

## NOTICE OF THE 19<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the shareholders of FATIMA FERTILIZER COMPANY LIMITED will be held on Friday, April 29, 2022 at 11:00 a.m. both physically and through electronic means.

Due to COVID-19 cases and to avoid large public gatherings at one place to control the spread of the virus and in compliance with the precautionary measures suggested by the SECP the shareholders are encouraged to attend the Meeting online as per the instructions given in the Notes.

The arrangements for the physical gathering of shareholders have been made at the registered office of the Company at E-110 Khayaban-e-Jinnah, Lahore Cantt.

The following business will be transacted at the meeting:

### Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on April 26, 2021, and Extraordinary General Meeting held on September 17, 2021.
2. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the year ended December 31, 2021, together with the Directors' and Auditors' Reports thereon and the Chairman's review report.
3. To consider and approve the final cash dividend for the year ended December 31, 2021, at PKR 3.50 per share i.e., 35% as recommended by the Board of Directors.
4. To appoint Auditors for the year ending December 31, 2022, and to fix their remuneration. The Audit Committee and the Board of Directors have recommended for reappointment of M/s Yousuf Adil Chartered Accountants as external auditors.

### Special Business

5. To consider and approve renewal of running finance facility limit extended to associated company namely Reliance Commodities (Pvt) Limited for a further period of one year and to pass the following Special Resolution(s) with or without modification(s):  
“**Resolved**, that the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for renewal of Running Finance Facility limit of up-to an aggregate amount of PKR 5,000 million extended to Reliance Commodities (Pvt) Limited, an associated company, for a further period of one year on terms as are noted in the statement of material facts under Section 134(3) annexed herewith. The limit in the nature of Running Finance Facility shall be renewable in the next general meeting(s) for a further period(s) of one year.  
**Resolved further**, that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”
6. To consider and approve the renewal of running finance facility limit extended to associated company namely Pakarab Fertilizers Limited for a further period of one year and to pass the following Special Resolution(s) with or without modification(s):  
“**Resolved**, that the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for renewal of Running Finance Facility limit of up-to an aggregate amount of PKR 2,000 million extended to Pakarab Fertilizers Limited, an associated company, for a further period of one year on terms as are noted in the statement of material facts under Section 134(3) annexed herewith. The limit in the nature of Running Finance Facility shall be renewable in the next general meeting(s) for a further period(s) of one year.  
**Resolved further**, that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”
7. To ratify and approve the transactions carried out by the Company with related parties for the year ended December 31, 2021, and to pass the following Special Resolution(s) with or without modification(s):  
“**Resolved**, that related party transactions carried out by the Company with all the related parties during the year ended December 31, 2021, and as disclosed in Financial Statements for the year ended December 31, 2021, be and are hereby ratified and approved.”

8. To approve transactions with related parties and to authorize the Board of Directors of the Company to carry out such related party transactions from time to time which require approval of shareholders u/s 207 and/or 208 of the Companies Act, 2017 and to pass the following Special Resolution(s) with or without modification(s):

“**Resolved**, that the Company may carry out transactions including but not limited to sale and purchase of stores and spares, shared expenses, toll manufacturing, sale and purchase of products/raw material and purchase of packaging material, payment against sales collections, lease rentals and license fee, fee for services, with related parties from time to time including but not limited to Pakarab Fertilizers Limited, Fatima Packaging Limited, and other such related parties during the year ending December 31, 2022.

**Resolved further**, that details of transactions incurred up to date of the next meeting of shareholders shall be presented in the next meeting of shareholders for ratification.

**Resolved further**, that within the parameters approved above by the shareholders of the Company, the Board of Directors of the Company may approve specifically related party transactions from time to time in compliance with the Company’s policy pertaining to related party transactions and notwithstanding any interest of the directors of the Company in any related party transaction(s) which has been noted by the shareholders and the transactions approved by the Board shall be deemed to have been approved by the shareholders u/s 207 and/or 208 of the Companies Act, 2017.”

9. To consider and approve the renewal of facility limit in the nature of Corporate Guarantee(s) extended to Pakarab Fertilizers Limited for a further period of one year and to pass the following Special Resolution(s) with or without modification(s):

“**Resolved**, that the consent, approval and ratification be and is hereby accorded under Section 199 of the Companies Act, 2017 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for enhancement of Facility limit in the nature of Corporate Guarantee(s) extended to Pakarab Fertilizers Limited from PKR 2,000 million to an aggregate amount of PKR 4,000 million and renewal thereof for a further period of one year, issued/to be issued by Fatima Fertilizer Company Limited in favor of any bank / financial institution/company, etc. in connection with financing or other facilities availed / to be availed by Pakarab Fertilizers Limited. The limit in the nature of the Corporate Guarantee(s) Facility shall be renewable in the next general meeting(s) for a further period(s) of one year.

**Resolved further**, that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”

10. To consider and approve extension in grace and repayment period of long term loan extended to Pakarab Fertilizers Limited for further three years and to pass the following Special Resolution(s) with or without modification(s):

“**Resolved**, that the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for the extension in grace and repayment period of PKR 3,000 million long term loan extended to associated Company namely Pakarab Fertilizers Limited for further three year period on terms as are noted in the statement of material facts under Section 134(3) annexed herewith.

**Resolved further**, that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”

11. To consider and approve equity investment in associated company Fatima Cement Limited by way of acquisition of all its issued share capital and to pass the following Special Resolution(s) with or without modification(s):

**Resolved**, that pursuant to the provisions of Section 199 of the Companies Act, 2017 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 and subject to such other consents and approvals, as may be required under the applicable laws, the approval of the shareholders be and is hereby accorded for investment in Fatima Cement Limited (FCL), an associated company, by way of acquisition of 30,003,000 ordinary shares of Rs. 10 each of FCL from all the existing shareholders of FCL at par value, to make FCL a 100% owned subsidiary of Fatima Fertilizer Company Limited (hereinafter referred to as "the Acquisition").

**Resolved further**, that upon the Acquisition, the existing directors of FCL be and are hereby nominated as representative directors of the Company on the Board of FCL.

**Resolved further**, that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents/deeds, and any ancillary matters thereto to give effect to the Acquisition.

## Other Business

12. To transact any other business with the permission of the Chair.

The statements under Section 134(3) of the Companies Act, 2017 setting out the material facts are annexed herewith.

By order of the Board



Lahore  
April 7, 2022

Anil Zia  
Deputy Company Secretary

### Notes:

1. The Share Transfer Books of the Company will remain closed from April 23, 2022, to April 29, 2022 (both days inclusive). Transfers received in order at the office of our Share Registrar/Transfer Agent CDC Share Registrar Services Limited by the close of business on April 22, 2022, will be treated in time for the aforesaid purpose.
2. A member entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
3. An individual beneficial owner of shares from CDC must bring his/her original CNIC or Passport, Account, and Participant's I.D. numbers to prove his/her identity. A representative of corporate members from CDC, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee.

### 4. Online participation in the Annual General Meeting

- a) For online participation in the Annual General Meeting, the shareholders are requested to get themselves registered with the Company's Share Registrar latest by April 27, 2022 till 05:00 p.m. on [cdecr@cdcsrsl.com](mailto:cdecr@cdcsrsl.com) by providing the following details:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	** Email ID	** Mobile Phone No.
	Fatima Fertilizer Company Limited				

\*\*Shareholders/proxyholders are requested to provide active email addresses and mobile phone number.

- Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.
- b) Shareholders may send their comments and suggestions relating to the agenda items of the AGM to the Company's share registrar latest by April 27, 2022 till 05:00 p.m., at above-given email address or WhatsApp, # 0321-820-0864. Shareholders are required to mention their full name, CNIC No and Folio No. for this purpose.
- c) Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

### 5. Withholding Tax on Dividends

Prevailing rates prescribed for deduction of withholding tax on the amount of dividend paid by the Company is as under:

- (a) For persons appearing on active taxpayer's list: 15%
- (b) For persons not appearing on active taxpayer's list: 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders whose names do not appear on the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL by April 22, 2022 otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Withholding tax exemption from the dividend income, shall only be allowed if a copy of the valid tax exemption certificate is made available to Company's Share Registrar by Close of Business day as on April 22, 2022.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold an equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio/CDC Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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For any further assistance, the members may contact the Share Registrar at the following phone numbers, email addresses:

CDC Share Registrar Services Limited, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shahra-e-Faisal Karachi-74400. Telephone: 0800-23275, Email: info@cdcsrsl.com

The corporate shareholders having CDC accounts are required to have their National Tax Numbers (NTNs) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar i.e. CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the Company name and their respective folio numbers.

#### 6. Payment of Cash Dividend through Electronic Mode

Under the provisions of Section 242 of the Companies Act, 2017, it is **mandatory** for a listed Company to pay a cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to provide their IBAN by filling the Electronic Credit Mandate Form provided in the Annual Report and also available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company CDC Share Registrar Services Limited, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shahra-e-Faisal Karachi-74400 in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to the shareholder's broker/participant/CDC account services.

#### 7. E-Voting

Members can exercise their right to poll subject to meeting the requirement of Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

#### 8. Dissemination of Annual Audited Accounts and Notice of Annual General Meeting

The Company shall place the financial statements and reports on the Company's website: <http://fatima-group.com/ffcl/page.php/financial-results-ffcl> at least twenty-one (21) days prior to the date of the Annual General Meeting.

Further, this is to inform that in accordance with SRO 470(I)/2016 dated 31 May 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to the consent of shareholders and compliance with certain other conditions, the Company has obtained shareholders' approval in its Extraordinary General Meeting held on December 23, 2016. Accordingly, the Annual Report of the Company for the year ended December 31, 2020 is dispatched to the shareholders through CD. However, if a shareholder requests for a hard copy of Annual Accounts, the same shall be provided free of cost within seven days of receipt of such request. Further, in terms of SRO No 787(I)/2014 dated September 8, 2014, shareholders can also opt to obtain annual balance sheet and profit and loss account, auditors' report and directors' report, etc. along with the Notice of the Annual General Meeting through email. For this purpose, we hereby give you the opportunity to send us your written request along with your valid email ID to provide you the same at your valid email ID.

For the convenience of shareholders, a Standard Request Form for provision of Annual Accounts has also been made available on the Company's website [http://fatima-group.com/updata/others/standard\\_request\\_form\\_ffcl.pdf](http://fatima-group.com/updata/others/standard_request_form_ffcl.pdf).

#### 9. Conversion of physical shares into the Book-Entry Form

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017.

The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form.

#### 10. Unclaimed dividend / shares

Shareholders who have not collected their dividend / physical shares are advised to contact our shares registrar to collect / enquire about their unclaimed dividend or shares, if any.

#### 11. Change of Address

1. Members having physical shareholding are requested to notify changes in address immediately, if any, in their registered addresses to our Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shahra-e-Faisal Karachi-74400.
2. In case shares are held in CDC then the request notifying the change in address must be submitted directly to broker/participant/CDC Investor Account Services.

#### 12. Submission of Copy of CNIC

1. Individual members having physical shareholding and who have not yet submitted photocopy of their valid CNIC are requested to send notarized copy of their valid CNIC immediately to our Share Registrar, CDC Share Registrar Services Limited.
2. In case shares are held in CDC then the request to update CNIC must be submitted directly to broker/participant/CDC Investor Account Services.

#### 13. Proxy

1. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a attested copy of power of attorney must be deposited at the Registered Office of the Company situated at E 110 Khayaban e Jinnah Lahore Cantt. at least 48 hours before the time of the meeting.
2. For appointing proxies, the shareholders will further have to follow the under mentioned guidelines:
  - a. In case of individuals having physical shareholding or the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form accordingly.
  - b. The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
  - c. Notarized copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - d. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

### Statements under Section 134(3) of the Companies Act, 2017

#### Item 5 of the Agenda:

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

Directors

- 1) Mr. Fawad Ahmed Mukhtar
- 2) Mr. Fazal Ahmed Sheikh
- 3) Mr. Faisal Ahmed Mukhtar

The Directors have carried out the required due diligence for the purpose of this loan.

The information required under S.R.O 1240(I)/2017 is provided below:

Sr. No.	Description	Information Required
<b>(a) Disclosure for all types of Investments</b>		
<b>(A) Disclosure regarding associated company</b>		
(i)	Name of associated company or associated undertaking	Reliance Commodities (Pvt) Limited (RCL)

(ii)	Basis of relationship	Due to common directorship by the following: 1) Mr. Fawad Ahmed Mukhtar 2) Mr. Fazal Ahmed Sheikh 3) Mr. Faisal Ahmed Mukhtar																						
(iii)	Earnings per share for the last three years	PKR 26.05 for the year 2019 PKR 25.06 for the year 2020 PKR 45.51 for the year 2021																						
(iv)	Break-up value per share, based on latest audited financial statements	PKR 354.00																						
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	As per the un-audited Financial Statements for the period ended December 31, 2021  <div style="text-align: right; padding-right: 20px;">PKR in Million</div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Authorized Capital</td> <td style="text-align: right;">350</td> </tr> <tr> <td>Paid-up capital and reserves</td> <td style="text-align: right;">2,477</td> </tr> <tr> <td>Surplus on revaluation of property, plant and equipment</td> <td style="text-align: right;">357</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">1,854</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">11,956</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">13,923</td> </tr> <tr> <td>Non-Current Assets</td> <td style="text-align: right;">741</td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">1,538</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">253</td> </tr> <tr> <td>Finance Cost</td> <td style="text-align: right;">53</td> </tr> <tr> <td>Profit After Tax</td> <td style="text-align: right;">129</td> </tr> </table>	Authorized Capital	350	Paid-up capital and reserves	2,477	Surplus on revaluation of property, plant and equipment	357	Non-Current Liabilities	1,854	Current Liabilities	11,956	Current Assets	13,923	Non-Current Assets	741	Revenue	1,538	Gross Profit	253	Finance Cost	53	Profit After Tax	129
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Profit After Tax	129																							
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely: (I) Description of the project and its history since conceptualization; (II) starting date and expected date of completion of work; (III) time by which such project shall become commercially operational; (IV) expected time by which the project shall start paying return on investment; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts	Not applicable																						
<b>(B) General Disclosures</b>																								
(i)	Maximum amount of investment to be made	Loan Investment up to PKR 5,000 Million (Already made).																						
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To support the functionality and operations of the associated undertaking and to continue investment of the Company's funds at an attractive rate of mark-up for a further period of one year.																						
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis	Already given/Own sources of the Company.																						

(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Salient terms of the agreement to be entered as follows: <ol style="list-style-type: none"> <li>1. The parties agree to extend the repayment period of the Running Finance Facility to be repaid within 30 days of the notice of demand for a further period of one year. The limit in the nature of Running Finance Facility shall be renewable in the next general meeting(s) for a further period(s) of one year.</li> <li>2. Markup will be charged on the entire loan at the rate of 6M KIBOR+2% but not less than the borrowing cost of Fatima. Markup is payable on a six monthly basis.</li> <li>3. On repayment of the loan, the charge over the present and future current assets of the investee company is to be vacated.</li> </ol>
(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 following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:  Directors <ol style="list-style-type: none"> <li>1) Mr. Fawad Ahmed Mukhtar</li> <li>2) Mr. Fazal Ahmed Sheikh</li> <li>3) Mr. Faisal Ahmed Mukhtar</li> </ol>
(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	A loan of an aggregate amount of up to PKR 5,000 million in the nature of a renewable running finance facility has already been granted to RCL. The Company is now seeking renewal of this running finance facility for a further period of one year at the mark-up rate of 6M KIBOR + 2% but not less than the borrowing cost of Fatima and to be repaid within 30 days of the notice of demand. There is no impairment or write-offs for this loan.
(vii)	Any other important details necessary for the members to understand the transaction	None
<b>(b) Additional Disclosures regarding Loan Investment</b>		
(i)	Category-wise amount of investment	Loan Investment up to PKR 5,000 Million (Already made).
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank 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 investing company is 9.55%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	6M KIBOR+2% per annum but not less than the borrowing cost of Fatima.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	The security for the loan shall continue in the form of a charge over the present and future current assets of RCL and the charge shall be vacated on the repayment of the entirety of the loan.
(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	None
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The Loan will be repayable within a year within 30 days of the notice of demand unless renewed by mutual consent of the parties, provided shareholders of Fatima approve any renewal.

**Item 6 of the Agenda:**

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

Directors	Relative
1) Mr. Arif Habib	
2) Mr. Fawad Ahmed Mukhtar	1) Mrs. Ambreen Fawad
3) Mr. Fazal Ahmed Sheikh	
4) Mr. Faisal Ahmed Mukhtar	
5) Mr. Muhammad Kashif Habib	

The Directors have carried out the required due diligence for the purpose of this loan.

The information required under S.R.O. 1240(I)/2017 is provided below:

Sr. No.	Description	Information Required																								
<b>(a) Disclosure for all types of Investments</b>																										
<b>(A) Disclosure regarding associated company</b>																										
(i)	Name of associated company or associated undertaking	Pakarab Fertilizers Limited (PFL)																								
(ii)	Basis of relationship	Due to common directorship by the following: 1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib																								
(iii)	Earnings per share for the last three years	PKR (18.25) for the year 2018 PKR (9.17) for the year 2019 PKR 2.46 for the year 2020																								
(iv)	Break-up value per share, based on latest audited financial statements	PKR 20.72																								
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	As per the audited Financial Statements for the year ended December 31, 2020  <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">PKR in Billion</th> </tr> </thead> <tbody> <tr> <td>Authorized Capital</td> <td style="text-align: right;">10.0</td> </tr> <tr> <td>Paid up capital and reserves</td> <td style="text-align: right;">(3.6)</td> </tr> <tr> <td>Surplus on revaluation of operating fixed assets</td> <td style="text-align: right;">12.9</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">9.1</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">18.2</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">13.2</td> </tr> <tr> <td>Non-Current Assets</td> <td style="text-align: right;">23.5</td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">19.38</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Finance Cost</td> <td style="text-align: right;">2.4</td> </tr> <tr> <td>Profit After Tax</td> <td style="text-align: right;">1.1</td> </tr> </tbody> </table>		PKR in Billion	Authorized Capital	10.0	Paid up capital and reserves	(3.6)	Surplus on revaluation of operating fixed assets	12.9	Non-Current Liabilities	9.1	Current Liabilities	18.2	Current Assets	13.2	Non-Current Assets	23.5	Revenue	19.38	Gross Profit	4	Finance Cost	2.4	Profit After Tax	1.1
	PKR in Billion																									
Authorized Capital	10.0																									
Paid up capital and reserves	(3.6)																									
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Finance Cost	2.4																									
Profit After Tax	1.1																									
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely: (I) Description of the project and its history since conceptualization;	Not applicable																								



	(II) starting date and expected date of completion of work; (III) time by which such project shall become commercially operational; (IV) expected time by which the project shall start paying return on investment; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts	
<b>(B) General Disclosures</b>		
(i)	Maximum amount of investment to be made	Loan Investment up to PKR 2,000 Million already made.
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To support the functionality and operations of the associated undertaking and to continue investment of Company's funds at an attractive rate of mark-up for a further period of one year.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis	Already given/Own sources of the Company.
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Agreement: <ol style="list-style-type: none"> <li>1. The parties agree to extend the repayment period of the Running Finance Facility to be repaid within 30 days of the notice of demand for a further period of one year. The limit in the nature of Running Finance Facility shall be renewable in the next general meeting(s) for a further period(s) of one year.</li> <li>2. Markup will be charged on the Loan at the rate of 6M KIBOR+2% per annum but not less than the borrowing cost of Fatima. Markup is payable on a six monthly basis .</li> <li>3. On repayment of the loan, the charge over the current assets of the investee company is to be vacated</li> </ol>
(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 following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:  Directors <ol style="list-style-type: none"> <li>1) Mr. Arif Habib</li> <li>2) Mr. Fawad Ahmed Mukhtar</li> <li>3) Mr. Fazal Ahmed Sheikh</li> <li>4) Mr. Faisal Ahmed Mukhtar</li> <li>5) Mr. Muhammad Kashif Habib</li> </ol> Relative <ol style="list-style-type: none"> <li>1) Mrs. Ambreen Fawad</li> </ol>
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including	Long term loan of an aggregate amount of up to PKR 3,000 million and a corporate guarantee facility limit of up to PKR 2.00 billion is already given to PFL. There is no impairment or write-offs for this loan.

	complete information/justification for any impairment or write offs	
(vii)	Any other important details necessary for the members to understand the transaction	None
<b>(b) Additional Disclosures regarding Loan Investment</b>		
(i)	Category-wise amount of investment	Loan investment up to PKR 2,000 million already made.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank 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 investing company is 9.55%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	6M KIBOR+2% per annum but not less than the borrowing cost of Fatima.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Security for the loan was previously obtained in the form of a charge over the current assets of the investee company. This charge shall be vacated on the repayment of the entirety of the loan.
(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	None
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The Loan will be repayable within a year within 30 days of the notice of demand unless renewed by mutual consent of the parties, provided shareholders of Fatima approve any renewal.

#### **Item 7 of the Agenda:**

The transactions carried out with associated companies/related parties have been approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to provisions of applicable laws. However, the majority of Company Directors were interested in certain related party transactions due to their common directorship and holding of shares in the associated companies/related parties, the Board has recommended the same for placement before the shareholders of the Company in general meeting for ratification/approval.

All these related party transactions during the mentioned period were executed at Arm's Length Price in a fair and transparent manner and there was no departure from the guidelines mentioned in the Code of Corporate Governance for such transactions.

Pursuant to the above, these transactions have to be approved/ratified by the shareholders in the General Meeting.

The directors and their relatives have no direct or indirect interest in the aforesaid except to the extent of their shareholding/common directorship with associated companies/related parties.

#### **Item 8 of the Agenda:**

Due to the composition of the Board of Directors of the Company, many Directors may be deemed to be treated as interested in transactions with certain related parties due to their common directorships and/or shareholding. Therefore the shareholders are being approached to grant a broad and prior approval for such transactions to be entered into by the Company, from time to time, at the discretion of the Board and irrespective of its composition and interest of directors due to their common directorship and holding of shares in the associated companies/related parties, triggering approval of shareholders under section 207 and/or 208 of the Companies Act, 2017, for the year ending December 31, 2022, which transactions shall be deemed to be approved by the shareholders. The Company shall ensure that such transactions with related parties, if needed, continue to be carried out in a fair and transparent manner and at Arm's Length Basis.

Transactions intended to be carried out by the Company include, but are not limited to, sale and purchase of stores and spares, shared expenses, toll manufacturing, sale and purchase of products/raw material, and purchase of packaging material with the following related parties but are not limited to:

Company Name and Nature of Relationship

1. Pakarab Fertilizers Limited - Associated company
2. Fatima Packaging Limited - Wholly owned subsidiary of Pakarab Fertilizers Limited (an associated company)

The shareholders should note that it is not possible for the Company or the directors to accurately predict the nature of related party transaction or the specific related party(ies) with which the transaction(s) shall be carried out. In view of the same, the Company seeks the broad/ prior approval of the shareholders that the Board may cause the Company to enter into related party transactions in its discretion and in accordance with the policy of the Company. Such transactions shall be presented in the next annual general meeting of shareholders for their formal approval/ratification.

The following directors of the Company are also the directors in PFL and the following relative of the director is also the shareholder of PFL, however, the directors/relative have no direct or indirect interest except to the extent of their shareholding/directorship in PFL:

Directors	Relative
1) Mr. Arif Habib	
2) Mr. Fawad Ahmed Mukhtar	1) Mrs. Ambreen Fawad
3) Mr. Fazal Ahmed Sheikh	
4) Mr. Faisal Ahmed Mukhtar	
5) Mr. Muhammad Kashif Habib	

The Directors are interested in the resolution only to the extent of their shareholding and/or common directorships in such related parties.

#### Item 9 of the Agenda:

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

Directors	Relative
1) Mr. Arif Habib	
2) Mr. Fawad Ahmed Mukhtar	1) Mrs. Ambreen Fawad
3) Mr. Fazal Ahmed Sheikh	
4) Mr. Faisal Ahmed Mukhtar	
5) Mr. Muhammad Kashif Habib	

The Directors have carried out the required due diligence for the purpose of issuance of corporate guarantees.

The information required under S.R.O. 1240(I)/2017 is provided below:

Sr. No.	Description	Information Required
<b>(a) Disclosure for all types of Investments</b>		
<b>(A) Disclosure regarding associated company</b>		
(i)	Name of associated company or associated undertaking	Pakarab Fertilizers Limited (PFL)
(ii)	Basis of relationship	Due to common directorship by the following: 1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib
(iii)	Earnings per share for the last three years	PKR (18.25) for the year 2018 PKR (9.17) for the year 2019 PKR 2.46 for the year 2020
(iv)	Break-up value per share, based on latest audited financial statements	PKR 20.72

(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p>As per the audited Financial Statements for the year ended December 31, 2020</p> <p style="text-align: right;">PKR in Billion</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Authorized Capital</td> <td style="text-align: right;">10.0</td> </tr> <tr> <td>Paid up capital and reserves</td> <td style="text-align: right;">(3.6)</td> </tr> <tr> <td>Surplus on revaluation of operating fixed assets</td> <td style="text-align: right;">12.9</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">9.1</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">18.2</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">13.2</td> </tr> <tr> <td>Non-Current Assets</td> <td style="text-align: right;">23.5</td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">19.38</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Finance Cost</td> <td style="text-align: right;">2.4</td> </tr> <tr> <td>Profit After Tax</td> <td style="text-align: right;">1.1</td> </tr> </table>	Authorized Capital	10.0	Paid up capital and reserves	(3.6)	Surplus on revaluation of operating fixed assets	12.9	Non-Current Liabilities	9.1	Current Liabilities	18.2	Current Assets	13.2	Non-Current Assets	23.5	Revenue	19.38	Gross Profit	4	Finance Cost	2.4	Profit After Tax	1.1
Authorized Capital	10.0																							
Paid up capital and reserves	(3.6)																							
Surplus on revaluation of operating fixed assets	12.9																							
Non-Current Liabilities	9.1																							
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Non-Current Assets	23.5																							
Revenue	19.38																							
Gross Profit	4																							
Finance Cost	2.4																							
Profit After Tax	1.1																							
(vi)	<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:</p> <p>(I) Description of the project and its history since conceptualization;</p> <p>(II) starting date and expected date of completion of work;</p> <p>(III) time by which such project shall become commercially operational;</p> <p>(IV) expected time by which the project shall start paying return on investment; and</p> <p>(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts</p>	Not applicable																						
<b>(B) General Disclosures</b>																								
(i)	Maximum amount of investment to be made	Corporate Guarantee(s) limit of up to an aggregate amount of PKR 4,000 Million.																						
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To support the functionality and operations of the associated undertaking.																						
(iii)	<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost benefit analysis</p>	Not applicable																						
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Approval and ratification for enhancement of limit for issuance of Corporate Guarantee(s) from PKR 2,000 million to an aggregate amount of up to PKR 4,000 million and renewal thereof for a further period of one year for Corporate Guarantee(s) issued/to be issued by Fatima Fertilizer Company Limited, as and when needed, in favor of any bank / financial institution/company, etc. in connection with financing or other facilities availed / to be availed by Pakarab Fertilizers Limited.																						
(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 following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:																						

		<p>Directors</p> <p>1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib</p> <p>Relative</p> <p>1) Mrs. Ambreen Fawad</p>
(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	Long-term loan of an aggregate amount of up to PKR 3,000 million and running finance facility of an aggregate amount of PKR 2,000 million is already given to PFL. There is no impairment or write-offs for this loan.
(vii)	Any other important details necessary for the members to understand the transaction	None
<b>(b) Additional Disclosures regarding Loan Investment</b>		
(i)	Category-wise amount of investment	Corporate Guarantee(s) limit of up to an aggregate amount of PKR 4,000 million.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank 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 investing company is 9.55%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	In line with prevailing commercial rates for similar unfunded facilities.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Charge over current assets of the investee company.
(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	None
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The limit of Corporate Guarantee(s) will be for a period of one year and shall be renewable in the next general meeting(s) for a further period(s) of one year(s).

**Item 10 of the Agenda:**

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

**Directors**

- 1) Mr. Arif Habib
- 2) Mr. Fawad Ahmed Mukhtar
- 3) Mr. Fazal Ahmed Sheikh
- 4) Mr. Faisal Ahmed Mukhtar
- 5) Mr. Muhammad Kashif Habib

**Relative**

- 1) Mrs. Ambreen Fawad

The Directors have carried out the required due diligence for the purpose of this loan.

The information required under S.R.O. 1240(I)/2017 is provided below:

Sr. No.	Description	Information Required																								
<b>(a) Disclosure for all types of Investments</b>																										
<b>(A) Disclosure regarding associated company</b>																										
(i)	Name of associated company or associated undertaking	Pakarab Fertilizers Limited (PFL)																								
(ii)	Basis of relationship	Due to common directorship by the following: 1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib																								
(iii)	Earnings per share for the last three years	PKR (18.25) for the year 2018 PKR (9.17) for the year 2019 PKR 2.46 for the year 2020																								
(iv)	Break-up value per share, based on latest audited financial statements	PKR 20.72																								
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	As per the unaudited Financial Statements for the period ended December 31, 2020  <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">PKR in Billion</th> </tr> </thead> <tbody> <tr> <td>Authorized Capital</td> <td style="text-align: right;">10.0</td> </tr> <tr> <td>Paid up capital and reserves</td> <td style="text-align: right;">3.6</td> </tr> <tr> <td>Surplus on revaluation of operating fixed assets</td> <td style="text-align: right;">12.9</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">9.1</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">18.2</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">13.2</td> </tr> <tr> <td>Non-Current Assets</td> <td style="text-align: right;">23.5</td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">19.38</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Finance Cost</td> <td style="text-align: right;">2.4</td> </tr> <tr> <td>Profit After Tax</td> <td style="text-align: right;">1.1</td> </tr> </tbody> </table>		PKR in Billion	Authorized Capital	10.0	Paid up capital and reserves	3.6	Surplus on revaluation of operating fixed assets	12.9	Non-Current Liabilities	9.1	Current Liabilities	18.2	Current Assets	13.2	Non-Current Assets	23.5	Revenue	19.38	Gross Profit	4	Finance Cost	2.4	Profit After Tax	1.1
	PKR in Billion																									
Authorized Capital	10.0																									
Paid up capital and reserves	3.6																									
Surplus on revaluation of operating fixed assets	12.9																									
Non-Current Liabilities	9.1																									
Current Liabilities	18.2																									
Current Assets	13.2																									
Non-Current Assets	23.5																									
Revenue	19.38																									
Gross Profit	4																									
Finance Cost	2.4																									
Profit After Tax	1.1																									
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely: (I) Description of the project and its history since conceptualization; (II) starting date and expected date of completion of work; (III) time by which such project shall become commercially operational; (IV) expected time by which the project shall start paying return on investment; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts	Not applicable																								
<b>(B) General Disclosures</b>																										
(i)	Maximum amount of investment to be made	Loan Investment up to PKR 3,000 Million already made.																								
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To support the functionality and operations of associated undertaking and to continue investment of Company's funds at attractive rate of mark-up.																								

(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis	Already given/Own sources of the Company.
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Agreement: 1. The parties agree to extend the grace and repayment period of the long term loan for further period of three years. 3. Markup will be charged on the Loan at the rate of 6M KIBOR+2% per annum but not less than the borrowing cost of Fatima. Markup is payable on semi-annual basis. 4. On repayment of the Loan, the charge over the fixed assets of investee company is to be vacated.
(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 following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:  Directors 1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib  Relative 1) Mrs. Ambreen Fawad
(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	A running finance facility and a corporate guarantee facility of an aggregate amount of up to PKR 2,000 million and PKR 2,000 million respectively is already given to PFL. There is no impairment or write offs for this loan.
(vii)	Any other important details necessary for the members to understand the transaction	None
<b>(b) Additional Disclosures regarding Loan Investment</b>		
(i)	Category-wise amount of investment	Loan investment up to PKR 3,000 million already made.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank 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	Average borrowing cost of investing company is 9.55%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	6M KIBOR+2% per annum but not less than the borrowing cost of Fatima.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	Security for the loan was previously obtained in the form of a charge over fixed assets of the investee company. This charge shall be vacated on the repayment of the entirety of the loan.
(v)	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula,	None

	circumstances in which the conversion may take place and the time when the conversion may be exercisable	
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Loan already given. Grace and repayment period now being extended from Five and a half years to Eight and a half years grace period, payable in 6 semiannual installments for Principal. Interest to be settled semi-annually.

**Item 11 of the Agenda:**

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

Directors

- 1) Mr. Arif Habib
- 2) Mr. Fawad Ahmed Mukhtar
- 3) Mr. Fazal Ahmed Sheikh
- 4) Mr. Faisal Ahmed Mukhtar
- 5) Mr. Muhammad Kashif Habib

The Directors have carried out the required due diligence for the purpose of this loan.

The information required under S.R.O. 1240(I)/2017 is provided below:

Sr. No.	Description	Information Required																				
<b>(a) Disclosure for all types of Investments</b>																						
<b>(A) Disclosure regarding associated company</b>																						
(i)	Name of associated company or associated undertaking	Fatima Cement Limited (FCL)																				
(ii)	Basis of relationship	Due to common directorship by the following: 1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib																				
(iii)	Earnings per share for the last three years	PKR 26.29 for the year 2019 PKR (629.54) for the year 2020 PKR 0.35 for the year 2021																				
(iv)	Break-up value per share, based on latest audited financial statements	PKR 10.28																				
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	As per the unaudited Financial Statements for the period ended December 31, 2021  <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">PKR in Million</th> </tr> </thead> <tbody> <tr> <td>Authorized Capital</td> <td style="text-align: right;">350</td> </tr> <tr> <td>Paid up capital and reserves</td> <td style="text-align: right;">314.373</td> </tr> <tr> <td>Surplus on revaluation of operating fixed assets</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">22.998</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">33.645</td> </tr> <tr> <td>Non-Current Assets</td> <td style="text-align: right;">303.726</td> </tr> <tr> <td>Revenue</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Gross Profit</td> <td style="text-align: right;">-</td> </tr> </tbody> </table>		PKR in Million	Authorized Capital	350	Paid up capital and reserves	314.373	Surplus on revaluation of operating fixed assets	-	Non-Current Liabilities	-	Current Liabilities	22.998	Current Assets	33.645	Non-Current Assets	303.726	Revenue	-	Gross Profit	-
	PKR in Million																					
Authorized Capital	350																					
Paid up capital and reserves	314.373																					
Surplus on revaluation of operating fixed assets	-																					
Non-Current Liabilities	-																					
Current Liabilities	22.998																					
Current Assets	33.645																					
Non-Current Assets	303.726																					
Revenue	-																					
Gross Profit	-																					



		Finance Cost / Other Income Profit After Tax	(8.216)  5.908
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely: (I) Description of the project and its history since conceptualization; (II) starting date and expected date of completion of work; (III) time by which such project shall become commercially operational; (IV) expected time by which the project shall start paying return on investment; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts	(I) Fatima Cement Limited ("the Company") was incorporated on 26 July 2016 as a public unlisted company. The objective of the Company is the production and sale of cement by erecting a cement plant with production capacity of 9,000 ~ 10,000 MTPD of clinker. The project is anticipated to provide IRR above 20%  (II) Project construction will start in 3 <sup>rd</sup> Quarter 2022 and expected completion date is October 2024  (III) Project will achieve its commercial operation by November / December 2024 (IV) Project will start paying return on investment from 2025 (V) Investment to be made is PKR 300,030,000 in cash only.	
<b>(B) General Disclosures</b>			
(i)	Maximum amount of investment to be made	As described above	
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	As described above	
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: (I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis	Investment will be made from its internal funds generation.  (I) N/A (II) N/A (III) Project is anticipated to offer an IRR of 20% return	
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	None	
(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 following directors of the Company are also the directors in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:  Directors 1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib	
(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	N/A	
(vii)	Any other important details necessary for the members to understand the transaction	None	
<b>(b) Additional Disclosures regarding Equity Investment</b>			
(i)	Maximum price at which securities will be acquired	At cost PKR 10 per share	

(ii)	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
(iii)	Maximum number of securities to be acquired	30,003,000 ordinary shares
(iv)	Number of securities and percentage thereof held before and after the proposed investment	Present holding is none. 100% holding after the acquisition of 30,003,000 ordinary shares
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	N/A
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	Same as A (iv) above