for contesting the election in any of above-mentioned categories.

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

1. Notice of his/her intention to offer himself/herself for the election of directors as per Section 159(3) of the Act, and consent to act as a director on Form 9 as prescribed under the Act, and the Companies Regulations, 2024.

2. Any person contesting the election of directors must be a Member of the Company at the time of filing his/her consent unless such person is representing a Member which is not a natural person.

3. Signed declaration confirming that:

a. He/she is aware of his/her duties and powers under the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company and other relevant laws and regulations.

b. He/she is not ineligible to become a director of a listed company under the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other applicable laws/regulations.

4. A detailed profile along with his/her office address for placement on the Company's website as required under SRO 1196 (I)/2019 dated October 03, 2019.

5. Detail of other directorships held.

6. Copy of valid CNIC or Passport (in case of a foreign national) along with NTN and Folio Number/CDC Account or Sub Account number.

7. The following additional documents are required to be submitted by the candidates intending to contest the election as an independent director:

a. Declaration of independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

b. Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

All the notices received for the category of Independent Director, shall be subject to due diligence by the Company as prescribed under Section 166 of the Act and 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

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

Statement of material facts under 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 6

To approve intercompany loan to the associated company.

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

Investment in Engro Polymer & Chemicals Limited

(a) Disclosure regarding Associated company

(i) Name of associated company: Engro Polymer & Chemicals Limited

(ii) Basis of relationship:

Name of Associate	Basis of Relationship	Effective Holding %
Engro Polymer & Chemicals Limited	Engro Fertilizers Limited and Engro Polymer & Chemicals Limited are under common control of Engro Corporation Limited and have one common director	

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

Basis Earnings Per Share	2023	2022	2021
Engro Polymer & Chemicals Limited	9.12	12.37	16.23

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

Break-Up Value Per Share	31 December 2023
Engro Polymer & Chemicals Limited	31.46

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

Financial year ended December 31, 2023, audited accounts of Engro Polymer & Chemicals Limited

	(Amount in thousands)
Assets	
Property, plant and equipment	53,734,049
Investments	3,469,929
Stores, spares and loose tools	3,311,772
Stock-in-trade	16,985,039
Other Assets	13,107,021
Total Assets	**90,597,810**
Liabilities	
Borrowings	22,137,566
Trade and other payables	14,660,566
Other Liabilities (Including Short term borrowings)	25,207,593
Total Liabilities	**62,005,725**
Total Equity	**28,592,085**
Income Statement	
Revenue	
Profit Before Tax	81,288,534
Profit after Tax	13,755,972
	8,932,294

(vi) in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations: None

(b) General disclosures

(i) Maximum amount of investment to be made

Name of Associated Company	Amount in PKR
Engro Polymer & Chemicals 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 company when/if it has access to excess funds/banking lines/security, and the associated company requires 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.

(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 company. 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 company 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 company 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 Directors of the Company is also a director of the associated company:

Engro Fertilizers Limited	Engro Polymer & Chemicals Limited
Ahsen Zafar Syed	Ahsen 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 limit for the associated company is as follows:

Name of Associated Company	Amount in PKR
Engro Polymer & Chemicals Limited	9 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 16.74%, 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 Shariah-compliant short-term borrowings, with a rate of return ranging from KIBOR + spread (-1.50% to 0.50%). For non-fund-based facilities, bank rates range from 0.01% to 0.80% annum.

(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 company 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:

There is 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.

investment in engro corporation limited

(a) Disclosure regarding Associated company

(i) Name of associated company: Engro Corporation Limited

(ii) Basis of relationship:

Name of Associate	Basis of Relationship	Effective Holding %
Engro Corporation Limited	Holding Company	56.27%

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

Basic Earnings Per Share	2023	2022	2021
Engro Corporation Limited	39.60	42.20	48.5

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

Break-Up Value Per Share	31 December 2023
Engro Corporation Limited	419.81

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

Financial year ended December 31, 2023, audited accounts of Engro Corporation Limited:

	(Amount in thousands)
Assets	
Property, plant and equipment	339,278,737
Long Term Investments	84,485,322
Stores, spares and loose tools	12,939,058
Stock-in-trade	33,736,767
Other Assets	332,056,093
Total Assets	**802,496,277**

	(Amount in thousands)
Liabilities	
Borrowings	162,072,043
Trade and other payables	182,855,506
Other Liabilities (including Short term borrowings)	234,435,094
Total Liabilities	**579,362,645**
Total Equity	**223,132,52**
Income Statement	
Revenue	482,488,902
Profit Before Tax	77,163,998
Profit after Tax	36,094,946

(vi) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations: None

(b) General disclosures

(i) Maximum amount of investment to be made:

Name of Associated Company	Amount in PKR
Engro Corporation Limited	6 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 company when/if it has access to excess funds/banking lines/security, and the associated company requires 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.

(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 company. 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 company 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 company 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 Directors of the Company is also a director of the associated company:

Engro Fertilizers Limited	Engro Corporation Limited
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 limit for the associated company is as follows:

Name of Associated Company	Amount in PKR
Engro Corporation Limited	6 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 16.74%; The KIBOR rates as of December 31, 2024, for one, three, and six months were 13.36%, 12.14%, and 12.16%, respectively. The company also has Shariah-compliant short-term borrowings, with a rate of return ranging from KIBOR + spread (-1.50% to 0.50%). For non-fund-based facilities, bank rates range from 0.01% to 0.80% annum.

(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 company 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 Engro Corporation Limited is the holding company of Engro Fertilizers Limited and both 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:

There is 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.

update under the companies (investment in associated companies or associated undertakings) regulations, 2017:

On March 28, 2024, the Shareholders approved a short-term loan / financing facility of up to PKR 5 billion for Engro Polymer & Chemicals Limited for a period of one (1) year. This short-term facility has not been utilized to date since approval.

سالانہ اجلاسِ عام کا نوٹس

[illegible] 2025ء کو 02:30 بجے [illegible] منعقد ہوگا۔

[illegible] 74830 پر [illegible]

[illegible]

(A) عمومی امور

۱۔ [illegible] 2024ء [illegible]

۲۔ [illegible] 2017ء [illegible]

(B) خصوصی امور

۳۔ [illegible] 2017ء [illegible] 196 [illegible]

[illegible]

۴۔ (A) Arms Length Basis [illegible] 5,000,000,000/- [illegible]

(B) Arms Length Basis [illegible] 8,000,000,000/- [illegible]

[illegible]

[illegible]

حکم

[illegible]

سیکرٹری

نوٹس

۱۔ [illegible]

[illegible] 2016ء [illegible] 195 [illegible]

۲۔ سالانہ اجلاسِ عام میں [illegible]

[illegible]

۳۔ سالانہ پوسٹل بیلٹ 2024ء کا [illegible]

[illegible] 2018ء [illegible]

۴۔ [illegible]

(a) [illegible]

(b) [illegible]

(c) [illegible]

(d) [illegible]

(e) [illegible]

(f) [illegible]

۵۔ [illegible]

۶۔ [illegible]

۷۔ [illegible]

۸۔ [illegible]

[illegible] 2017ء [illegible]

[illegible]

۹۔ [illegible]

[illegible]

۱۰۔ [illegible]

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حکم

[illegible]

سیکرٹری

shareholders' information including financial calendar

annual general meeting

The Sixteenth Annual General Meeting of the members of Engro Fertilizers 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 Monday, March 24, 2025, at 02:30 p.m., as mentioned in the Notice of Annual General Meeting.

Shareholders as of March 17, 2025 are encouraged to participate and vote.

Any shareholder may appoint a proxy to vote on his or her behalf. Proxies should be filed with the Company at least 48 hours before the meeting time.

CDC Shareholders or their Proxies are requested to bring with them copies of their Computerized National Identity Card or passport along with the Participant's ID number and their account number at the time of attending the Annual General Meeting to facilitate their identification.

ownership

On December 31, 2024, there were 35,711 shareholders on record of the Company's ordinary shares.

Electronic transmission of annual reports through company's website and email

As required under section 223(7) of the Companies Act, 2017, Financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link:

https://www.engrofertilizers.com/investor/financial-reports

In compliance with the section 223(6) of Companies Act 2017, 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, M/s. FAMCO Share Registration Services (Private) Limited, printed notice of AGM along with the QR enabled code/weblink to download the said financial statements have been dispatched. However, the Company would provide hard copies of the Annual Report to the Shareholders on their demand at their registered addresses, free of cost, within one week of such request.

Further, shareholders are requested to kindly provide the 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 you hold shares in physical form or to the respective Participant/Investor Account Services if shares are held in book entry form.

E - dividend mandate (mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017, a listed company, is required to pay cash dividend ONLY through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders are requested to provide the information mentioned on an E-DIVIDEND Mandate Form available at the Company's website www.engrofertilizers.com and send the same to your brokers/the Central Depository Company Ltd. if the shares are held in the electronic form or to the Company's Shares Registrar if the shares are held in paper certificate form. For ease of shareholders, E- Dividend Mandate Form is also provided at the end of the report.

analyst's briefing held during the year

Engro Fertilizers continued to apprise its stakeholders of the relevant updates about the Company as well as the Fertilizer industry by conducting four Analyst Briefings during the year, one at the end of every quarter. The briefings were attended by analysts as well as our stakeholders. The attendees were briefed on the performance of the Company during the period, both from a financial and an operational perspective. At the end of every session, a Q&A session was conducted to ensure that a comprehensive revelation of the Company's progress was conveyed. The presentation was also uploaded on the website after every analyst briefing for the benefit of all stakeholders.

quarterly results

The Company issues quarterly financial statements. The planned dates for release of the quarterly results in 2025 are:

- 1st quarter: April 15, 2025
- 2nd quarter: July 29, 2025
- 3rd quarter: October 14, 2025

The Company holds quarterly briefings with Security Analysts to discuss the results and the business environment. These sessions are planned to be held on:

- 1st quarter: April 16, 2025
- 2nd quarter: July 30, 2025
- 3rd quarter: October 16, 2025

All annual/quarterly reports and presentations from quarterly briefings are regularly posted at the Company's website:

www.engro.com and www.engrofertilizers.com

The Company reserves the right to change any of the above dates.

pattern of shareholding

as at december 31, 2024

No. of Shareholdings			
No of Shareholders	From	To	Total Shares
9,659	1	100	323,074
11,724	101	500	4,596,030
4,647	501	1,000	4,071,869
5,730	1,001	5,000	14,461,092
1,937	5,001	10,000	11,691,934
735	10,001	15,000	9,281,232
467	15,001	20,000	8,386,994
349	20,001	25,000	8,080,230
232	25,001	30,000	6,660,053
148	30,001	35,000	4,857,432
141	35,001	40,000	5,085,297
104	40,001	45,000	4,473,352
155	45,001	50,000	7,812,828
69	50,001	55,000	3,638,138
69	55,001	60,000	4,018,894
45	60,001	65,000	2,921,265
45	65,001	70,000	3,074,712
39	70,001	75,000	2,859,206
44	75,001	80,000	3,453,305
27	80,001	85,000	2,240,366
30	85,001	90,000	2,641,587
25	90,001	95,000	2,318,852
88	95,001	100,000	8,758,470
28	100,001	105,000	2,875,235
20	105,001	110,000	2,143,660
11	110,001	115,000	1,244,060
15	115,001	120,000	1,775,675
24	120,001	125,000	2,960,708

No. of Shareholdings			
No of Shareholders	From	To	Total Shares
16	125,001	130,000	2,064,911
13	130,001	135,000	1,721,921
14	135,001	140,000	1,932,491
12	140,001	145,000	1,714,494
23	145,001	150,000	3,441,499
9	150,001	155,000	1,388,471
9	155,001	160,000	1,425,984
6	160,001	165,000	983,240
14	165,001	170,000	2,381,332
11	170,001	175,000	1,921,333
6	175,001	180,000	1,076,125
9	180,001	185,000	1,644,896
5	185,001	190,000	940,890
5	190,001	195,000	985,891
24	195,001	200,000	4,786,867
9	200,001	205,000	1,820,430
7	205,001	210,000	1,466,750
6	210,001	215,000	1,279,407
4	215,001	220,000	868,888
10	220,001	225,000	2,228,168
4	225,001	230,000	911,439
3	230,001	235,000	700,691
3	235,001	240,000	717,069
2	240,001	245,000	480,790
8	245,001	250,000	1,997,700
1	250,001	255,000	254,606
4	255,001	260,000	1,030,317
3	260,001	265,000	795,812
4	265,001	270,000	1,072,880
6	270,001	275,000	1,641,790
3	275,001	280,000	831,505
2	280,001	285,000	564,000

No. of Shareholdings			
No of Shareholders	From	To	Total Shares
5	285,001	290,000	1,440,819
1	290,001	295,000	290,100
10	295,001	300,000	3,000,000
4	300,001	305,000	1,208,664
4	305,001	310,000	1,231,430
1	310,001	315,000	310,971
5	315,001	320,000	1,598,603
2	320,001	325,000	649,299
5	325,001	330,000	1,646,900
6	330,001	335,000	1,662,600
3	335,001	340,000	1,016,806
4	340,001	345,000	1,370,296
3	345,001	350,000	1,050,000
5	350,001	355,000	1,770,000
1	355,001	360,000	358,000
2	365,001	370,000	740,000
2	370,001	375,000	746,128
2	375,001	380,000	736,500
1	380,001	385,000	382,300
1	385,001	390,000	388,500
3	390,001	395,000	1,177,971
3	395,001	400,000	1,200,000
1	400,001	405,000	400,805
2	405,001	410,000	816,410
1	410,001	415,000	413,037
2	415,001	420,000	835,939
2	420,001	425,000	847,179
3	425,001	430,000	1,283,982
3	430,001	435,000	1,298,534
2	440,001	445,000	887,800
2	445,001	450,000	896,000
2	450,001	455,000	904,200

No. of Shareholdings			
No of Shareholders	From	To	Total Shares
1	455,001	460,000	456,326
1	460,001	465,000	462,796
3	465,001	470,000	1,407,320
2	470,001	475,000	948,000
2	475,001	480,000	955,093
2	480,001	485,000	965,987
2	485,001	490,000	980,000
9	495,001	500,000	4,500,000
3	500,001	505,000	1,511,542
1	520,001	525,000	525,000
4	525,001	530,000	2,116,340
1	530,001	535,000	532,000
2	535,001	540,000	1,075,071
1	540,001	545,000	541,000
2	545,001	550,000	1,100,000
1	550,001	555,000	554,050
1	560,001	565,000	565,000
1	595,001	600,000	598,000
2	620,001	625,000	1,250,000
1	630,001	635,000	631,678
1	635,001	640,000	635,650
1	655,001	660,000	658,000
1	660,001	665,000	660,500
1	670,001	675,000	671,500
1	695,001	700,000	700,000
1	700,001	705,000	700,870
2	715,001	720,000	1,436,940
1	735,001	740,000	739,000
1	745,001	750,000	748,451
2	750,001	755,000	1,507,284
1	765,001	770,000	768,000
1	795,001	800,000	800,000

No. of Shareholdings			
No of Shareholders	From	To	Total Shares
1	805,001	810,000	810,000
1	820,001	825,000	825,000
1	800,001	835,000	804,093
1	840,001	845,000	840,084
2	845,001	850,000	1,698,000
1	870,001	875,000	872,500
4	875,001	880,000	3,508,560
2	895,001	900,000	1,799,000
2	905,001	910,000	1,818,181
1	915,001	920,000	919,100
1	920,001	925,000	925,000
1	925,001	930,000	930,000
1	900,001	935,000	934,614
1	955,001	960,000	960,000
1	990,001	995,000	994,180
7	995,001	1,000,000	7,000,000
1	1,000,001	1,005,000	1,000,783
1	1,040,001	1,045,000	1,041,000
1	1,055,001	1,060,000	1,059,242
1	1,065,001	1,070,000	1,067,647
1	1,075,001	1,080,000	1,078,147
1	1,080,001	1,085,000	1,083,000
1	1,085,001	1,090,000	1,090,000
1	1,090,001	1,095,000	1,094,825
1	1,095,001	1,100,000	1,099,041
1	1,130,001	1,135,000	1,132,000
1	1,135,001	1,140,000	1,139,500
2	1,145,001	1,150,000	2,292,824
1	1,160,001	1,165,000	1,160,332
1	1,180,001	1,185,000	1,185,000
1	1,195,001	1,200,000	1,200,000
1	1,210,001	1,215,000	1,212,648

No. of Shareholdings			
No of Shareholders	From	To	Total Shares
1	1,280,001	1,285,000	1,284,049
1	1,295,001	1,300,000	1,300,000
1	1,300,001	1,305,000	1,301,611
1	1,315,001	1,320,000	1,317,783
1	1,365,001	1,370,000	1,366,949
1	1,410,001	1,415,000	1,413,221
1	1,460,001	1,465,000	1,460,106
2	1,495,001	1,500,000	3,000,000
1	1,570,001	1,575,000	1,571,789
1	1,580,001	1,585,000	1,584,100
1	1,585,001	1,590,000	1,589,987
1	1,630,001	1,635,000	1,632,000
1	1,745,001	1,750,000	1,750,000
2	1,790,001	1,795,000	3,587,501
1	1,855,001	1,860,000	1,857,580
2	1,995,001	2,000,000	4,000,000
1	2,070,001	2,075,000	2,073,123
1	2,085,001	2,090,000	2,089,500
1	2,095,001	2,100,000	2,096,080
1	2,135,001	2,140,000	2,136,499
1	2,200,001	2,205,000	2,204,735
1	2,225,001	2,230,000	2,225,500
1	2,285,001	2,290,000	2,288,317
2	2,320,001	2,325,000	4,645,400
1	2,465,001	2,470,000	2,467,364
1	2,780,001	2,785,000	2,784,872
1	2,995,001	3,000,000	2,999,200
1	3,105,001	3,110,000	3,107,018
1	3,145,001	3,150,000	3,148,220
1	3,355,001	3,360,000	3,359,712
1	3,555,001	3,560,000	3,559,500
1	3,815,001	3,820,000	3,818,033

No. of Shareholdings			
No of Shareholders	From	To	Total Shares
1	3,840,001	3,845,000	3,843,327
1	3,910,001	3,915,000	3,911,881
1	3,995,001	4,000,000	4,000,000
1	4,280,001	4,285,000	4,280,225
1	4,345,001	4,350,000	4,350,000
1	5,015,001	5,020,000	5,016,018
2	5,050,001	5,055,000	10,103,564
1	5,420,001	5,425,000	5,422,457
1	5,485,001	5,490,000	5,490,000
1	5,835,001	5,840,000	5,837,317
1	7,290,001	7,295,000	7,291,000
1	8,145,001	8,150,000	8,150,000
1	8,805,001	8,810,000	8,806,232
1	10,805,001	10,810,000	10,808,056
1	12,000,001	12,005,000	12,005,000
1	12,070,001	12,075,000	12,072,818
1	13,265,001	13,270,000	13,267,200
1	92,415,001	92,420,000	92,416,917
1	751,310,001	751,315,000	751,312,049
35,711			1,335,299,375

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	8	89,756	0.000
2	Executives	1	24	0.00
3	Associated Companies, Undertakings and Related Parties	6	751,741,902	56.30
4	NIT and ICP	-	-	-
5	Banks, Development Financial Institutions, Non-Banking Financial Institutions	23	24,166,627	1.81
6	Insurance Companies	21	110,662,093	8.29
7	Mutual Funds and Modarabas	74	29,310,670	2.20
8	Shareholder holding 10% or more	1	751,312,050	56.27
9	General Public:			
	a. Local	35,183	279,066,382	20.90
	b. Foreign	-	-	-
10	Others	440	140,331,811	10.51
Total (excluding shareholder holding 10% or more)		35,711	1,335,299,375	100.00

Free Float Shares as of December 31, 2024

Total outstanding ordinary shares	1,335,299,375
Free Float shares	579,493,155
Free Float as a % of total outstanding shares	43.39%

key shareholding & shares traded

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 Asad Said Jaffer	1
2	Mr Ahsan Zafar Syed	1
3	Ms. Danish Zuberi	1
4	Mr Farooq Barket Ali	1
5	Mr Ahmad Shakoor	8
6	Mr Asim Murtaza Khan	1,220
7	Mr. Muhammad Makhdoom Ali Khan (Spouse of Ms. Danish Zuberi)	12,000
8	Mr Jawed Akbar	26,524
	Total	39,756

2. Executives

S.No.	Name	No. of Shares Held
1	Total	34

3. Associated Companies, Undertakings and Related Parties

S.No.	Name	No. of Shares Held
1	Dawood Foundation	6,805
2	Engro Corp Limited MPT Employees Defined Contribution Gratuity Fund	72,000
3	Engro Corporation Limited Provident Fund	75,100
4	Engro Corp Limited MPT Employees Defined Contribution Gratuity Fund	98,526
5	Engro Corporation Limited Provident Fund	180,038
6	Engro Corporation Limited	751,012,050
	Total	751,741,902

4. NIT and ICP

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

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

S.No.	Name	No. of Shares Held
1	Total	24,166,627

6. Insurance Companies

S.No.	Name	No. of Shares Held
1	Total	110,652,293

7. Mutual Funds and Modarabas

S.No.	Name	No. of Shares Held
1	Asian Stocks Funds Limited	1
2	First UDL Modaraba	2
3	First Interfund Modaraba	44
4	Tri - Star Mutual Fund Limited	91
5	CDC - Trustee Faysal Asset Allocation Fund	1,100
6	CDC - Trustee Faysal Stock Fund	2,838
7	CDC - Trustee UBL Asset Allocation Fund	4,000
8	CDC - Trustee Pak Qatar IPF - Equity Sub Fund	5,869
9	CDC - Trustee HBL Financial Sector Income Fund Plan I - MT	8,843
10	Trust Modaraba	10,000
11	CDC - Trustee Lakson Tactical Fund	15,944
12	CDC - Trustee ABL Islamic Pension Fund - Equity Sub Fund	17,500
13	CDC - Trustee JS Islamic Pension Savings Fund-Equity Account	19,880
14	CDC - Trustee First Capital Mutual Fund	20,000
15	CDC - Trustee ABL Pension Fund - Equity Sub Fund	22,188
16	CDC - Trustee Alfalah GHP Dedicated Equity Fund	23,176
17	CDC - Trustee AWT Stock Fund	25,200
18	CDC - Trustee Alfalah GHP Islamic Dedicated Equity Fund	28,037
19	CDC - Trustee Lakson Islamic Tactical Fund	29,247
20	First Alhoor Modaraba	29,500
21	CDC - Trustee NIT Pakistan Gateway Exchange Traded Fund	29,550
22	CDC - Trustee UBL Retirement Savings Fund - Equity Sub Fund	30,000
23	MCB R&L Trustee ABL Islamic Dedicated Stock Fund	33,290
24	CDC - Trustee UBL Pakistan Enterprise Exchange Traded Fund	34,000

S.No.	Name	No. of Shares Held
25	CDC - Trustee MDAAF - Meezan Dividend Yield Plan	35,150
26	CDC - Trustee JS Pension Savings Fund - Equity Account	36,750
27	CDC Trustee - Meezan Dedicated Equity Fund	36,830
28	CDC-Trustee Al-Ameen Islamic Ret. Sav. Fund-Equity Sub Fund	37,000
29	CDC - Trustee Meezan Asset Allocation Fund	37,000
30	CDC - Trustee NBP Pakistan Growth Exchange Traded Fund	40,257
31	CDC-Trustee NIT PF Equity Sub-Fund	50,000
32	CDC - Trustee NBP Savings Fund - MT	58,498
33	CDC - Trustee Meezan Islamic Index Exchange Traded Fund	59,490
34	B.F Modaraba	75,000
35	CDC - Trustee NIT PF Equity Sub-Fund	81,500
36	CDC - Trustee NIT Asset Allocation Fund	82,050
37	CDC - Trustee APF-Equity Sub Fund	108,100
38	CDC - Trustee Faysal Islamic Stock Fund	114,472
39	CDC - Trustee Meezan Pakistan Exchange Traded Fund	117,700
40	CDC - Trustee Alfalah GHP Alpha Fund	135,896
41	CDC - Trustee MCB Pakistan Asset Allocation Fund	140,000
42	CDC - Trustee Atlas Islamic Dedicated Stock Fund	142,501
43	CDC - Trustee JS Islamic Fund	170,000
44	CDC - Trustee Pak-Qatar Islamic Stock Fund	188,540
45	CDC - Trustee AFIF - Equity Sub Fund	191,865
46	CDC - Trustee Alhoj-Dividend Strategy Plan	196,000
47	CDC - Trustee AKD Index Tracker Fund	197,858
48	CDC - Trustee AWT Islamic Stock Fund	198,661
49	CDC - Trustee Meezan Balanced Fund	199,141
50	CDC - Trustee Pakistan Capital Market Fund	208,000
51	CDC-Trustee Alhamra Islamic Asset Allocation Fund	220,000
52	CDC - Trustee Alfalah GHP Stock Fund	356,508
53	CDC - Trustee NBP Meezan Amdani Fund - MT	360,129
54	MCBFSL - Trustee ABL Islamic Stock Fund	378,500
55	CDC - Trustee Unit Trust Of Pakistan	410,037
56	CDC - Trustee UBL Stock Advantage Fund	416,639
57	CDC - Trustee MCB Pakistan Dividend Yield Plan	428,790

S.No.	Name	No. of Shares Held
58	CDC - Trustee Al-Ameen Shariah Stock Fund	448,000
59	CDC - Trustee Alfalah GHP Islamic Stock Fund	473,000
60	CDC - Trustee Lakson Equity Fund	477,093
61	First Habib Modaraba	500,000
62	CDC - Trustee JS Large Capital Fund	564,050
63	MCFSL - Trustee JS Growth Fund	919,100
64	CDC - Trustee NIT-Equity Market Opportunity Fund	934,814
65	CDC - Trustee NIT Islamic Equity Fund	1,067,647
66	CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1,078,147
67	CDC - Trustee Alhamra Islamic Stock Fund	1,132,000
68	CDC - Trustee Al Meezan Mutual Fund	1,139,500
69	CDC - Trustee Atlas Islamic Stock Fund	1,160,332
70	CDC - Trustee ABL Stock Fund	1,212,646
71	CDC - Trustee Atlas Stock Market Fund	1,284,043
72	CDC - Trustee MCB Pakistan Stock Market Fund	2,999,200
73	CDC - Trustee KSE Meezan Index Fund	3,107,018
74	CDC - Trustee Meezan Islamic Fund	5,061,575
	Total	29,313,670

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

S.No.	Name	No. of Shares Held
1	Engro Corporation Limited	751,312,050
2	Total	751,312,050

iii. General Public (Local)

S.No.	Name	No. of Shares Held
	Total	279,050,392

iv. Others

S.No.	Name	No. of Shares Held
	Total	149,391,611
	Total Shareholding	1,335,299,375

Details of Purchase/Sale of shares by Directors, Executives and their spouses/minor children during 2024:

Name of Person	Date	Nature	No. of Shares	Rate
Mr. Asad Said Jafar	Dec 31, 2024	Buy	5,000	205.93

standard request form

Circulation of Annual Audited Accounts.

The Share Registrar
Engro Fertilizers 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 4821-3

Dated: _____

Dear Sirs,
Subject: **Request for Hard Copy of Annual Report of Engro Fertilizers Limited.**

I, _____ S/o, D/o, W/o _____ being a registered shareholder of Engro Fertilizers 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 Fertilizers Limited
19th Floor, The Harbour Front, Dolmen City
HC-3, Block 4, Clifton, Karachi-75600.

proxy form

I/We _____

of _____ being a member of ENGRO FERTILIZERS LIMITED and holder of _____ (Number of Shares)

Ordinary shares as per share Register Folio No. _____ and/or CDC Participant I.D. No. _____ and Sub Account No. _____, hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the 24th 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 فرٹیلائزرز 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، کو 24 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۔

سی ڈی سی شیئر ہولڈرز اور ان کے پراکسی 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۔