



NURTURING  
**GROWTH,**  
EMBRACING  
**SUSTAINABILITY**

**20  
24**  
Annual Report



# NURTURING **GROWTH** EMBRACING **SUSTAINABILITY**

At Fatima Fertilizer, we believe that true progress lies at the intersection of growth and sustainability. As stewards of agricultural advancement, we are committed to enriching the land while ensuring its vitality for generations to come. Our approach combines advanced agricultural solutions with eco-conscious initiatives, ensuring that every harvest contributes to a healthier and more sustainable world.

As we move forward, our mission remains clear: to foster prosperity while preserving the environment, ensuring that every step we take leads to a greener, more sustainable future.

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# KEY HIGHLIGHTS 2024



**2,795**

MT in "000"  
Fertilizer Production



**2,523**

MT in "000"  
Fertilizer Sales



**256,920**

Rs in Million  
Revenue



**36,395**

Rs in Million  
Profit After Tax



**17.33**

Rupees  
Earnings Per Share



**7.00**

Rupees  
Dividend Per Share



**22.97**

Percentage  
Return on Capital  
Employed



**62,342**

Rs in Million  
Contribution to National  
Exchequer





**136**

Combined Safe Million  
Man Hours



**15,587**

Numbers  
Trees Planted



**81**

Numbers  
Women Development  
(Female Staff in Head Office)



**130,390**

Man Hours  
Investing in Manpower



**266,423**

Numbers  
Agriculture Farms  
Addressed



**2,224**

Numbers  
Permanent Employees



**1,036**

Rs in Million  
Investment in CSR

# VISION & MISSION STATEMENT

## VISION

To be a world class manufacturer of fertilizer and ancillary products, with a focus on safety, quality and positive contribution to national economic growth and development. We will care for the environment and the communities we work in, while continuing to create shareholders' value.

## MISSION

- To be the preferred fertilizer company for farmers, business associates and suppliers by providing quality products and services.
- To provide employees with an exciting, enabling and supportive environment to excel in, be innovative, entrepreneurial in an ethical and safe working place based on meritocracy and equal opportunity.
- To be a responsible corporate citizen with a concern for the environment and the communities we deal with.

## CORPORATE VALUES

These are the values that Fatima Fertilizer Company Limited epitomizes, and are reflected in all our transactions and interactions. Congruence to these values has been a part of our business strategy. They are bound in the very fabric of our organization, shaped by organizational processes, procedures and practices.



### Integrity

Our actions are driven by honesty, ethics, fairness and transparency.



### Teamwork

We work collectively towards a common goal.



### Customer Focus

We believe in listening to our customers and delivering value in our products and services.



### Valuing People

We value our people as our greatest resource.



### Innovation

We encourage creativity and recognize new ideas.



### Health, Safety, Environment & CSR

We care for our people and the communities around us.



### Excellence

We strive to excel in everything we do.





# CODE OF CONDUCT

**Fatima Fertilizer Company Limited (Fatima) conducts its business with the highest ethical standards in full compliance with all applicable laws. Honesty and integrity take precedence in all relationships including those with customers, suppliers, employees and other stakeholders.**

## Ethics and Business Practices

- We believe in conducting the Company's business in a manner that respects, protects and improves the environment and provides employees with a safe and healthy workplace.
- We conduct our business in an environmentally responsible and sustainable manner. Employees must be completely familiar with the permits, Health Safety and Environment policy, local laws and regulations that apply to their work.
- All employees are expected to understand the laws and business regulations related to their work and comply fully so that our shareholders, employees, customers, suppliers, stakeholders and the Government have complete faith in the way we operate and that our business decisions are made ethically and in the best interests of the Company.
- Employees are obligated to act in accordance with the Company's code of Ethics and Business Conduct and are restricted to using only legitimate practices in commercial operations and in promoting the Company's position on issues before Governmental authorities. Inducements intended to reward favourable decisions and governmental actions are unacceptable and prohibited.

- Employees are prohibited from using their positions, Company property or information for personal gain, and from competing with the Company. Employees are also prohibited from taking advantage from opportunities that become available through the use of Company information, property or their position.

## Assets and Proprietary Information

- We consider our Company's assets, physical and intellectual, very valuable. We have, therefore, an obligation to protect these assets in the interest of the Company and its shareholders.
- Protection of the Company's information is important for our business. All employees are expected to know what information is proprietary and which must not be disclosed to unauthorized sources. Employees are responsible for applying all available tools to manage the Company's information resources and records.



# OVERALL STRATEGIC OBJECTIVES

## Relations with Business Partners

- We seek to do business with suppliers, vendors, contractors and other independent businesses who demonstrate high standards of ethical business behaviour. Our Company will not knowingly do business with any persons or businesses that operate in violation of applicable laws and regulations, including Employment, Health, Safety and Environmental laws. We shall take steps to assure that our suppliers, vendors and contractors understand the standards we apply to ourselves, and expect the same from them.

## Our Employees

- We believe that highly engaged employees are the key ingredient in professional development and business success. Therefore, we invite our employees to contribute their best and to avail the opportunities for improvement and growth. We are an equal opportunity employer and promote gender diversity, self development and innovation.
- We provide employees with tools, techniques and training to master their current jobs, broaden their skills and advance their career goals.

We aim to be the industry leader and a sustainable contributor to the nation's agricultural sector.

We aspire to continuously improve by achieving and exceeding global standards for product safety, quality, HSE, manufacturing and management excellence.

We continue to pursue a global reach by leveraging and maximizing our fertilizer / business potential. The Company aims to establish strategic alliance and partnerships with global technology providers in order to bring innovation and excellence in all our processes.

Our strategy revolves around the potential of our employees who are critical to our long term growth and success. Our Company provides the employees an opportunity to build their skills and professional capabilities while enjoying their work place. Critical to our strategy are also our technological resources and the image of our brand – Sarsabz.

# MANAGEMENT'S OBJECTIVES & STRATEGIES FOR MEETING THOSE OBJECTIVES

Sr. No.	Management Objectives	Strategies / KPIs to meet objectives
1	Aspire to be the market leader in fertilizer business	Annual market share increases above main competitors
2	Efficient deployment of resources	Positive cash flow from operations year on year
3	Investment in human resources and their capacities	Low turnover of high potential employees Providing career opportunities to talented professionals in an organized and transparent manner
4	Taking Global Initiatives	Think globally when evaluating business expansion
5	Operational excellence for optimum plant performance	Develop a Risk Management Strategy and ensure continuous improvement in business processes
6	Focus on enhancing sales	Through market share enhancement and geographical diversification while nurturing our relationship with existing customers and educating farmers on the use of Urea, NP, CAN, through use of state of the art technology
7	Make new in-roads in distribution and create new businesses and channels	At least one next generation solution to distribution and channel management. Leverage technology.
8	Synergize investment and capacities	Excel in centralized strategy development and leverage technical, supply chain and other administrative functions.
9	Augment profitability with cost effectiveness and lean business operations	Continuous improvement of Shared Services operations and consider profit center concepts for certain functions
10	Effective financial controls for swift decision making at all levels	Financial indicators and KPI driven timelines to be monitored for continuous improvement
11	To be a responsible business concern, through CSR and sustainability initiatives	Investments to be focused on maximum impact on our communities. Monitor impact on regular basis.

## Significant Changes in Objectives and Strategies

Fatima's long term business objectives and the strategies to meet those objectives are carefully developed and no major changes have occurred during the year to compel the Company to alter its approach to achieve these objectives.

## Relationship between Entity's Results and Management's Objectives

Performance of the Company is the realization of management's goals and objectives, which are strategically developed to increase the wealth of stakeholders. The said results are evaluated quarterly against the respective division's strategic objectives to confirm achievement.

# NATURE OF BUSINESS

The principle activity of the Company is manufacturing, production, buying, selling, importing and exporting of fertilizers and chemicals. It is capable of producing two intermediary products, i.e. Ammonia and Nitric Acid and three final products which are Urea, Calcium Ammonium Nitrate (CAN) and Nitro Phosphate (NP). Fatima plays a significant role in nourishing soils and enriching lives through its diverse fertilizer portfolio.



# COMMUNICATION OF FINANCIAL RESULTS

Periodic financial statements of the Company were circulated to Directors duly endorsed by the CEO and the CFO. Half yearly and annual financial statements were initialed by the external auditors for presentation to Board Audit Committee and the Board of Directors for approval.

Furthermore, quarterly unaudited financial statements of the Company along with Directors' Report, were approved, published and circulated to concerned quarters on a timely basis. Half yearly financial statements were subject to a limited scope review by the statutory auditors. These annual financial statements have been audited by the external auditors and approved by the Board and will be presented to the shareholders at the AGM for adoption. The said financial statements circulated on PUCARS well within the statutory prescribed timelines and posted on the Company's website accordingly.

## Calendar of Major Financial Events held in 2024

<b>Board Meeting</b> For the Year Ended 2023 March 21, 2024	<b>AGM</b> For the Year Ended 2023 April 29, 2024	<b>Board Meeting</b> For Q1 2024 April 29, 2024
<b>Board Meeting</b> For Q2 2024 August 27, 2024	<b>Board Meeting</b> For Q3 2024 October 29, 2024	<b>Corporate Briefing Session</b> Dec 24, 2024

## Financial Calendar 2025

<b>Board Meeting</b> For the Year Ended 2024 March 13, 2025	<b>AGM</b> For the Year Ended 2024 April 18, 2025	<b>Board Meeting</b> For Q1 2025 4 <sup>th</sup> Week of April 2025
<b>Board Meeting</b> For Q2 2025 4 <sup>th</sup> Week of August 2025	<b>Board Meeting</b> For Q3 2025 4 <sup>th</sup> Week of October 2025	

# COMPANY PROFILE

**Fatima Fertilizer Company Limited (Fatima)** is a joint venture between two major business groups in Pakistan namely, **Fatima Group and Arif Habib Group**, with its head office located in Lahore. The Company has three operating units situated across the province of Punjab at three different strategic locations namely Mukhtar Garh, Sadiqabad (Sadiqabad Plant), Khanewal Road, Multan (Multan Plant), and 28-KM Sheikhpura Road, Chichoki Mallian (Fatimafert Limited).

## Sadiqabad Plant

The fertilizer complex, producing mixed fertilizer products, is a fully integrated production facility, located at Sadiqabad, District Rahim Yar Khan. The foundation stone was laid on April 26, 2006, by the then Prime Minister of Pakistan. The Complex has a dedicated gas allocation of 110 MMCFD from Mari Gas Field and has 56 MW captive power plants in addition to off sites and utilities. Commercial production commenced on July 01, 2011. The Complex, at its construction peak, engaged over 4,000 engineers and technicians from Pakistan, China, USA, Japan, and Europe.

The Complex has the following original design and current revamped annual capacities as under:

Plant	Original Design Capacity	Current Revamped Capacity
Urea	500,000 metric tons	500,000 metric tons
Calcium Ammonium Nitrate (CAN)	420,000 metric tons	470,000 metric tons
Nitro Phosphate (NP)	360,000 metric tons	490,000 metric tons

The Ammonia plant was revamped to enhance its production capacity by 10% from 1500 MTPD to 1650 MTPD along with an improvement in the energy index and reliability at a cost of USD 58 Million in 2015. Improvements made in 2017 and 2019 further elevated daily production capacity to 1713 MTPD. In 2017, the Advanced Process Control project, the first of its kind in Pakistan, was implemented at the Ammonia plant, further enhancing capacity and improving the energy index. Via in house modifications, debottleneckings, Phosphoric Acid based production scheme etc., over the years the Company has managed to increase its production capacity of CAN and NP by around 12% and 36% i.e. 50K and 130K MT per annum respectively.

The Complex is housed on 8,902 kanals of land, which provides modern housing for its employees with all necessary facilities, including a well managed school, a medical center, and a large number of sports facilities.

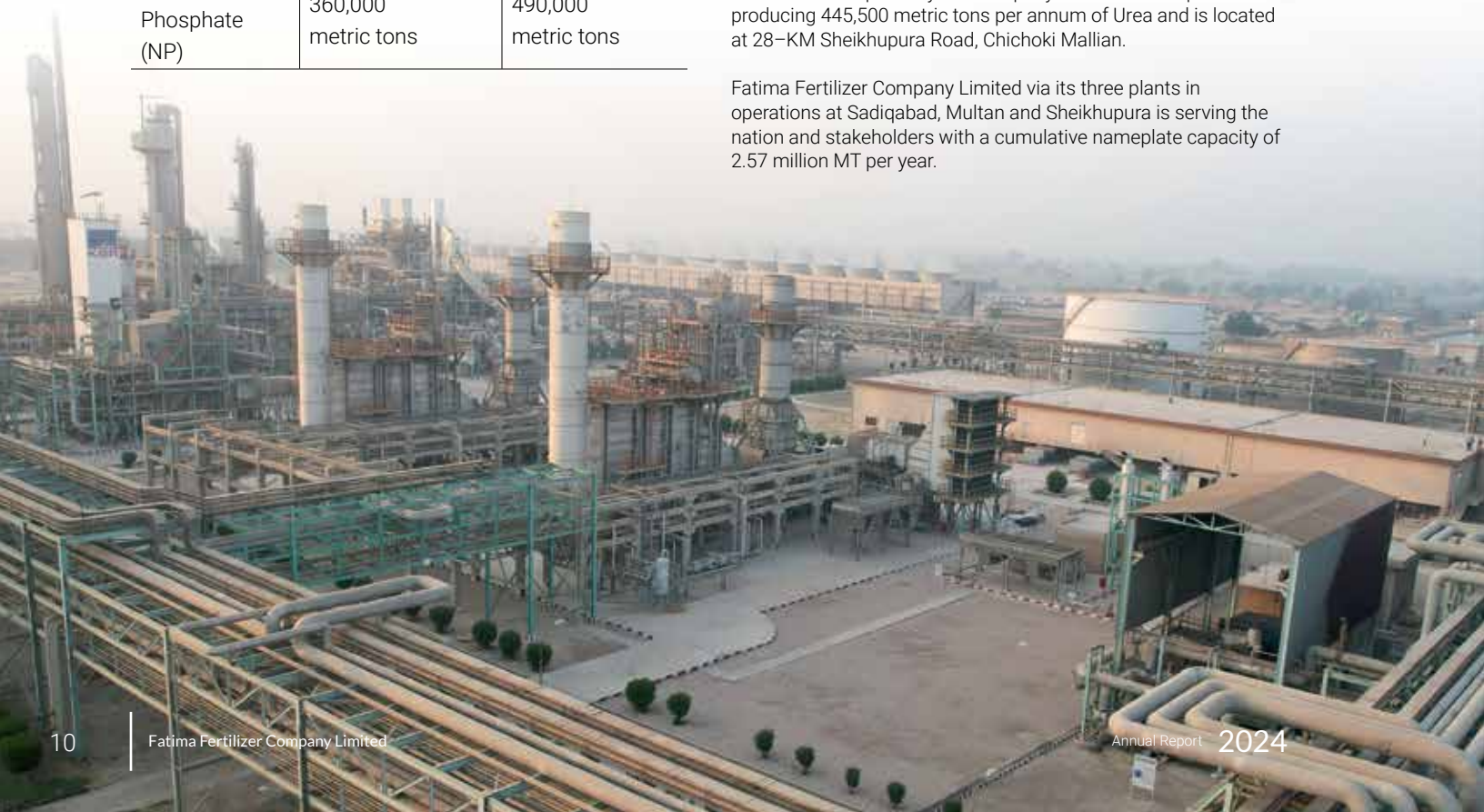
## Multan Plant

The Company acquired the production and operating Plants (Ammonia, Urea, Nitric Acid, Nitro Phosphate, Calcium Ammonium Nitrate, and Clean Development Mechanism) having total nameplate capacity of 846,900 metric tons per annum of mixed fertilizer products, from its associated company namely Pakarab Fertilizers Limited with effect from September 01, 2020, located at Khanewal Road, Multan. Subsequently, Pakarab Fertilizers Limited amalgamated into the Company effective July 01, 2022.

## Fatimafert Limited (Sheikhpura Plant)

The Sheikhpura Plant operated under the name of Fatimafert Limited was acquired by the Company in 2015. It is capable of producing 445,500 metric tons per annum of Urea and is located at 28-KM Sheikhpura Road, Chichoki Mallian.

Fatima Fertilizer Company Limited via its three plants in operations at Sadiqabad, Multan and Sheikhpura is serving the nation and stakeholders with a cumulative nameplate capacity of 2.57 million MT per year.





# LANDMARK EVENTS

## 2003–2008

- Company Incorporation
- Gas Allocation
- GSA Signing
- Ground Breaking
- Financial Closure

## 2009

- Ammonia Furnace 1<sup>st</sup> Fire
- CAN Plant Production

## 2010

- Initial Public Offering
- Ammonia Plant Production
- Urea Plant Production

## 2011

- NP Plant Production
- Declaration of Commercial Operations

## 2012

- Conversion and Redemption of Preference Shares

## 2013

- Ammonia Revamp Study Completed
- Basic Engineering Design contract for Ammonia Revamp awarded

## 2014

- Contract with Dupont signed for PSM
- Basic Engineering Design contract for Ammonia Revamp awarded

## 2015

- Ammonia Plant Revamped to enhance capacity by 10%
- Strategic acquisition of DH Fertilizers (now Fatimafert Limited)
- Dupont declared Fatima Site OSHA Compliant at level 3.6

## 2016

- Issuance of Sukuk certificates. IPO over subscribed by more than 4 times
- Successful completion of Ammonia Revamp and Debottlenecking Project with "better than design" results

## 2017

- Awarded excellence rating by Dupont (Level-4) in safety systems
- Ammonia plant capacity enhanced by 3.5% and efficiency improved by 1.5% through various measures

## 2018

- Additional 14,000 MT NP production by Phosphoric Acid route
- Zero Loss Time Injury
- Winner of first ever International Award – MarCom International USA

## 2019

- Amalgamation of our two fertilizer plants – Fatima Fertilizer and Fatimafert
- NP revamp by 22%
- EMS 1st Party Audit & L-II Procedures Roll-out
- Urea Sale 811,000 ton
- Agricultural Technology MOUs and Co Sponsorship agreement with Chinese entities signed.
- Launch of Sarsabz Pakistan Salam Kissan – Kissan Day 2019

## 2020

- Acquisition of production and operating plants from an associated company, resulting in 2.57 Million MT combined production capacity of three plants
- Sadiqabad Plant reliability yielding ever highest on-stream-factor (97.8%)
- Market Share improved from 23% to 24%
- First ever loyalty program, "Sarsabz Royals" executed, engaging our dealer network for the long run
- Launch of Digital Marketing initiatives that provided combined reach of over 300 Million views

## 2021

- Sadiqabad plant achieved the Guinness World Records title for clocking 60.22 Million Safe Man-Hours
- Sadiqabad plant sustained its Excellence level on DuPont's Process Safety Management System (PSM)
- Sheikhpura Plant achieved Compliance level on DuPont's PSM
- Highest sales revenue across the Fertilizer industry in Pakistan

## 2022

- Zero Total Recordable Injury Rate (TRIR)
- Sadiqabad Plant successfully secured AWS International Water Stewardship Certification
- A new benchmark of highest annual production, highest ever sales volume
- Acquisition of Fatima Cement Limited, and consolidation of fertilizer business by amalgamating associated company Pakarab Fertilizers subject to requisite approvals.

## 2023

- 1 Million MT invoicing of Nitrophos
- Sarsabz wins the prestigious "DRUM Award" in London, The epitome of prestige in the global advertising industry
- Highest sales revenue across the fertilizer industry
- Successfully amalgamated Pakarab Fertilizers Limited - an associated company

## 2024

- Demerger of Sheikhpura plant
- Highest ever Sales Revenue
- 136 combined Safe Million Man-Hours
- Launch of Sarsabz Agri Mart
- 1<sup>st</sup> Pakistani Company in private sector to Successfully adopt of UNDP SDG Impact Framework
- Highest ever fertilizer production at Multan and Sheikhpura plants since commissioning

# COMPANY INFORMATION

## Board of Directors

**Mr. Arif Habib**

Chairman

**Mr. Fawad Ahmed Mukhtar**

Chief Executive Officer

**Mr. Fazal Ahmed Sheikh**

Director

**Mr. Faisal Ahmed Mukhtar**

Director

**Mr. Muhammad Kashif Habib**

Director

**Mrs. Julie Jannerup**

Independent Director

**Mr. Tariq Jamali**

Independent Director

## Chief Operating Officer

**Mr. Asad Murad**

## Chief Financial Officer

**Dr. Syed Hyder Hasan**

## Director Legal & Company Secretary

**Mr. Omair Mohsin**

(communications@fatima-group.com)

## Key Management

**Mr. M. Abad Khan**

Advisor to the CEO

**Ms. Sadia Irfan**

Director Human Resources

**Mr. Iftikhar Mahmood Baig**

Director Business Development

**Mr. Ahsen-ud-Din**

Director Technology Division

**Mr. Ausaf Ali Qureshi**

Advisor Projects

**Mrs. Rabel Sadozai**

Director Marketing and Sales

**Mr. Salman Ahmad**

Director Internal Audit

**Mr. Pervez Fateh**

G.M. Manufacturing

**Mr. Faisal Jamal**

Corporate HSE & Technical Support Manager

## Audit Committee Members

**Mr. Tariq Jamali**

Chairman

**Mr. Faisal Ahmed Mukhtar**

Member

**Mrs. Julie Jannerup**

Member

**Mr. Muhammad Kashif Habib**

Member

## HR and Remuneration Committee Members

**Mrs. Julie Jannerup**

Chairperson

**Mr. Fawad Ahmed Mukhtar**

Member

**Mr. Muhammad Kashif Habib**

Member

## Nomination and Risk Management Committee Members

**Mr. Fazal Ahmed Sheikh**

Chairman

**Mr. Muhammad Kashif Habib**

Member

**Mr. Tariq Jamali**

Member

## Legal Advisors

### M/s. Chima & Ibrahim Advocates

1–A/245, Tufail Road, Lahore Cantt

## Auditors

### M/s. Yousuf Adil

Chartered Accountants, Lahore

134–A, Abu Bakar Block, New Garden Town, Lahore

Tel: +92 42 3591 3595–7, +92 42 3544 0520

Fax: +92 42 3544 0521

## Registrar and Share Transfer Agent

CDC Share Registrar Services Limited

CDC House, 99–B, Block 'B'

S.M.C.H.S., Main Shahra–e–Faisal

Karachi–74400

Tel: Customer Support Services

(Toll Free) 0800–CDCPL (23275)

Fax: (92–21) 3432 6053

Email: info@cdcsrsl.com

Website: www.cdcsrsl.com

## Bankers

Al–Baraka Bank (Pakistan) Limited

Allied Bank Limited

Askari Bank Limited

Bank of Khyber

Bank Alfalah Limited

Bank Al–Habib Limited

Bank Makramah Limited

BankIslami Pakistan Limited

Citibank N.A

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Industrial & Commercial bank of China (ICBC)

JS Bank Limited

MCB Bank Limited

MCB Islamic Bank Limited

Meezan Bank Limited

National Bank of Pakistan

Pak Kuwait Investment Company Limited

Soneri Bank Limited

Standard Chartered Bank (Pakistan) Limited

The Bank of Punjab

United Bank Limited

## Registered Office / Head Office

E–110, Khayaban–e–Jinnah,

Lahore Cantt, Pakistan

UAN: 111–FATIMA (111–328–462)

Fax: +92 42 3662 1389

## Plant Sites

Mukhtar Garh, Sadiqabad,

Distt. Rahim Yar Khan, Pakistan

Tel: 068 – 5951000

Fax: 068 – 5951166

Khanewal Road, Multan, Pakistan

Tel: 061 – 90610000

Fax: 061 – 92290021

28–KM Sheikhupura Road, Chichoki Mallian, Pakistan

Tel: 042 – 37319200 – 99

Fax: 042 – 33719295



# PROFILE OF THE DIRECTORS



## Mr. Arif Habib

Chairman

Mr. Arif Habib is the Chairman of Fatima Fertilizer Company Limited and Chief Executive of Arif Habib Corporation Limited, the holding company of Arif Habib Group. He is also the Chairman of Arif Habib Group, Aisha Steel Mills Limited, Javedan Corporation Limited (the owner of Naya Nazimabad), Sachal Energy Development (Pvt) Limited, Arif Habib Dolmen REIT Management Limited, Arif Habib Development and Engineering Consultants (Pvt) Limited, Sapphire Bay Development Company Limited, Arif Habib Foundation, Naya Nazimabad Foundation, Black Gold Power Limited, Essa Textile and Commodities (Pvt) Limited, Fatimafert Limited and Pakarab Fertilizers Limited. He is also Director of Arif Habib Equity (Pvt) Limited, Arif Habib Consultancy (Pvt) Limited, Fatima Cement Limited, International Builders and Developers (Pvt) Limited, NCEL Building Management Limited, Pakarab Energy Limited, Pakistan Business Council, Pakistan Engineering Company Limited, Pakistan Opportunities Limited and is also Honorary Trustee/Director of Fatimid Foundation and Memon Education Board.

Mr. Arif Habib remained the elected President/Chairman of Karachi Stock Exchange for six times in the past and was a Founding Member and Chairman of the Central Depository Company of Pakistan Limited. He has served as a Member of the Privatisation Commission, Board of Investment, Tariff Reforms Commission and Securities & Exchange Ordinance Review Committee. He has been a member of the Prime Minister's Economic Advisory Council (EAC) and the Think Tank constituted by the Prime Minister on COVID-19 related economic issues. He has also remained a member of the Prime Minister's Task Force on attracting Foreign Direct Investment (FDI) and a member of Advisory Committee of Planning Commission.

Mr. Habib participates significantly in welfare activities. He remains one of the directors of Pakistan Centre for Philanthropy (PCP), Habib University Foundation, Karachi Education Initiative (KSBL), Arif Habib Foundation and Naya Nazimabad Foundation as well as trustee of Memon Health & Education Foundation (MMH).



### Mr. Fawad Ahmed Mukhtar

Chief Executive Officer / Director

Mr. Fawad Ahmed Mukhtar is the Chief Executive Officer and Director of the Company. He has extensive experience in manufacturing and industrial management. In addition to being a successful business leader, he is also a renowned philanthropist. After graduation, he has spent more than 34 years developing his family business into a sizable conglomerate.

Mr. Mukhtar leads several community service initiatives of the Group including the Fatima Fertilizer Trust and Welfare Hospital, Fatima Fertilizer Education Society and School and Mukhtar A. Sheikh Welfare Trust, among others. He is also the Chairman of Reliance Weaving Mills Limited, Fatima Holding Limited, Fatima Sugar Mills Limited, Reliance Commodities (Pvt.) Limited, Air One (Pvt.) Limited and is also the CEO of Fatimafert Limited, Pakarab Fertilizers Limited, Fatima Cement Limited and Fatima Trading Company (Pvt.) Limited. He is also the Director of Fatima Electric Company Limited, Pakarab Energy Limited and Fatima Steel Mills Limited. In addition, he is a member of the Board of Directors of the National Management Foundation, a sponsoring body of Lahore University of Management Sciences (LUMS).



### Mr. Fazal Ahmed Sheikh

Executive Director

Mr. Fazal Ahmed Sheikh is a Director of the Company. He holds a degree in Economics from the University of Michigan, Ann Arbor, USA. He has played a strategic role in Fatima Group's expansion and success. He is the CEO of Fatima Energy Limited, Fatima Electric Company Limited, Fatima Management Company Limited, Pakarab Energy Limited and Air One (Pvt.) Limited. He is also a member of the Board of Directors at Fatimafert Limited, Pakarab Fertilizers Limited, Reliance Commodities (Pvt.) Limited, Fatima Sugar Mills Limited, Fatima Holding Limited, Fatima Cement Limited and Fatima Steel Mills Limited.



### Mr. Faisal Ahmed Mukhtar

Non-Executive Director

Mr. Faisal Ahmed Mukhtar is a Director of the Company. He is the former City District Nazim of Multan, and continues to lead welfare efforts in the city. He is the Chief Executive Officer of Reliance Weaving Mills Limited, Fatima Sugar Mills Limited, Farrukh Trading Company Limited, Fatima Holding Limited and Fatima Steel Mills Limited. He is a member of the Board of Directors at Fatima Cement Limited, Fazal Cloth Mills Limited, Fatima Electric Company Limited, Pakarab Energy Limited, Fatimafert Limited, Pakarab Fertilizers Limited, Reliance Commodities (Pvt.) Limited and Air One (Pvt.) Limited. Additionally, he was also a member in the Provincial Finance Commission (Punjab), Steering Committee of Southern Punjab Development Project and Decentralization Support Program. Mr. Mukhtar has also served as the Chairman of Multan Development Authority and was also a member of a syndicate of Bahauddin Zakariya University, Multan.



### Mr. Muhammad Kashif Habib

Non-Executive Director

Mr. Muhammad Kashif Habib is the Director of the Company. He is also the Chief Executive of Power Cement Limited. As a member of the Institute of Chartered Accountants of Pakistan (ICAP) he completed his articleship from A.F. Ferguson & Co. (a member firm of Price Waterhouse Coopers) gaining invaluable insight across sectors, catering to clients across the Financial, Manufacturing, and Services industries.

He has to his credit four years of experience in Arif Habib Corporation Limited as well as over a decade's experience as an Executive Director in cement and fertilizer companies of the Group. This exposure not only enriched his understanding of diverse corporate dynamics but also enabled him to refine his strategic decision-making capabilities.

Kashif is deeply committed to enhancing the country's energy landscape. He remains engaged with experts to establish renewable energy as a viable and readily available solution, benefiting not only industries but also the public at large.

He is also the member of Board of Directors of Arif Habib Corporation Limited, Aisha Steel Mills Limited, Javedan Corporation Limited, Arif Habib Equity (Pvt.) Limited, Arif Habib Foundation, Arif Habib Development and Engineering Consultants (Pvt.) Limited, Black Gold Power Limited, Essa Textile and Commodities (Pvt.) Limited, Fatimafert Limited, Pakarab Fertilizers Limited, Fatima Cement Limited, Fatima Packaging Limited, Nooriabad Spinning Mills (Pvt.) Limited, Pakistan Opportunities Limited, Rotocast Engineering Company (Pvt.) Limited, Safemix Concrete Limited and Siddiqsons Energy Limited, Sachal Energy Development (Pvt) Limited, BioMasdar Pakistan Limited and All Pakistan Cement Manufacturer Association.





### **Mrs. Julie Jannerup**

Non-Executive / Independent Director

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Mrs. Julie Jannerup is a seasoned professional with a Master's Degree in Chemical Engineering. Her journey began in 2007 at Topsoe, where she swiftly established herself as an adept leader. In 2015, she undertook the challenge of establishing a local technical support group in Malaysia, an achievement accomplished within an impressive four-year timeframe.

In her subsequent role as Business Manager for potassium nitrate and sodium nitrate, Mrs. Julie showcased her strategic prowess. She not only secured a crucial supply agreement but also forged a robust partnership with a third-party company. What truly sets Mrs. Julie apart is her collaborative leadership style. She is celebrated as a team player who places immense value on positive working relationships. Her belief in creating an inclusive environment where every voice is heard and respected is a cornerstone of her success.

With her wealth of experience, Mrs. Julie brings a unique value to the organization, supporting Fatima in its development and growth.



### **Mr. Tariq Jamali**

Non-Executive / Independent Director

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Mr. Tariq Jamali is Ex-SEVP / Group Chief Centralized Operations & Administration Group at National Bank of Pakistan (NBP). He also held the charge of President NBP (Acting). He joined NBP in 1987 and has held numerous senior management positions at Regional and Head Office levels.

He headed Assets Recovery Group, Logistics Support Group, Commercial & Retail Banking Group and Compliance Group since 2009. His work experience spans more than 30 years at different key positions. He has diversified work experience, knowledge and knack of working at different levels of management. He holds MBA Degree from University of Dallas, USA and BS (Civil Engineering) from University of Texas at Arlington, USA and DAIBP from Institute of Bankers Pakistan, Karachi.

# BOARD STRUCTURE AND COMMITTEES

## Board Structure

Fatima's Board consists of eminent individuals with diverse experience and expertise. Currently, it comprises seven directors including a female director, Mrs. Julie Jannerup. All of the Board members have been elected by the shareholders for a term of three years commenced from September 22, 2023. There are two Executive Directors including the Chief Executive Officer, and five Non-Executive Directors including the Chairman and two Independent Directors.

The Board provides leadership and strategic guidance to the Company; oversees the conduct of business and promotes the interests of all stakeholders. It reviews corporate policies, overall performance, accounting and reporting standards, and other significant areas of management, corporate governance, and regulatory compliance. It also reviews and approves the annual budget and long term strategic plans. The Board is headed by the Chairman who manages the Board's business and acts as its facilitator and guide. The Board is assisted by an Audit Committee, a Human Resource and Remuneration Committee, and a Nomination and Risk Management Committee while the CEO carries responsibility for day to day operations of the Company and execution of Board policies.

## Board Committees

The standing committees of the Board are:

### Audit Committee

#### Composition

The Audit Committee consists of four members of the Board. All of the members of the Audit Committee are Non-Executive Directors. The Committee has two Independent Directors. The Chairman of the audit committee is also an Independent Director. The members are:

1. Mr. Tariq Jamali	Chairman
2. Mr. Faisal Ahmed Mukhtar	Member
3. Mrs. Julie Jannerup	Member
4. Mr. Muhammad Kashif Habib	Member

#### Terms of Reference and Salient Features

In addition to any other responsibilities which may be assigned from time to time by the Board, the main purpose of the Audit Committee is to assist the Board by performing the following main functions:

- to monitor the quality and integrity of the Company's accounting and reporting practices;
- to oversee the performance of the Company's internal audit function;
- to review the external auditor's qualification, independence, performance and competence; and
- to comply with the legal and regulatory requirements, the Company's by laws and internal regulations.

The Terms of Reference of the Audit Committee have been drawn up and approved by the Board of Directors in compliance with the Code of Corporate Governance. In addition to compliance with the Code of Corporate Governance, the Audit Committee carries out the following duties and responsibilities for the Company as per its Terms of Reference:

- a) determination of appropriate measures to safeguard the Company's assets;
- b) review of preliminary announcements of results prior to publication;
- c) review of quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
  - major judgemental areas;
  - significant adjustments resulting from the audit;
  - the going concern assumption;
  - any changes in accounting policies and practices;
  - compliance with applicable accounting standards; and
  - compliance with listing regulations and other statutory and regulatory requirements.

- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review of management letter issued by external auditors and management's response thereto;
- f) ensuring coordination between the internal and external auditors of the Company;
- g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) consideration of major findings of internal investigations and management's response thereto;
- i) ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
- j) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;
- k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- l) determination of compliance with relevant statutory requirements;
- m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- n) consideration of any other issue or matter as may be assigned by the Board of Directors.





## Human Resource and Remuneration Committee

### Composition

The Human Resource and Remuneration Committee consists of three members of the Board. The majority of the members of the Committee are Non-Executive Directors. The Chairperson of the Committee is an Independent Director. The members are:

1. Mrs. Julie Jannerup	Chairperson
2. Mr. Fawad Ahmed Mukhtar	Member
3. Mr. Muhammad Kashif Habib	Member

### Terms of Reference and Salient Features

The Human Resource Committee is a body through which the Board provides guidance on human resources excellence. The specific responsibilities, authorities and powers that the Committee carries out on behalf of the Board are as follows:

#### 1. Duties and Responsibilities

The Committee shall carry out the duties mentioned below for the Company:

- 1.1 to review and recommend the annual compensation strategy with focus on the annual budget for head count and salaries and wages;
- 1.2 to review and recommend the annual bonus and incentive plan;
- 1.3 to review and recommend the compensation of the Chief Executive and Executive Directors;
- 1.4 to assist the Board in reviewing and monitoring the succession plans of key positions in the Company;
- 1.5 to review and monitor processes and initiatives related to work environment and culture; and
- 1.6 to perform other duties and responsibilities as may be assigned time to time by the Board of Directors.

#### 2. Reporting Responsibilities

- 2.1 the Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;

- 2.2 the Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed; and
- 2.3 the Committee shall, if requested by the Board, compile a report to shareholders on its activities to be included in the Company's Annual Report.

#### 3. Authorities and Powers

The Committee is authorized and empowered:

- 3.1 to seek any information it requires from any employee of the Company in order to perform its duties;
- 3.2 to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- 3.3 to call any employee to be questioned at a meeting of the Committee, as and when required.

## Nomination and Risk Management Committee

### Composition

The Nomination and Risk Management Committee consists of three members of the Board. The Committee comprises one Executive and two Non-Executive Directors including an independent director. The members are:

1. Mr. Fazal Ahmed Sheikh	Chairman
2. Mr. Muhammad Kashif Habib	Member
3. Mr. Tariq Jamali	Member

### Terms of Reference and Salient Features

The specific responsibilities and authorities that the Committee carries out on behalf of the Board are as follows:

#### 1. Duties relating to Risk Management Function

- 1.1 To monitor and review of all material controls (financial, operational, compliance);
- 1.2 To make recommendations to the Board on the Company's strategic risks and their mitigation in ensuring the achievement of the Company's overall strategy;

- 1.3 To analyse and provide report to the Board on the results of the material investigations on the risks identified and management's feedback on the investigation and appropriate recommendations;
- 1.4 To monitor and review the process of the risk management and advise to the Board about the improvements to be made;
- 1.5 To provide guidelines to the management on risk management and set up procedures to unveil, assess and manage material risk factors;
- 1.6 To review the internal control policies in respect of the control procedures of risks, including the risk management and the communication;
- 1.7 To ensure the risk management is embedded in the structure and culture of the management team within the Company;
- 1.8 To review the adequacy of the Company's policies and procedures regarding the risk management system in consultation with the Company's management, external auditor and internal auditor;
- 1.9 To consider appropriate extent of disclosure of company's risk framework and internal control system in Directors' report; and
- 1.10 To perform such other duties and responsibilities as may be assigned time to time by the Board of Directors.

## **2 Duties relating to Nomination Function**

- 2.1 To formulate selection policies and evaluation criteria for appointment of members of the Board and Board Committees;
- 2.2 To recommend candidates for directorships for Board approval after evaluating their suitability;
- 2.3 To recommend Directors to fill positions of Board Committees;
- 2.4 To determine the annual assessment criteria and process to assess the effectiveness of the Board, its Committees and each individual Director;

- 2.5 To assess the effectiveness of the Board as a whole;
- 2.6 To develop criteria to assess independence and to assess on an annual basis, the independence of the Independent Directors;
- 2.7 To review Board succession plans;
- 2.8 To review the training need for Directors and ensure Board members receive appropriate training programs; and
- 2.9 To perform such other duties and responsibilities as may be assigned time to time by the Board of Directors.

## **3 Authorities and Powers**

The Committee is authorized and empowered:

- 3.1 To seek any information it requires from any employee of the Company in order to perform its duties;
- 3.2 To constitute sub-committee(s) of the management as and when deemed necessary in order to discharge its duties and responsibilities;
- 3.3 To obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- 3.4 To call any employee to be questioned at a meeting of the Committee as and when required.

# KEY MANAGEMENT



**Mr. Asad Murad**  
Chief Operating Officer

Mr. Asad Murad is the Chief Operating Officer of the Company. He is a Fellow Member of the Institute of Chartered Accountants of Pakistan. In an over 27 year career, he has held various senior management positions in the areas of financial management, strategic business planning, risk management and corporate compliance. He joined Fatima Group in 2010 as Group Head of Internal Audit and held the position of Chief Financial Officer of the Company from March 2014 till February 2021 and again from June 2022 till January 2025. As additional roles, he has served as the Head of Marketing & Sales and Director Finance of the Company. He was also involved in Government Relations along with his Finance Director role where he successfully consolidated all three fertilizer plants and also played an instrumental role in revival of Multan plant operations by ensuring sustainable gas supply from Mari Gas among many other contributions. He has also served as Chief Financial Officer at Honda Atlas Cars (Pakistan) Limited, a subsidiary of Honda Motor Company, Japan.



**Dr. Syed Hyder Hasan**  
Chief Financial Officer

Dr. Syed Hyder Hasan has over 27 years of progressive experience performing global, regional and country roles for Unilever, Ingredion and Indorama Corporation. He is a seasoned executive with local & international experience across diverse cultures and multiple industries in B2B and B2C businesses. Outside Pakistan, he has lived and worked in Singapore, Malaysia, Thailand and Philippines.

Dr. Hyder possesses leading edge experience in driving shareholder value and developing value creation strategies for revenue growth and margin expansion. He has demonstrated the ability to transform & streamline finance function, that partners to deliver profitable growth, communicate effectively and increase business efficiency & profitability. He is an advocate of effective finance business partnering and for Fatima Group he partners with board of directors, executive leadership teams and senior stakeholders.

Dr. Hyder was selected among Top10 CFOs from Malaysia in 2023 and was selected among 100 Power Leaders in Finance in 2022. He is FCMA from Pakistan and a recipient of Honorary Professional Doctorate degree in Finance from European International University – Paris.

With a track record of driving finance transformation, Dr. Hyder is poised to lead the Finance function of Fatima Group towards continued success.



**Ms. Sadia Irfan**  
Director Human Resources

Ms. Sadia Irfan is a passionate HR professional with over two & a half decades of senior leadership experience with top global MNCs in the HR space delivering in multiple operating models across geographies. Sadia thrives in leading Organisational, Talent & Cultural transformation for sustainable impact. Her legacy includes lasting impactful strategic thrust, fostering inclusive & engaged workplaces & strong talent supply enriching pipeline of future leaders, key imperatives for sustainable business growth.

As an active Director Human Resources, Communication & CSR, at Fatima Group, Sadia has been passionately leading Organization, Talent & Cultural transformation ensuring the organization is future ready in all aspects. Sadia's Human Resources vision & strategy is purpose driven, integrated with strategic business priorities, and company's Core Values.

Under her leadership, Fatima Group has achieved an unprecedented Employee Engagement Index (EEI) of 91% internally. External recognitions include the Best Place to Work in Engineering & Manufacturing Sectors across Pakistan, Best Talent Management Strategy & Execution at MEA Award, and GDEIB Awards in DE&I Eco System & scalability, Engaged Communities & CS Excellence.

Over the years, Sadia has spearheaded multiple female development efforts in gender diversity, talent development, and inclusive leadership, resulting in the highest female representation at the Executive level across the Industry. Sadia is keenly sponsoring and leading key digitalization initiatives, ensuring a modern, paperless, data-based HR environment offering great employee experience and operational efficiency.

As the Chairperson of Fatima Ethics Committee, Sadia passionately led the launch of "Tell Fatima", an online confidential whistle blowing program in line with Fatima's vision to build and sustain a values driven culture.

Prior to joining Fatima Group 8 years ago, Ms. Irfan held senior HR leadership positions at global companies like PepsiCo and Nestlé across West Asia, the Middle East & Africa, Pakistan, and Afghanistan. As HR Director at PepsiCo, she led strategic HR for multiple business units, significantly shaping the company's talent & succession agenda. Her leadership contributed to PepsiCo Pakistan receiving multiple accolades, including the prestigious Harvey Russell Award for Diversity & Inclusion, Best Place to Work recognitions, the Highest Ever Female Representation at the Board level and strong green Employee Engagement Index across the Asia Pacific Region & AMENA Sector.

Ms. Irfan is a certified Hogan Executive Coach, recognized Career Coach, and Mentor, and a distinction holder in Advance Board Facilitation Skills from UK. She holds a Master's degree in English Language & Literature and a degree in Human Psychology, complemented by multiple HR certifications.

Through her strategic vision, collaborative leadership, and commitment to DE&I, Ms. Irfan continues to drive organizational transformation, advance gender diversity, and set industry benchmarks for HR excellence.





### Mr. M. Abad Khan

Advisor to the CEO

Mr. M. Abad Khan graduated in Mechanical Engineering from UET Lahore and received extensive training in fertilizer manufacturing in France and Switzerland. On return, he worked on county's first Urea Plant of PIDC for 8 years.

Mr. Khan joined Exxon Chemical Pakistan at the time the company started its fertilizer project. During his 15 years of service with Exxon, he received extensive trainings in technical and managerial fields within and outside the country and gained valuable experience in various disciplines on senior positions. He took early retirement from Exxon and joined the newly set up Fauji Fertilizer Company as General Manager Plant. During almost 14 years of his service with FFC, the manufacturing site worked par excellence and the site capacity increased to more than double due to the revamp of the facility and an additional production line. Mr. Khan retired from FFC in 1996.

In 2001, when FFBL faced serious operational challenges with its relocated plant, Mr. Khan took responsibility as General Manager and was instrumental in ensuring smooth Plant operation. Under his leadership, the team conceived and undertook a major revamp of the plant to enhance its capacity and improve energy efficiency during his 4 years of assignment.

Mr. Khan joined Fatima Group in April 2006 as Advisor to CEO and played a significant role in establishing a green field project -Fatima Fertilizer plant and introducing operational improvements in Pakarab Fertilizers Multan and later Fatimafert Limited Sheikhpura after its acquisition by Fatima Group.

He has extensive international exposure through seminars, symposiums and training including one at Harvard Business School. He is Director of Fatimafert Limited, Fatima Energy Limited, Pakarab Energy Limited, Fatima Ventures (Pvt.) Limited, Fatima Cement Limited and Fatima Electric Company Limited.



### Mr. Omair Mohsin

Director Legal & Company Secretary

Mr. Mohsin joined Fatima Group in 2019 as Group General Counsel, Company Secretary, and Head of External Affairs. He has over twenty three years of experience ranging from litigation to corporate experience. He plays a lead role in advising the CEO, the Board, and the Management on Legal, Compliance, and Ethics. He is also integral to the key initiatives of diversification, expansion, and risk management. Prior to joining Fatima Group, Mr. Mohsin worked as Ethics and Legal Head of Pakistan at ENGIE. Mr. Mohsin graduated with a Juris Doctoris from the Washington University in St. Louis.



### Mrs. Rabel Sadozai

Director Marketing and Sales

Mrs. Rabel Sadozai is the first female Director Marketing and Sales in the Fertilizer Industry and the Agriculture Sector of Pakistan. She holds a MBA degree from IBA Karachi and with over 24 years of diverse professional experience, has held several leadership positions in the Petrochemical and Banking sectors prior to joining the Fertilizer Industry.

Her role as Director Marketing and Sales entails overseeing Sales of both Fertilizer and Specialty Business, Brand Management, Trade Marketing, Distribution & Logistics, Business Planning and Farmer Engagement, leading a team of over 200 professionals across Pakistan.

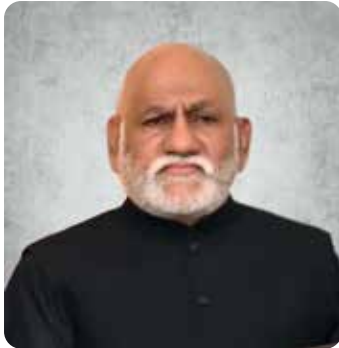
Her enthusiasm for innovation has been her driving force during her tenure at Fatima Fertilizer. She has propelled the company through many significant marketing and sales milestones, including achieving the Highest Ever Sales of All Fertilizer Products and the successful implementation of Pakistan's first-ever National Farmer's Day, which is officially recognized by the Government of Pakistan and serves as a remarkable legacy for the Group.

During Rabel's tenure Fatima Fertilizer achieved a historic milestone by becoming Pakistan's first company to officially partner with United Nation Development Program, through the adoption of the SDG Impact Framework across Eight key Sustainable Development areas.

Her work has garnered widespread recognition both locally and on prestigious international platforms, elevating Sarsabz Fertilizers, the flagship brand of Fatima Fertilizer, to a premium brand status.

Sarsabz has continuously won international accolades under Rabel's leadership. In 2024, "Sarsabz Tabeer" made history as the first Pakistani agricultural brand to win a Crystal in the 'Strategy Stars' category at Mad Stars in Seoul, South Korea. The Dealers loyalty program "Sarsabz Royals" won the Silver Accolade at the ANA B2 Awards in Florida, USA. The "Salam Kissan" campaign won the Drum Award 2023 in London, UK. Sarsabz has also won the 'Digital Experience of the Year Agriculture' award at the Asian Experience Awards, Singapore in 2022, 2023, and 2024. Campaign Asia Pacific, Hong Kong honored Rabel's industry leadership with the 'Chief Marketer Award' at the Women Leading Change Awards 2023.

Beyond accolades, these initiatives have left a lasting impact. The Salam Kissan campaign was featured as a dedicated case study in Philip Kotler's "Essentials of Modern Marketing". Further, multiple campaigns under Sarsabz have received prestigious honors, including the AVA Digital Award USA and Marcom Award USA in 2018 and 2019.



### Mr. Iftikhar Mahmood Baig

Director Business Development

Mr. Iftikhar Mahmood Baig is leading the Business Development function of Fatima Group, focusing on existing gas supply sources while identifying new opportunities to ensure a sustainable and affordable supply for the fertilizer business. He plays a key role in evaluating opportunities and exploring strategic partnerships across various sectors, including E&P, Energy, Mining etc to enhance Fatima Group's competitiveness, reliability and future growth in the evolving business landscape.

Mr. Baig has been instrumental in developing, strengthening and nurturing strategic relationships with the government authorities and key stakeholders in assisting and accomplishing Group's mission and goals.

He has over 35 years of financial and commercial experience. He has been a part of Fatima Group for over two and half decades. Mr. Baig has served in various senior positions in different Group Companies.

He also played a vital role in getting the allocation of 110 mmscfd gas for implementation of Green Field fertilizer manufacturing complex namely Fatima Fertilizer Company Limited (Fatima) from Mari Energies Limited (formerly Mari Petroleum Company Limited) under Fertilizer Policy 2001 and successfully achieved Financial Close of the largest rupee syndication of PKR 23 billion in 2006 for the Fatima – an investment of USD 750 million as Chief Financial Officer.

He also played an instrumental role in the acquisition of Multan plant in 2005 and its revival with the supply of gas in 2020 from Mari Energies.

Additionally, he had a pivotal role in securing gas supplies for both plants of Fatima from Mari Energies until October 2029 and made a significant contribution in ensuring full-year operations of the Fatimafert plant in 2024.



### Mr. Ahsen-ud-Din

Director, Technology Division

With over four decades of leadership in the global petrochemical and fertilizer industries, Ahsen-ud-Din has built a distinguished career marked by strategic vision, technical excellence, and transformative project execution.

His tenure at Exxon Chemical and Engro Corporation, culminating as Vice President, showcased his ability to drive large-scale project development, optimize operations, and implement strategic initiatives that positioned organizations for long-term growth. His leadership extended beyond Pakistan, contributing to international assignments that reinforced his reputation as a global industry leader.

Ahsen-ud-Din has also held pivotal roles at Kuwait National Petroleum Company, Gulf Petrochemical Industries Corporation, and Fauji Fertilizer Company, where he spearheaded multi-million-dollar fertilizer and petrochemical projects. As General Manager at Engro Corporation, he successfully led the development of world-scale greenfield fertilizer and petrochemical manufacturing facilities, ensuring operational excellence and best-in-class Health, Safety, and Environmental (HSE) performance.

Renowned for his expertise in leadership, project execution, and operational excellence, Ahsen-ud-Din brings a deep technical and commercial understanding of the industry. His ability to navigate complex projects, drive innovation, and maintain rigorous HSE standards has earned him recognition as an industry trailblazer.

As Director of the Technology Division, he continues to lead with vision and impact, guiding pioneering initiatives in clean energy, advanced manufacturing, and next-generation industrial solutions. His commitment to sustainability, innovation, and excellence ensures that the organization remains at the forefront of technological advancements in the global energy and industrial landscape.



### Mr. Ausaf Ali Qureshi

Advisor Projects

Mr. Ausaf Ali Qureshi is a Fellow Member of Institute of Chartered Accountants of Pakistan. He joined the Group in May 2010 as Company Secretary with the additional responsibility for investor relations. He has been part of the senior management team involved in developing the MFC project for over a decade. He is also serving on the Board of Fatima Energy Limited. He has over 42 years of experience including with Fauji Fertilizer, PIA (Holdings) and the US Pharmaceutical, Bristol Myers Squibb (BMS). In his over 20 year's career at BMS, besides CFO in Pakistan and South Korea, he held various regional management positions in GEMSA (Gulf Eastern Mediterranean and Saidi Arabia) based out of Egypt and Asia Pacific based out of Singapore in the areas of finance, corporate compliance and strategic project planning.



### Mr. Salman Ahmad

#### Head of Internal Audit

Mr. Salman Ahmad has been leading the Internal Audit function at Fatima Fertilizer since December 2016. A Fellow Chartered Accountant (FCA) from the Institute of Chartered Accountants of Pakistan, he brings over 29 years of extensive experience in audit and finance. Throughout his career, he has held key positions at renowned organizations, including PricewaterhouseCoopers (PwC), Al Rostamani Group (Dubai, UAE), Oasis Group Holdings (South Africa), Gharibwal Cement Limited, and Emaar.

His expertise spans diverse industries, including financial services, real estate (including REITs), specialized manufacturing (cement and fertilizers), automobiles, energy, and general trading. Under his leadership, Fatima Fertilizer has adopted a risk-based approach to internal auditing, ensuring alignment with the standards set by the International Institute of Auditors (IIA). This approach enhances risk prioritization and strengthens governance.

Mr. Ahmad has also overseen the comprehensive implementation of the COSO framework, a globally recognized internal control system, to reinforce the organization's control environment. Furthermore, he has been instrumental in establishing risk registers at both corporate and departmental levels, providing a structured mechanism for risk identification, evaluation, and management. His strategic contributions continue to enhance the company's risk management and internal control processes.



### Mr. Pervez Fateh

#### G.M. Manufacturing

Mr. Pervez Fateh continues to lead the Fatima Fertilizer Plant Site, Sadiqabad, as GM Manufacturing since April 20, 2020. He joined Fatima Group as Plant Head, Multan, on January 6, 2020, from Fauji Fertilizer Company, where he served as GM-Manufacturing and Operations. During his tenure with Fauji Fertilizer, he successfully led both the Mirpur Mathelo and Goth Machhi sites as General Manager.

A seasoned professional with a B.E. (Mech) degree from NED University, Karachi, Mr. Fateh brings over 40 years of extensive experience in maintenance, inspection, and plant management within the Fertilizer Industry. His career is marked by a proven track record of innovation, strategic vision and business excellence. His expertise spans strategic planning, capital asset oversight, cost containment, budgeting and staff training/mentoring.

Under his dynamic leadership, Fatima Fertilizer has sustained its commitment to world-class HSE performance, achieving remarkable milestones. The site's Safe Million Man-Hours count now stands at an impressive 82.56, Alhamdulillah, further solidifying its position as a global leader in safety within the fertilizer sector. On the production front, the plant has consistently exceeded expectations, achieving an on-stream factor of 99.2%, surpassing the world-class reliability benchmark of ≥98%.

Mr. Fateh has spearheaded multiple successful projects, including critical initiatives focused on Natural Gas and Rock Phosphate sustainability and implementation of Artificial Intelligence in the Manufacturing Operations, ensuring long-term operational resilience and environmental stewardship. His leadership acumen has been honed through prestigious development programs at LUMS, the University of Michigan (USA) and MIT (USA).

Beyond his professional achievements, Mr. Fateh is deeply committed to philanthropy. He heads his own NGO, Azm-e-Nau Foundation, which actively works in upper Sindh and Northern Punjab, focusing on poverty alleviation and educational support.



### Mr. Faisal Jamal

#### Head – Corporate HSE and Technical Services

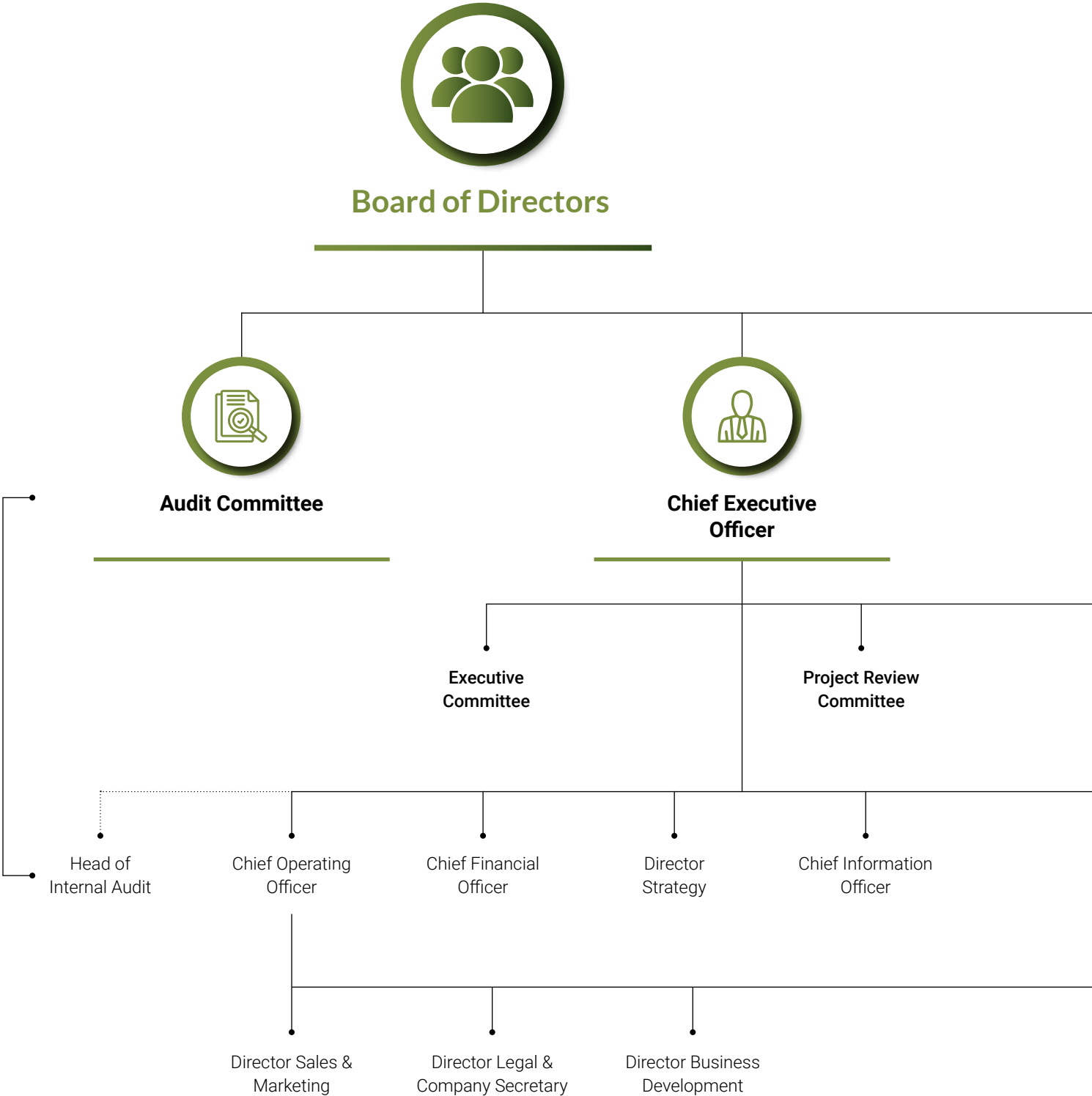
Mr. Faisal Jamal leads the Corporate HSE & Technical Services teams, providing guidance and expert advice to develop and effectively implement Corporate HSE and Process Safety policies, standards, strategies, SOPs and guidelines to proactively manage Process Safety and Operational Safety accident risks.

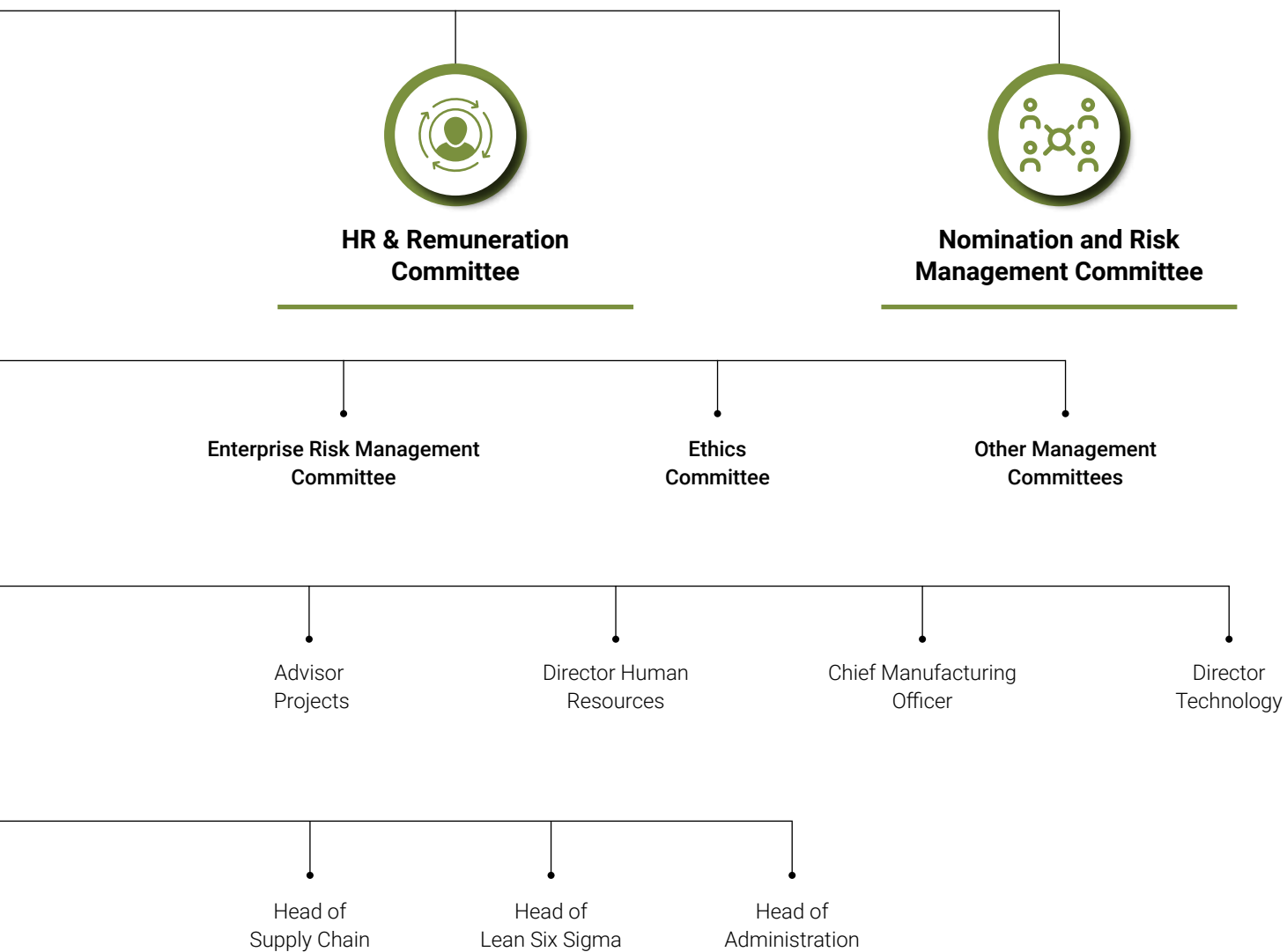
A chemical engineer by qualification, with 25+ years of international professional experience, he possesses strong HSE, PSM, operational excellence, risk management, auditing and culture enhancement foundation augmented by rich experience in process engineering and operations. The diversity of experience in major global and local organizations like British Petroleum, Qatar Energy, Engro Corporation and PARCO, and a robust knowledge base and skill set has enabled him to utilize his expertise with a broader perspective and sustainable approach. He also leads by example to actively promote and advocate Diversity, Equity and Inclusion (DE&I).

In addition to receiving numerous global, regional and local awards, he has also represented Fatima Group at various international and national forums and events hosted by prestigious institutions and organizations like Massachusetts Institute of Technology (MIT), American Institute of Chemical Engineers (AIChE) and American Society of Safety Professionals (ASSP).



# ORGANIZATIONAL CHART





# CHAIRMAN'S REVIEW REPORT

to the Shareholders for the year  
ended December 31, 2024



## Dear Shareholders,

In the year under review, Pakistan's economy continued its march towards stabilization after an enduring period of turmoil. With continued support from lenders, astute macroeconomic management and enhanced fiscal controls, the government was able to rein in inflation, maintain a primary and current account surplus, increasing the foreign exchange reserves and stabilizing the local currency. Resultantly the near-term risks have subsided, and business confidence has improved. Sustained efforts for boosting exports, action on SOEs, building climate resilience, expanding education and healthcare access and ensuring equal opportunities across gender and geography are essential for long-term equitable growth in addition to the continued support from the lenders and maintenance of Extended Fund Facility.

As a part of long term strategic business initiative, the operations related to Sheikhpura plant were transferred to Fatimafert Limited, a wholly owned subsidiary, with effect from July 01, 2024. While the scheme for carving out the Multan Plant related operations and their amalgamation with and into Pakarab Fertilizers Limited, a wholly owned subsidiary, is in the process of court, corporate and regulatory authorizations, consents and approvals. This strategic initiative will benefit the Company through focused and efficient management of its operating plants to create an opportunity to achieve the optimum level of utilization of their inherent potential.

It is a matter of immense pride that Fatima Fertilizer has earned the distinction of becoming first Pakistani company to adopt the United Nations Development Programme's (UNDP) Sustainable Development Goals Impact Framework. As a key player in the fertilizer sector, we recognize that our influence extends beyond agricultural solutions; it touches lives, sustains ecosystems, and nurtures growth at every level of society. Our collaboration with UNDP, and the comprehensive SDG impact assessment it has led, reinforces our alignment with critical global priorities, including responsible consumption, proactive climate action, gender equality, and community well-being.

With the blessings of the Almighty, your Company has kept its track record for delivering outstanding financial results with focus on

sustainable, efficient and reliable operations and effective market strategies to enhance the use of balanced crop nutrients.

The Board of Directors has recommended a final cash dividend of Rs. 4.25 per share, in addition to the interim cash dividend of Rs 2.75 per share declared with half year results. This takes the aggregate payout by the Company to Rs. 7.0 per share (2023: Rs. 4.5), amounting to Rs 14.70 billion compared to Rs 9.45 billion last year.

During the year the Board performed its duties diligently in the best interest of its shareholders and has managed the affairs of the Company in its customary effective and efficient manner, according to the highest standards of corporate governance. The Board and its Committees remained focused on ensuring compliance with all statutory and regulatory requirements applicable to the Company.

The Board is continuously exploring multiple avenues in various sectors including large scale mining, corporate farming, real estate and the financial sector to diversify its investment portfolio in order to maximize the benefits to its shareholders.

I take this opportunity to put on record my appreciation for the hard work and dedication of every employee of the Company. I am also grateful for the assistance, guidance, and cooperation of all stakeholders including the Government of Pakistan, financial institutions, commercial banks, business associates, customers, and my fellow board members for their efforts and contributions towards strengthening the Company.

**Arif Habib**

Chairman

March 13, 2025



# چیمبر میں جائزہ رپورٹ برائے شیئر ہولڈرز

برائے سال ختمہ 31 دسمبر 2024

میرے معزز حصص داران،

بورڈ آف ڈائریکٹرز نے 4.25 روپے فی شیئر کے حتمی کیس ڈیویڈنڈ کی سفارش کی ہے، جو کہ نصف سال کے نتائج کے ساتھ اعلان کردہ 2.75 روپے کے عبوری نقد منافع کے علاوہ ہے۔ پون کمپنی کی مجموعی ادائیگی 7 روپے فی شیئر (سال 2023: 4.5 روپے) ہے، جو گزشتہ سال کے 9.45 بلین روپے کے مقابلہ میں 14.70 بلین روپے رہی۔

سال کے دوران بورڈ نے شیئر ہولڈرز کے وسیع تر مفاد کو مد نظر رکھتے ہوئے اپنے فرائض بخوبی سرانجام دیئے اور کارپوریٹ گورننس کے اعلیٰ ترین معیارات کے مطابق کمپنی سے متعلقہ ذمہ داریوں کو اپنے روایتی اور موثر انداز میں سرانجام دیا۔ بورڈ اور اس کی کمیٹیوں نے کمپنی پر نافذ العمل تمام قانونی اور انضباطی اصولوں کی تعمیل پر توجہ مرکوز رکھی۔

کمپنی اپنے سرمایہ کاری کے پورٹ فولیو میں تنوع کیلئے کان کنی، کارپوریٹ فارمنگ، رئیل اسٹیٹ اور مالیاتی شعبے سمیت مختلف سیکٹرز میں متعدد مواقعوں کی مسلسل متلاشی ہے تاکہ اپنے شیئر ہولڈرز کیلئے زیادہ سے زیادہ فوائد یقینی بنائے جاسکیں۔

اس موقع پر میں کمپنی کے ہر ملازم کی محنت اور لگن پر انہیں خراج تحسین پیش کرتا ہوں۔ میں کمپنی کے استحکام کیلئے کاشوں اور معاونت پر تمام اسٹیک ہولڈرز بشمول حکومت پاکستان، مالیاتی اداروں، کمرشل بینکوں، بزنس ایسوسی ایشن، صارفین اور ساتھی بورڈ ممبران کا بھی تہ دل سے شکر گزار ہوں۔

عارف حبیب

چیمبر میں

13 مارچ 2025

زیر جائزہ سال کے دوران پاکستانی معیشت ایک ہنگامہ خیز دور کے بعد استحکام کی جانب گامزن ہوئی۔ قرض دہندگان کے گاتار تعاون، زبردست معاشی انتظام اور بہتر مالیاتی کنٹرول کے سہارے حکومت مہنگائی پر قابو پانے، پرائمری اور کرنٹ اکاؤنٹ سرپلس برقرار رکھنے، زرمبادلہ کے ذخائر میں اضافہ اور مقامی کرنسی کے استحکام میں کامیاب ٹھہری۔ نتیجتاً مستقبل قریب کیلئے خطرات کا خاتمہ ہوا اور کاروباری اعتماد میں نمایاں بہتری آئی۔ قرض دہندگان کے مسلسل تعاون اور توسیعی فنڈ فیسلٹی (EFF) کی دیکھ بھال کے علاوہ برآمدات میں اضافہ، SOEs پر عملدرآمد، ماحولیاتی بہتری، تعلیم و صحت کی سہولیات تک رسائی میں آسانی اور جنس و جغرافیائی امتیازی حوصلہ شکنی کیلئے کاوشیں طویل مدتی مساوی کارکردگی کیلئے انتہائی کلیدی ہیں۔

طویل مدتی سٹرٹیجک کاروباری اقدام کے سلسلہ میں شیئر ہولڈر پلانٹ سے متعلقہ امور فاطمہ فرات لمیٹڈ، جو 01 جولائی 2024 سے ایک مکمل ملکیتی ذیلی کمپنی ہے، کو منتقل کر دیئے گئے ہیں۔ جبکہ ملتان پلانٹ سے متعلقہ امور کی پاک عرب فریٹ لائرز لمیٹڈ؛ جو ایک مکمل ملکیتی ذیلی ادارہ ہے، میں منتقلی اور انضمام عدالت، کارپوریٹ اور ریگولیٹری اتھارٹیز کی اجازت اور منظوری کے عمل میں ہے۔ اس سٹرٹیجک اقدام کی بدولت کمپنی کو اپنے آپریٹنگ پلانٹس پر زیادہ موثر توجہ اور انتظامی معاملات کی بہتری کے ذریعے اپنی صلاحیتوں کے بھرپور استعمال کا موقع میسر آئے گا۔

یہ ہمارے لیے بہت فخر کی بات ہے کہ فاطمہ فریٹ لائرز نے اقوام متحدہ کے ترقیاتی پروگرام (UNDP) کے پائیدار ترقی کے اہداف (SDGs) کے امپیکٹ فریم ورک کو اپنانے والی پہلی پاکستانی کمپنی ہونے کا اعزاز حاصل کیا ہے۔ فریٹ لائرز سیکٹر میں ایک اہم کردار ادا کرنے کے ناطے، ہم یہ سمجھتے ہیں کہ ہمارا اثر صرف زرعی حل تک محدود نہیں ہے؛ بلکہ یہ انسانی زندگیوں، ماحولیاتی نظاموں اور معاشرے کے ہر سطح پر ترقی کو سہارا دیتا ہے۔ UNDP کے ساتھ ہماری شراکت داری اور اس کے تحت کی جانے والی جامع SDG امپیکٹ اسسٹمنٹ اس بات کی تصدیق ہے کہ ہم عالمی سطح پر اہم ترجیحات جیسے کہ ذمہ دارانہ استعمال، ماحولیاتی تبدیلی کے خلاف مؤثر اقدام، صنفی مساوات اور کمیونٹی کی فلاح و بہبود سے ہم آہنگ ہیں۔

اللہ تعالیٰ کے فضل و کرم سے آپ کی کمپنی نے پائیدار، موثر اور بھروسہ مند آپریشنز اور فصلوں کے متوازن غذائی اجزاء کے استعمال میں اضافہ کیلئے موزوں مارکیٹ حکمت عملی پر توجہ مرکوز رکھتے ہوئے شاندار مالیاتی نتائج کے حصول کا ریکارڈ قائم رکھا۔



## CEO'S MESSAGE

### Dear Shareholders,

2024 was another year of achievements for our company. We took a significant stride towards cementing our sustainable and equitable growth agenda by becoming first Pakistani company to adopt the United Nations Development Programme's (UNDP) Sustainable Development Goals Impact Framework. We will continue to foster partnerships, drive innovation, and lead by example in implementing sustainable business practices to create a positive impact to generate economic growth that goes hand in hand with social equity, as well as an enabler contributing towards this noble cause.

The company executed a strategic realignment during the year by transferring the operations related to Sheikhpura plant to Fatimafert Limited, a wholly owned subsidiary, with effect from July 01, 2024. While, the operations of Multan plant will be transferred to another wholly owned subsidiary, Pakarab Fertilizers limited, through a Scheme of Arrangement/ Reconstruction, after the requisite court, corporate and regulatory authorizations, consents and approvals. Among others, this will help in realization of full inherent potential of the operating plants to maximize the benefit to our shareholders.

All the manufacturing plants of the Company delivered exceptional results, while maintaining world-class Health, Safety & Environment (HSE) standards. The Multan and Sheikhpura plants delivered their highest ever production since their commissioning while Sadiqabad plant's production exceeded target. Sadiqabad site successfully executed an extended turnaround during the year.

The consolidated sales revenue for the year was higher by 8% over last year to close at Rs 256.9 billion due to firm product prices throughout the year, while inflationary pressures pushed the cost of sales up by 2%, despite 12% reduction in overall sales volume.

The inflationary pressures, higher inventory levels and marketing and distribution initiatives resulted in 37% and 26% increase in distribution and administrative expenses respectively. The finance cost increased 4% as compared to last year. Other operating expenses escalated by 39%, while, other income increased by 73% over last year due to gains recorded on various short-term and long-term strategic investments of excess funds available with the Company. The effective income tax rate for the year comes to 42% compared to 53% for the year before, where it was higher due to a retrospective hike in super tax. Eventually, the Company achieved 58% growth in its bottom line as it rose to Rs. 36.4 billion from Rs. 23.0 billion posted in yesteryear. The EPS accordingly increased to Rs. 17.33 per share from Rs. 10.96 per share earned in the corresponding period.

Consequently, the board has recommended final dividend of Rs. 4.25 per share for approval of the shareholders at the Annual General Meeting. This will take the total payout for the year 2024 to Rs. 7.0 per share against Rs. 4.25 for the year ago.

The gas pressure enhancement project that the Company is undertaking in collaboration with other industry players is progressing smoothly by meeting all its milestones timely.

To enhance fertilizer availability at controlled prices, the company launched six retail outlets during the year, under the Sarsabz Agri Mart banner. 24 more outlets are planned for year 2025 at strategically selected locations across Pakistan. This initiative is likely to facilitate our rapidly growing network of 70,000+ registered farmers.

The year ahead looks promising for the Company due to the availability of healthy volumes and robust strategies put in place to ensure sustainable growth. The Company remains committed to continuing to play its part in ensuring the national food security by providing our farmers with high quality plant nutrients to maximize crop yields while minimizing environmental impact.

The Company will continue to utilize its strong liquidity and gearing position to leverage its role in the economic landscape by actively creating and participating in capital initiatives in the fields of large scale mining of minerals, corporate farming, real estate and the financial sector.

I am grateful in earnest to the Chairman and other fellow Board members for their leadership, guidance, and continued trust to take the Company forward with continued success. I acknowledge the commitment and sheer hard work of our dedicated team members who have been instrumental in our success. I must also appreciate our shareholders, customers and suppliers for their continued support and I look forward to a sustained mutually beneficial relationship for the future.

**Fawad Ahmed Mukhtar**

Chief Executive Officer

March 13, 2025

# چیف ایگزیکٹو آفیسر کا پیغام

معزز حصص داران،

سال 2024 ہماری کمپنی کیلئے ایک اور کامیابیوں سے بھرپور سال تھا۔ ہم نے اقوام متحدہ کے ترقیاتی پروگرام (یو این ڈی پی) کے پائیدار ترقی اہداف کے امپیکٹ فریم ورک کو اختیار کرنے والی پہلی پاکستانی کمپنی ہونے کا اعزاز حاصل کیا، جو کہ پائیدار اور مساعی ترقی کے ایجنڈا کو استحکام بخشنے کیلئے اہم اقدام ہے۔ ہم شراکت داری، جدت اور پائیدار کاروباری طریقوں کے فروغ میں ایک مشعل راہ کا کردار ادا کرتے رہیں گے تاکہ معاشی نمو کیلئے ایسے مثبت اثرات اُجاگر ہوں جو سماجی برابری کے ساتھ ساتھ اس نیک مقصد میں مدد و معاون بھی ثابت ہوں۔

کمپنی نے سال کے دوران شیئوپورہ پلانٹ سے متعلقہ آپریشنز کی یکم جولائی 2024 سے مکمل ملکیتی ذیلی کمپنی فاطمہ فرٹ لمیٹڈ میں منتقلی کے ذریعے ایک اسٹریٹجک تشکیل نو سرانجام دی۔ جبکہ ملتان پلانٹ کے آپریشنز یکم آف آرٹیمینٹ/تعمیم نو کے ذریعے عدالت، کارپوریٹ اور ریگولیٹری منظور یوں، رضامندی اور منظوری کے بعد ایک اور ذیلی ادارے پاک عرب فریلا نزرز لمیٹڈ کو منتقل کیے جائیں گے۔ دیگر کے علاوہ یہ عمل آپریٹنگ پلانٹس کی مکمل موروثی استعداد کے مطابق پیداوار میں معاون ثابت ہوگا تاکہ شیئر ہولڈرز کیلئے زیادہ سے زیادہ فوائد یقینی بنائے جاسکیں۔

کمپنی کے تمام پیداواری پلانٹس نے عالمی معیار کے مطابق صحت، تحفظ اور ماحولیات (ایچ ایس ای) کے معیارات پر عملدرآمد کرتے ہوئے غیر معمولی نتائج پیش کیے۔ ملتان اور شیئوپورہ پلانٹس نے اپنے آغاز سے اب تک کی سب سے زیادہ پیداواری یقینی بنائی، جبکہ صادق آباد پلانٹ کی پیداوار مقررہ دف سے زائد رہی۔ صادق آباد سائٹ نے سال کے دوران توسیعی ٹرانزیشن کی کامیابی سے انجام دی مکمل کی۔

سال بھر مصنوعات کی قیمتوں میں استحکام کی وجہ سے مشنر کے سٹور یونیورسٹیز سال کے مقابلہ میں 8 فیصد اضافہ کے ساتھ 256.9 بلین روپے تک جا پہنچا، جبکہ مجموعی سٹور کے حجم میں 12 فیصد کمی کے باوجود افراط زر کے دباؤ نے سٹور لاگت میں 2 فیصد اضافہ کیا۔

افراط زر کے دباؤ، زیادہ انونیٹری اور مارکیٹنگ اور ڈسٹری بیوشن کے اقدامات کے نتیجے میں ڈسٹری بیوشن اور انتظامی اخراجات میں بالترتیب 37 فیصد اور 26 فیصد تک اضافہ ہوا۔ گزشتہ سال کی نسبت مالیاتی اخراجات میں 4 فیصد اضافہ ہوا ہے۔ دیگر آپریٹنگ اخراجات میں 39 فیصد اضافہ ہوا، جبکہ کمپنی کے پاس دستیاب اضافی فنڈز کی مختلف قلیل و طویل مدتی اسٹریٹجک سرمایہ کاری کے فوائد کی بدولت دیگر آمدن میں گزشتہ سال کے مقابلہ میں 73 فیصد اضافہ مشاہدے میں آیا۔ سال کیلئے لاگو آؤٹ ٹیکس کی شرح 42 فیصد رہی جو کہ گزشتہ سال کے دوران پرنیکس میں سابقہ اضافہ کی وجہ سے 53 فیصد تھی۔ کمپنی نے اپنی bottom line میں 58 فیصد اضافہ یقینی بنایا اور یہ گزشتہ سال کی 23.0 بلین روپے سے بڑھ کر 36.4 بلین روپے کی سطح تک جا پہنچی۔ فی شیئر آمدن بھی گزشتہ سال کے 10.96 روپے فی شیئر سے بڑھ کر 17.3 روپے فی شیئر ہوگئی۔

نتیجتاً، بورڈ نے 4.25 روپے فی شیئر کے حتمی منافع کی سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری کیلئے سفارش کی ہے۔ یوں سال 2024 کیلئے مجموعی طور پر 7 روپے فی شیئر کے حساب سے ادائیگی ہوگی جو کہ گزشتہ سال 4.25 روپے فی شیئر تھی۔

کمپنی انڈسٹری کے دیگر ساتھیوں کی شراکت سے گیس پریشر میں اضافہ کے منصوبہ پر کام کر رہی ہے اور اس سلسلہ میں تمام سنگ میل پر بروقت عملدرآمد کے ذریعے مثبت پیش رفت کا سفر جاری ہے۔

کنٹرول شدہ قیمت پر کھادوں کی دستیابی یقینی بنانے کیلئے کمپنی نے سرسبز ایگری مارٹ کی زیر نگرانی چھ ریٹیل آؤٹ لیٹس قائم کیے، جبکہ سال 2025 کے دوران پاکستان بھر میں جغرافیائی طور پر اہم منتخب شدہ مقامات پر مزید 24 آؤٹ لیٹس کی منصوبہ بندی کی گئی ہے۔ یہ ریٹیل اقدام ہمارے 70,000 سے زائد رجسٹرڈ کسانوں کے تیزی سے بڑھتے ہوئے نیٹ ورک کیلئے کھاد کی دستیابی مزید بہتر بنائے گا۔

اتجھے حجم اور دیر پا ترقی کیلئے مضبوط حکمت عملی کی وجہ سے موجودہ سال کمپنی کیلئے اُمید کا پیغام محسوس ہو رہا ہے۔ کمپنی اپنے کسان بھائیوں کو اعلیٰ غذائی اجزاء پر مشتمل فصلات اُگانے میں معاونت فراہم کر کے قومی غذائی تحفظ میں اپنا کردار نبھانے کیلئے پرعزم ہے، تاکہ ماحولیاتی اثرات کو کم کرتے ہوئے فصل سے زیادہ پیداوار کا حصول ممکن بنایا جاسکے۔

کمپنی معدنیات کی کان کنی، کارپوریٹ فارمنگ، ریسٹل اسٹیٹ، اور مالیاتی شعبہ میں سرمایہ کاری کے مواقعوں کی کھوج اور ان سے فائدہ اٹھا کر اقتصادی منظر نامہ پر اپنا بھرپور کردار ادا کرے گی اور اس دوران اپنی مستحکم لیکویڈیٹی اور قائم شدہ درجہ بندی کا بھرپور استعمال یقینی بنائے گی۔

میں کمپنی کے ترقی کے سفر میں چیئرمین اور دیگر ساتھی بورڈ ممبران کا ان کی بھرپور قیادت، راہنمائی اور مسلسل اعتماد پر تہ دل سے شکر گزار ہوں۔ میں اپنی ٹیم کے بخشنی اراکین کے پختہ عزم اور دن رات انتھک محنت کا سراہتا ہوں، بیشک ان کی یہ محنت ہماری کامیابی کی ضمانت ہے۔ میں کمپنی کے شیئر ہولڈرز، صارفین اور سپلائرز کی مکمل حمایت پر ان کا شکر گزار ہوں اور مستقبل کے سفر میں پائیدار اور باہمی فوائد پر مبنی تعلقات استوار کرنے کا منتظر ہوں۔



فواد احمد مختار

چیف ایگزیکٹو آفیسر

13 مارچ 2025

# DIRECTORS' REPORT

to the Shareholders For the year ended December 31, 2024

**We are pleased to present the Directors' Report along with the audited separate and consolidated financial statements of the Company for the year ended December 31, 2024, together with the auditors' report thereon.**

## The Economy and Market overview

Following a period of significant challenges, the Government has progressed significantly in restoring economic stability, reducing the near term risks and rebuilding confidence through prudent macroeconomic management, effective inflation control measures and enhanced fiscal and external accounts stability.

The main achievements for the year include persistent gradual reduction in inflation from around 30% for December 2023 to 4.1% in December 2024, enabling the State Bank of Pakistan to successively cut its key interest rate from its peak of 22% in June 2024 to 13% by December 2024.

Consistent current account surplus for five consecutive months generated a combined surplus of \$1.21 billion for the first half of fiscal year 2025, a substantial improvement compared to the deficit of \$1.69 billion during the same period in the previous fiscal year. This along with a substantial increase in foreign remittances, has resulted in doubling of the reserves over the last year while the exchange rate with the US dollar fluctuated only by a whisker throughout the year.

The disbursement of \$1.03 billion under the IMF's Extended Fund Facility (EFF) and approval of World Bank \$20 billion loan package over the next decade coupled with record profits of the State Bank and surge in exports have played a critical role in reinforcing fiscal and external stability, boosting investor confidence and catalyzing economic activity.

However, significant structural challenges including low productivity and economic openness, resource misallocation, and climate vulnerability remain an ominous threat. Ambitious and steadfast efforts are needed to strengthen Pakistan's resilience and economic prospects. Reform priorities include advancing the SOE reform agenda, scaling back distortive incentives, promoting

a level playing field for all business; strengthening governance and anti corruption institutions and continuing to build climate resilience. To boost exports, modern farming practices and digital tools needs to be adopted besides addressing the basic issues in the sector related to storage, infrastructure, logistics and supply chain inefficiencies.

## International Fertilizer Market

The prices in global markets for nitrogen and phosphates were stable entering into 2024, albeit with the threat of deteriorating situation in the middle east, posing a significant risk for buyers of availability and price volatility. As the attacks on commercial vessels in the Red Sea escalated, vessels redirected to the Cape of Good Hope, raising transit costs and lead times. Side by side, supply from China was restricted owing to export quotas allocation, exporting 9% less DAP in 2024 compared to a year earlier. Despite circumstances favoring sellers, DAP prices dropped up to 15% by mid May to USD 508/ MT compared to start of the year. However, with an unsupportive support price for Indian importers leading to thinning of stock levels in June, coupled with persistent MAP buying by Brazil and US markets which were pitted against each other, prices rose sharply within the span of a few weeks back to start of year levels of around USD 582/MT CFR India, and ending the year at USD 632/MT.

The price of Urea in the international market followed an oscillating trend, rising ~20% due to high demand by end of February compared to the start of the year, before dropping ~25% by start of May, driven by high stocks in India and expectation of China returning to the export market. Prices reached another local maximum by mid October, driven by tight supply resulting from owing to production outages in the Middle East and North Africa due to restricted supply of Ammonia and strong demand from the likes of India.



## Local Fertilizer Market

Due to stressed farmer economics starting from the wheat crisis that resulted in estimated losses of Rs 750 billion for wheat growers, 50 per cent reduction in cotton production due to severe heatwave and heavy rains and drop in commodity prices, total fertilizer offtake for the year remained at 9.8 million MT which is 2.9% lower than 10.1 million MT for the previous year.

Main decrease was witnessed in Nitrogen and NP sales while DAP offtake grew by 3.79% to 1.64 million MT in the current year compared to 1.58 million MT sold last year. NP offtake remained 18.8% lower than last year and stood at 813k MT compared to 1,000k MT for the previous year which was the highest ever offtake of NP in a calendar year.

Urea sales decreased marginally by 1.0%, falling to 6.58 million MT compared with 6.64 million MT in the year before. CAN offtake suffered a dip of 15.1% and closed at 679k MT.

## Business Overview and Developments

The operational and financial performance of your company remained excellent with focus on reliability, sustainable operations and business growth.

The Board of Directors of the Company in their meeting held on October 29, 2024, gave in principle approval to reorganize the company by carving out its Multan Plant related operations and amalgamating the same with and into Pakarab Fertilizers Limited, a wholly owned subsidiary. The scheme of Arrangement/Reconstruction is in the process of court, corporate and regulatory authorizations, consents and approvals, with effective date of January 01, 2025 instead of October 01, 2024, as amended by Board.

Earlier, the Company implemented the Scheme of Arrangement, to transfer the operations related to Sheikhpura plant to Fatimafert Limited, a wholly owned subsidiary, with effect from July 01, 2024, as approved by the Board.

This strategic business realignment will benefit the Company through focused and efficient management of its operating plants to create an opportunity to achieve optimum level of utilization of their inherent potential. Note 1.2 and 1.3 of the separate and consolidated financial statements includes relevant details of the assets and liabilities.

All the plants exceeded their production targets due to consistent supply of natural gas and enhanced operational efficiency resulting from targeted capital interventions. The plant operations remained efficient and reliable with world class Health, Safety & Environment (HSE) standards. The adoption of Sustainable development Goals of United Nations Development Programme affirms our commitment to foster partnerships, drive innovation, and lead by example in implementing sustainable business practices to create a positive impact to generate economic growth that goes hand in hand with social equity, as well as an enabler contributing towards this noble cause.

With the grace of Almighty, the Multan and Sheikhpura plants delivered their highest ever production since their commissioning. Sadiqabad plant's production was 2% less than last year due to shutdown taken for turnaround activities during the year.

Product	Volume ('000' MT)			
	Production/ Purchase		Sales	
	2024	2023	2024	2023
NP	853	712	813	1,000
CAN	855	840	679	800
Urea	1,087	985	941	970
Trading stock incl. DAP	100	43	89	96
<b>Total</b>	<b>2,895</b>	<b>2,581</b>	<b>2,522</b>	<b>2,866</b>

To ensure direct access to quality fertilizers at controlled prices, the company has launched six retail outlets under the Sarsabz Agri Mart banner, with 24 more outlets planned for year 2025 at strategically selected locations across Pakistan. This retail initiative aims to enhance fertilizer availability for our rapidly growing network of 70,000+ registered farmers.

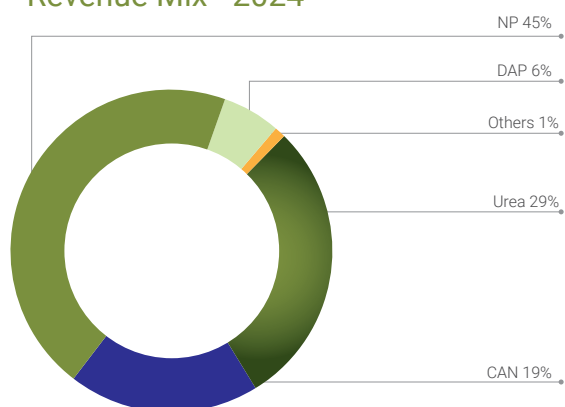
# Directors' Report cont'd

## Financial Performance

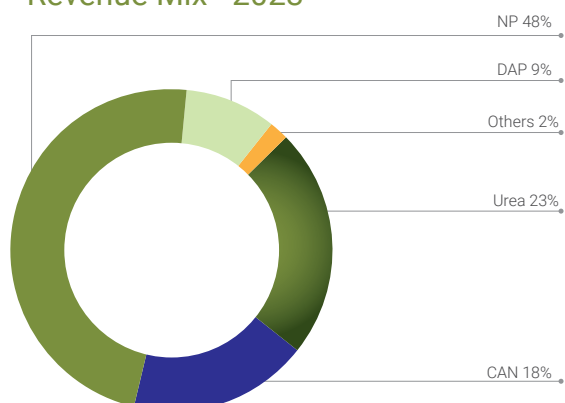
Due to firm product prices throughout the period, the consolidated sales revenue from the fertilizer business registered an increase of 9% and closed at Rs 254.04 billion versus Rs 232.76 billion for the preceding year. The inflationary pressures pushed cost of sales up by 2%, despite 12% reduction in overall sales volume.

NP contributed 45% of the total sales revenue followed by Urea and CAN representing 29% and 19% respectively. Revenue from imported fertilizer including 38k MT urea imported by the National Fertilizer Marketing Limited and mid products account for rest.

Revenue Mix - 2024



Revenue Mix - 2023



As a result, Consolidated Gross Profit of the Company increased by 24% to Rs. 91.82 billion compared to Rs. 74.18 billion for the year before.

The inflationary pressures, higher inventory levels and marketing and distribution initiatives resulted in 37% and 26% increase in distribution and administrative expenses respectively. The finance cost was 4% higher than last year due to increase in the long term loans availed by the Company to capitalize on investment opportunities. Other operating expenses escalated by 39% mainly on account of brand amortization and exchange loss suffered during the year. Other income exhibited an increase of 73% over last year due to gains recorded on various short term and long term strategic investments of excess funds available with the Company.

This enabled the Company to register a 29% increase in the Profit before Tax over last year.

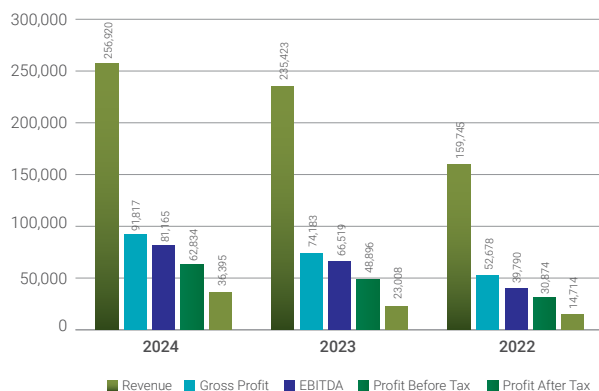
The effective income tax rate for the year comes to 42% compared to 53% for the year before, where it was higher due to a retrospective implementation of super tax rate from 4% to 10%.

Eventually, the Company achieved 58% growth in its bottom line as it rose to Rs. 36.4 billion from Rs. 23.0 posted in yesteryear. The EPS accordingly increased to Rs. 17.33 per share from Rs. 10.96 per share earned in the corresponding period.

	2024		2023		2022	
	Rs in Million	%	Rs in Million	%	Rs in Million	%
Revenue	256,920		235,423		159,745	
Gross Profit	91,817	35.7	74,183	31.5	52,678	33.0
EBITDA	81,165	31.6	66,519	28.3	39,790	24.9
Profit Before Tax	62,834	24.5	48,896	20.8	30,874	19.3
Profit after Tax	36,395	14.2	23,008	9.8	14,714	9.2
EPS (Rs)	<b>17.33</b>		<b>10.96</b>		<b>7.01</b>	

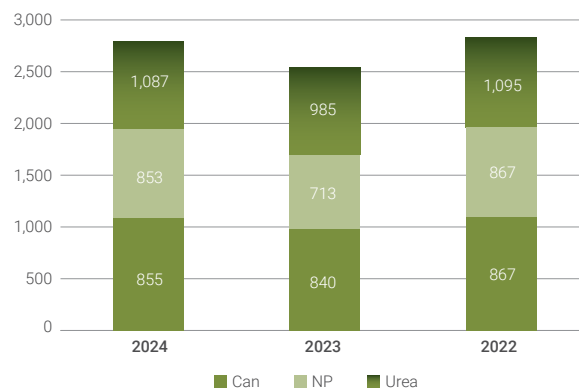
## Financial Performance

Rs in Millions



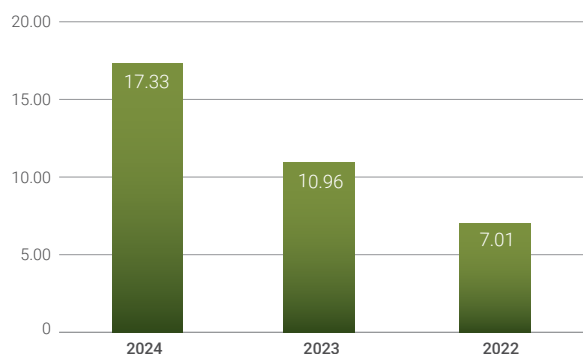
## Production

Metric Tons in '000'



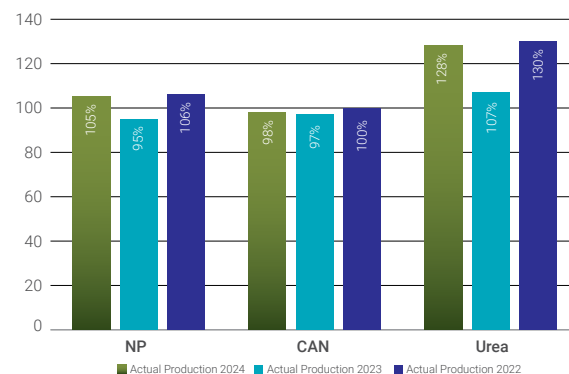
## Earnings Per Share

PKR



## Capacity Utilization

Percentage



## Operational Performance

The production plants operated at optimum level with fertilizer production exceeding the designed production capacity by 9% despite partial shutdown at Sadiqabad plant for TA activities encompassing a massive scope of critical projects. The cumulative fertilizer production of all three fertilizer plants was recorded at 2.79 Million MT with highest production at Multan and Sheikhpura plants since their acquisition. The pursuit to enhance plant assets reliability, team's professional focus, resilience and perseverance paved the way for results that not only met but exceeded set targets, showcasing exceptional performance and efficiency.

HSE remains paramount among the core values of the Company. With world class systems and operations, the achieved +136 combined Safe Million Man Hours for all three fertilizer plants and recorded 0.04 Total Recordable Injury Rate (TRIR).

## Dividends and Appropriations

The Board of Directors in its meeting held on March 13, 2025, has proposed a final Cash Dividend @ PKR 4.25 per share i.e. 42.5% for approval of the members at the Annual General Meeting to be held on April 18, 2025. This is in addition to the interim Dividend already paid at Rs. 2.75 per share i.e. 27.5%. The financial statements do not reflect this proposed dividend.

# Directors' Report cont'd

	PKR in '000'	PKR Per Share
Un appropriated profit brought forward	98,385,630	
Final Dividend for the year 2023	(5,775,000)	2.75
Net profit for the year	36,394,795	17.33
Other comprehensive income	(61,406)	
Profit available for appropriations	128,944,019	
Appropriations:		
Interim Dividend for the year 2024	(5,775,000)	2.75
Un appropriated profit carried forward	123,169,019	

## Financial Management

All the financial commitments falling due during the year were timely met. The excess funds available have been effectively and strategically placed in various short term and long term avenues for continued growth and sustainability to maximize the returns to our esteemed shareholders.

The Company had more than Rs 39,006 million (2023: Rs 30,950 million) available unutilized borrowing limits from financial institutions.

## Financial Highlights

Key consolidated operating and financial data of previous years is annexed with this annual report.

## Auditors' Report on the Financial Statements

The Company's external auditors, M/s Yousuf Adil, Chartered Accountants, have issued an unqualified opinion on the Company's separate and consolidated financial statements for the year ended December 31, 2024, which comprise of the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

The Auditors' Reports on separate and consolidated financial statements can be found on pages 109 and 181 of the Annual Report respectively.

## Contribution to National Exchequer

Being a responsible corporate citizen of the country, the Company continues to contribute heavily towards the National Exchequer. An amount of Rs 62.34 billion (2023: Rs 46.33 billion) was contributed during the year in respect of duties, taxes and levies.

## Statement as to the Value of Investment of Provident Fund

The value of the investment of the provident fund is Rs 4,647 million. The figure is unaudited for the year under review.

## Future Outlook

Pakistan's economic forecast evokes a sense of cautious optimism. Experts predict a gradual recovery, conditional to the continuation of reforms, stable political conditions, and improvements in global economic circumstances. GDP growth is anticipated to rise to 4.0 per cent as energy projects become operational and investments in infrastructure increase. Anticipated gradual reduction in interest rates due to contained inflation will spur private-sector activities.

A concerted effort to enhance trade relationships and attract foreign direct investment will be essential for sustaining economic growth. Collaboration of the government with the International Monetary Fund (IMF) and other international entities remain crucial in ensuring financial stability. The nation's economic wellbeing will depend on the effective execution of policies, targeted investments in critical sectors, building climate resilience with improved disaster management systems and the cultivation of an environment conducive to sustainable development.

The year ahead looks promising for the Company due to the availability of healthy volumes and robust strategies put in place to ensure sustainable growth. With all the three plants in operation, the Company remains committed to continuing to play its part in ensuring the national food security by providing our farmers with high quality plant nutrients to maximize crop yields while minimizing environmental impact.



Wherever possible your company is actively working to reduce reliance on imports through creation of avenues for indigenous sourcing of raw materials and developing internal capability for fabrication of numerous items of stores and spares.

The gas pressure enhancement project in collaboration with Mari Energies Limited and other fertilizer manufacturers achieved its milestones for the year. This significant capital investments in gas related infrastructure by the fertilizer industry will ensure sustained operation for availability of affordable fertilizers in the country.

The Company will continue to play a vital role in the economic well being of the country by actively creating and participating in numerous investment opportunities including mining of minerals, real estate, corporate farming and the financial sector to further solidify strengthen its financial position to maximize the returns to its stakeholders.

## Code of Corporate Governance

The Board and Management are committed to ensuring that the requirements of the Code of Corporate Governance are fully met. The Company has adopted good Corporate Governance practices with an aim to enhance the accuracy, comprehensiveness, and transparency of financial and non financial information. The Directors are pleased to report that:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows, and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements;

- The system of internal control is sound in design and has been effectively implemented and monitored;
- There is no material departure from the best practices of corporate governance, as detailed in the Listing Regulations; and
- There are no significant doubts upon the Company's ability to continue as a going concern.

## Changes in the Board

During the year under review, there has been no change in the Board members. The names of members of the Board are as follows:

i.	Mr. Arif Habib	Non-Executive Director
ii.	Mr. Fawad Ahmed Mukhtar	Executive Director
iii.	Mr. Fazal Ahmed Sheikh	Executive Director
iv.	Mr. Faisal Ahmed Mukhtar	Non-Executive Director
v.	Mr. Muhammad Kashif Habib	Non-Executive Director
vi.	Mrs. Julie Jannerup	Non-Executive/ Independent Director
vii.	Mr. Tariq Jamali	Non-Executive/ Independent Director

## Directors' Remuneration

In compliance with regulatory requirements, a transparent and formal process has been established for ascertaining the remuneration of the Directors. All non-executive and independent Directors of the Company are entitled to remuneration for attending Board and Audit Committee meetings along with reimbursement of expenses incurred in connection with these meetings. Any Director who serves on the Committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the statutory duties of a Director, may be paid such remuneration by way of salary, allowances, facilities, perquisites, etc., as the Board may determine. Details of the remuneration paid to executive and non-executive directors during the year are given in note 44 and note 42 of standalone and consolidated financial statements respectively.

# Directors' Report cont'd

## Changes in the Audit Committee

During the year under review, there has been no change in the audit committee members. The names of members of audit committee are as follows:

1.	Mr. Tariq Jamali	Chairman
2.	Mr. Muhammad Kashif Habib	Member
3.	Mr. Faisal Ahmed Mukhtar	Member
4.	Mrs. Julie Jannerup	Member

## Changes in the Human Resource and Remuneration Committee

During the year under review, there has been no change in the human resource and remuneration committee members. The names of members of Human Resource and Remuneration Committee are as follows:

1.	Mrs. Julie Jannerup	Chairperson
2.	Mr. Muhammad Kashif Habib	Member
3.	Mr. Fawad Ahmed Mukhtar	Member

## Changes in Nomination and Risk Management Committee

During the year under review, there has been no change in the Nomination and Risk Management Committee members. The names of members of the Nomination and Risk Management Committee are:

1.	Mr. Fazal Ahmed Sheikh	Chairman
2.	Mr. Muhammad Kashif Habib	Member
3.	Mr. Tariq Jamali	Member

## Board and Committees' Meetings and Attendance

During the year under review, six meetings of the Board of Directors, four meetings of Audit Committee and one meeting of HR Committee were held from January 01, 2024 to December 31, 2024. The attendance of the Board and Committee members was as follows:

Name of Director	Board Meetings	Audit Committee Meetings	HR & Remuneration Committee Meeting
Mr. Arif Habib	6	N/A	N/A
Mr. Fawad Ahmed Mukhtar	6	N/A	1
Mr. Fazal Ahmed Sheikh	6	N/A	N/A
Mr. Faisal Ahmed Mukhtar	3	1	N/A
Mr. Muhammad Kashif Habib	5	3	1
Mrs. Julie Jannerup	5	4	1
Mr. Tariq Jamali	6	4	N/A

Leave of absence was granted to the members not attending the Board and Committee meetings.

## Trading in Shares of the Company by Directors and Executives

Name	No. of shares	Nature of Transaction
Naveed Sukhera	41,000	Sell
M. Abad Khan	100,000	Sell

## Pattern of Shareholding

The pattern of shareholding and categories of shareholders as of December 31, 2024, as required under the Pakistan Stock Exchange Regulations, have been annexed herewith along with the Proxy Form.

## Code of Conduct

As per the Corporate Governance guidelines, the Company has prepared a Code of Conduct and communicated these throughout the Company, as well as placing it on the Company's website.

## Credit Ratings

Pakistan Credit Rating Agency (PACRA) has maintained the long term entity rating of the Company to AA+ and maintained the short term rating at A1+. The ratings reflect a strong business profile of the Company on the back of a diversified product mix and very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

## Related Party Transactions

To comply with the requirements of listing regulations, the Company presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board of Directors in their respective meetings. The details of related party transactions have been provided in note 42 and 40 of the separate and consolidated audited financial statements respectively.

## Internal Audit

Internal Audit function is effectively operating within the framework set out in Code of Corporate Governance and the charter defined by the Audit Committee of the Board of Directors, to provide an independent and objective evaluation on the effectiveness of governance, risk management and control activities. The Internal Audit function is progressing from a conventional function into a business partner and advisory role by following a proactive approach towards effective corporate governance through risk mitigation, adding value within the business process and creating synergies at the organisation level. The Board relies on the inputs and recommendations of the internal audit function through its Audit Committee on the adequacy and effectiveness of internal controls in the organization and takes appropriate measures.

The function is effectively utilizing risk control matrices, to prioritize and develop its annual plan and to strengthen the internal controls through periodic reviews of all the functions / processes in the organization.

Internal Audit also emphasizes the importance of Business Continuity and completeness of Risk Control means to have seamless operations at entity level that is currently being implemented. Further, Internal Audit also ensures the implementation of Enterprise Risk Management (ERM) Framework as per COSO standards, through a dedicated ERM section.

## External Auditors

M/s Yousuf Adil, Chartered Accountants, the retiring external auditors of the Company, being eligible, offered themselves for re appointment. The Board Audit Committee and the Board of Directors have recommended their re appointment by the shareholders at the 22<sup>nd</sup> Annual General Meeting, as external auditors of the Company for the year ending December 31, 2025, at a fee to be mutually agreed.

## Health, Safety, and Environment

Fatima's fertilizer Plants have consistently fostered a robust safety culture, ensuring a safe work environment for all employees and contractors. Our dedication to implementing the world-class Process Safety Management (PSM) system, in line with Occupational Safety and Health Administration (OSHA) standards, remains steadfast. Through our dedicated efforts, the Sadiqabad, Multan, and Sheikhpura plants have successfully achieved 82.6, 33.4, and 20.3 Safe Million man-hours, respectively. The Total Recordable Injury Rates (TRIR) were 0.0, 0.04, and 0.0 respectively, which underscores our unwavering commitment to comply with top-tier safety standards.

Corporate HSE at Fatima plays a vital role in providing strategic guidance, independent auditing & monitoring, and overseeing the development of process safety standards, policies and procedures. Corporate HSE successfully conducted DuPont Risk-Based PSM 2nd Party Audits at our Fertilizer plants, investing over 750 onsite man-hours. Corporate HSE also conducted DuPont Environment Management System (EMS) 2nd Party Audits as per plan.

## Directors' Report cont'd

Providing HSE support to our plant sites during Turnarounds is one of the key responsibilities of the Corporate HSE team. In 2024, the team invested over 650 man-hours in major activities including Pre-Startup Safety Reviews (PSSR), Job Safety Analyses (JSA), rescue plan compliance, hot work permit audits, etc. Corporate HSE successfully led OHSMS ISO 45001, QMS ISO 9001, and EMS ISO 14001 surveillance audits and WWF-Green Office re-certification audit. We prioritize safety of employees and ensure that safety standards are reinforced at our Head offices.

Sadiqabad Plant represented Fatima at the National Disaster Management Authority's first-ever Industrial Disaster Management Simulation Exercise to demonstrate its emergency response capability. We also launched a campaign under title "Follow the Permit: Connect, Care, Protect" to improve Permit to Work effectiveness. Activities executed under this campaign included leadership sessions with all management employees, revision of permit-to-work procedure and team discussions till shop floor level. We digitalized safety observation reporting and conducted a comprehensive HAZOP and HAZID exercise in collaboration with Mari Energies for risk assessment.

Multan plant performed benchmarking of Hazard Identification and Risk Assessment (HIRA) processes with ISO 17776 to elevate risk assessment standards covered under ISO – 45001 (Occupational Health and Safety Management System). Furthermore, Risk Based Annual Audit Program was digitalized to strengthen Process Safety Management (PSM), Environment Management (EMS), and Occupational Health & Industrial Hygiene (OHIH) program. We performed risk-based epidemiology study of 679 employees under Annual Medical Examination 2024 program.

Sheikhupura plant continued to build upon its reputation as a safe working site for its stakeholders. Planned maintenance outage was completed without any major or minor injury to any company or contractual employee through implementation of comprehensive HSE Plan. Annual Recognition Day 2023 was organized in April to acknowledge outstanding performance by employees in the domains of HSE, Excellence, and V&B.

At Sheikhupura plant, Fire Prevention week, World Wetlands Day, World Water Day, World Diabetes Day, Earth Hour, World Day for Safety and Health, Earth Day, World No Tobacco Day, World Environment Day, World Health Day, International Day for the Preservation of the Ozone Layer & World Heart Day were celebrated by conducting awareness sessions and sharing informatory packs through emails, safety talks and company's Social Media platforms.

## Information Technology

We remain committed to utilize advanced technologies, recognizing their paramount role in driving operational efficiency and maintaining a competitive edge. By incorporating the latest innovations in artificial intelligence, data analytics, cloud computing, machine learning, and cybersecurity, we have not only optimized efficiency but also enhanced data-driven decision-making across all levels of the organization.

With a sharp focus on data protection and cybersecurity, we continue to implement proactive strategies to mitigate evolving cyber threats. Our enhanced IT infrastructure serves as a robust foundation for digital transformation, strengthening resilience against cyber risks while enabling seamless integration and cross-functional collaboration. These advancements foster a culture of innovation, driving sustained productivity and growth.

Guided by our proven IT service management methodology, built on the globally recognized ITIL framework, we are well-positioned to adopt emerging technologies and further step up our digital transformation agenda. This strategic approach ensures agility in responding to shifting market dynamics, fostering continuous innovation and reinforcing our leadership position in the industry.



## Sustainability and CSR Initiatives

At Fatima, we believe that our growth is deeply intertwined with the progress of the communities around us. Committed to the well-being of our employees, customers, and society by large, we strive to deliver excellence and create shared value for all stakeholders. Our extensive social investment portfolio spans healthcare, education, and sustainable development, reflecting our deep-rooted empathy and unwavering commitment to the prosperity of Pakistan.

## Human Resource Management and Employees Relations

Fatima Fertilizer's Human Resources function plays a pivotal role in achieving the strategic business objectives by ensuring the right Talent, Organisation and Culture are in place for fostering employee growth, succession readiness, inclusiveness and excellence, building a competitive advantage. Committed to diversity, equity, and inclusion, we've increased female representation in leadership by 18%, creating a more inclusive and innovative workplace. Through HR Digital Excellence, we've streamlined processes and boosted efficiency, enabling faster decision-making and cost savings.

Our leadership development programs, in partnership with Blue Ocean Strategy and Harvard Mentor Manager, have equipped managers with crucial skills, contributing to a significant rise in employee engagement. Additionally, our internal mentorship program, FG ASCEND, has helped high-potential employees advance their careers, leading to reduction in talent turnover.

Looking ahead, we remain committed to investing in human capital development. By continuously adapting and innovating through DE&I, digitalization, and talent initiatives, we ensure Fatima Fertilizer has the skilled and motivated workforce needed to thrive in the future.

## Acknowledgements

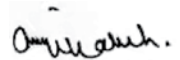
The Board places on record its gratitude for the hard work and dedication of every employee of the Company. The Board also appreciates and acknowledges the assistance, guidance, and cooperation of all stakeholders including the Government of Pakistan, financial institutions, commercial banks, business associates, customers, and all others whose efforts and contributions strengthened the Company and hope that same spirit will prevail in the future as well.

For and on behalf of the Board



**Fawad Ahmed Mukhtar**

Chief Executive Officer



**Arif Habib**

Chairman

Lahore  
March 13, 2025

اچھے حجم اور دیبا ترقی کیلئے مضبوط حکمت عملی کی وجہ سے موجودہ سال کمپنی کیلئے اُمید کا پیغام محسوس ہو رہا ہے۔ تینوں پلانٹس کی مشترکہ پیداوار کے ساتھ کمپنی اپنے کسان بھائیوں کو اعلیٰ غذائی اجزاء پر مشتمل فصلیں اُگانے میں معاونت فراہم کر کے قومی غذائی تحفظ میں اپنا کردار نبھانے کیلئے پرعزم ہے، تاکہ ماحولیاتی اثرات کو کم کرتے ہوئے فصل سے زیادہ سے زیادہ پیداوار کا حصول ممکن بنایا جاسکے۔

آپ کی کمپنی ہر ممکن حد تک درآمدات پر انحصار کم کرنے کیلئے خام مال کے مقامی ذرائع کی تلاش، اسٹورز اور اسپرینز کی متعدد اشیاء کی مقامی سطح پر تیاری کی صلاحیتیں بڑھانے کیلئے سرگرم عمل ہے۔

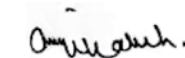
ماڑی انرجیز کمپنی اور دیگر کھاد تیار کنندگان کمپنیوں کے تعاون سے گیس پریشر میں اضافہ کے منصوبہ پر کام جاری ہے اور سال ہذا کیلئے مطلوبہ اہداف حاصل کر لئے گئے ہیں۔ فریڈلانڈ سٹری کی جانب سے گیس سے متعلقہ انفراسٹرکچر میں سرمایہ کاری ملک میں قابل خرید قیمت پر کھادوں کی دستیابی یقینی بنانے کے عمل میں کلیدی کردار ادا کرے گی۔

کمپنی معدنیات کی کان کنی، رینل اسٹیٹ، کارپوریٹ فارمنگ اور مالیاتی شعبے سمیت متعدد سرمایہ کاری کے مواقعوں کے فروغ اور ان میں فعال شمولیت کے ذریعے ملکی اقتصادی ترقی میں نمایاں کردار ادا کرتی رہے گی تاکہ وہ اپنے اسٹیک ہولڈرز کیلئے زیادہ سے زیادہ منافع یقینی بنا کر اپنی مالی پوزیشن کو مزید مستحکم بنا سکے۔

### اظہار تشکر:

بورڈ کمپنی کے ملازمین کی انتھک محنت اور لگن پر انہیں خراج تحسین پیش کرتا ہے۔ اس کے ساتھ ساتھ بورڈ حکومت پاکستان، مالیاتی اداروں، نجی بینکوں، کاروباری شراکت داروں، صارفین اور دیگر تمام اسٹیک ہولڈرز کے تعاون، راہنمائی اور معاونت کو سراہتا ہے۔ بلاشبہ ان کی کاوشیں کمپنی کے استحکام کیلئے بہترین رہی ہیں اور مستقبل میں ان سے اسی جذبے کی توقع ہے۔

بحکم بورڈ



عارف حبیب

چیرمین



فواد احمد مختار

چیف ایگزیکٹو آفیسر

لاہور 13 مارچ 2025

پاس دستیاب اضافی فنڈز کی مختلف قلیل اور طویل مدتی اسٹریٹجک سرمایہ کاری کے عوض حاصل ہونے والے منافع کی بدولت دیگر آمدن میں گزشتہ سال کے مقابلہ میں 73 فیصد اضافہ ہوا۔

اس کی بدولت کمپنی کو گزشتہ سال کے مقابلہ میں 29 فیصد زیادہ منافع قبل از ٹیکس حاصل ہوا۔

سال کیلئے نافذ العمل اکنم ٹیکس کی شرح 42 فیصد تھی جو کہ گزشتہ سال 4 سے 10 فیصد تک کے سپرنیکس کے نفاذ کی وجہ سے 53 فیصد کی بلند سطح پر تھا۔

نتیجتاً کمپنی نے اپنی Bottom Line میں 58 فیصد تک اضافہ ممکن بنایا جو کہ گزشتہ سال کے 23.0 ملین روپے سے بڑھ کر 36.4 ملین روپے ہو گیا۔ یوں فی شیئر آمدن بھی گزشتہ سال کے 10.96 روپے فی شیئر سے بڑھ کر 17.33 روپے فی شیئر تک پہنچ گئی۔

## مالی جھلکیاں

	2022	2023	2024	
	ملین روپے	فیصد	ملین روپے	فیصد
آمدن	159,745		235,423	
مجموعی منافع	52,678	33.0	74,183	31.5
EBITDA	39,790	24.9	66,519	28.3
منافع قبل از ٹیکس	30,874	19.3	48,896	20.8
منافع بعد از ٹیکس	14,714	9.2	23,008	9.8
ای پی ایل (روپے)	7.01		10.96	
			17.33	

## آپریٹیشنل کارکردگی:

کئی اہم منصوبوں پر مشمل ٹرن اراؤنڈ سرگرمیوں کی وجہ سے صادق آباد پلانٹ کی جزوی بندش کے باوجود پروڈکشن پلانٹس نے حد درجہ صلاحیتوں کے ساتھ کھاد کی پیداوار جاری رکھی اور مجموعہ پیداواری صلاحیت سے 9 فیصد زیادہ پیداوار ممکن بنائی۔ تینوں فریٹلائزر پلانٹس سے مجموعی طور پر 2.79 ملین میٹرک ٹن پیداوار حاصل ہوئی، جس میں ملتان اور شیخوپورہ پلانٹس نے حصول کے بعد بلند ترین پیداوار ممکن بنائی۔ پلانٹ کے اثاثہ جات کی پائیداری بڑھانے میں ٹیم کی پیشہ وارانہ توجہ، چمک اور لگن نے کلیدی کردار ادا کیا اور اس کی بدولت کمپنی نے بہترین کارکردگی اور استعدادی صلاحیت کا مظاہرہ کرتے ہوئے مقررہ اہداف سے تجاوز کیا۔

کمپنی کی بنیادی اقدار میں ایچ ایس ای سب سے اہم ہے۔ بین الاقوامی معیار کے سسٹم اور آپریشنز کے ساتھ تینوں فریٹلائزر پلانٹس پر مشترکہ +136 سیف ملین مین آؤٹ تک کامیابی ممکن ہوئی اور مجموعی ریکارڈ اسٹیل انجری کی شرح 0.04 ریکارڈ کی گئی۔

## حصص اور تخصیص:

بورڈ آف ڈائریکٹرز نے مورخہ 13 مارچ 2025 کو منعقدہ اجلاس میں 4.25 روپے فی شیئر (جو کہ 42.5 فیصد ہے) کے حتمی نقد حصص کی تجویز دی ہے جو کہ مورخہ 18 اپریل 2025 کو منعقد ہونے والے سالانہ اجلاس عام میں ممبران کی منظوری کیلئے پیش کیا جائے گا۔ یہ پہلے سے ادا شدہ 2.75 روپے فی شیئر (جو کہ 27.5 فیصد ہے) کے عبوری حصص کے علاوہ ہے۔ مالی سیٹلمنٹس اس تجویز کردہ حصص کو ظاہر نہیں کرتیں۔

## تخصیص

روپے فی شیئر	ہزار روپے	
	98,385,630	غیر تخصیص شدہ منافع جو آگے لایا گیا
2.75	(5,775,000)	حتمی حصص برائے سال 2023
17.33	36,394,795	سال کیلئے خالص منافع
	(61,406)	دیگر جامع آمدن
	128,944,019	تخصیص کیلئے دستیاب منافع
		تخصیص
2.75	(5,775,000)	عبوری منافع برائے سال 2024
	123,169,019	آگے لایا گیا غیر تخصیص شدہ منافع

## مستقبل کا نقطہ نظر:

پاکستان کی اقتصادی پیش گوئی ایک مختلط اُمید کو جنم دیتی ہے۔ ماہرین بتدریج بہتری کی پیش گوئی کر رہے ہیں جو کہ اصلاحات کے تسلسل، مستحکم سیاسی حالات، اور عالمی معاشی صورتحال کی بہتری سے مشروط ہے۔ توانائی کے منصوبوں کے آغاز اور انفراسٹرکچر میں سرمایہ کاری کے اضافہ سے جی ڈی پی کی شرح نمو 4.0 فیصد تک پہنچنے کی توقع ہے۔ مہنگائی پر قابو پا کر شرح سود میں متوقع بتدریج کمی نجی شعبہ کی سرگرمیوں کو فروغ دے گی۔

پائیدار معاشی ترقی کی خاطر تجارتی تعلقات میں اضافہ اور غیر ملکی سرمایہ کاروں کو راغب کرنے کیلئے ٹھوس کوششیں اہم ہوں گی۔ حکومت کا عالمی مالیاتی فنڈ (آئی ایم ایف) اور دیگر بین الاقوامی اداروں سے تعاون مالی استحکام کی مضبوطی کیلئے نہایت ضروری ہے۔ ملک کی معاشی، بہتری پالیسیز کے موثر نفاذ، اہم شعبوں میں مختلط سرمایہ کاری، بہتر ڈیز اسٹریٹجمنٹ سسٹم کے ساتھ موسمیاتی تحفظ اور پائیدار ترقی کیلئے سازگار ماحول پر منحصر ہوگی۔

حجم (000 میٹرک ٹن)				
سیلز		پیداوار/خرید		مصنوعات
2023	2024	2023	2024	
1,000	813	712	853	این پی
800	679	840	855	کین
970	941	985	1,087	یوریا
96	89	43	100	ٹریڈنگ سٹاک بشمول ڈی اے پی
2,866	2,522	2,581	2,895	مجموعی

کنٹرول شدہ قیمت پر کھادوں کی دستیابی یقینی بنانے کیلئے کمپنی نے سرسبز ایگری مارٹ کی زیر نگرانی چھ ریٹیل آؤٹ لیٹس قائم کیے، جبکہ سال 2025 کے دوران پاکستان بھر میں جغرافیائی طور پر اہم منتخب شدہ مقامات پر مزید 24 آؤٹ لیٹس کی منصوبہ بندی کی گئی ہے۔ یہ ریٹیل اقدام ہمارے 70,000 سے زائد رجسٹرڈ کسانوں کے تیزی سے بڑھتے ہوئے نیٹ ورک کیلئے کھاد کی دستیابی مزید بہتر بنائے گا۔

### مالی کارکردگی:

زیر جائزہ مدت کے دوران مصنوعات کی مستحکم قیمتوں کی بدولت فریٹ لائزر کے کاروبار سے 254.04 بلین روپے کا سیلر یونیٹ حاصل ہوا جو کہ گزشتہ سال کے 232.76 بلین روپے سے 9 فیصد زیادہ ہے۔ مجموعی سیلز کے حجم میں 12 فیصد کمی کے باوجود مہنگائی کے دباؤ سے سیلز لاگت میں 2 فیصد اضافہ ہوا۔

این پی نے مجموعی سیلز میں 45 فیصد حصہ ڈالا، جبکہ یوریا اور کین نے بالترتیب 29 فیصد اور 19 فیصد کردار ادا کیا۔ جبکہ بقیہ ریونیور آمدی کھاد بشمول نیٹل فریٹ لائزر مارکیٹنگ لمیٹڈ کی جانب سے درآمد کردہ 38 ہزار میٹرک ٹن یوریا کی بدولت حاصل ہوا۔

نتیجتاً، کمپنی نے 91.82 بلین روپے کا مجموعی منافع درج کیا، جو کہ گزشتہ سال کے 74.18 بلین روپے سے 24 فیصد زیادہ ہے۔

افراط زر کے دباؤ، انوینٹری کی بلند سطح اور مارکیٹنگ اور ڈسٹری بیوشن اقدامات کی وجہ سے ڈسٹری بیوشن اور انتظامی اخراجات میں بالترتیب 37 فیصد اور 26 فیصد اضافہ ہوا۔ مالیاتی اخراجات پچھلے سال کے مقابلے میں 4 فیصد زیادہ رہے، جس کی وجہ کمپنی کی جانب سے طویل مدتی قرضوں میں اضافہ ہے تاکہ سرمایہ کاری کے مواقع سے فائدہ اٹھایا جاسکے۔ سرمایہ کاری کے مواقعوں سے مستفید ہونے کیلئے کمپنی کی جانب سے حاصل کیے گئے طویل مدتی قرضہ جات کی وجہ سے سال کے دوران بینک ریش میں نمایاں کمی کے اثرات محدود ہو گئے۔ دیگر آپریشننگ اخراجات میں 39 فیصد اضافہ ہوا جو بنیادی طور پر سال بھر برانڈ ایمورٹائزیشن اور ایکسچینج کے نقصان کی مرہون منت تھے۔ کمپنی کے

یوریا کی فروخت 1.0 فیصد کی معمولی کمی کے بعد 6.58 ملین میٹرک ٹن رہی جو کہ گزشتہ سال 6.64 ملین میٹرک ٹن رہی۔ کین کی آف ٹیک 15.1 فیصد کی کمی کے ساتھ 679K میٹرک ٹن پر بند ہوئی۔

### کاروباری جائزہ اور اقدامات:

آپ کی کمپنی نے اعتماد، پائیدار امور اور کاروباری ترقی پر توجہ مرکوز رکھتے ہوئے بہترین آپریشنل اور مالی کارکردگی کا مظاہرہ کیا۔

کمپنی کے بورڈ آف ڈائریکٹرز نے 29 اکتوبر 2024 کو منعقدہ اجلاس میں ملتان پلانٹ سے متعلقہ آپریشنز کو ترتیب دینے اور اس کے ایک مکمل ملکیتی ذیلی ادارہ میں انضمام کے ذریعے کمپنی کی تنظیم نو کی اصولی منظوری دی۔ ترتیب/تنظیم نو کا پلان عدالت، کارپوریٹ اور ریگولیٹری اجازت ناموں، رضامندی اور منظوری کے مرحلہ میں ہے۔ جس کی نافذ العمل تاریخ بورڈ کی ترمیم کے بعد 01 اکتوبر 2024 کی بجائے 01 جنوری 2025 ہے۔

قبل ازیں، کمپنی نے 01 جولائی 2024 کو بورڈ کی منظوری سے شیخوپورہ پلانٹ کے آپریشنز کی ایک مکمل ملکیتی ادارے فاطمہ فرٹ لمیٹڈ میں منتقلی کیلئے سیکم آف آرٹجمنٹ کا نفاذ کیا۔

اس اسٹریٹجک کاروباری تشکیل نو سے کمپنی کو اپنے امور پر زیادہ توجہ اور موثر مینجمنٹ کے ذریعے بھرپور فائدہ حاصل ہوگا اور کمپنی اپنی موروثی قابلیت اور صلاحیت کا بھرپور استعمال یقینی بنا سکے گی۔ واحد اور جامع مالی بیانات کا نوٹ 1.2 اور 1.3 اثاثہ جات اور واجبات کی تفصیلات پر مشتمل ہے۔

تمام پلانٹس نے قدرتی گیس کی تسلسل سے سپلائی اور Targeted capital interventions کے ذریعے آپریشنل استعداد میں اضافہ سے پیداواری اہداف سے زائد پیداوار ممکن بنائی۔ پلانٹ کے آپریشنز بین الاقوامی صحت، تحفظ اور ماحولیات (ایچ ایس سی) کے معیارات کے عین مطابق بہترین اور پائیدار رہے۔ اقوام متحدہ کے ترقیاتی پروگرام کے پائیدار ترقی کے اہداف پر عملدرآمد ہماری شراکت داریوں کے فروغ، جدت طرازی اور پائیداری کاروباری طریقوں کے استعمال کیلئے ہمارے عزم مصمم کا عکاس ہے، تاکہ سماجی برابری پر مبنی معاشی ترقی کیلئے مثبت اثرات اُجاگر ہوں اور اس نیک مقصد میں فعال حصہ ڈال سکیں۔

اللہ تعالیٰ کے فضل و کرم سے ملتان اور شیخوپورہ پلانٹس نے اپنی تاریخ کی بلند ترین پیداوار ممکن بنائی۔ سال کے دوران صادق آباد پلانٹ کی پیداوار ٹرن اراؤنڈ سرگرمیوں کیلئے بندش کی وجہ سے گزشتہ سال سے 2 فیصد کم رہی۔



# ڈائریکٹر رپورٹ

ڈائریکٹر رپورٹ برائے شیئر ہولڈرز برائے سال ختمہ 31 دسمبر 2024

ہم کمپنی کی ڈائریکٹر رپورٹ مع آڈٹ شدہ مشترکہ اور انفرادی مالی اسٹیٹمنٹس برائے سال ختمہ 31 دسمبر 2024 بمعہ آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

## معیشت اور مارکیٹ کا جائزہ:

چیلنجز سے بھرپور دور کا سامنا کرنے کے بعد حکومت نے معاشی استحکام کی بہتری، قریب مدتی خطرات کی تخفیف اور محتاط میکرو اکنامک مینجمنٹ، مہنگائی پر قابو پانے کے موثر اقدامات اور مالیاتی و بیرونی اکاؤنٹس کے استحکام کے ذریعے اعتماد کی بحالی میں نمایاں پیش رفت ممکن بنائی۔

سال کی بڑی کامیابیوں میں سے ایک مہنگائی کی شرح میں مسلسل اور بتدریج کمی تھی، جو دسمبر 2023 میں تقریباً 30 فیصد سے کم ہو کر دسمبر 2024 میں 4.1 فیصد تک آگئی، جس کی وجہ سے اسٹیٹ بینک آف پاکستان نے جون 2024 کے بلند ترین 22 فیصد شرح سود میں دسمبر 2024 تک کے 13 فیصد میں اتار چڑھاؤ کیا ہے۔

کرنٹ اکاؤنٹ مسلسل پانچ مہینوں تک سرپلس ہونے کی وجہ سے مالی سال 2025 کی پہلی ششماہی کیلئے 1.21 بلین ڈالر کا مجموعی سرپلس یقینی بنا، جو گزشتہ مالی سال کی اسی مدت کے 1.69 بلین ڈالر کے خسارے کے مقابلے میں نمایاں بہتری کا عکاس ہے۔ اس کے علاوہ غیر ملکی ترسیلات میں خاطر خواہ اضافہ کے نتیجے میں زیر جائزہ سال کے دوران ملکی ذخائر گزشتہ سال کے مقابلہ میں دوگنا رہے، جبکہ ڈالر کی شرح مبادلہ میں سال بھر معمولی رد و بدل دیکھنے میں آیا۔

آئی ایم ایف کی توسیعی فنڈ فیسیلیٹی (EFF) کے تحت 1.03 بلین ڈالر کا اجراء اور عالمی بینک سے اگلی دھائی کیلئے 20 بلین ڈالر کے قرضہ پیکیج کی منظوری کے ساتھ ساتھ اسٹیٹ بینک کے ریکارڈ منافع اور برآمدات میں اضافہ نے مالیاتی و بیرونی استحکام، سرمایہ کاروں کے اعتماد میں اضافہ اور معاشی سرگرمیوں کے فروغ میں کلیدی کردار ادا کیا ہے۔

تاہم، نمایاں سٹرکچرل چیلنجز بشمول کم پیداوار اور محدود اقتصادی آسانی، وسائل کی غلط تقسیم اور سازگار ماحول کی کمی اہم خطرہ ہیں۔ پاکستان کے استحکام اور معاشی امکانات کی مضبوطی کیلئے مسلسل اور بھرپور کوششوں کی شدید ضرورت ہے۔ اصلاحاتی ترجیحات میں SOE کے اصلاحاتی ایجنڈے، غلط مراعات میں کمی، تمام کاروبار کیلئے مساوی مواقع کا فروغ، گورننس اور انسداد بدعنوانی کے اداروں کی مضبوطی اور سازگار ماحول کی فراہمی پر عملدرآمد شامل ہے۔ برآمدات میں اضافہ کیلئے شعبہ میں ذخیرہ اندوزی، انفراسٹرکچر، لاجسٹک اور سپلائی چین کی نااہلی سے متعلق بنیادی مسائل کے حل کے علاوہ شکار کی جدید طریقوں اور ڈیجیٹل آلات پر انحصار کرنے کی ضرورت ہے۔

## بین الاقوامی کھاد مارکیٹ:

2024 کے آغاز میں عالمی منڈیوں میں نائٹروجن اور فاسفیٹ کی قیمتیں مستحکم تھیں، حالانکہ مشرق وسطیٰ کی بگڑتی صورتحال میں دستیابی اور قیمتوں میں اتار چڑھاؤ کا خطرہ یاد رکھنا ضروری تھا۔ بحیرہ احمر میں تجارتی جہازوں پر بڑھتے حملوں کے پیش نظر انہیں کیپ آف گڈ ہوپ کی جانب بھیجا گیا، جس سے ترسیلی اخراجات اور وقت میں اضافہ ہوا۔ اس کے ساتھ ساتھ برآمدی کوئی مختص ہونے کی وجہ سے چین سے سپلائی محدود رہی، جس کی وجہ سے گزشتہ سال کے مقابلہ میں 2024 میں 9 فیصد کم ڈی اے پی برآمد ہوئی۔ بچنے والوں کیلئے سازگار حالات کے باوجود سال کے آغاز کی نسبت وسط مئی میں ڈی اے پی کی قیمت 15 فیصد کم کے ساتھ 508 امریکن ڈالر فی میٹرک ٹن رہی۔ تاہم جون میں ہندوستانی درآمد کنندگان کیلئے غیر معاون امدادی قیمت کی وجہ سے اسٹاک میں کمی ہوئی۔ اس کے علاوہ برازیل اور امریکن منڈیاں ایم اے پی کی مسلسل خریداری کی وجہ ایک دوسرے کے خلاف صف آراء رہیں جس سے چند ہفتوں کے قلیل عرصہ میں قیمتوں میں تیزی سے اضافہ ہوا اور سال کے آغاز میں 582 امریکن ڈالر فی میٹرک ٹن سی ایف آر بھارت رہیں اور سال کے اختتام پر 632 امریکن ڈالر فی میٹرک ٹن تک جا پہنچیں۔

بین الاقوامی منڈی میں یورپ کی قیمت میں تیزی کے رجحان کے بعد سال کی ابتداء کے مقابلہ میں فروری کے آخر تک زیادہ طلب کی وجہ سے 20% اضافہ ہوا، مئی کے آغاز میں بھارت میں بلند شاک اور چین کی برآمدی مارکیٹ میں متوقع واپسی سے اس میں 25% تک کمی ہوئی۔ وسط اکتوبر تک قیمتیں مقامی سطح کی بلند ترین حد تک پہنچ گئیں، جس کی بنیادی وجہ مشرق وسطیٰ اور شمالی افریقہ میں امونیا کی محدود سپلائی اور بھارت جیسے ممالک کی جانب سے زیادہ طلب بنی۔

## مقامی کھاد مارکیٹ:

کاشتکاروں کو 750 ارب روپے کا نقصان پہنچانے والے گندم کے بحران سے شروع ہونے والی دباؤ کی شکار کسان معاشیات، کپاس کی پیداوار میں گرمی کی شدید لہر اور تباہ کن بارشوں کی وجہ سے 50 فیصد کی پیداواری کمی اور اجناس کی قیمتوں میں تخفیف کی بدولت سال کے دوران کھاد کی مجموعی کھپت 9.8 ملین میٹرک ٹن رہی جو کہ پچھلے سال کی 10.1 ملین میٹرک ٹن سے 2.9% کم ہے۔

نائٹروجن اور این پی کی فروخت میں سب سے زیادہ کمی مشاہدے میں آئی، جبکہ ڈی اے پی کی کھپت 3.79 فیصد تک بڑھ کر 1.64 ملین میٹرک ٹن رہی جو کہ گزشتہ سال 1.58 ملین میٹرک ٹن رہی۔ این پی کی کھپت گزشتہ سال کے مقابلے میں 18.8 فیصد کم ہوئی اور یہ کھپت گزشتہ سال کے 1,000K میٹرک ٹن کے مقابلہ میں اس سال 813K میٹرک ٹن رہی، گزشتہ سال کی یہ کھپت ایک کلبند رسال میں این پی کی اب تک کی سب سے زیادہ کھپت تھی۔

# KEY PERFORMANCE INDICATORS

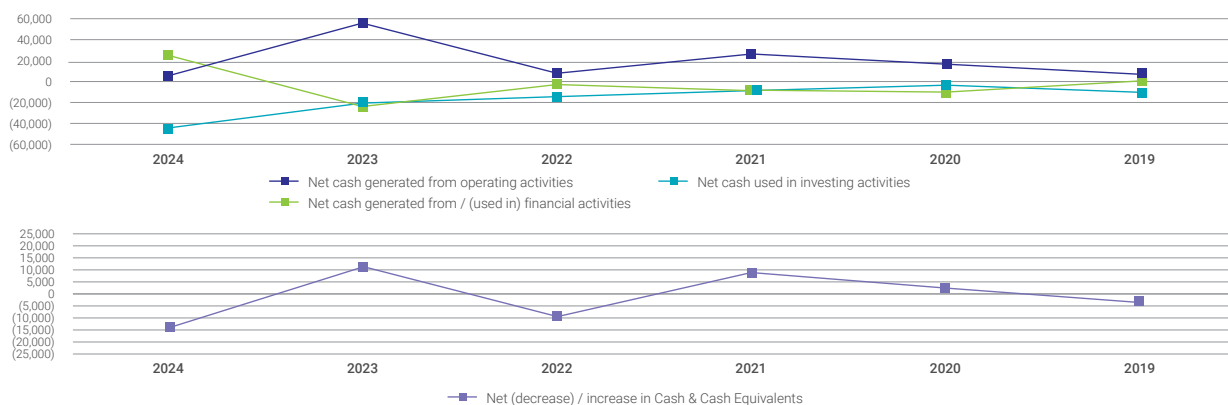
		Consolidated					
	Unit	2024	2023	2022	2021	2020	2019
PROFITABILITY							
Gross profit	%	35.74	31.51	32.98	38.30	40.40	37.22
Operating profit	%	26.71	23.30	21.76	27.26	30.44	27.95
Profit before tax	%	24.46	20.77	19.33	25.06	26.30	22.94
Net profit	%	14.17	9.77	9.21	16.42	18.63	16.10
Return on equity	%	25.24	19.27	13.69	18.43	15.24	15.47
Return on capital employed	%	22.97	18.57	12.96	18.15	14.23	13.47
Return on total assets	%	11.49	9.84	6.30	9.99	8.43	7.78
EBIT	Rs in M	67,916	53,798	34,340	30,191	22,212	20,954
EBITDA	Rs in M	81,165	66,519	39,793	37,840	25,180	23,776
EBTDA	Rs in M	76,082	61,616	36,327	35,833	21,711	20,015
Growth in EBIT	Rs in M	26.24	56.67	13.74	35.92	6.00	12.58
Growth in EBITDA	%	22.02	67.16	5.16	50.28	5.90	7.08
Growth in EBTDA	%	23.48	69.61	1.38	65.05	8.47	(1.79)
Growth in Revenue	%	9.13	47.37	42.01	57.84	(4.93)	46.10
EBITDA Margin to Sales	%	31.59	28.25	24.91	33.64	35.33	31.72
Capital Expenditure to total Assets	%	3.11	2.84	4.08	3.12	1.41	7.34
Shareholders' Funds ratio	%	45.50	51.05	46.01	54.23	55.28	50.29
Return on Shareholders' Funds	%	25.24	19.27	13.69	18.43	15.24	15.47
Growth in earnings	%	58.18	56.37	(20.35)	39.17	9.98	1.31
LIQUIDITY / ACTIVITY							
Current ratio	Times	1.61	1.42	1.22	1.32	1.03	0.88
Quick / Acid test Ratio	Times	0.80	0.81	0.52	0.77	0.50	0.50
Cash and Cash Equivalents to current liabilities	Times	0.10	0.10	0.03	0.14	0.01	0.01
Debt to Assets	Times	0.55	0.49	0.54	0.46	0.45	0.50
Cash from Operations to Sales	Times	0.02	0.24	0.05	0.23	0.23	0.09
Cash flow coverage ratio	Times	0.03	0.49	0.06	0.31	0.24	0.09
Inventory turnover	Times	3.54	4.07	3.34	4.36	3.39	5.34
Stock holding period	Days	102.98	89.59	109.27	83.78	107.63	68.31
Debtors turnover	Times	17.75	19.50	13.63	15.95	12.23	15.34
No of days in receivables	Days	26	16	32	31	23	35
Creditors turnover	Times	3.36	3.29	2.72	3.20	2.31	2.79
No of days in payables	Days	126	120	197	190	213	163
Fixed assets turnover	Times	2.32	2.09	1.36	1.07	0.68	0.74
Total assets turnover	Times	0.81	1.01	0.68	0.61	0.45	0.48
CAPITAL STRUCTURE							
Debt : Equity	Ratio	23.77	7.93	10.90	7.93	9.91	14.86
Interest cover	Times	13.36	10.97	9.91	15.05	6.40	5.57
Financial Leverage	Times	0.45	0.09	0.28	0.14	0.24	0.37
Debt service coverage	Times	11.07	8.00	7.43	4.85	2.60	2.09
Total liabilities to net worth	Times	1.20	0.96	1.17	0.84	0.81	0.99
Weighted average cost of debt	%	16.44	19.83	7.93	7.93	10.61	12.52
INVESTMENT/MARKET							
Market price per share	Rs.	78.28	35.49	33.60	35.99	29.10	26.59
Book value per share	Rs	68.65	56.85	51.19	47.74	41.48	37.15
Market to book value per share	Times	1.14	0.62	0.66	0.75	0.70	0.72
Earnings per share	Rs	17.33	10.96	7.01	8.80	6.32	5.75
Price earning	Times	4.52	3.24	4.80	4.09	4.60	4.63
Dividend per share	Rs	7.00	4.50	3.50	3.50	2.50	2.00
Dividend cover	%	247.58	243.48	200.19	251.35	252.85	287.37
Dividend yield	%	8.94	12.68	10.42	9.72	8.59	7.52
Dividend payout	%	40.39	41.07	49.95	39.79	39.55	34.80

# CASH FLOWS SUMMARY

PKR in million	Consolidated					
	2024	2023	2022	2021	2020	2019
<b>Cash Flows From Operating Activities</b>						
Cash Generated from Operations	37,168	74,874	22,322	31,427	24,988	16,434
Net increase / (decrease) in long term deposits	31	31	157	65	49	4
Finance costs paid	(3,692)	(5,295)	(3,464)	(1,963)	(3,736)	(3,158)
Taxes paid	(28,019)	(13,463)	(10,916)	(2,988)	(4,664)	(6,345)
Employee retirement benefits paid	(190)	(362)	(221)	(242)	(79)	(55)
<b>Net cash generated from operating activities</b>	<b>5,297</b>	<b>55,785</b>	<b>7,878</b>	<b>26,299</b>	<b>16,559</b>	<b>6,879</b>
<b>Cash Flows From Investing Activities</b>						
Fixed capital expenditure	(9,863)	(6,633)	(9,526)	(5,771)	(2,217)	(11,379)
Proceeds from disposal of property, plant & equipment	51	8	31	3	45	2
Long term investments – net	(35,915)	(4,018)	(750)	(600)	–	–
Short term loans to associated companies – net	4,672	(100)	–	(3,758)	–	–
Short term investments – net	(5,682)	(12,305)	(2,702)	(98)	(1,575)	157
Profit received on short term loans and saving accounts	5,421	2,324	1,541	1,977	289	725
Cash and cash equivalents acquired as a result of asset acquisition	–	–	(2,220)	–	–	–
Cash & cash equivalents acquired as a result of acquisition of subsidiary	–	–	(299)	–	–	–
Payment for acquisition of subsidiary – net of bank balance	–	–	(291)	–	–	–
Dividend income received	761	575	308	–	–	–
Net (increase)/decrease in long term loans and deposits	(3,874)	(457)	(532)	(405)	(32)	173
<b>Net cash used in investing activities</b>	<b>(44,429)</b>	<b>(20,606)</b>	<b>(14,440)</b>	<b>(8,652)</b>	<b>(3,489)</b>	<b>(10,322)</b>
<b>Cash Flows From Financing Activities</b>						
Repayment of long term finances	(3,281)	(3,641)	(2,853)	(5,857)	(4,967)	(7,685)
Proceeds from long term finance	39,159	–	5,623	3,920	1,462	4,000
Repayment of short term loans from related parties	(1,626)	–	–	–	–	–
(Repayment of) / proceeds from loan from directors	–	(18)	18	–	–	–
Repayment of lease liabilities	(109)	(88)	(203)	(731)	(354)	(291)
Dividend Paid	(11,535)	(11,016)	(9,087)	(3,507)	(4,349)	(3,554)
Increase / (decrease) in short term finance – net	2,557	(9,096)	3,619	(2,584)	(2,410)	7,428
<b>Net cash generated from / (used in) financing activities</b>	<b>25,165</b>	<b>(23,859)</b>	<b>(2,883)</b>	<b>(8,759)</b>	<b>(10,617)</b>	<b>(102)</b>
<b>Cash Flows From Financing Activities</b>						
Net (decrease) / increase in cash and cash equivalents	(13,966)	11,320	(9,445)	8,888	2,453	(3,545)
Cash and cash equivalents at beginning of the year	7,226	(4,095)	5,350	(3,538)	(5,991)	(2,447)
<b>Cash and cash equivalents at end of the year</b>	<b>(6,741)</b>	<b>7,225</b>	<b>(4,095)</b>	<b>5,351</b>	<b>(3,538)</b>	<b>(5,991)</b>

## Cash Flows from Operating, Investing and Financing Activities

PKR in Million



# Annexures to the Directors' Report

# VERTICAL ANALYSIS

## Statement of Financial Position

	Consolidated											
	2024		2023		2022		2021		2020		2019	
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
<b>Non current assets</b>												
Property, plant and equipment	110,850	35%	112,899	48%	117,220	50%	105,422	57%	104,938	67%	100,721	65%
Intangible assets	195	0%	2,008	1%	3,786	2%	3,609	2%	5,991	4%	5,974	4%
Investment Property	164	0%	165	0%	165	0%	775	0%	756	0%	628	0%
Long term investments	41,889	13%	5,827	2%	1,469	1%	796	0%	202	0%	175	0%
Long term loan to associated Company	–	0%	–	0%	–	0%	1,999	1%	2,999	2%	2,999	2%
Long term advances and deposits	7,530	2%	3,973	2%	3,516	2%	518	0%	114	0%	82	0%
<b>Total non current assets</b>	<b>160,628</b>	<b>51%</b>	<b>124,872</b>	<b>53%</b>	<b>126,157</b>	<b>54%</b>	<b>113,120</b>	<b>61%</b>	<b>114,999</b>	<b>73%</b>	<b>110,577</b>	<b>71%</b>
<b>Current assets</b>												
Stores and Spares	19,235	6%	13,868	6%	15,991	7%	11,566	6%	8,274	5%	7,713	5%
Stock in trade	59,786	19%	33,377	14%	45,775	20%	18,332	10%	13,531	9%	11,518	7%
Trade debts	18,595	6%	10,355	4%	13,794	6%	9,654	5%	4,450	3%	7,207	5%
Short term loans to related parties	428	0%	5,100	2%	5,000	2%	7,000	4%	3,242	2%	3,242	2%
Advances, deposits, prepayments and other receivables	18,083	6%	20,005	9%	19,970	9%	15,636	8%	8,676	6%	11,845	8%
Short term investments	30,744	10%	18,965	8%	4,519	2%	2,243	1%	2,524	2%	530	0%
Advance Income Tax	–	0%	–	0%	–	0%	–	0%	1,305	1%	1,969	1%
Cash and bank balances	9,391	3%	7,338	3%	2,450	1%	7,343	4%	556	0%	515	0%
<b>Total current assets</b>	<b>156,261</b>	<b>49%</b>	<b>109,006</b>	<b>47%</b>	<b>107,499</b>	<b>46%</b>	<b>71,773</b>	<b>39%</b>	<b>42,558</b>	<b>27%</b>	<b>44,539</b>	<b>29%</b>
<b>Total assets</b>	<b>316,889</b>	<b>100%</b>	<b>233,878</b>	<b>100%</b>	<b>233,656</b>	<b>100%</b>	<b>184,893</b>	<b>100%</b>	<b>157,557</b>	<b>100%</b>	<b>155,116</b>	<b>100%</b>
<b>Capital and reserves</b>												
Issued, subscribed and paid up capital	21,000	7%	21,000	9%	21,000	9%	21,000	11%	21,000	13%	21,000	13%
Reserves	123,169	39%	98,386	42%	86,501	37%	79,263	43%	66,103	42%	57,008	37%
<b>Total capital and reserves</b>	<b>144,169</b>	<b>45%</b>	<b>119,386</b>	<b>51%</b>	<b>107,501</b>	<b>46%</b>	<b>100,263</b>	<b>54%</b>	<b>87,103</b>	<b>55%</b>	<b>78,008</b>	<b>50%</b>
<b>Non current Liabilities</b>												
Long term finances	42,291	13%	5,866	3%	8,766	4%	5,172	3%	3,114	2%	6,254	4%
Subordinated redeemable preference Class A shares	1,714	1%	1,473	1%	1,266	1%	–	0%	–	0%	–	0%
Lease liabilities	649	0%	115	0%	163	0%	1,437	1%	1,901	1%	279	0%
Deferred taxation	27,656	9%	27,534	12%	24,692	11%	20,274	11%	19,542	12%	19,069	12%
Deferred liabilities	2,848	1%	2,451	1%	2,966	1%	3,248	2%	4,635	3%	873	1%
Long term deposits	498	0%	467	0%	435	0%	175	0%	110	0%	61	0%
<b>Total non current liabilities</b>	<b>75,656</b>	<b>24%</b>	<b>37,906</b>	<b>16%</b>	<b>38,289</b>	<b>16%</b>	<b>30,307</b>	<b>16%</b>	<b>29,303</b>	<b>19%</b>	<b>26,536</b>	<b>17%</b>
<b>Current liabilities</b>												
Trade and other payables	61,804	20%	57,352	25%	59,652	26%	38,469	21%	22,871	15%	26,484	17%
Accrued finance cost	1,843	1%	571	0%	1,144	0%	307	0%	451	0%	837	1%
Income tax payable	9,662	3%	11,405	5%	3,170	1%	4,968	3%	–	0%	–	0%
Short term finance – secured	19,515	6%	938	0%	16,467	7%	6,466	3%	11,444	7%	16,265	10%
Short term loans from related parties	–	0%	1,626	1%	1,626	1%	–	0%	–	0%	–	0%
Loan from Directors	–	0%	–	0%	18	0%	–	0%	–	0%	–	0%
Unclaimed dividend	71	0%	56	0%	46	0%	1,784	1%	41	0%	190	0%
Payable to Privatization Commission of Pakistan	2,198	1%	2,198	1%	2,198	1%	–	0%	–	0%	–	0%
Current portion of long term liabilities	1,972	1%	2,441	1%	3,543	2%	2,329	1%	6,345	4%	6,796	4%
<b>Total current liabilities</b>	<b>97,064</b>	<b>31%</b>	<b>76,586</b>	<b>33%</b>	<b>87,865</b>	<b>38%</b>	<b>54,323</b>	<b>29%</b>	<b>41,151</b>	<b>26%</b>	<b>50,572</b>	<b>33%</b>
<b>Total liabilities and equity</b>	<b>316,889</b>	<b>100%</b>	<b>233,878</b>	<b>100%</b>	<b>233,656</b>	<b>100%</b>	<b>184,893</b>	<b>100%</b>	<b>157,557</b>	<b>100%</b>	<b>155,116</b>	<b>100%</b>



# HORIZONTAL ANALYSIS

## Statement of Financial Position

	Consolidated										
	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019
	Rs M	Change	Rs M	Change	Rs M	Change	Rs M	Change	Rs M	Change	Rs M
Non current Assets											
Property, plant and equipment	110,850	-2%	112,899	-4%	117,220	11%	105,422	0%	104,938	4%	100,721
Intangible assets	195	-90%	2,008	-47%	3,786	5%	3,609	-40%	5,991	0%	5,974
Investment Property	164	-1%	165	-1%	165	-79%	775	3%	756	20%	628
Long term investments	41,889	619%	5,827	297%	1,469	85%	796	295%	202	15%	175
Long term loan to associated Company	-	0%	-	0%	-	-100%	1,999	-33%	2,999	0%	2,999
Long term advances and deposits	7,530	89%	3,973	13%	3,516	578%	518	356%	114	39%	82
Total non current assets	160,628	29%	124,872	-1%	126,157	12%	113,120	-2%	114,999	4%	110,577
Current assets											
Stores and Spares	19,235	39%	13,868	-13%	15,991	38%	11,566	40%	8,274	7%	7,713
Stock in trade	59,786	79%	33,377	-27%	45,775	150%	18,332	35%	13,531	17%	11,518
Trade debts	18,595	80%	10,355	-25%	13,794	43%	9,654	117%	4,450	-38%	7,207
Short term loans to related parties	428	-92%	5,100	2%	5,000	-29%	7,000	116%	3,242	0%	3,242
Advances, deposits, prepayments and other receivables	18,083	-10%	20,005	0%	19,970	28%	15,636	80%	8,676	-27%	11,845
Short term investments	30,744	62%	18,965	320%	4,519	101%	2,243	-11%	2,524	376%	530
Advance Income Tax	-	0%	-	0%	-	0%	-	-100%	1,305	-34%	1,969
Cash and bank balances	9,391	28%	7,338	200%	2,450	-67%	7,343	1221%	556	8%	515
Total current assets	156,261	43%	109,006	1%	107,499	50%	71,773	69%	42,558	-4%	44,539
Total assets	316,889	35%	233,878	0%	233,656	26%	184,893	17%	157,557	2%	155,116
Capital and reserves											
Issued, subscribed and paid up capital	21,000	0%	21,000	0%	21,000	0%	21,000	0%	21,000	0%	21,000
Reserves	123,169	25%	98,386	14%	86,501	9%	79,263	20%	66,103	16%	57,008
Total capital and reserves	144,169	21%	119,386	11%	107,501	7%	100,263	15%	87,103	12%	78,008
Non current liabilities											
Long term finances	42,291	621%	5,866	-33%	8,766	69%	5,172	66%	3,114	-50%	6,254
Subordinated redeemable preference Class A shares	1,714	16%	1,473	16%	1,266	100%	-	0%	-	0%	-
Lease liabilities	649	463%	115	-29%	163	-89%	1,437	-24%	1,901	582%	279
Deferred taxation	27,656	0%	27,534	12%	24,692	100%	20,274	4%	19,542	2%	19,069
Deferred liabilities	2,848	16%	2,451	-17%	2,966	-9%	3,248	-30%	4,635	431%	873
Long term deposits	498	7%	467	7%	435	149%	175	59%	110	80%	61
Total non current liabilities	75,656	100%	37,906	-1%	38,289	26%	30,307	3%	29,303	10%	26,536
Current liabilities											
Trade and other payables	61,804	8%	57,352	-4%	59,652	55%	38,469	68%	22,871	-14%	26,484
Accrued finance cost	1,843	223%	571	-50%	1,144	272%	307	-32%	451	-46%	837
Income tax payable	9,662	-15%	11,405	260%	3,170	-36%	4,968	0%	-	0%	-
Short term finance - secured	19,515	1981%	938	-94%	16,467	155%	6,466	-43%	11,444	-30%	16,265
Short term loans from related parties	-	-100%	1,626	0%	1,626	100%	-	0%	-	0%	-
Loan from Directors	-	0%	-	-100%	18	100%	-	0%	-	0%	-
Unclaimed dividend	71	27%	56	20%	46	-97%	1,784	4266%	41	-78%	190
Payable to Privatization Commission of Pakistan	2,198	0%	2,198	0%	2,198	100%	-	0%	-	0%	-
Current portion of long term liabilities	1,972	-19%	2,441	-31%	3,543	52%	2,329	-63%	6,345	-7%	6,796
Total current liabilities	97,064	27%	76,586	-13%	87,865	62%	54,323	32%	41,151	-19%	50,572
Total liabilities and equity	316,889	35%	233,878	0%	233,656	26%	184,893	17%	157,557	2%	155,116

# VERTICAL ANALYSIS

## Statement of Profit or Loss

	Consolidated											
	2024		2023		2022		2021		2020		2019	
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Sales	256,920	100%	235,423	100%	159,745	100%	112,488	100%	71,267	100%	74,964	100%
Cost of sales	(165,103)	-64%	(161,240)	-68%	(107,067)	-67%	(69,404)	-62%	(42,473)	-60%	(47,065)	-63%
<b>Gross profit</b>	<b>91,817</b>	<b>36%</b>	<b>74,183</b>	<b>32%</b>	<b>52,678</b>	<b>33%</b>	<b>43,084</b>	<b>38%</b>	<b>28,795</b>	<b>40%</b>	<b>27,899</b>	<b>37%</b>
Distribution cost	(14,407)	-6%	(10,532)	-4%	(8,054)	-5%	(5,049)	-4%	(3,891)	-5%	(3,800)	-5%
Administrative expenses	(10,437)	-4%	(8,280)	-4%	(6,047)	-4%	(3,900)	-3%	(3,369)	-5%	(2,779)	-4%
	<b>66,973</b>	<b>26%</b>	<b>55,370</b>	<b>24%</b>	<b>38,577</b>	<b>24%</b>	<b>34,136</b>	<b>30%</b>	<b>21,535</b>	<b>30%</b>	<b>21,320</b>	<b>28%</b>
Finance cost	(5,083)	-2%	(4,902)	-2%	(3,465)	-2%	(2,007)	-2%	(3,469)	-5%	(3,761)	-5%
Other operating expenses	(10,773)	-4%	(7,752)	-3%	(6,409)	-4%	(4,677)	-4%	(1,678)	-2%	(1,480)	-2%
	<b>51,117</b>	<b>20%</b>	<b>42,716</b>	<b>18%</b>	<b>28,702</b>	<b>18%</b>	<b>27,452</b>	<b>24%</b>	<b>16,389</b>	<b>23%</b>	<b>16,079</b>	<b>21%</b>
Other income	12,502	5%	7,228	3%	2,667	2%	1,210	1%	1,810	3%	1,090	1%
Share of (loss) / profit from Associate	(88)	0%	(1)	0%	(68)	0%	-	0%	27	0%	25	0%
(Loss) / gain on remeasurement of GIDC	(70)	0%	(220)	0%	(311)	0%	(368)	0%	878	1%	-	0%
Loss allowance on subsidy receivable from GoP	(628)	0%	(826)	0%	(115)	0%	(110)	0%	(360)	-1%	-	0%
<b>Profit before tax</b>	<b>62,834</b>	<b>24%</b>	<b>48,896</b>	<b>21%</b>	<b>30,874</b>	<b>19%</b>	<b>28,185</b>	<b>25%</b>	<b>18,743</b>	<b>26%</b>	<b>17,193</b>	<b>23%</b>
Taxation	(26,439)	-10%	(25,887)	-11%	(16,161)	-10%	(9,711)	-9%	(5,468)	-8%	(5,123)	-7%
<b>Profit for the year</b>	<b>36,395</b>	<b>14%</b>	<b>23,008</b>	<b>10%</b>	<b>14,714</b>	<b>9%</b>	<b>18,474</b>	<b>16%</b>	<b>13,275</b>	<b>19%</b>	<b>12,070</b>	<b>16%</b>

# HORIZONTAL ANALYSIS

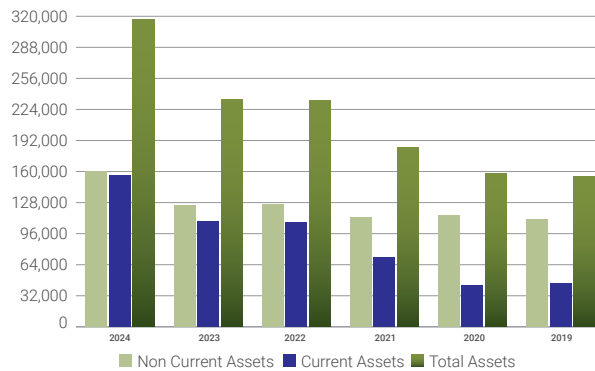
## Statement of Profit or Loss

	Consolidated											
	2024	24 vs 23	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	
	Rs M	Change	Rs M	Change	Rs M	Change	Rs M	Change	Rs M	Change	Rs M	
Sales	256,920	9%	235,423	47%	159,745	42%	112,488	58%	71,267	-5%	74,964	
Cost of sales	(165,103)	2%	(161,240)	51%	(107,067)	54%	(69,404)	63%	(42,473)	-10%	(47,065)	
<b>Gross profit</b>	<b>91,817</b>	<b>24%</b>	<b>74,183</b>	<b>41%</b>	<b>52,678</b>	<b>22%</b>	<b>43,084</b>	<b>50%</b>	<b>28,795</b>	<b>3%</b>	<b>27,899</b>	
Distribution cost	(14,407)	37%	(10,532)	31%	(8,054)	60%	(5,049)	30%	(3,891)	2%	(3,800)	
Administrative expenses	(10,437)	26%	(8,280)	37%	(6,047)	55%	(3,900)	16%	(3,369)	21%	(2,779)	
	<b>66,973</b>	<b>21%</b>	<b>55,370</b>	<b>44%</b>	<b>38,577</b>	<b>13%</b>	<b>34,136</b>	<b>59%</b>	<b>21,535</b>	<b>1%</b>	<b>21,320</b>	
Finance cost	(5,083)	4%	(4,902)	41%	(3,465)	73%	(2,007)	-42%	(3,469)	-8%	(3,761)	
Other operating expenses	(10,773)	39%	(7,752)	21%	(6,409)	37%	(4,677)	179%	(1,678)	13%	(1,480)	
	<b>51,117</b>	<b>20%</b>	<b>42,716</b>	<b>49%</b>	<b>28,702</b>	<b>5%</b>	<b>27,452</b>	<b>68%</b>	<b>16,389</b>	<b>2%</b>	<b>16,079</b>	
Other income	12,502	73%	7,228	171%	2,667	120%	1,210	-33%	1,810	66%	1,090	
Share of (loss) / profit from Associate	(88)	6135%	(1)	-98%	(68)	100%	-	-100%	27	9%	25	
(Loss) / gain on remeasurement of GIDC	(70)	-68%	(220)	-29%	(311)	-15%	(368)	-142%	878	100%	-	
Loss allowance on subsidy receivable from GoP	(628)	-24%	(826)	621%	(115)	5%	(110)	-70%	(360)	100%	-	
<b>Profit Before Tax</b>	<b>62,834</b>	<b>29%</b>	<b>48,896</b>	<b>58%</b>	<b>30,874</b>	<b>10%</b>	<b>28,185</b>	<b>50%</b>	<b>18,743</b>	<b>9%</b>	<b>17,193</b>	
Taxation	(26,439)	2%	(25,887)	60%	(16,161)	66%	(9,711)	78%	(5,468)	7%	(5,123)	
<b>Profit for the year</b>	<b>36,395</b>	<b>58%</b>	<b>23,008</b>	<b>56%</b>	<b>14,714</b>	<b>-20%</b>	<b>18,474</b>	<b>39%</b>	<b>13,275</b>	<b>10%</b>	<b>12,070</b>	

# GRAPHICAL PRESENTATION

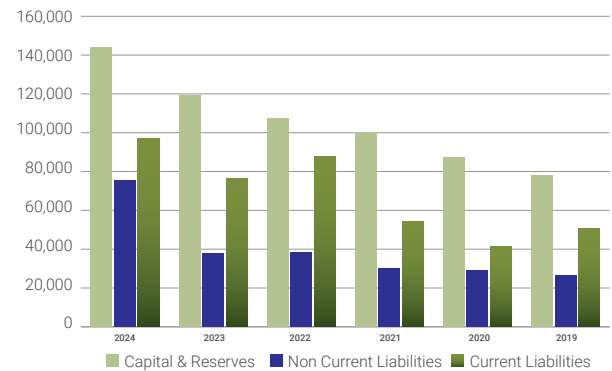
## Balance Sheet Analysis (Assets)

Rs in Million



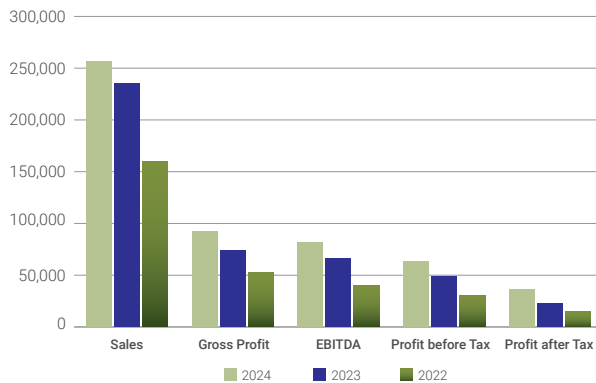
## Balance Sheet Analysis (Equity & Liabilities)

Rs in Million



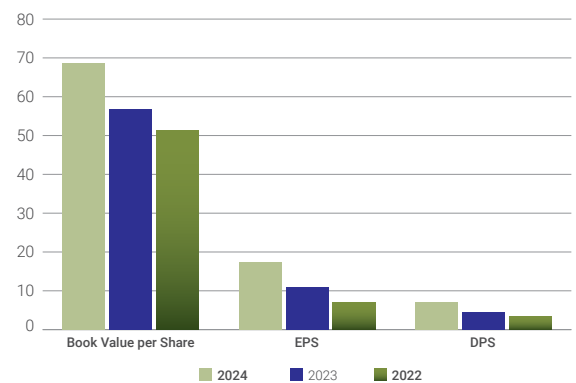
## Profit or Loss

Rs in Million



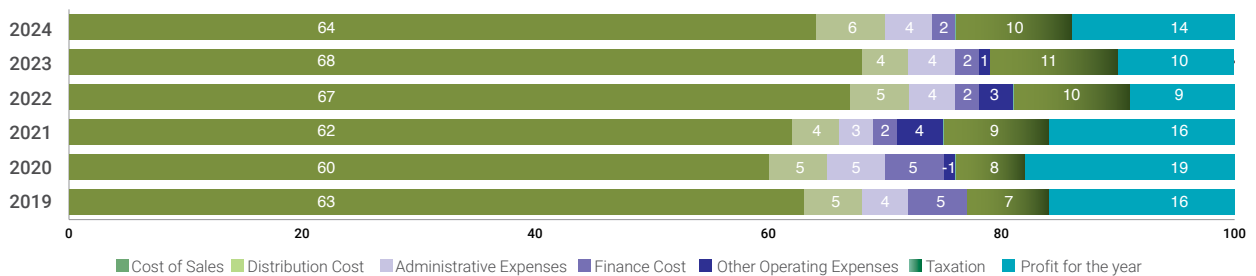
## Book Value, Earnings & Dividend Per Share

Rs



## Profit and Loss Analysis

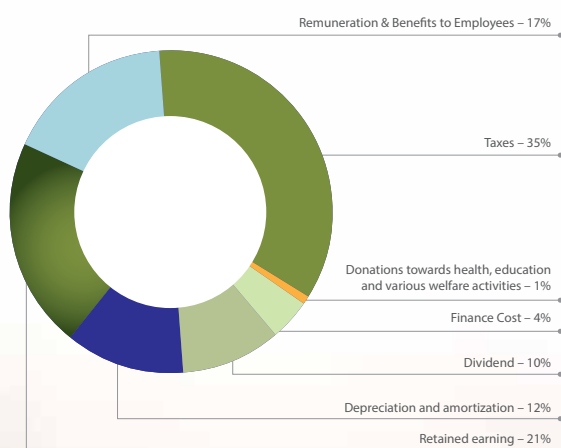
Percentage



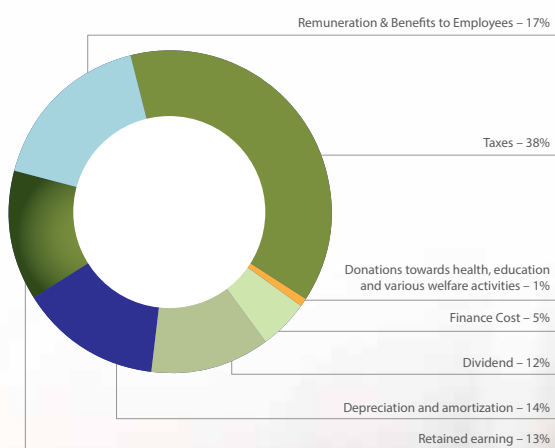
# STATEMENT OF ECONOMIC VALUE ADDITION

	2024		2023		2022	
	PKR Million	%	PKR Million	%	PKR Million	%
<b>Wealth Generated</b>						
Sales Including GST	271,556	232.8%	244,468	265.8%	161,625	297.8%
Other Income	11,717	10.0%	6,179	6.7%	2,173	4.0%
	283,273	242.9%	250,647	272.5%	163,798	301.8%
Materials & Services Bought In	166,644	142.9%	158,662	172.5%	109,522	201.8%
Economic Value Addition	116,629	100.0%	91,985	100.0%	54,275	100.0%
<b>Wealth Distributed</b>						
Remuneration & Benefits to Employees	19,792	17.0%	15,527	16.9%	11,581	21.3%
Taxes	41,075	35.2%	34,932	38.0%	18,040	33.2%
Donations towards health, education and various welfare activities	1,036	0.9%	896	1.0%	1,021	1.9%
Finance Cost	5,083	4.4%	4,902	5.3%	3,465	6.4%
Dividend on ordinary and preference shares	11,550	9.9%	11,025	12.0%	7,350	13.5%
<b>Retained for future growth</b>						
Depreciation	13,249	11.4%	12,721	13.8%	5,453	10.0%
Retained earning	24,845	21.3%	11,983	13.0%	7,364	13.6%
	116,629	100.0%	91,985	100.0%	54,275	100.0%

2024 Percentage



2023 Percentage



# SWOT ANALYSIS

## Strengths:

1. Diversified and distinguished product portfolio (Urea, NP & CAN / value added products)
2. Strong financial standings with healthy cash flows
3. Skilled and experienced technical, engineering and support teams
4. Operational excellence in terms of service factor and safety standards
5. Strategically located facilities augmenting farmer outreach
6. High performing farmer technical support teams for unique farmer and customer services
7. Reputation as a socially responsible Company



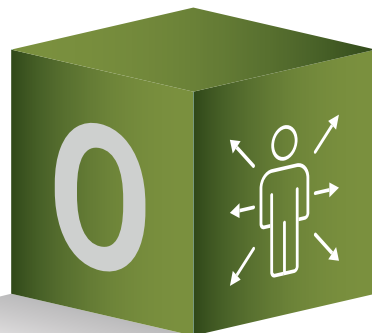
## Weaknesses:

1. Limited suppliers for key raw materials
2. Logistic support still evolving



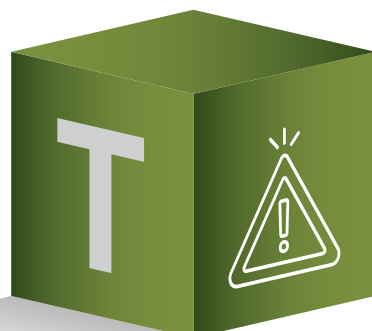
## Opportunities

1. Business diversification - local and international markets
2. Agrarian Economy having substantial growth potential
3. High tech mechanized / precision agriculture – corporate farming
4. Fintech and crop insurance
5. Digitization of business processes



## Threats

1. Uncertain Government policy outlook particularly regarding the fertilizer sector
2. Shortage of gas and diminishing gas reserves
3. Weak economic situation of farmers
4. Volatile Tax Regime and Long pending tax refunds
5. Supply chain disruptions due to Global events
6. Climate change disrupting fertilizer consumption





# CORPORATE GOVERNANCE

## Identification of Risks

Managing risk effectively has always been a touchstone of most successful companies. Like any commercial organization which operates in the market, Fatima is exposed to multiple risks; the most significant ones are identified in the following sections. The Company is fully aware of the uncertainties attached with these risks and thus has designed prudent strategies to mitigate them. In today's risk filled business environment, the Strategic, Commercial, Operational and Financial risks can arise from uncertainties not only from our business environment but also from key business decisions.

**Strategic Risk:** Strategic risks can emanate from internal or external events and scenarios that inhibit or prevent an organization from achieving its strategic objectives. Broadly strategic risks emerge from business strategy decisions. This form of risks can affect an entity's performance by giving rise to challenges that may consequently cause a particular business strategy to produce unexpected results.

**Commercial Risk:** Commercial risks are related to the commercial operations of the entity. These may arise from circumstances that affect the business and/or product viability of the entity, thus impairing the shareholders' value proposition.

**Operational Risk:** Operational risk is the risk that operations are inefficient and ineffective in executing the entity's business model, satisfying customers and achieving entity's quality, cost and time performance objectives.

**Financial Risk:** Financial risk is the risk that cash flows and other monetary risks are not managed cost-effectively to (a) maximize cash availability, (b) reduce uncertainty of currency, interest rate, credit and other risks, or (c) move cash funds quickly and without loss of value to wherever they are needed most.

**Risk Mitigation Strategies:** The Company's Risk Mitigation Strategy includes reduction of the likelihood that a risk event will occur and/or reduction of the impact of a risk event if it does occur. For this purpose, the Board, through its Audit Committee and Risk Committee, reviews the potential risks and the adequacy of internal controls and risk management procedures.

Also, Structured Policies and Procedures for each department, as 1st Line of Defense, exhibit an imperative component of the Company's risk governance framework and ensure adequate management of financial, operational and compliance risks. In addition, Senior management assesses these risks and places appropriate controls in order to mitigate and respond thereto through preventive, detective and corrective actions, where required.

Further, as 2nd line of defense, an Enterprise Risk Management (ERM) function is operating to oversee all the business risks and develop appropriate and effective mitigation strategies. In this regard, for efficient monitoring, a detailed Risk profiling matrix and complete adherence to Risk Management Dimension/Practices have been implemented at the Company, as per ERM framework and best practices.

## Issues Raised in the Last AGM

Queries of the shareholders were properly addressed on the Company's published audited financial statements and other agenda items during the 21<sup>st</sup> Annual General Meeting held on April 29, 2024 and no significant issues were raised.

## Review of Related Party Transactions

The Code requires the Company to place before the Audit Committee, and upon recommendation of Audit Committee, place before the Board of Directors for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. The Company has duly ensured compliance of this requirement and has obtained approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. The related party transactions are also presented before the shareholders in each annual general meeting of the Company for their approval/ratification.

## Policy and Procedure for Stakeholders' Engagement

Fatima believes in a collaborative long term relationship with its stakeholders at all levels. The Company treats its shareholders as its partners and ensures that all possible means of effective communication/engagement are adapted to bring them up to date with disclosures and other valuable information.

The following table elaborates how Fatima engages its stakeholders. These stakeholders have been identified based on, firstly, their influence on the Company, and secondly, their dependence on the Company.

Stakeholders	Why do we Engage	Nature of Engagement	Frequency	Value Added
<b>Institutional Investors / Lenders</b>	To further strengthen Fatima's image by maintaining a professional and transparent relationship	1. Investor Meetings 2. Financial reporting 3. Head Office / Plant visits 4. Circulation of Minutes 5. Circulation of Company Reports	1. As and when required 2. Periodic Basis 3. As and when required 4. Periodic Basis 5. Periodic Basis	Financing requirements are met for expansion projects
<b>Customers</b>	1. Enhance farmer knowledge base about technological advancements in Agri sector 2. Educate farmer about potential benefits of balanced fertilizer use	1. Farmer call center 2. Farmer education events 3. Demonstration plots 4. Corporate website 5. Effective reward system place for customers and distributors 6. Office meetings	1. Continuous 2. Occasionally 3. Continuous 4. Continuous 5. Occasionally 6. Occasionally	1. Valuable feedback helps in understanding what farmers want 2. Helps in bridging the gap between farmers and Company
<b>Media</b>	To benefit from the most effective means of communication with our customers and other stakeholders	1. Advertisements through print and electronic media campaigns 2. Announcements through Company website and social media	1. Continuous 2. Continuous	1. Helps in building Company's image, resulting in maximizing shareholders wealth 2. Engagement of all stakeholders
<b>Employees</b>		1. Sale and other events 2. Cultural activities 3. Trainings 4. Workshops	1. Annually 2. Occasionally 3. Annually 4. As and when required	Satisfied and engaged employees become valuable assets for the Company resulting in higher efficiency and productivity
<b>Shareholders</b>	1. Timely delivery of material and price sensitive information in a transparent manner 2. To address concerns and queries in a timely manner	1. Annual general meetings 2. Annual report 3. Quarterly reports 4. One-on-One meetings with investors 5. Investor relations section on website	1. Annually 2. Annually 3. Quarterly 4. As and when required 5. Continuous	1. Results in the stock price trading at intrinsic value 2. To encourage equity participation in expansion project
<b>Regulators</b>	1. Ensure full compliance with legal and regulatory requirements 2. To develop and sustain transparent means of communication with the regulator	1. Filing of statutory returns 2. Annual / Quarterly reports submission 3. Written communication with respect to queries 4. One-on-one meetings with representatives of regulators	1. Periodic basis 2. As and when required 3. As and when required 4. As and when required	1. Full compliance leads to positive projection of Company's image, in turn maximizing shareholders' value 2. Responsible corporate citizen

## Investor Relations Section on the Corporate Website

Comprehensive information and a dedicated investor relations section is available on our corporate website i.e. [www.fatima-group.com/fatimafertilizer](http://www.fatima-group.com/fatimafertilizer) for its investors to facilitate existing and prospective investor queries and concerns with regards to information related to financial results and highlights, financial calendar, and share value. Moreover, the investor relations desk at Fatima ensures that the information under this section is updated on regular basis, by complying with the guidelines provided by SECP. Investors can also use the investor relations desk to contact the Company for any grievance using the email; [investor.relations@fatima-group.com](mailto:investor.relations@fatima-group.com)

## Annual Report Accessibility

Annual and quarterly reports are available on the corporate website at (<http://fatima-group.com/ffcl/>)

## Investor Grievance Policy

Fatima's core values stress on ethical business practices with transparency and accountability, devoted investor service and frugal productive policies since commencement. As one of the leading fertilizer company, we believe in establishing and preserving interests of our investors. Therefore, the Investors' Grievance Policy has been drafted with the sole purpose to protect the interests of the investors.

### Process:

1. All investor grievances received are handled by an Investor Relations Officer at the Corporate Head Office. An email ID i.e. [investor.relations@fatima-group.com](mailto:investor.relations@fatima-group.com) has been created for this purpose and is also mentioned on the Company's website.
2. Investors can lodge their complaints by sending via soft copy on the said email ID and can also send their complaints / grievances via hard copy addressed to Corporate Head Office.
3. All investor grievances that are received are incorporated in the Register of Grievance and are appropriately considered and action is initiated immediately.
4. The complainant is informed about the time that the compliance department will take to resolve within a span of 5–7 working days from the date of receipt of grievance / complaints, as the case may be.
5. The Investor Relation's Officer ensures that all complaints / grievances and recorded in the Register of Grievance and resolved within the stipulated time period and its record is kept for future reference.

## Annual Evaluation of Board's Performance

Fatima constantly finds ways to make its directors become more strategic, make better decisions and be seen to be undertaking best practice governance. The primary purpose of this exercise is for our board members to want to be even better at what they do. Board performance is assessed by the Pakistan Institute of Corporate Governance (PICG) annually. The annual evaluation encompasses the following broad areas:

- Board Composition
- Board Committees
- Board Procedures
- Board Interaction
- Strategic Planning
- Board and CEO Effectiveness

- Board Information
- Board and CEO Compensation

The Board assesses the effectiveness of its own collective working and that of its individual members. Board evaluations are based around directors rating the board as collective. This represents a true picture as rating is done on a series of questions related to their responsibilities and functions as a Board. As part of this exercise, Capabilities and Constraints are identified and the next part involves the Board members meeting and discussing the findings of the data gathered and analysis to reach an agreement on governance challenges facing the Board and the development of appropriate action plans designed to address the problems. The results are then compiled and analyzed, and the report is delivered to the Chairman. The results also serve as a benchmark for Fatima for the next time a board evaluation is held. It helps the Company to gauge whether improvements which were suggested in the last report were taken forward and changes were implemented or not.

## Role and Responsibilities of the Chairman and Chief Executive

The role of the Chairman and the Chief Executive are segregated and they have distinct responsibilities.

The Chairman of the Board has responsibilities and powers vested in him by law and the Articles of Association of the Company, as well as duties assigned to him by the Board. In particular, the Chairman coordinates the activities of the Board and presides over the meetings of the Board of Directors and shareholders. The Chairman also controls all meetings procedures and processes, guiding discussion and decision making along with enhancing relations with members and staff. The Chairman's role and responsibilities are briefly described as under:

- I. Leadership and control of Board of Directors;
- II. Ensuring that the Board as a whole plays an effective role in the determination of the Company strategy and overall business objectives;
- III. Guardian of the Board's decision making process;
- IV. Promoting highest level of morale, integrity, excellence, corporate governance and ethics to assure investors that the money invested by them is put to appropriate and profitable use;
- V. Approval of Company policies;
- VI. Approves risk mitigation plan; and
- VII. Leads and motivates CEO and Management Team.

The Chief Executive Officer (CEO) is responsible for all day to day management decisions and ensures that effective internal controls and management information systems are in place. The CEO also communicates on behalf of the Company to shareholders, employees, Government authorities, other

stakeholders and the public. The primary role and responsibilities of the CEO are given as under:

- I. Effective running of the Company affairs;
- II. Development of Company's strategy and business objectives;
- III. Conducting the affairs of the Company with the highest standards of integrity and Corporate Governance;
- IV. Policy formulation;
- V. Risk assessment and risk management; and
- VI. Sound financial management

## Conflicts of Interests Relating to Members of the Board and How Such Conflicts are Managed

Fatima's Board of Directors is held to the highest level of conflict of interest standards, as members have ultimate responsibility for all activities of the Company and have the highest public visibility as representatives. Conflict of Interest Policy for its Board of Directors provides general guidelines on avoiding conflicts of interest with the Company. The Board has adopted the following policies and procedures with respect to any potential or actual conflict of interest involving directors:

**Policy:** A director owes certain fiduciary duties, including the duties of loyalty, diligence, and confidentiality to Fatima, which requires a director to act in good faith on behalf of Fatima and to exercise the powers conferred upon his / her by its shareholder's interest and not for him / her own or others' interest.

**Disclosure:** A director shall promptly disclose to the Board any personal or outside interest, relationship or responsibility (financial, professional or otherwise) held by the director with respect to any potential or actual transaction, agreement or other matter which is or may be presented to the Board for consideration, even if such interest, relationship or responsibility has otherwise generally been disclosed to Fatima or the Board.

**Board Action:** For any potential conflict, the Board, with the abstention of the interested director, may decide whether such director may participate in any reporting, discussion or vote on the issue that gave rise to the potential conflict.

## Whistle Blowing Policy

Fatima encourages its associates to raise a matter at any appropriate time. To give guidance on how to raise concerns, a "Whistle Blowing Policy and Procedure" is in place which is primarily for concerns where, due to malpractice, fraud, abuse or other inappropriate acts / omissions, the interest of Fatima or its associates is at risk. The objective of having this policy is to ensure that employees highlight and share any suspicious or illegal act being carried out to harm the Company immediately or in the long run so that damages caused to the Company, if any, are minimized. The scope of the Whistle Blowing Policy covers the concerns for behavior / practice conflicting with the principles set out in Fatima's Code of Conduct.

## Formal Orientation at the induction of New Directors and Director's Training Program from Institutes approved from SECP

The Company is fully aware of the requirement of the Code of Corporate Governance. Directors having the requisite experience and qualifications are exempt from the Directors' Training Program. Furthermore, appropriate arrangements are made by Fatima for detailed orientation of new Directors to familiarize them with their duties and responsibilities. A formal acclimatization program primarily includes amongst other things giving briefings relating to the Company's visions and strategies, the Company's core competencies, organizational structure, role and responsibility of the director as per the Companies' Act, including the Code of Corporate Governance and any other regulatory laws applicable in Pakistan.

## Share Price Sensitivity Analysis

Share price of the Company can be influenced by variable internal and external factors, some of which are discussed in the table below:

Factor	Change	Impact on Share Price
Sales Volume	Increase	Would lead to economies of scales resulting in higher profitability leaving a positive impact on the share price through higher EPS
Cost of Raw Material	Increase	Would negatively affect the profitability which in turn would have a negative impact of the share price
Discount Rate	Increase	Finance cost of the Company would increase, impacting the shareholder value negatively. Thus lower EPS would negatively affect share price.
Government Policies	Increase in political stability	Would lead to consistent policies resulting in higher confidence of buyers and investors. Share price may move upwards in times of political stability.

# NOTICE OF THE 22<sup>nd</sup> ANNUAL GENERAL MEETING

**Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the shareholders of FATIMA FERTILIZER COMPANY LIMITED will be held on Friday, April 18, 2025, at 11:00 a.m. at Avari Hotel 87-Shahrah-e-Quaid-e-Azam, Lahore as well as through electronic means to transact the following business:**

## Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on April 29, 2024, and the Extraordinary General Meeting held on January 21, 2025.
2. 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 Auditors' Reports thereon and the Chairman's review report.

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

<https://fatima-group.com/financial-reports/>





3. To consider and approve the final cash dividend for the year ended December 31, 2024, at Rs 4.25 per share i.e., 42.5% as recommended by the Board of Directors. This is in addition to the interim dividend already paid during the year at Rs. 2.75 per share i.e., 27.5%, thus making a total cash dividend of Rs. 7.00 per share i.e., 70% for the year ended December 31, 2024.
4. To appoint Auditors for the year ending December 31, 2025, 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.
7. 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/mid-products/raw material/assets 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 Fatimafert Limited, Fatima Cement Limited, Pakarab Fertilizers Limited, Fatima Packaging Limited, and other such related parties during the year ending December 31, 2025.

**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."

## 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 Annexure-A of the statement of material facts under Section 134(3) of the Companies Act, 2017. 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 ratify and approve the transactions carried out by the Company with related parties for the year ended December 31, 2024, 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, 2024, and as disclosed in Financial Statements for the year ended December 31, 2024, be and are hereby ratified and approved."

8. To consider and if deemed fit, to pass the following Special Resolutions with or without modification(s):

### **Renewal of unutilized equity Investments in REITS under management of Arif Habib Dolmen REIT Management Limited (an associated company):**

**"Resolved,** that the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, for renewal of following unutilized limit of equity investment for REIT Schemes under management of Arif Habib Dolmen REIT Management Limited, for which approval has been sought in previous general meeting, as mentioned in detail in the Annexure-B of statement under Section 134(3) of the Companies Act, 2017, for a period upto next annual general meeting, unless specifically approved for a longer period, and shall be renewable thereon for further period(s) as specified.

Sr. No.	Name of Associated Companies & Undertakings	Renewal requested for unutilized Equity Portion
1.	REITS under management of Arif Habib Dolmen REIT Management Ltd.	Rs 2,250 million

**Resolved further**, that the Chief Executive Officer, any director, Chief Operating Officer, Chief Financial Officer and Company Secretary, be and are hereby authorized singly to take and do, and/or cause to be taken or done, any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company's funds as above, as and when required at the time of investment, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto."

9. To consider and if deemed fit, to pass the following Special Resolutions with or without modification(s):

**Enhancement of Investment in Pakistan Corporate CBD REIT, a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited (AHDRML) (an associated company):**

**"Resolved**, that the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, for enhancement of the limit of investment in Pakistan Corporate CBD REIT, a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited (AHDRML) (an associated company), from Rs 2,000 million to an aggregate amount of Rs 7,500 million, and subject to the terms and conditions as mentioned in the Annexure-C of Statement under Section 134(3) of the Companies Act, 2017.

**Resolved further**, that the Chief Executive Officer, any director, Chief Operating Officer, Chief Financial Officer and Company Secretary, be and are hereby authorized singly to take and do, and/or cause to be taken or done, any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company's funds as above, as and when required at the time of investment, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto."

10. To consider and if deemed fit, to pass the following Special Resolutions with or without modification(s):

**Ratification /Approval of Investment in Power Cement Limited through open market:**

**"Resolved**, that the investment made by Fatima Fertilizer Company Limited ("the Company") in Power Cement Limited, an associated company, by purchasing up to 50,376,926 shares from the open market for an aggregate net amount of Rs 530,935,497, in accordance with the board's authorization for investment in market securities, be and is hereby ratified and approved in terms of Section 199 of the Companies Act, 2017, and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

**Resolved further**, that the Company be and is hereby authorized to make additional equity investment of up to Rs 200,000,000 in Power Cement Limited, subject to the terms and conditions set out in the Annexure-D of Statement under Section 134(3) of the Companies Act, 2017.

**Resolved further**, that the Chief Executive Officer, any director, Chief Operating Officer, Chief Financial Officer, Company Secretary and Mr. Abbas Mukhtar, Director-CEO Secretariat, be and are hereby authorized singly to take and do, and/or cause to be taken or done, any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company's funds as above, as and when required at the time of investment, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto."

11. To consider and if deemed fit, to pass the following Special Resolutions with or without modification(s):

**Ratification /Approval of Investment in Aisha Steel Mills Limited through open market:**

**"Resolved**, that the investment made by Fatima Fertilizer Company Limited ("the Company") in Aisha Steel Mills Limited, an associated company, by purchasing up to 3,225,000 shares from the open market for an aggregate net amount of Rs 68,220,293, in accordance with the board's authorization for investment in market securities, be and is hereby ratified and approved in terms of Section 199 of the Companies Act, 2017, and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

**Resolved further**, that the Company be and is hereby authorized to make additional equity investment of up to Rs 50,000,000 in Aisha Steel Mills Limited, subject to the terms and conditions set out in the Annexure-E of Statement under Section 134(3) of the Companies Act, 2017.

**Resolved further**, that the Chief Executive Officer, any director, Chief Operating Officer, Chief Financial Officer, Company Secretary and Mr. Abbas Mukhtar, Director-CEO Secretariat, be and are hereby authorized singly to take and do, and/or cause to be taken or done, any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolutions and to do all acts, matters, deeds, and things which are necessary, incidental and/or consequential to the investment of the Company's funds as above, as and when required at the time of investment, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto."

## 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



**Anil Zia**

Lahore

March 28, 2025

Deputy Company Secretary

## Notes:

1. The Share Transfer Books of the Company will remain closed from April 11, 2025, to April 18, 2025 (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 10, 2025, will be treated in time for the aforesaid purpose.
2. A member entitled to attend and vote may appoint another person 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 17, 2025 till 05:00 p.m. on [cdcsr@cdcsrsl.com](mailto:cdcsr@cdcsrsl.com) or WhatsApp # 0321-820-0864 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 latest by April 17, 2025 till 05:00 p.m, at [corporate.affairs@fatima-group.com](mailto:corporate.affairs@fatima-group.com). 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 Taxpayers 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 23, 2025 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 10, 2025.

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

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 / Postal ballot

Members can exercise their right to poll/postal ballot subject to meeting the requirement of Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website <https://fatima-group.com/wp-content/uploads/2024/02/6.-Postal-Ballot-Paper.pdf> to download.

### Procedure for e-Voting

- Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on April 10, 2025.
- The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- Identity of the Members intending to cast vote through e Voting shall be authenticated through electronic signature or authentication for login.
- Members shall cast vote online at any time from April 14, 2025, 9:00 a.m. to April 17, 2025. Voting shall close on April 17, 2025, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

### Procedure for voting through postal ballot paper

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post on the Company's address at E 110 Khayaban e Jinnah Lahore Cantt. or email corporate.affairs@fatima-group.com one day before the day of poll, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

### Appointment of Scrutinizer

In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s Yousuf Adil Chartered Accountants, (a QCR rated audit firm and external auditors of the Company) 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 Companies (Postal Ballot) Regulations, 2018.

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

The audited financial statements of the Company together with the auditors' report, directors' report and the chairman's review report for the year ended December 31, 2024 (Annual Report) have been made available on the Company's website (<https://fatima-group.com/financial-reports/>). In accordance with the requirements of section 223 of Companies Act 2017, the Company has electronically transmitted the Annual Report through email to shareholders whose email addresses are available with Company's Share Registrar (CDCSRSL). In those cases, where email addresses are not available with Company's Share Registrar (CDCSRSL), Annual Report can be accessed using the weblink and QR enabled code mentioned on the printed notice of the AGM circulated to the members.

## **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.



# MARKETING & SALES REVIEW FY 2024

Fatima Fertilizer's Marketing & Sales department accomplished numerous milestones and achievements during 2024.



For the eighth consecutive year, Fatima Fertilizer continued its support for the premier Pakistan Super League (PSL) by sponsoring the Multan Sultans (MS) franchise, which ended as MS being the runner-up in the 2024 edition. A new anthem, co-produced by Fatima Fertilizer and MS, was released nationwide. Additionally, a new Digital campaign featuring MS players was created to engage the audience on digital platforms. On-ground activities were conducted across South Punjab, complemented by numerous content pieces featuring the players. The PSL campaign garnered 19 million views on Facebook, 6 million views on Instagram, 2 million views on YouTube and 13 million views on TikTok. Other sports partnerships, including tent-pegging, kabaddi and volleyball, were also executed to enhance brand loyalty among the Sarsabz user base.

Sarsabz launched "Sarsabz Dua" during Ramadan with Atif Aslam reciting a rendition of the famous naat "Allah Ho Allah." This campaign was a massive success, receiving 5.6 million views on Facebook, 27million views on YouTube, 16 million views on Instagram and 31 million views on Tiktok, and was appreciated by people from all walks of life, making it one of the brand's most successful initiatives.



On the product development front, we focused on delivering our brand promise of achieving more than 10% higher yields compared to conventional fertilizers. During Kharif, we launched two new rice documentaries showcasing our star farmers' journeys from sowing

to harvest. These documentaries generated significant engagement on digital platforms including 3.5 million views on Facebook, 1.5 million views on YouTube and 10.2 million views on TikTok. We also introduced new farmer testimonials for various crops and executed focused regional campaigns promoting the success of local farmers in their areas. Additionally, we organized over 30 mega technical seminars in collaboration with Federal and Provincial governments across Pakistan with over 18,000 farmers attending these events.

For the Rabi season of 2024, Fatima Fertilizer redefined agricultural advertising with its first-ever product-centric campaign for its flagship products, Sarsabz Nitrophos and Sarsabz CAN. These products symbolize a shift toward sustainable, high-yield fertilizers, reflecting the company's vision to modernize agriculture in Pakistan. The campaign was well-received by the farming community, achieving 8 million views on Facebook, 9 million views on YouTube, and 70 million views on TikTok.

Continuing our legacy of honoring farmers, Fatima Fertilizer celebrated the 6th Kissan Day on December 18, 2024. This national celebration recognized the hard work and commitment of farmers, driving the nation forward. Over the years this platform has become a trailblazer for highlighting farmers rights and problems in government corridors and multiple brands across agriculture and allied industries have started to celebrate the day which is a testament to the success of this campaign.

The Salam Kissan campaign was effectively showcased across traditional and digital media platforms, achieving a remarkable response: 24 million views on Facebook, 2 million on Instagram, 13 million views on YouTube and an impressive 140 million views on TikTok. The main event in Islamabad was attended by the Federal Minister for Food Security & Industries, Director General GCIP, multiple dignitaries, dealers and farmers. We are proud to have established a platform for farmers to gain recognition and influence policymaking, setting a long-term vision for agriculture in Pakistan.

On Pakistan's 76<sup>th</sup> Independence Day, we replayed the campaign "Yeh Haath Salam Hain Jab Tak" on August 14, reinforcing Sarsabz's relationship with the soil and Pakistan, this campaign gathered 14.5 million views on digital media.



Sarsabz continued its flagship program, "Sarsabz Tabeer." Phase two of the training sessions, launched in in collaboration with a USAID-certified trainer, has already benefited over 1,500 women in rural



communities across Pakistan. This program empowers rural women through vocational training in farm food processing and assists them in setting up businesses. It has gained appreciation at both national and international levels.

In trade marketing, the team achieved significant milestones in 2024, reinforcing our leadership position in the Nitrophos market. The Sarsabz Royals Loyalty Program saw record-breaking success, concluding its fifth year with over 1,000 gift redemptions, demonstrating robust engagement and growing loyalty among business partners. The inaugural Sarsabz Royals Family Gala continues to remain a cornerstone initiative for our top business partners and their families.

Our retail visibility efforts were a major highlight, with over 800 retail outlets showcasing innovative displays and concepts. Long-term branding projects were scaled up, setting new benchmarks for modernization in the sector. Multiple brand visibility initiatives,

including in-store and on-store branding, further enhanced awareness and demand generation.

We expanded into new markets in Gilgit Baltistan, broadening our footprint and reaching untapped potential.

### Awards and Recognitions

The year 2023-24 was a year of recognition and celebration, with our efforts acknowledged on several local and international platforms, earning multiple accolades:

#### Salam Kissan

- Black Dragon Award' for Best Social Media Campaign at Dragons of Pakistan 2024
- Best Use of Generative AI in Content Creation' at Pakistan Digital Award 2024





### Sarsabz Tabeer

- Sarsabz Tabeer clinched two awards for its documentary, 'Leveling the Ploughing Field'
- Mad Stars "Crystal" 2024 (Seoul, South Korea)
- Digital Experience of the Year Award' at Asian Experience Award 2024 (Singapore)

### Sarsabz Kahani

- Best Web Series of the Year' at Pakistan Digital Award 2024

### Sarsabz Royals

- ANA B2B Award for outstanding customer experience & innovative business practices at Florida USA 2024

### Sarsabz Connect (HSE App)

- Best Innovated Mobile App' at Pakistan Digital Award 2024

### Brand Recognition

- Sarsabz' was awarded 'Brand of the Year Award' by Brand Icon of the Year

### Sarsabz Agri Mart – Fatima Fertilizer steps into Retail Business

The year marked the successful launch of Sarsabz Agri Mart, an initiative that marks a historic milestone as Fatima Fertilizers opens its company-branded retail outlets, for farmers. It reaffirms our commitment to empowering the farming community with unparalleled access to high-quality fertilizers directly from the company. This innovative project reflects our vision for a more efficient, productive, and digitally-enabled future for agriculture.



### Fatima Fertilizer joins hands with Zarai Taraqati Bank limited

Fatima Fertilizer and Zarai Taraqati Bank Limited (ZTBL) signed a Memorandum of Understanding (MOU), marking a first-of-its-kind partnership in the agriculture industry aimed at improving financial access for smallholder farmers in Pakistan. The MOU was signed by Mr. Asad Murad, Chief Operating Officer of Fatima Fertilizer, and Mr. Tahir Yaqoob Bhatti, President of ZTBL.

This innovative collaboration will leverage digital solutions and outreach programs to enhance financial literacy and facilitate farmer loaning, essential for boosting agricultural productivity. By improving access to credit and financial services, the initiative aims to strengthen the economic conditions of farmers, supporting sustainable agricultural growth and resilience in the region.

### Fatima Fertilizer signs MOU with JazzCash

Fatima Fertilizer and JazzCash signed a Memorandum of Understanding (MOU) to revolutionize the agri-sector payment ecosystem. This collaboration aims to drive financial inclusion and economic empowerment for farmers, who are predominantly unbanked, enabling them to actively participate in the formal economy.

This partnership will facilitate secure, fast, and reliable transactions, making financial processes more efficient for farmers. It will also enable our Sarsabz Pakistan Farmer App for digital payments. Furthermore, by leveraging Fatima's extensive dealer network, this initiative will provide farmers with a seamless and accessible platform to manage their finances, receive payments, and conduct transactions.

Despite a volatile and uncertain socio-economic environment, the Marketing & Sales team navigated challenges to keep the fertilizer business on a consistent growth trajectory. The team's dedication ensured strong business relationships with dealers and farmers, fostering mutual respect and trust. The team remains committed to sustaining this momentum and achieving even greater milestones in 2025.

### Fatima Fertilizer's Pioneering Sustainability Journey with UNDP, in Pakistan's Agricultural Sector

Fatima Fertilizer has emerged as a pioneer in corporate sustainability within Pakistan by successfully adopting the United Nations Development Program (UNDP) SDG Impact Framework. This landmark achievement has positioned the company at the forefront of responsible business practices nationwide, setting a new benchmark for industry and the country.

In a transformative 13-month journey that began in October 2023, Fatima Fertilizer meticulously mapped its business model to 15 Sustainable Development Goals (SDGs) and 49 specific targets. This groundbreaking initiative, which culminated in the launch of a comprehensive report in November 2024, was marked by unprecedented collaboration and innovation. The company engaged with a diverse array of stakeholders, including UNDP, whose expertise proved invaluable in navigating this complex process. The result is a sustainability framework that not only aligns with global SDG targets but also drives tangible, far-reaching impacts across various sectors and communities.

Fatima Fertilizer's sustainability efforts are strategically aligned with key SDGs, including SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 12 (Responsible Consumption and Production).



This alignment reflects the company's holistic approach to sustainable development, ensuring that its initiatives address critical environmental, social, and economic challenges.

In energy management, Fatima Fertilizer aims to increase its share of renewable energy consumption and reduce CO<sub>2</sub> emissions per metric ton of production. We have set ambitious targets to decrease natural gas consumption per ton of product, demonstrating a clear commitment to environmental stewardship. Waste and water management are also key focus areas. We have established ambitious goals for waste reduction and water conservation to be achieved between 2025 and 2027. These efforts include reducing freshwater withdrawal and significantly increasing the amount of waste successfully recycled.

Fatima Fertilizer's environmental impact extends to innovative initiatives such as a paperless digitization drive aimed at reducing paper usage by 15%. The company has also undertaken extensive tree plantation campaigns across all plant sites, with 9,645 trees planted, contributing to local ecosystem restoration. Employee health and safety remain paramount in Fatima Fertilizer's operations.

Farmer empowerment is a cornerstone of Fatima Fertilizer's sustainability efforts. The company has contributed to a 10% increase in crop yields, serving over 10 million acres of farmland and 1.7 million farmers. We have launched innovative solutions such as the Sarsabz Pakistan App for crop advisory and management, to support the agricultural community.

Gender inclusion and leadership development are integral to Fatima Fertilizer's corporate culture. The company ensures equal pay for similar roles across genders and has invested in multiple skill-building workshops for inclusive leadership. Substantial resources have been allocated to employee training and development programs, fostering a diverse and empowered workforce.

A new Campaign was also launched as a part of or SDG launch in collaboration with UNDP accumulating 15 million plus views on all platforms.

Fatima Fertilizer reaffirms its commitment to responsible stewardship of the planet's resources, recognizing its pivotal role in the agricultural supply chain. The company is dedicated to enhancing sustainability practices by aggressively targeting greenhouse gas emissions reductions, revolutionizing energy efficiency, and radically minimizing waste throughout production processes. Fatima Fertilizer aims to set new industry benchmarks by investing in innovative technologies and practices that promote sustainable agriculture, including developing environmentally friendly fertilizers, exploring bio-based alternatives, and integrating precision agriculture techniques. By engaging stakeholders and fostering a culture of sustainability, the company is not just positioning itself as a leader; it's catalyzing systemic change to benefit both agriculture and the environment for generations. Fatima Fertilizer's partnership with UNDP and adoption of the SDG Impact Framework demonstrate its commitment to driving change beyond profitability, setting a new precedent for responsible business practices that will resonate throughout the industry and beyond.

# INFORMATION TECHNOLOGY

**The year 2024 was a key milestone for Fatima Fertilizer Company Limited, characterized by remarkable advancements and innovation in Information Technology. With a firm commitment to leveraging cutting-edge solutions and optimizing operational efficiency, IT played an influential role in propelling the company toward its strategic objectives.**

The CXO Digital Transformation Awards are among Pakistan's most prestigious business honors, celebrating top-performing organizations across various sectors. This recognition reaffirms our dedication to leveraging cutting-edge technologies to enhance operations, optimize processes, and deliver exceptional value to our stakeholders. We are honored that Fatima Fertilizer Company Limited has received the prestigious Digital Transformation Award at the Transform Awards 2024 for its pioneering Digital Marketing initiatives, including the Dealer, Farmer, and HSE Applications. This achievement stands as a testament to our unwavering commitment to innovation, excellence, and transformative digital solutions.

This year, we successfully launched the Incident Reporting System within Sarsabz Connect, a powerful tool designed to enhance workplace safety through efficient incident reporting and tracking. By enabling real-time hazard identification, proactive risk mitigation, and swift resolution, this system fosters a culture of accountability, continuous improvement, and operational excellence. Key features include an intuitive user interface, real-time incident tracking, photo and document attachments, centralized data management, and instant root cause analysis. Upgrade of our data analytics platform to latest Oracle Analytics Server (OAS), significantly enhanced system performance, security, and scalability. This transition enabled advanced Machine Learning (ML) capabilities, catchy data visualizations, faster reporting, and seamless IT integration, strengthening our analytics capabilities. We have harnessed advanced analytics and AI across multiple functions, extending these capabilities to HR data analysis for deeper insights into recruitment, retention, and predictive analytics for key HR metrics. Additionally, these powerful tools have greatly enhanced financial planning, budgeting, and forecasting processes, driving greater accuracy and efficiency.

The Document Management System (DMS) plays a vital role in ensuring seamless information management, regulatory compliance, and operational efficiency across the organization. Recognizing its strategic importance, we upgraded our DMS, which is currently utilized by over 500 users for managing critical business information. This upgrade ensures long-term sustainability while significantly enhancing security, accessibility, and performance. Key enhancements include digital signatures, improved system compatibility, faster search capabilities, web-based reporting, and streamlined access.

Ensuring safety and manufacturing excellence remains a top priority for our company. The seamless integration of IT with plant operations has set high standards for both safety and process efficiency. This collaboration has enabled the digitalization of key processes, minimized plant downtime, improved critical inventory

management, optimized resource allocation, and reduced the risk of workplace injuries.

These digital advancements reinforce our commitment to innovation, operational excellence, and a future-ready enterprise.

We have transitioned from an outsourced Disaster Recovery (DR) site to a more capable, advanced, secure and resilient in-house DR site. This initiative has resulted in annual savings of USD 120,000, while ensuring better control by hosting critical services. A comprehensive DR drill was conducted in 2024, validating the site's readiness and effectiveness.

Additionally, we have undertaken key infrastructure upgrades, few of them include:

- Deployment of distributed firewalls and latest two factor authentication solution.
- Server enhancements with the latest versions for improved performance and reliability.
- Transformation of network architecture to optimize performance, scalability, and security.

These strategic advancements reinforce our commitment to IT resilience, security, and operational excellence, positioning us for future scalability and digital transformation.

As the longest-certified organization in the fertilizer industry for ISO/IEC 27001:2022, we continue to uphold the highest standards of information security and risk management. Our commitment to cybersecurity has been further reinforced through the implementation of stringent security protocols, including quarterly vulnerability assessments, regular audits, and comprehensive employee awareness programs. These measures are designed to proactively safeguard the company's digital assets, ensure regulatory compliance, and mitigate security risks, reinforcing our position as a leader in cybersecurity excellence.

Fatima proudly participated in the PMO Global Awards 2024, competing among 100+ organizations from over 150 countries, with evaluations conducted by 400+ judges worldwide. We achieved a remarkable milestone by securing the top position in its own group in Asia-Pacific, showcasing our excellence in project management.

Our Project Management Office (PMO) has significantly enhanced project execution through a robust governance framework and the adoption of Power BI for real-time monitoring and control, ensuring data-driven decision-making, improved efficiency, and optimized project performance.

By virtue of this solid technological footprint some other benefits realized were as follows:

- Savings of 97,000+ manhours, 88,000+ papers and Rs 100+ million annually.
- 60-75 % efficiencies for targeted processes.
- Exceeded uptime commitments for IT services, and
- Executed one successful live DR drill for critical IT services.

The year 2024 concluded with significant progress and innovation in meeting the company's IT needs. As we move forward, we remain dedicated to advancing technological innovation, fostering sustainable growth, and creating value for our stakeholders.



DATA





# IT GOVERNANCE, CYBERSECURITY AND BOARD OVERSIGHT DISCLOSURES

## 1. Board Responsibility on Cyber Risks and Breach Response

The Board of Directors recognizes the strategic importance of cybersecurity in safeguarding the company's assets, operations, and the interests of its stakeholders. Committed to upholding the highest standards of security and compliance, the Board actively monitors, evaluates, and enforces adherence to all relevant legal and regulatory requirements governing cybersecurity and data protection.

The Board has adopted a formal information security policy that defines its responsibilities for assessing legal and regulatory implications of cyber risks, ensuring that adequate governance structures are in place for monitoring, managing, and mitigating these risks. In the event of cyber breach, there exists well defined response and escalation protocols, including immediate notification to the Board and relevant cyber compliance committees that involve CEO, CIO and other relevant compliance team members.

The Board also ensures that periodic updates on the regulatory landscape and emerging cyber threats are provided to enable proactive decision-making and alignment with global best practices

## 2. IT Governance, Cybersecurity Programs, and Industry-Specific Requirements

At Fatima Fertilizers, we have implemented a comprehensive IT governance framework that clearly defines roles, responsibilities, and accountabilities across the organization. Our IT Security framework is aligned with ISO 27001:2022, ensuring compliance with globally recognized best practices for information security management.

We have established core cybersecurity policies and procedures covering key areas, including but not limited to data protection, access management, incident response, vulnerability management, risk assessment for IT assets and services, annual third-party testing and business continuity planning.

To stay ahead of evolving cyber threats and regulatory developments, our cybersecurity controls and processes are subject to regular reviews and continuous enhancement, reinforcing our commitment to a secure and resilient IT environment.

Fatima Fertilizers is proud to achieve and maintain ISO/IEC 27001:2022 certification for the ninth consecutive year, setting a benchmark for information security management system in the industry. This milestone reflects our commitment to upholding the highest security standards and ensuring compliance with the latest ISO security requirements. This also underscores organizations' dedication to safeguarding its systems, data, and digital environment, reinforcing trust, credibility, and resilience in an increasingly complex cybersecurity landscape.

## 3. Cybersecurity in the Board's Risk Oversight Function

Cybersecurity is a core component of the Fatima Fertilizers Board's risk oversight function and is fully integrated into the company's COSO Enterprise Risk Management (ERM) framework. This framework is continuously monitored to ensure a unified and robust approach to risk management.

ISO 27001:2022 sets the foundation of our information security practices. This ensures that IT and cybersecurity risks are effectively identified, assessed, and managed in compliance with international standards.

The Board receives regular updates on the cyber risk landscape, ongoing security initiatives, threat intelligence, and the overall effectiveness of the cybersecurity program. To facilitate proactive risk identification and timely mitigation, a comprehensive IT risk assessment exercise is conducted every year and presented to Board for setting the direction for future. To maintain a comprehensive and balanced approach to risk management, the Board ensures that cybersecurity is integrated within the company's corporate risk management framework, aligning technology, operational, and compliance risks for enhanced resilience and governance.

## 4. Board-Level Committee Oversight of IT Governance and Cybersecurity

The Board actively engages with the senior leadership team, including the CIO, Head of Governance and Security, Head of Infrastructure, and other key stakeholders, to ensure continuous oversight and monitoring. Regular meetings are conducted to update the Board on the latest cybersecurity trends, emerging threats, and ongoing action plans. This engagement is critical for reviewing IT and cybersecurity policies, assessing key cyber risks, and strengthening incident response preparedness to safeguard the organization's digital assets.

## 5. Early Warning System and Incident Communication Protocols

A comprehensive early warning system is in place to facilitate the timely identification, assessment, escalation, and response to cybersecurity risks and incidents. This system ensures prompt communication with senior management and the Board, enhancing proactive risk management and oversight.

Fatima Fertilizers has established and deployed a specialized Security Operations Center (SOC) team that continuously monitors our IT environment. The SOC utilizes an advanced Security Information and Event Management (SIEM) platform, which consolidates logs from all critical systems across the organization. Predefined use cases within the SIEM enable the detection of suspicious activities, potential threats, and indicators of compromise (IOCs) for early threat identification.

To enhance real-time security visibility, interactive dashboards within the SIEM provide continuous analysis of security events. The platform is further strengthened with Security Orchestration, Automation, and Response (SOAR) and a Security Incident Response Platform (SIRP), enabling seamless incident reporting, response coordination, and automated containment actions.

An in-depth forensic analyses and root cause identification mechanism also exist to investigate the incidents in detail. This structured, multi-layered approach ensures that cybersecurity risks are effectively managed, with timely disclosures and communications to senior leadership, supporting informed decision-making and robust governance.

## 6. Independent Security Assessments and Third-Party Risk Management

Fatima Fertilizers has established a formal policy that mandates annual security assessments that include risk assessment, vulnerability assessment, penetration testing etc., of its technology environment to evaluate the effectiveness of cybersecurity controls and proactively identify potential risks, actions steps, including those associated with third-party vendors and service providers.

These comprehensive assessments encompass IT infrastructure, critical business applications, data protection mechanisms, cloud environments, and third-party integrations. Conducted by certified and reputable cybersecurity firms, these evaluations follow ISO 27001:2022 and globally recognized best practice frameworks, ensuring rigorous benchmarking against industry standards.

Findings from independent security reviews are presented to board, with any identified risks and improvement recommendations are integrated into Fatima Fertilizers ongoing risk management and cybersecurity enhancement programs, reinforcing its commitment to excellence in information security. Ninth consecutive year certification by independent globally well reputed auditors serves as the testament to company's commitment to cybersecurity

## 7. Resilient Contingency and Disaster Recovery Plans (DRP) and Cyber Insurance

Fatima Fertilizers has established comprehensive IT contingency and disaster recovery plan to ensure rapid recovery from cyber incidents, technology failures, and data breaches. These plans are designed to minimize downtime, protect critical assets, and maintain business continuity.

To validate the effectiveness of recovery strategies, an annual Disaster Recovery (DR) drill is conducted to assess Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO) against critical IT services. The results are thoroughly reviewed by leadership team and the Board, ensuring alignment with organizational resilience goals.

As part of a strategic initiative, Fatima Fertilizer have invested heavily in the 2024 on DR modernization where we successfully transitioned Disaster Recovery (DR) site from a third-party provider to an in-house infrastructure. This transformation has resulted in greater control, enhanced security, improved cost efficiency, and faster recovery times, further strengthening operational resilience and high availability.

## 8. Digital Transformation and Use of Industry 4.0 Technologies

Fatima Fertilizer continues to progress on its digital transformation journey, with a strategic focus on embracing AI-driven solutions. In line with this vision, we introduced its inaugural AI policy and framework, reinforcing transparency, governance, and operational resilience.

Several new digitalization initiatives were launched, resulting in significant multi million cost savings in rupees, worth thousands of man-hours and papers savings.

Key initiatives included Robotic Process Automation (RPA) in different business functions, AI-powered predictive analytics and threat protection, strengthening Fatima Fertilizers security posture, development and advancement of mobile applications, digitalization of multiple processes bringing efficiencies, leveraging business intelligence and analytics, Salesforce automation and numerous initiatives for plant sustainability, productivity and reliability.

These advancements have fortified internal controls, improved reporting accuracy, and enhanced governance capabilities, positioning Fatima Fertilizers at the forefront of technological innovation.

## 9. Cybersecurity Education and Training Programs

At Fatima Fertilizer, cybersecurity awareness is deeply ingrained in our corporate culture, ensuring that every employee recognizes his/her responsibility in safeguarding company assets and data.

To reinforce this commitment, the IT Security team conducts numerous annual cybersecurity awareness and training programs, strengthening the human firewall across the organization.

Recent initiatives included:

- Mandatory cybersecurity training for all new employees to instill best practices from day one.
- Live phishing simulations and incident response drills to enhance preparedness against cyber threats.
- Specialized training for high-risk user groups, including finance, IT, and executive leadership, to address industry-specific risks.

By fostering a security-first mindset, Fatima Fertilizers continue to elevate its cybersecurity posture, ensuring resilience against evolving threats.

# OPERATIONAL PERFORMANCE

## Operational Performance

The cumulative fertilizer production of all three fertilizer sites was recorded at 2.79 Million MeT. The pursuit to enhance plant assets reliability, team professional focus, resilience and perseverance remained continued, that contributed to the unprecedented achievements. In particular, the Multan and Sheikhpura Plants delivered their highest ever production since their commissioning. Sadiqabad Plant executed a Turnaround, encompassing a massive scope of critical projects. These were successfully completed with demonstrated results that not only met but exceeded set targets, showcasing exceptional performance and efficiency.

## Sadiqabad Plant

### Production and efficiency

Sadiqabad Plant achieved Annual Production of 1,373,785 MeT (Turn Around Year), surpassing annual production target by 13k MeT. Ammonia Plant achieved record On Stream Factor of 99.2% (Top 25% International Plants averages at 97.3%) through safe management of various operational and maintenance hiccups throughout the year.

### Operational Excellence and Safety & Recognition

The Plant successfully executed a Turnaround, completing 7,315 jobs, including 78 major reliability projects. Key upgrades included:

- Primary Reformer Furnace Pigtailes for enhanced durability.
- Overhaul of 7 Turbo-Machines to improve reliability.
- Modernization of DCS/ESD Control Systems for safer operations.
- Replacement of Ammonia and Nitric Acid Catalysts for optimized production.
- 320 MPKR saved through local fabrication.
- Initiatives launched for Natural Gas and Rock Phosphate sustainability.
- Artificial Intelligence (AI) integration in manufacturing operations for enhanced efficiency.
- Achieved 82.56 Safe Million Man-Hours with a 0.00 Total Recordable Injury Rate (TRIR).

- Recognized with international and national safety awards, including:
  - British Safety Council
  - RoSPA Gold
  - NEFH Award for Safety & Environment.

## Multan Plant

### Production and efficiency

Multan Plant had a remarkable year 2024. The record Fertilizer production of 899,027 MeT was achieved which is Ever Highest since its commissioning and 21% higher than 2023. This also contributed to Urea Plant consistent full year operation. Mari Gas compressors facility was operated with 100% Service Factor and Gas Management was exemplary.

### Operational Excellence and Safety & Recognition

Remained fully committed to uplift the deserving surrounding communities. Existing Water Filtration Plant near MASH hospital was augmented, with capacity increased from 1 to 4 ton/hr, to better serve Jahangirabad community. Total 1002 plants were planted as part of Green initiative.

Medical Center organized an awareness campaign for Pinktober in coordination with MASH hospital. Further key updates during the year included:

- Achieved 33.42 Safe Million Man-Hours with a 0.04 Total Recordable Injury Rate (TRIR).
- Recognized with international and national safety awards, including:
  - British Safety Council
  - RoSPA Gold
  - NEFH Award for Safety & Environment.

## Sheikhpura Plant

### Production and efficiency

Sheikhpura Plant achieved ever highest Urea production of 528,567 MeT in 2024 (5% higher than budgeted). Urea production of 2024 was ~33% higher than 2023. Ammonia Plant achieved annual production of 311,242 MeT (~6% higher than budgeted). Annual Ammonia sales of 4,313 MeT were achieved in 2024. Site achieved best ever average energy index of 28.70 MMBTU/T Urea, ~1% lower than 2023.

## Operational Excellence and Safety & Recognition

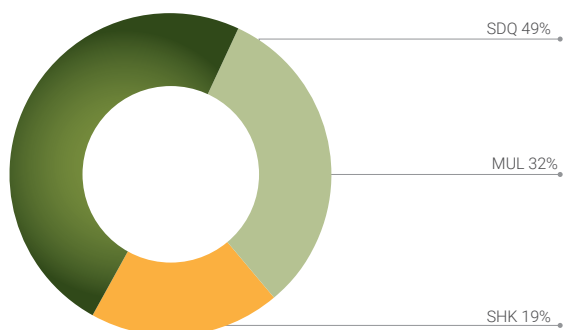
- 1,225 maintenance jobs completed safely and on time.
- 775 additional manpower & 55 VSMs mobilized.

Key projects included:

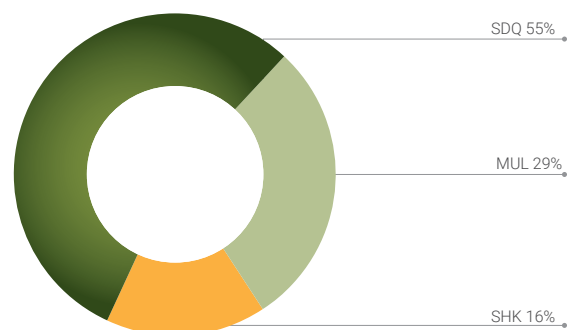
- Prototype Central Pivot (14 acres) – first-of-its-kind localization initiative.
- Pre-work completed for ASME Certification (U & R) of Fabrication Shop, making FFT the first Fatima site to achieve this.
- Integration of Process Engineering Dashboards with IP 21 and launch of OLMS as part of digitization efforts.
- 1.25 MW Solar Energy Project launched – first-ever at an Fatima site.
- WWF Green Office Certification achieved (91.5% score).
- Geo-lining of EP-4 Evaporation Pond completed for environmental protection.

- Tree Plantation Drive: 3,500 trees planted under the "Adopt a Plant" initiative.
- Energy conservation projects (2022-2027) progressing effectively.
- 1,773 MPKR saved through local fabrication initiatives.
- Urea production enhancement via excess CO<sub>2</sub> utilization under study.
- ISO-29993 certification achieved, making FFT the 2nd fertilizer site in Pakistan with this certification.
- Achieved 20.30 Safe Million Man-Hours with zero TRIR.
- Multiple national & international safety awards, including:
  - RoSPA Gold Award (UK) for Health & Safety
  - National Safety Council (USA) Awards: Safety Leadership, Corporate Hazard Recognition, and Perfect Record Awards.
  - NFEH (Pakistan) Fire Safety Award & Best Tree Plantation Award.

### 2024 Site Wise Production



### 2023 Site Wise Production



## Site Training Hours

Manufacturing Site	Total	HSE	Technical	Soft Skills
Hours				
Sadiqabad	55,528	9,212	45,238	1,078
Sheikhupura	16,434	2,531	12,518	1,385
Multan	16,409	5,700	6,347	4,362



# SUSTAINABILITY REPORT – 2024

Fatima Fertilizer Company Limited is committed to sustainable growth by integrating environmental, social, and governance (ESG) factors into our business operations. This report is prepared in alignment with the ISSB's IFRS S1 (General Sustainability-Related Disclosures) and S2 (Climate-Related Disclosures) standards, demonstrating our transparency and accountability in sustainability efforts.

At Fatima sustainability is fundamental to our core values, driving our commitment to responsible practices and a vision for long-term progress. We understand that our role in the fertilizer sector extends beyond agriculture, impacting ecosystems and communities on a broad scale.

We are dedicated to addressing critical challenges like food security and climate change through proactive leadership and collaborative efforts. Our approach centers on embedding sustainable principles throughout our operations, ensuring positive impacts for the people we serve and the planet we share.

Fatima reaffirms its commitment to responsible stewardship of the planet's resources, recognizing its pivotal role in the agricultural supply chain. The company is dedicated to enhancing sustainability practices by aggressively targeting greenhouse gas

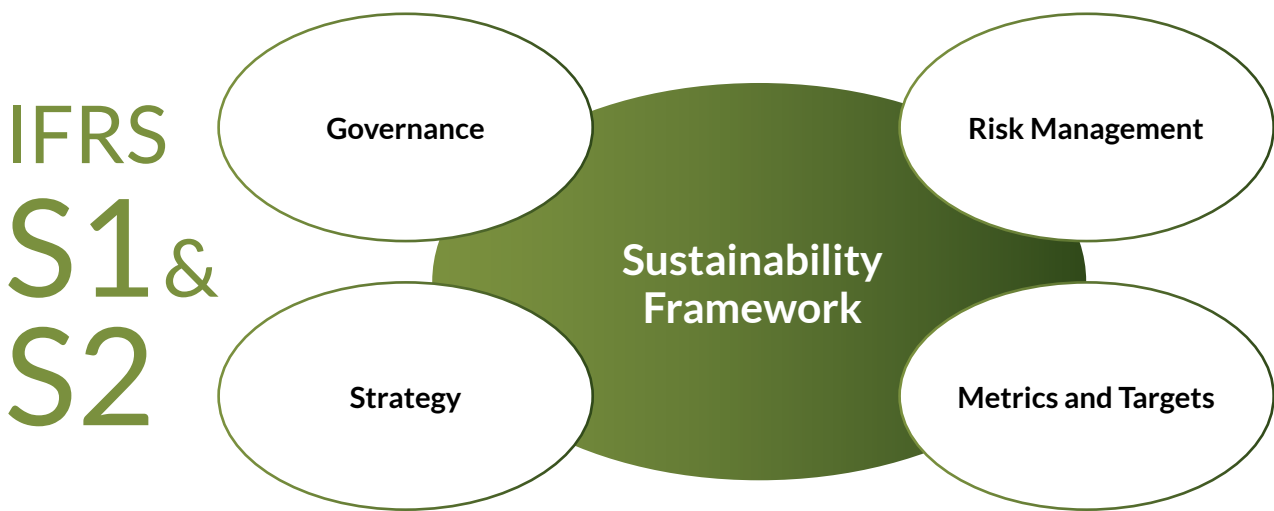
emissions reductions, revolutionizing energy efficiency, and radically minimizing waste throughout production processes. Fatima Fertilizer aims to set new industry benchmarks by investing in innovative technologies and practices that promote sustainable agriculture, including developing environmentally friendly fertilizers, exploring green energy alternatives, and integrating precision agriculture techniques. By engaging stakeholders and fostering a culture of sustainability, the company is not just positioning itself as a leader; it's catalyzing systemic change to benefit both agriculture and the environment for generations.

Our mission is to foster a future where agriculture supports both human prosperity and environmental health. We are committed to innovation and evolving our business practices to meet the needs of farmers, while also focusing on responsible consumption, climate action, and gender equality.

We believe that sustainable business practices are essential for both growth and the well-being of our communities. By working together, fostering partnerships, and leading by example, we aim to create a more equitable and sustainable world for future generations.

## Sustainability Framework

Our Sustainability Framework is structured in alignment with IFRS S1 (General Sustainability-Related Disclosures) and IFRS S2 (Climate-Related Disclosures) to ensure transparency, accountability, and long-term value creation. We are focusing on below key aspects originated from these standards:



# GOVERNANCE

## 1.1 Board Oversight

The Board of Directors is responsible for overseeing the company's sustainability strategy. It ensures that ESG considerations are integrated into long-term business objectives and that regulatory compliance is met.

## 1.2 Sustainability Governance Structure

Fatima Fertilizer Company Limited recognizes the critical importance of sustainability and has established a robust governance framework to ensure its effective integration throughout the organization. This framework provides the necessary oversight, facilitates strategic implementation, and establishes clear accountability for all environmental, social, and governance (ESG) activities. The key components of this structure are outlined below:



## Stakeholder Engagement

Fatima Fertilizer Company Limited is committed to engaging with its stakeholders, including employees, investors, regulatory authorities, suppliers, and local communities. This engagement fosters collaboration, promotes transparency, and supports the company's commitment to sustainable development.

## Fatima's pioneering sustainability journey with UNDP

Fatima Fertilizer's partnership with UNDP and adoption of the SDG Impact Framework demonstrates its commitment to driving change beyond profitability, setting a new precedent for responsible business practices that will resonate throughout the industry and beyond.

We are committed to sustainable practices, employee well-being, gender equality, and farmer empowerment, positioning itself as a leader in corporate sustainability and social responsibility.

Fatima Fertilizer's has defined its impact goals and linked them with the relevant SDG targets. The senior management team is committed to fulfilling the following eight impact goals:



1. Contributing to national food security by increasing 10% crop yield as well as increasing farmer's return on investment along with policy advocacy to create an enabling environment.



2. Prioritizing women's contribution, employee skill-based value-added trainings and wellbeing at the organization by: a) increasing gender diversity, reducing gender pay gap and adopting a zero-tolerance policy for harassment at workplace. b) skill training in various functional aspects and at various leadership levels. c) promoting emotional, mental, and physical wellbeing through various programs.



3. Women empowerment through capacity building to start women owned processed food business in order to reduce post-harvest losses under the Sarsabz Tabeer program.



4. In-house manufacturing of plant parts thus reducing time to import, ensuring operational efficiency and business continuity.



5. Reducing Fossil Fuel Consumption (Energy Index) through innovative operational excellence and by partially substituting with Renewable Solar Energy Solutions consequently reducing Green House Gas (GHG) emissions from the three fertilizer plants. Simultaneously reducing the carbon footprint by tree plantation drives across the sites as well as reducing the use of paper across the organization.



6. Increased adoption of ICT tools such as Sarsabz App and Fasal Pay. (Sarsabz App provides real time information to farmers on judicious use (4R crop nutrient stewardship) of high value crop inputs and resources as per crop's critical growth stages moreover weather alerts, site and crop specific best management practices in order to enhance crop productivity. Fasal Pay provides input lending to farmers)



7. Reducing plant effluent and solid waste through efficient plant operations (control, recycle, reuse) and consequently (a) reducing freshwater intake, (b) recycling waste (inorganic and organic waste), and (c) responsibly disposing waste materials as per local waste management law.



8. Providing safe and secure working environment across the organization by following Health, Safety and Environment (HSE) protocols and enhancing organizational productivity through introduction of digital monitoring.

# RISK MANAGEMENT

## Sustainability Risk Management

This process encompasses a structured approach to identifying, assessing, prioritizing, and monitoring sustainability-related risks. The key steps include:



### Risk Identification

Recognizing potential sustainability risks that may impact our business and stakeholders.



### Risk Assessment

Evaluating the likelihood and potential impact of identified risks.



### Prioritization of Material Issues

Determining the most critical sustainability risks based on their significance and urgency.



### Monitoring & Continuous Review

Tracking risks over time and refining mitigation strategies as needed.



### Risk Reporting

Ensuring transparency by regularly reporting risks and mitigation measures to stakeholders.

Our risk assessment is guided by our risk appetite, shaping our response strategies. This includes the implementation of risk management controls and procedures to either eliminate risks through direct measures or mitigate them effectively.

Given its significant impact and strategic importance, sustainability risk is classified as a high-priority risk, reinforced by the Board's strong commitment to sustainability leadership and resilience.

## Climate Risk Management

Recognizing that climate change is a global priority, we have adopted a comprehensive approach to managing climate-related risks and aligning them with our corporate strategy. In accordance with IFRS S-2, climate risks are classified into physical and transition risks, which are proactively and regularly assessed. Our approach includes the following key steps:

1. **Defining Climate Scenarios** – Establishing climate-related scenarios as required by IFRS S-2.
2. **Identifying Risks & Opportunities** – Assessing potential climate-related risks and identifying opportunities for adaptation and growth.
3. **Evaluating Likelihood & Impact** – Measuring the probability and consequences of identified risks.
4. **Qualitative Scenario Assessment** – Conducting in-depth qualitative evaluations of climate risk scenarios.
5. **Benchmarking Against Global & National Standards** – Aligning assessments with international and national best practices.
6. **Risk Rating & Impact Analysis** – Classifying risks based on their severity and external influencing factors.
7. **Strategic Response & Mitigation** – Implementing measures to minimize risks and capitalize on opportunities.
8. **Continuous Monitoring & Validation** – Regularly reviewing and updating risk assessments to ensure resilience.

Through this structured climate risk management framework, we aim to enhance resilience, ensure regulatory compliance, and drive long-term sustainability.



# STRATEGY

**Our approach to sustainability and climate strategy is guided by internationally recognized frameworks, ensuring alignment with industry developments, operational challenges, and stakeholder priorities. We proactively evaluate sustainability-related risks and opportunities that could influence our business model, value chain, strategic direction, and decision-making processes.**

A core component of our sustainability efforts is materiality assessment, which helps us identify and prioritize key environmental, social, and governance (ESG) topics that are most relevant to our operations and stakeholders. These material issues are mapped against both national and global reporting standards, including ISSB's IFRS S1 (General Sustainability-Related Disclosures) and S2 (Climate-Related Disclosures) standards, ensuring transparency and accountability in our reporting.

## Sustainability and Climate-Related Risks & Opportunities in Fertilizer Manufacturing

As a fertilizer manufacturer, our operations are exposed to both physical and transition risks associated with sustainability and climate change. **Physical risks**, such as extreme weather events, prolonged droughts, and shifting climate patterns, can disrupt raw material

availability, impact agricultural productivity, and strain supply chain logistics. **Transition risks**, including evolving environmental regulations, carbon pricing mechanisms, and increasing consumer demand for sustainable agricultural inputs, require us to adapt our business model to remain competitive and compliant.

To address these risks and capitalize on emerging opportunities, we are committed to **reducing greenhouse gas (GHG) emissions** across our value chain. Our strategy includes optimizing manufacturing processes to minimize carbon intensity, investing in low-emission fertilizer technologies, and exploring other innovative solutions such as precision agriculture. In the long term, we aim to transition towards climate-smart agricultural solutions that support global sustainability goals.



## Investment in Sustainability & Financial Commitment

A fundamental pillar of our sustainability roadmap is the strategic allocation of capital toward innovative, low-carbon solutions in fertilizer production to enhance product efficiency, improve nutrient-use effectiveness, and integrate circular economy principles.

Additionally, we are strengthening collaborations with international sustainable development bodies including suppliers to ensure availability of quality raw materials and implement environmentally safe production of fertilizer. Our long-term financial commitment to support our sustainable development goals includes:

- Exploration in green/blue ammonia and low-carbon nitrogen fertilizers to reduce the carbon footprint.
- Enhancing use efficiency of water and energy in entire production process to mitigate the negative impact on climate.
- To promote balanced use of fertilizers, aligning with precision agriculture practices.
- Maximizing the use of renewable energy at all areas.

By incorporating the sustainable development goals into the business operations and financial planning, we not only mitigate risks but also unlock new opportunities in the growing market for climate-smart fertilizers.

# Impact Value Chain

The Impact Value Chain (Figure 1) shows problems that Fatima Fertilizer faces, identifies the input activates to be undertaken to address the problems, set outputs and outcomes targets with impact on SDGs.





# METRICS AND TARGETS



## Safety & Health

### Importance of health & safety

At Fatima, we are deeply committed to fostering a healthy, safe, and sustainable work environment, recognizing that the well-being of our employees, contractors, stakeholders, and communities is fundamental to our long-term success. Health, Safety, and Environmental (HSE) responsibility is embedded in every aspect of our operations, holding equal importance to our production goals. By integrating occupational health, process safety, environmental stewardship, and community well-being into our core business strategy, we enhance product quality while protecting people and the environment.

Our proactive approach to risk management encourages employees to identify and report potential hazards, ensuring collaborative solutions that drive continuous improvement. This culture of safety not only strengthens investor confidence and stakeholder trust but also boosts workforce morale, job satisfaction, and productivity. Through our unwavering commitment to sustainability and corporate responsibility, Fatima remains dedicated to operational excellence, resilience, and a future built on safety and environmental integrity.

The company places a strong emphasis on employee well-being and safety. The company's commitment to safety extends beyond its premises, with 15.8 million safe mileage recorded for company employees and 28.6 million safe mileage for carriage contractors. Employee wellness is also a priority, with various wellness sessions held during the year to support mental and physical health.

Sarsabz Connect is Pakistan's first-ever HSE (Health, Safety, and Environment) mobile application in the agriculture industry. It serves as a one-stop digital platform for HSE needs within the Sales & Marketing department. Key features of the app are as follows:

- Digitalization & Real-time Reporting – Automates HSE KPI tracking with upto 90% improvement in reporting culture.
- Data Management & Integrity – Centralized retrieval of historical data with dashboards powered by Oracle BI Suite.
- Capability Enhancement – Includes online training modules to improve behavior-based safety.





- Environmental Sustainability – Saves approximately PKR 1.2 million in paper costs and preserves 110 trees annually.
- Incident Reduction & Cost Savings – 90% improvement in reporting, 20% reduction in incidents, and lower insurance premiums.

As an industry-first innovation, Sarsabz Connect sets a benchmark in workplace safety and sustainability while reinforcing Fatima's commitment to HSE excellence.

#### Certifications

- OHSMS ISO 45001, QMS ISO 9001, and EMS ISO 14001 Certification
- NFEH Fire safety award 2024
- NFEH (National Forum for Environment and Health) Annual Environment Excellence Award 2024
- NSC Safety Leadership, Perfect Record, and Hazard Recognition awards
- The Professionals Network 10th International EHS Award 2024
- WWF Green Office Diploma

- Gold Award for exceptional performance in HSE by The Royal Society for the Prevention of Accidents (RoSPA)
- British Safety Council International Safety Awards

#### Key achievements

- Guinness world record for surpassing 60 million safe man hours
- Sadiqabad, Multan, and Sheikhpura Plants successfully achieved a total of 136 Safe Million man-hours (SMMH).
- Sadiqabad plant successfully executed Turnaround-2024 with zero TRIR and more than 2 Safe Million man-hours.
- Fertilizer plants collectively invested over 14,000 on-site man-hours on HSE trainings.
- Performed risk-based epidemiology study of 679 employees under Annual Medical Examination 2024 program.
- Digitalized safety observation reporting and conducted a comprehensive HAZOP and HAZID



exercise in collaboration with Mari Energies for risk assessment. Further, Risk Based Annual Audit Program was digitalized to strengthen Process Safety Management (PSM), Environment Management (EMS), and Occupational Health & Industrial Hygiene (OHIH) program.

The company plan to use following international and custom sustainability indicators to achieve its goals:

- Safe Million Man Hours (SMMH) by 2025. (Custom Indicator)
- Organization recordable injuries by 2025. (Custom Indicator)
- Safe Mileage from contractor by 2025. (Custom Indicator)
- Number of wellness session per annum by 2025 (Custom Indicator)
- HSE Safety Man-hours by 2030. (Custom Indicator)
- Safe Mileage of employees by 2030. (Custom Indicator)
- Number of women trained in revenue generating activities by using post-harvest produce (Custom Indicator)

## Climate Change

### Impact of Climate change

Climate change is driving widespread and severe disruptions across the environment, social systems, and economies, escalating pressures on both nature and humanity and reshaping the future of our planet.

Extreme weather events present a substantial risk to our supply chain, potentially disrupting the sourcing, transportation, and distribution of fertilizers. To mitigate these climate-related risks, strengthening supply chain resilience is essential for ensuring business continuity. Additionally, increasing consumer and regulatory focus on environmental sustainability is driving demand for eco-friendly and low-carbon fertilizers, making it crucial for us to innovate and adapt to these evolving market expectations.

### Our approach

As climate change accelerates, industries worldwide are adapting to the growing demand for sustainability, and the fertilizer sector is no exception. The shift toward low-carbon and net-zero economies is reshaping market dynamics, regulatory landscapes, and operational

strategies. As a responsible fertilizer manufacturer, we recognize the urgency of reducing our environmental impact while investing in cutting-edge, climate-friendly technologies that enhance both efficiency and sustainability.

The risks associated with climate change are diverse and far-reaching. Extreme weather events, shifting climate patterns, and rising global temperatures pose physical threats to raw material sourcing, production efficiency, and logistics. Additionally, regulatory changes, policy shifts, and increasing consumer demand for eco-friendly products present transitional challenges that require strategic adaptation. Failure to address these issues could lead to supply chain disruptions, higher operational costs, and reputational risks.

To address these challenges, we are actively upgrading our manufacturing facilities with energy-efficient technologies, optimizing production processes, and integrating sustainable agricultural solutions. Our efforts extend beyond our operations, as we work closely with farmers to promote responsible fertilizer use, soil health management, and climate-smart agricultural practices. These initiatives not only reduce emissions and resource consumption but also contribute to global food security and improved farmer livelihoods.

As climate risks intensify, we are committed to conducting in-depth scenario analyses to assess potential financial impacts and identify areas for improvement. We are also exploring emission reduction targets to align our sustainability efforts with global climate goals. Regardless of economic uncertainties or seasonal variations, we have made sustainability a core pillar of our business strategy. By proactively addressing climate-related challenges and embracing innovation, we aim to strengthen our resilience, drive long-term value, and contribute to a more sustainable future for agriculture and the planet.

### GHG Emissions Scope 1

Description	Unit Of Measurement	Total
CO <sub>2</sub>	MT	2,139,642
CH <sub>4</sub>	MT	6,958
N <sub>2</sub> O	MT	390,038
Ammonia Captured and sold	MT	6,728
CO <sub>2</sub> Captured and Sold	MT	188,341

## GHG Emissions Scope 2

Description	Unit Of Measurement	Total
CO <sub>2</sub>	Metric Tons CO <sub>2</sub>	110

## Energy

Fatima Fertilizer has taken major strides in enhancing energy efficiency and integrating sustainable practices into its operations. With a strong focus on reducing its carbon footprint, the company is actively working toward increasing the proportion of renewable energy in its overall consumption. This long-term commitment to clean energy transition reflects its dedication to environmental responsibility and sustainable growth. As part of its broader strategy to curb greenhouse gas emissions, the company has already achieved measurable reductions in CO<sub>2</sub> emissions per metric ton of production. Moving forward, Fatima Fertilizer will continue to align its efforts with global sustainability benchmarks while also implementing tailored initiatives to drive further progress:

- Increase in the renewable energy share in the total final energy consumption by 2027. (SDG Indicators)
- Reduction in natural gas consumption per ton of product by 2027. (Custom Indicator)
- Reduction in Green House Gas Emissions by the company by 2027. (UNDP SFH)

Energy consumption is as follows:

Description	Unit Of Measurement	Total
Natural gas consumed as feedstock	MMBTU	45,082,729
Fossil fuels consumed	Litres	1,300,085
Electricity purchased from WAPDA	MW	219,558
Self-generated electricity	MW	378,506
Self-generated steam	MTN	3,568,573

At Sadiqabad plant, Fatima Fertilizer Company Limited (Fatima) has taken a major step towards clean energy by initiating installation of 3 MWp solar power system at its facility. This initiative will reduce our reliance on conventional energy sources, leading to both financial savings and environmental benefits. The annual impact of this solar system is highlighted in the table below:

Description	Value	Unit Of Measurement
Installed Capacity	3	MWp
Power Generation	4,888	MWh / annum
Cost Savings	122	MPKR / annum
Carbon Footprint Reduction	1,955	MT CO <sub>2</sub> / annum
Equivalent Trees Planted	88,873	Trees / annum

By generating 4,888 MWh of clean energy annually, we are reducing 1,955 MT CO<sub>2</sub> Emissions/Yr., which is equivalent to planting 88,873 Trees/Yr. This initiative aligns with our vision of fostering a greener future while ensuring efficient use of energy. Fatima remains committed to environmental stewardship and will continue to invest in sustainable solutions.

Further, at Sheikhpura plant, 1.25 MW solar project has taken place. This project marks a significant milestone in Fatima's commitment to sustainability by harnessing the power of sun to provide renewable & clean energy, reducing carbon footprint and fostering environmental stewardship.

Description	Value	Unit Of Measurement
Installed Capacity	1.25	MWp
Daily Power Generation	2,037	MWh / annum
Cost Savings	30	MPKR / annum
Daily Carbon Footprint Reduction	815	MT CO <sub>2</sub> / annum
Daily Equivalent Trees Planted	37,030	Trees / annum

## Environmental Stewardship

### Impact

We are committed to complying with evolving environmental regulations while strengthening our reputation as a sustainable fertilizer manufacturer. By reducing our environmental footprint, we minimize operational risks, enhance supply chain resilience, and ensure long-term business continuity. Our focus on sustainable practices enables us to drive innovation, create lasting value, and position ourselves as a leader in eco-friendly agricultural solutions. These efforts not only support global food security but also reinforce our dedication to environmental stewardship and the long-term sustainability of our business.

### Targets

The company has established bold targets for waste reduction and water conservation, set to be achieved between 2025 and 2027. To meet these goals, plant teams are actively implementing structured procedures aimed at improving efficiency and sustainability. Fatima Fertilizer is also prioritizing the reduction of freshwater withdrawal, ensuring responsible water usage to minimize environmental impact. Notably, a substantial portion of waste has been successfully recycled, demonstrating the company's dedication to sustainable waste management and resource conservation.

The company will use the following international sustainability indicators to achieve its goals:

- Amount of waste reduction achieved by 2025 (UNDP SFH).

- Percentage decrease in freshwater withdrawal by 2025. (SDG Indicators)
- Amount of waste reduced by the organization during the reporting period through programs for substitution, recycling, or recovery by 2027. (IRIS+).

## Water Treatment & Discharge

Water is a vital resource in our fertilizer production process, primarily used for cooling, steam generation, and other operational needs. We obtain water from underground sources and canal systems, ensuring a stable supply while minimizing the impact on local resources. At our plant and township facilities, well water is used for drinking, with tube wells carefully managed to prevent excessive withdrawal. To ensure water quality, we utilize filtration and treatment systems before using canal and groundwater in our processes. Through effective water management, we aim to reduce environmental impact while maintaining efficient and sustainable operations.

During production, the water becomes partially polluted and must be treated before it can be used or discharged into the canal. At different plants, Fatima uses various techniques for neutralizing the water before discharging the same into canals.

Description	Unit of measurement	Total
Fresh water consumption	m3	21,831,750
Fresh water withdrawal	m3	21,396,221
Fresh water purchased	m3	3,004,488

These include discarded packaging from raw materials such as fertilizer bags, bulk chemical containers, and storage drums. Manufacturing byproducts include spent catalysts, solid process sludge, chemical residues, ammonia & phosphate wastages, lime, and used lubricants.

Additionally, plant operations produce various industrial and electronic waste, including worn-out conveyor belts, corroded pipelines, damaged valves, spent filters, used gaskets, defective sensors, and obsolete wiring. Decommissioned personal protective equipment (PPE), expired laboratory chemicals, used glassware, broken pallets, and non-recyclable plastic waste also contribute to the overall waste stream. Furthermore, wastewater



treatment facilities generate sludge and filter cake, while old insulation materials, decommissioned asbestos sheets, broken tube lights, and discarded toner cartridges add to specialized waste categories.

The volume and type of waste fluctuate yearly, depending on plant upgrades, process improvements, maintenance schedules, and operational efficiency initiatives. To mitigate environmental impact, we have implemented strict waste management protocols, including recycling, safe disposal, and responsible handling of hazardous materials, ensuring compliance with environmental regulations and sustainability commitments.

## Bio Diversity

Biodiversity is essential for maintaining ecosystem balance, supporting agricultural productivity, and ensuring long-term environmental sustainability. It encompasses the variety of plant, animal, and microbial life that contributes to soil health, water quality, and climate resilience. In the fertilizer industry, biodiversity plays a critical role in sustaining natural ecosystems, as soil fertility and crop production depend on diverse microorganisms, pollinators, and healthy land use practices. However, industrial activities, deforestation, and excessive chemical use can threaten biodiversity, leading to habitat loss, soil degradation, and reduced agricultural resilience. To mitigate these risks, adopting sustainable

practices such as regenerative agriculture, responsible nutrient management, and ecosystem restoration is vital. By integrating biodiversity conservation into business strategies, companies can enhance environmental sustainability, improve food security, and contribute to the preservation of natural resources for future generations.

Description	Unit	Total
Total size of manufacturing sites located in projected areas	Acres	1,548
Trees planted	Number	15,587

## Empowering Farmers

Fatima Fertilizer has implemented several initiatives to support and empower farmers. The company's efforts have resulted in a 10% increase in crop yields, while serving more than 10 million acres of farmland catering to more than 1.7 million farmers (the average landholding in Pakistan is 6 acres per farmer) throughout Pakistan. From an economic perspective, high-value products of Fatima Fertilizers contribute around PKR 1,000 billion towards the livelihood of the farmers and the country's GDP.

This success was achieved by training farmers across Pakistan through best farming practices led by the company's technical team. To further support farmers, Fatima Fertilizer launched the Sarsabz Pakistan App, a crop advisory and management platform. This application



provides access to best cropping practices, nearby dealers, market rates, and the latest agricultural news. Currently, a substantial number of users benefit from this platform, with the company aiming to increase mobile subscribers by four times till 2030.

The company's dedication to women's empowerment extends to the agricultural sector. Through initiatives like the Sarsabz Tabeer program, Fatima Fertilizer has provided vocational training to over 1,500 girls in rural communities across Pakistan, equipping them with skills in farm food processing and business development.

The company has also introduced FasalPay, a tech-enabled agri-fintech startup that aims to enhance farmers' profitability by providing affordable credit and agricultural services. This initiative connects farmers with banks and agribusinesses to maximize crop yields and profitability through aggregation and end-to-end engagement.

## Building Momentum for a Sustainable Tomorrow

Fatima Fertilizer reaffirms its commitment to responsible stewardship of the planet's resources, recognizing its pivotal role in the agricultural supply chain. The company is dedicated to enhancing sustainability practices by aggressively targeting greenhouse gas emissions reductions, revolutionizing energy efficiency, and radically minimizing waste throughout production processes. Fatima Fertilizer aims to set new industry benchmarks by investing in innovative technologies and practices that promote sustainable agriculture, including developing environmentally friendly fertilizers, exploring bio-based alternatives, and integrating precision agriculture techniques. By engaging stakeholders and fostering a culture of sustainability, the company is not just positioning itself as a leader; it's catalyzing systemic change to benefit both agriculture and the environment for generations.

## Human Rights, Talent Management And Well Being

Under IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), Fatima Fertilizer's approach to Human Rights, Talent Management, and Well-being is critical for understanding its sustainability-related risks and opportunities. Here's a summary aligned with those standards:

## Human Rights, Talent Management, And Well-Being (Ifrs S1 & S2 Considerations)

### Governance and Strategy (IFRS S1)

Fatima Fertilizer's commitment to a value-based culture, evidenced by 100% management certification and the Ethics Committee, demonstrates its governance processes for overseeing human rights and ethical conduct. The "Tell Fatima" platform reflects a mechanism for stakeholders to raise concerns, indicating accountability.

The focus on DE&I (Sab Saath initiative), leadership development (Fatima University, Empower to Lead), and talent management (career progression framework) aligns with strategic objectives. These initiatives are designed to enhance workforce resilience and adaptability, crucial in addressing evolving sustainability-related risks and opportunities.

Talent turnover, skill gaps, and social risks (e.g., DE&I issues) are managed through structured programs and digital HR tools, highlighting the integration of sustainability-related risks into overall risk management.

### Gender Inclusion and Leadership Development

Fatima has demonstrated a strong commitment to gender equality and inclusive leadership. The company ensures equal pay for similar roles across genders, aligning with the UN's Sustainable Development Goals. Numerous employees benefited from comprehensive training and development programs, supported by a substantial financial investment that underscores the company's dedication to employee development. This commitment is set to continue reflecting Fatima Fertilizer's long-term vision for nurturing talent and promoting gender equality within the organization.

### Operational Efficiency

Automation of HR processes and the 100% paperless HR ecosystem indicate efficiency gains related to digital transformation, potentially reducing operational costs and environmental impact.

### Social Impact

Community initiatives like Mukhtar A. Sheikh Hospital and support for educational institutions provide metrics for social impact.



## Climate Related Considerations

A highly trained and well supported workforce is more adaptable to climate related changes impacting the company.

Digital HR systems reduce paper consumption and therefore have a small positive impact on the climate.

Community health initiatives can increase community resilience to climate impacts.

## Diversity & Inclusion (D&I)

Description	Below 30 years old	30-50 years old	Above 50 years old
Male	636	1,381	422
Female	104	48	6
Total	740	1,429	428
Percentage	28%	55%	16%

### Number of full-time employees

Description	Male	Female	Total
Number of full-time employees	2,439	158	2,597
Percentage	94%	6%	100%

### Number of permanent employees

Description	Male	Female	Total
Number of permanent employees	2,121	103	2,224
Percentage	95%	5%	100%

### Number of temporary employees

Description	Male	Female	Total
Number of temporary employees	318	55	373
Percentage	85%	15%	100%

### Number of Employees by Employment contract broken by region

Location	2024	
	Permanent	Temporary
Head Office	502	57
Sadiqabad Plant	741	115
Multan plant	660	140
Sheikhupura plant	321	61

### Employees Demographics New Hires

Description	Male	Female
Below 30 years old	224	44
30-50 years old	77	6
Above 50 years old	20	0

## Employees Demographics attrition

Description	Male	Female
Below 30 years old	139	11
30-50 years old	61	3
Above 50 years old	53	-

## Benefits

Description	Management	Staff
Life insurance	Yes	Yes
Health Care	Yes	Yes
Disability / Invalidity coverage	Yes	Yes
Parental Leaves	Yes	Yes
Retirement benefits	Yes	Yes
Leave fare assistance	Yes	Yes
Accommodation (at plant site)	Yes	Yes
Vehicle	Yes	No

## Training

Description	Management
Training Hours	40,912
Employees	1,579
Training hour per employee	26 Hours
Total Training investment	83.24 M
Training cost per employee	Rs 52,913

## Details of Training Exercises

FG E-Learning Modules
LinkedIn Lynda
Reaching Finish Line
Collaboration for team success
Coaching for Developing Talent
Fatima Business Academy
First Time Managers
Rethinking: The Power of Unlearning Bias
Harvard ManageMentor
Leading Beyond : Inclusive Leadership
Strategic Leadership: From Silo to Symphony
Fatima University
MD & TP Program
LUMS Advance
Business Simulation: Business Strategy
Stanford Impact Coaching

## Supply Chain Management

### Transition from Road to Rail Transport

The Pakistan floods of 2022 highlighted the vulnerabilities of road transport, with over 13,000 km of roads and 410 bridges damaged, severely disrupting logistics. In contrast, rail transport demonstrated greater resilience, recovering faster and proving to be a safer and more sustainable alternative. This reinforced FATIMA's commitment to strengthening its rail logistics strategy to reduce future environmental disruptions.



Recognizing these challenges, FATIMA strategically shifted from road transport to rail freight to enhance sustainability, cost efficiency, and operational reliability. Rail transport offers significant advantages, including lower logistics costs, higher volume capacity per trip, and reduced damages and delays compared to road transportation. Additionally, this shift ensures compliance with Axle Load Regulations, which helps reduce road deterioration, lowers fuel consumption, and improves overall transportation efficiency. By reducing overloading on roads and shifting heavier cargo to rail, FATIMA further minimizes emissions and extends the lifespan of infrastructure.

By prioritizing rail transport, FATIMA is not only reducing environmental risks but also creating a more resilient and efficient supply chain, ensuring continuity in operations even in the face of future challenges.

## Increased Rail Utilization in 2024

At the beginning of 2024, FATIMA's railway utilization stood at 77% since its conception. By the end of the year, it increased to 86%, marking a 9% improvement in

railway utilization. This shift demonstrates our ongoing commitment to optimizing our supply chain through sustainable transportation methods.

## Environmental Impact – CO<sub>2</sub> Emission Reduction

By shifting from road to rail, FATIMA has successfully reduced its carbon footprint. In 2024 alone, our move to rail transport resulted in an estimated 2,382 metric tons (2,382,069.18 kg) of CO<sub>2</sub> emissions avoided. This reduction is calculated based on emissions per truck trip compared to rail freight emissions per trip, highlighting the substantial environmental benefits of our sustainability initiatives.

Through our commitment to sustainable logistics, FATIMA continues to drive efficiency, reduce costs, and minimize our environmental impact, ensuring a responsible and resilient supply chain for the future.



# HEALTH, SAFETY AND ENVIRONMENT STANDARDS, SYSTEMS AND POLICIES

Fatima prioritizes health and safety of its employees, contractors, customers, and other stakeholders. We benchmark our policies and procedures with global industry standards and best practices to achieve the highest levels of excellence in our businesses. We aspire not only to implement global standards and guidelines but also to transcend toward being an industry leader in HSE and PSM performance.

## Certifications and Awards

- British Safety Council International Safety Awards
- Gold Award for exceptional performance in HSE by The Royal Society for the Prevention of Accidents (RoSPA)
- OHSMS ISO 45001, QMS ISO 9001, and EMS ISO 14001 Certification
- WWF Green Office Diploma
- The Professionals Network 10th International EHS Award 2024
- NFEH Fire safety award 2024
- NFEH (National Forum for Environment and Health) Annual Environment Excellence Award 2024
- NSC Safety Leadership, Perfect Record, and Hazard Recognition awards

Every certificate has a dedicated team behind it, whose efforts made the achievement possible.

## Training and Development

Training is an important aspect of Health, Safety & Environment. Effective training programs play a key role to sustain process and occupational safety standards at our organization. Fertilizer plants collectively invested over 14000 on-site man-hours on HSE trainings. Some of the notable novel trainings delivered in 2024 are as follows:

- Process Hazard Analysis (PHA) methodology
- Incident Investigations and Root Cause Analysis
- Emergency Response Team external trainings with Rescue 1122
- Risk Based Process Safety Approach
- HAZOP Capability Enhancement
- Electrical Safety

## Process Safety Improvement

Fatima has achieved excellence in DuPont Process Safety Management (PSM) system at Sadiqabad plant, in accordance with Occupational Safety and Health Administration (OSHA) guidelines. We have adopted Risk-Based Approach and annually conduct 1<sup>st</sup> and 2<sup>nd</sup> party PSM audits to ensure compliance to the relevant procedures and guidelines.

Sadiqabad Plant conducted following benchmarking:

- Mechanical Integrity Leading Indicators benchmarked with API-754
- Emergency Declaration & Control Centers benchmarked with NFPA-1600 & NFPA-72
- Risk Register benchmarked with ISO 73:2009

Multan Plant strengthened Process Safety (PSM) by benchmarking with DuPont and CCPS practices. We advanced our process safety management framework, ensuring compliance with global standards. Moreover, 9 HSE awareness campaigns were developed, implemented and executed.

Sheikhupura Plant launched Emergency Response Protocol for Differently Abled Employee including beacon light, WhatsApp message and buddy system. Under Mutual Aid Program, site hosted medical/occupational health personnel from neighboring industries & medical facilities for a kick-off session on Ammonia medical emergency education and handling.

## Policy on Quality, Health, Safety and Environment (QHSE)

Fatima considers the Health, Safety, and Environment of its employees, stakeholders, contractors, and the community equal to its production targets. The long-term business success of the organization depends on the ability to continually improve the quality of the products while protecting people and the environment. Fatima emphasizes ensuring quality enhancement, occupational health, operational and process safety, environmental protection, and community well-being.

## Fatima is committed to

- Conduct its business in a manner that protects the health and safety of employees, contractors, and others involved in our operations and the community in which we live and operate.
- Conform to the requirements of all legislation, regulations, and codes of practice pertaining to quality, health, safety, and environment.

- Implement environmental protection measures that address pollution prevention in all aspects of our business.
- Prevent injuries, occupational illnesses, safety incidents, and environmental excursions.
- Encourage off-the-job safety awareness among employees and their families.
- Ensure that quality, health, safety, and environment is a major responsibility of appropriately trained, empowered, and accountable employees and management.
- Encourage and promote a culture where best quality, health, safety, and environment practices and lessons learned from internal and external incidents are transparently shared with the stakeholders.
- Reaffirm its corporate sustainability commitments towards business excellence and be a responsible global corporate organization throughout its lifecycle.
- Maintain a high standard of quality, health, safety, and environment in all aspects of its business conduct and continuously improve its performance.
- Recognize and reward outstanding quality, health, safety, and environmental performance.

## Fatima's Contribution to the International and National Process Safety and HSE Forums

SITE	EVENT 2024	Paper/Topic Presented
Corporate Technical Services	Nitrogen + Syn gas Magazine	Paper published: Catalyst Management and Monitoring in Nitric Acid Plants
Sadiqabad Plant	20 <sup>th</sup> Global Conference on Process Safety (GCPS) in US	Process Safety Culture Challenges in developing regions
Multan Plant	National – Mock Exercise	Simulation Exercise – Industrial Disaster
Multan Plant	2 <sup>nd</sup> National Workshop on CBRNE	Navigating Risks & Managing Emergencies with Confidence
Sheikhupura Plant	Sustainability Conference (Fatima x GIKI)	Site Sustainability Journey
Sheikhupura Plant	Seminar on "Management of Chemical Emergencies" organized by Chemical Safety Board Pakistan	Best Practices in Chemical Emergency Preparedness



# TALENT SUSTAINABILITY

## Best Talent Management & Acquisition Strategy Award – UAE

Fatima was honoured with the Best Talent Management & Acquisition Strategy Award at the Global Digital HR Transformation & Analytics Conference in the UAE, recognizing its data-driven and strategic approach to attracting, developing, and retaining top talent. Through AI-powered recruitment, structured onboarding, and career progression initiatives, the organization has built a strong, diverse, and future-ready workforce. Advanced HR technology, including Oracle EBS and real-time talent dashboards, has further enhanced efficiency and decision-making in talent management.

A strong focus on Diversity, Equity & Inclusion (DE&I) and employee well-being has been integral to this success. Initiatives like Sab Saath promote gender diversity in hiring, while leadership programs such as HerPower Mentoring and SHE Circle empower women in leadership. With over 42,000 training hours in 2024, global learning partnerships,

and leadership development programs, Fatima continues to foster a culture of growth, innovation, and inclusivity, reinforcing its position as an industry leader in talent excellence.

## Global DE&I Awards – A Recognition of Our Commitment

Fatima is proud to announce that we have been recognized at the Global DE&I Awards as a progressive organization, winning in three key categories:

- DE&I Structure and Implementation
- Community, Government Relations, and Philanthropy
- Marketing and Customer Service

This achievement reflects our unwavering commitment to fostering an inclusive culture, strengthening community impact, and enhancing customer experiences through our progressive DE&I strategy.

By embedding diversity, equity, and inclusion across all business functions, we continue to break barriers, drive meaningful change, and set new benchmarks in corporate excellence.





## Value-Based Culture

At Fatima, our values stand as the foundation of our organizational philosophy, representing a persistent commitment to continuous business improvement and strategic vision. We firmly assert that these values serve as the guiding principles of our organization, encapsulating our brand and culture. To fortify this commitment, we have implemented a governance mechanism, demonstrating a "Zero" tolerance policy for any corporate values violations.

Our strategic initiatives include the creation of a specialized module on Values and Behavior. This module serves as a meticulous framework, designed to deeply integrate our values into the behavior and decision-making processes of our workforce. A significant achievement in this regard is the certification of 100% of our management employees. This certification program was strategically crafted not only to instill values but to tangibly demonstrate our organizational commitment to upholding and reinforcing this fundamental principle.

## Empower to Lead

Fatima continues to prioritize leadership development and succession planning to ensure a robust talent pipeline for the future. Now in its seventh year, the Empower to Lead Graduate Program remains a key initiative, attracting top-tier business and engineering graduates from leading local and international universities, reinforcing our commitment to nurturing young talent and preparing them for leadership roles.

## Ensuring Robust Career Progression and Sustained Leadership Bench

At Fatima, we are committed to empowering our people and building a strong leadership pipeline. Our people strategy is designed to enable career growth through performance-driven development, structured talent mobility, and leadership acceleration.

In 2024, we implemented a comprehensive career progression framework, ensuring that employee performance and potential drive promotion and internal mobility. This was reinforced through in-depth Talent Review Meetings (TRMs) conducted across Fatima,



evaluating 750+ employees and leading to the creation of individualized career development plans. These TRMs played a pivotal role in data-driven succession planning, enabling merit-based promotions and strategic role rotations to strengthen our leadership bench.

To further develop future-ready leaders, structured leadership development interventions were introduced, including business simulations, coaching programs, and leadership transformation initiatives. Employees also gained access to globally recognized platforms such as Harvard ManageMentor, Stanford Coaching, and business strategy simulations, ensuring exposure to world-class leadership practices.

Through these initiatives, Fatima continues to invest in a high-performance culture, ensuring that our future leaders are developed, promoted, and placed in roles that maximize their potential while driving business success.

### **Diversity, Equity, and Inclusion – Sab Saath**

In 2024, Fatima further strengthened its commitment to Diversity, Equity, and Inclusion (DE&I) through Sab Saath - a comprehensive strategy aimed at embedding inclusivity across our business. As part of this commitment, we formally launched the Sab Saath DE&I Initiative at our three plant sites and in Lahore, accompanied by skill-building workshops aimed at equipping employees with the necessary tools to promote inclusivity, enhance leadership capabilities, and drive organizational change.

With a focus on strategic objective implementation, Site Councils were established to drive DE&I efforts at the operational level. This included the formation of the DE&I Corporate Council and the establishment of four councils: three dedicated to our respective manufacturing plant sites and one for our business commercial division, all aligned with a five-year roadmap.

Fatima's DE&I strategy aligns with global standards and reinforces our business case for international investment, positioning us as an industry leader in inclusive workplace practices.

### **Gender Diversity**

Fatima recognizes that increasing female representation is essential to driving innovation, enhanced decision-making, and business sustainability. To achieve this, we have set a 13% gender diversity target across the organisation and introduced key initiatives, including:

- Her Power – A platform designed to empower and accelerate women's leadership growth.
- Female Coaching Circle – Providing structured mentorship and career advancement opportunities for women.
- Women Leadership Today – Focused on equipping women with leadership skills and fostering an inclusive leadership pipeline.

### **Generational Diversity**

A multi-generational workforce ensures organizational resilience, knowledge continuity, and adaptability. To foster collaboration and engagement across age groups, we have launched:

- Time Bridge – A program fostering knowledge transfer and mentorship between different generations within the organization.
- Gen Blend – Designed to promote intergenerational teamwork and harness diverse perspectives to drive innovation and workplace harmony.

### **Differently Abled Inclusion**

In line with our commitment to creating an equitable and accessible workplace, several targeted initiatives were undertaken

- Position Mapping & Infrastructure Analysis – Ensuring workplace accessibility for differently-abled employees.
- Induction of Differently-Abled Interns & Apprentices – Structured onboarding programs to integrate diverse talent into our workforce.
- Hiring of Differently-Abled Employees at Plant Sites – Strengthening inclusivity across operational and industrial areas.

Looking ahead into 2025, our focus remains on executing our strategic DE&I action plan, further strengthening these pillars to enhance representation, equity, and inclusion across all business functions.

### **People Development and Cultivating an Engaged Workforce**

At Fatima, we believe that continuous learning is the foundation of innovation, growth, and leadership excellence. In 2024, we took a bold step forward by reimagining our employee development approach, redefining our philosophy, and introducing a structured

five-category framework to ensure a tailored learning experience for every level within the organization.

This transformation included the introduction of a dedicated category for High-Potential (HiPo) employees covering Grades M.10 to M.12A, along with the launch of "Developing Professional" (M.1-M.4) for the first time. These initiatives highlight our commitment to nurturing foundational skills and accelerating the careers of emerging talent.

With a record-breaking 42,000 training hours delivered in 2024, we continued investing in cutting-edge leadership and capability-building programs, including: Strategic Leadership, Inclusive Leadership & Unconscious Bias, Harvard ManageMentor & LinkedIn Learning Hub providing world-class, on-demand learning content. BetterUp Coaching - Offering personalized, one-on-one coaching to enhance leadership effectiveness and career growth. These initiatives ensure that Fatima employees remain at the forefront of industry trends, leadership excellence, and professional growth, enabling a workforce that is both skilled and future ready.

### **Fatima University – Leadership Development Program**

Fatima remains committed to developing future-ready leaders through Fatima University, a comprehensive leadership development program designed exclusively for senior leadership. This initiative equips leaders with the skills and strategic insights necessary to navigate complex business challenges and drive sustainable growth.

In 2024, Fatima University introduced a structured learning framework comprising three core modules:

- Emerging Technologies – Exploring advancements in AI, IoT, and digital transformation to leverage technology for competitive advantage.
- Business Value Creation – Focusing on supply chain management, strategic decision-making, and long-term business growth and operational excellence.
- People Development – Enhancing leadership effectiveness, talent management, and organizational culture transformation.

For the first time, Fatima University was entirely designed and executed by our internal faculty members, leveraging in-house expertise and industry experience. This self-

sustained learning model reinforces our commitment to building internal leadership capabilities while ensuring relevance to organizational priorities and market dynamics.

Additionally, the program provided global exposure through keynote sessions from renowned international speakers, bringing world-class insights and global best practices to our leadership teams. By integrating internal knowledge with international expertise, Fatima University has set a new benchmark for leadership development at Fatima, preparing senior leaders to drive transformation and future-proof the organization.

### **Visionary Leadership Program – Cultivating Transformational Leaders**

Fatima successfully organized a two-day Visionary Leadership Workshop, led by Dr. Oleg Kononov, a globally recognized leadership expert, author, and C-suite coach. This exclusive session brought together ExCom members and over 50 senior managers, equipping them with the mindset, tools, and strategies to lead with clarity, influence, and long-term vision.

At the core of the workshop was the CAVIAR framework - Clarity, Ability, Viability, Influence, Action, and Revitalization - which provided a structured approach to building visionary leadership. Through interactive exercises, deep discussions, and strategic reflections, participants explored how to align organizational vision with execution, foster transformational leadership, and drive sustainable growth. A key outcome of the workshop was the collaborative effort to shape a unified vision for Fatima, reinforcing leadership alignment across all business functions.

By the end of the workshop, participants left with a clear roadmap for visionary leadership, ready to inspire their teams, drive strategic change, and position Fatima for long-term success. This initiative underscores Fatima's commitment to developing future-ready leaders who can navigate complexity, embrace innovation, and accelerate business transformation.

### **HR Transformation: Achieving Competitive Advantage through Digitization**

In our relentless pursuit of harnessing competitive advantage through HR Digital Excellence, Fatima Fertilizer has achieved remarkable strides in optimizing efficiency and fostering strategic decision-making within our integrated HR digital ecosystem.



Every facet of our HR has transitioned into a fully digitalized and paperless environment, marking a significant milestone in our journey. Embracing cutting-edge technologies and Artificial Intelligence has remained central to our strategic agenda throughout 2023. Our HR Digital ecosystem, fueled by Artificial Intelligence, continues to serve as a cornerstone in shaping our people-centric strategies.

The deployment of an Integrated HR AI Dashboard has enabled us to analyze over 200,000 data points, empowering us to develop proactive people-centric initiatives that drive tangible business outcomes. Our commitment to leveraging Artificial Intelligence extends beyond strategy formulation; Customized Generative AI integrated with Fatima Fertilizers WhatsApp bot - FG BOLT was introduced to all employees. This innovative solution empowers employees to set high-quality performance objectives and KPIs for themselves and their teams, thus fostering a culture of continuous improvement and enhancing organizational performance.

### **Strategic Value Enhancement: Total Reward and People Excellence Strategy**

Fatima remains committed to fostering a performance-driven and employee-centric workplace through the implementation of a comprehensive Total Rewards Strategy and strategic Organizational Development initiatives. Our structured Compensation Philosophy and Rewards Strategy are designed to strengthen employee retention, while our Employee Engagement Index, now at 91%, highlights our commitment to attracting and retaining top talent.

In alignment with our people excellence approach, we introduced childcare support policies, ensuring a more inclusive and supportive work environment. Additionally, Long Service Awards were introduced to acknowledge and celebrate employees' dedication and contributions over the years. To maintain market competitiveness, a periodical Total Rewards Survey was conducted to analyze remuneration structures, provided Index-Based Relief—a key initiative aimed at protecting net-of-tax salary levels against additional tax burdens. Furthermore, a notable increase in our Offer Acceptance Rate underscores the effectiveness of our value-driven compensation framework in attracting top-tier talent.

These initiatives underscore Fatima's strategic commitment to employee well-being and competitive compensation, reinforcing our position as an employer

of choice and driving long-term value creation for our stakeholders and investors.

### **Employee Well-being Initiative: FG Wellness 360**

At Fatima, our commitment to employee well-being remains at the core of our organizational values. Building on the success of our comprehensive Wellness 360 program, we continue to foster a culture that prioritizes mental, physical, financial, psychological, professional and social wellness, ensuring our employees feel supported both personally and professionally.

This year, we further strengthened our wellness efforts by introducing dynamic initiatives that support physical health, knowledge-sharing, and meaningful engagement. From promoting an active lifestyle and fostering a culture of appreciation to enhancing financial awareness and giving back to the community, every initiative was designed to create a balanced and engaging work environment. Additionally, open dialogues between employees and leadership, a dedicated podcast series, and an increased emphasis on mental well-being reinforced our vision of a resilient and empowered workforce. By continuously evolving our wellness approach, we strive to cultivate a workplace where employees can thrive, contribute meaningfully, and feel valued in every aspect of their well-being.

### **The ITLEM Leadership Model: Driving Performance and Growth**

The Individual Team Leaders Effectiveness Model (ITLEM), based on Harvard research and insights from a diverse global study, serves as a strategic framework to cultivate and assess leadership capabilities across Fatima.

Through its focus on direction setting, team development, and demonstration of 360 leadership, ITLEM drives the formation of high-performing teams and fosters innovation, collaboration, and performance excellence. Integrated seamlessly within our HR ecosystem, ITLEM utilizes the Leadership Competency (LC) framework to holistically manage talent from recruitment to ongoing development and performance assessments. By leveraging ITLEM's attributes, we identify high-potential leaders, deliver targeted training, and invest in our leadership pipeline, ensuring our organization's agility and readiness to navigate the complexities of the business landscape with resilience and efficacy.

## Employee Development Committees at Fatima

At Fatima, our commitment to employee development is exemplified through the establishment of three focused Executive Development Committees (EDCs). Chaired respectively by our CEO, Advisor to CEO, and Director HR, these committees convene quarterly to review training programs, development plans, and promotions for our workforce. EDC-1, led by our CEO, oversees career progression initiatives for management employees, while EDC-2, under the guidance of the Advisor to CEO, concentrates on Tier 3 employees within Manufacturing and Technology. EDC-3, chaired by the Director of HR, addresses the needs of Tier 3 employees in other functional domains. Through strategic decision-making and a focus on continuous learning, these committees play a vital role in nurturing talent and driving organizational success at Fatima. Their outcomes are reflected in Talent Reviews and Succession moves, ensuring a seamless transition and advancement of our employees across all levels of the organization.

## Fostering Ethical Governance: The Strategic Role of the Ethics Committee

At Fatima, integrity and ethical conduct are foundational to our operations, and to uphold these principles, we have established an Ethics Committee chaired by the CEO. Comprised of key stakeholders including the Director of Human Resources, CFO, Director of Internal Audit & Risk Assurance, and Director of Corporate & Legal Affairs, this committee operates transparently and independently, ensuring strict compliance with our Code of Conduct and fostering a culture of integrity throughout the organization. In alignment with our zero-tolerance policy towards ethical violations, we have instituted the Flag It program, allowing individuals to report concerns anonymously or by identification. Additionally, our Anti-Retaliation Policy protects whistleblowers with positive intent from any form of retaliation. Through proactive policy development, risk assessment, and investigation of ethical breaches, the Ethics Committee plays a strategic role in safeguarding our reputation and promoting trust among stakeholders. At Fatima, we are unwavering in our commitment to ethical excellence and accountability..

## Gender Pay Gap Statement under Circular 10 of 2024

Following is gender pay gap calculated for the year ended December 31, 2024.

i) Mean gender pay gap:	1.7%
ii) Median gender pay gap:	19.3%*

\*This represents gap in the comparative working experience and grade of the employees falling in the median.

Fatima Fertilizer is an equal opportunity employer, and no gender pay gap exists across all levels of our organization—whether at the entrant, middle, or leadership levels. Our compensation structure is strictly based on merit, performance, and role responsibilities, ensuring equal opportunities and fair remuneration for all employees, regardless of gender.

This commitment reflects our core values of our dedication to a diverse and inclusive workplace.



# CORPORATE SOCIAL RESPONSIBILITY

## Fatima Flagship Health Project – Mukhtar A. Sheikh Hospital

Located in the heart of Southern Punjab, Mukhtar A. Sheikh Hospital (MASH) is a multidisciplinary tertiary care hospital that aims to provide exceptional healthcare services through its state-of-the-art facility. MASH's goal is to provide unparalleled services by employing cutting-edge technology in its operations.

Mukhtar A. Sheikh Hospital strives to embrace the best international healthcare practices by aligning with the most notable medical professionals both nationally and internationally. Complying with the International standards of quality, MASH aims to bring value-based patient-centered healthcare the Southern Punjab

## Spring Clinic Spring Clinic / Institute of Psychiatry

Spring Clinic is a medium sized medical facility for psychiatric / psychological patients. Its medical team comprises Psychiatrists, Clinical Psychologists and Speech Therapists. The patients include adults and children. Spring is a subsidiary of Mukhtar A. Sheikh Hospital. Spring has its own identity and separate infrastructure.

## Fatima Fertilizer Welfare Trust Hospital

Under this is the Fatima Fertilizer Welfare hospital and various other healthcare and education facilities at our largest Plant Site in Sadiqabad. A dialysis center has been set up for the benefit of the communities. The main objective is to eradicate hepatitis in the vicinity of Plant areas and the district Rahim Yar Khan.

Our commitment to the health sector extended beyond our Plant Areas, as we continued our support for leading hospitals and organizations. Through these contributions, we aimed to enhance access to quality healthcare and make a meaningful impact on the lives of those in need. These include:

- LIHS
- SKMH
- Patients' Behbud Society for AKUH
- SIUT
- Memon Health & Education Foundation

## Contributions to the Education Sector

At Fatima, we aim to ensure that quality education is accessible and affordable to the underprivileged segment the society. The need to invest in the education sector – primary, secondary & higher - is critical and it is imperative that we divert our resources to constantly introduce new technologies and adopt innovative, creative methodologies so that our youth may flourish and we, as a country, can realize our true potential. In 2024, Fatima actively sponsored the following institutions and organizations:

- TCF (The Citizens Foundation)
- Lahore University of Management Sciences (LUMS)
- Care Foundation
- Habib University

- Pakarab Public School
- ACOBA
- Hunar Foundation

## Empowering Communities

We are deeply committed to playing our part in the social and economic empowerment of our communities. This year we continued our collaboration with Deaf Reach to support the primary education of the Deaf Community, while also continuing our support of Rising Sun Institute. Additionally, we continued our support for LABARD, PFFB and SOS as a part of our commitment to empower communities.

## Strengthening Our Culture of Integrity: The Launch of “Tell Fatima”

At Fatima, our values are the foundation of our success. Over the years, we have made significant strides in embedding these principles into our organizational culture. As part of this continuous journey, we are proud to introduce “Tell Fatima”, an innovative online platform designed to uphold transparency, accountability, and ethical integrity across all our operations. A cornerstone of our LOVE<sup>2</sup> (Living Our Values Every Day, Every Time) initiative, “Tell Fatima” serves as a dedicated system for reporting and addressing values violations. This initiative ensures that all stakeholders—employees, customers, partners, and vendors—have seamless online access to a secure, confidential platform for raising concerns related to ethical conduct.

Developed through benchmarking against Fortune 500 companies and aligned with global best practices, “Tell Fatima” reinforces our commitment to robust governance and risk management. By fostering a culture of openness and responsibility, we continue to strengthen our organizational framework, ensuring that Fatima remains a leader in ethical business practices and corporate excellence.

## FG Open House: A Landmark Initiative for Candidate Engagement and EVP Promotion

Fatima took a significant step forward in candidate engagement and employer branding with the launch of its first-ever FG Open House—a virtual event designed to connect with potential talent and reinforce our Employer Value Proposition (EVP), “With You, We Do Best.”

With 20,000+ views on social media, the event served as a dynamic platform where leaders from Fatima engaged with a diverse audience, sharing valuable insights on career growth, innovation, and business opportunities. This initiative not only highlighted our culture of excellence and collaboration but also positioned Fatima as an employer of choice for top talent.

The open house featured four key segments:

- Segment 1: With You, We Do Best – Showcasing how our people drive success through collaboration.
- Segment 2: Launching Careers with Fatima – Providing guidance on career opportunities and development.
- Segment 3: Inspiring Growth – Highlighting strategies for both personal and organizational growth.

- Segment 4: New Business, New Opportunities – Exploring emerging markets and business expansions.

As one of the key interventions for potential candidate engagement, FG Open House successfully bridged the gap between aspiring professionals and industry leaders. By leveraging digital platforms, this initiative expanded our outreach, making Fatima’s vision, values, and career opportunities accessible to a wider audience. This milestone event reinforces our commitment to attracting and nurturing the best talent while strengthening our employer brand.

## Driving Digital Transformation: A Fully Integrated HR Ecosystem

At Fatima, we continue to push the boundaries of digital transformation, ensuring efficiency, agility, and data-driven decision-making across all HR functions. In 2024, we achieved a 100% paperless HR ecosystem, reinforcing our commitment to sustainability and operational excellence.

### 1. HR Ecosystem: A New Era of Automation

We launched six new digital modules, automating critical HR functions and enhancing employee experience:

- EZ Board – Streamlining executive approvals and decision-making.
- Rotation/Transfer Module – Ensuring seamless internal mobility.
- End-to-End Employee Exit Management (Phase II) – Automating offboarding processes.
- MTO Pulse Check – Enabling real-time engagement tracking of Management Trainees.
- Monthly, Quarterly, and ExCom Evaluations – Standardizing leadership performance assessments.
- Candidate Evaluation & Offer Management (Phase II) – Enhancing recruitment efficiency.

Additionally, 23 sub-processes were automated, resulting in a time savings of over 2,000+ man-hours, significantly improving HR efficiency and reducing administrative burdens.

### 2. Integrated HR Dashboard: Data-Driven Decision Making

We introduced an Integrated HR Dashboard, delivering 10+ scorecards to Function Heads (FHs) on a monthly basis. These dashboards empower leadership with real-time insights, enabling data-backed decisions to optimize people strategy, workforce planning, and employee engagement.

### 3. Enterprise Content Management: 100% Digital Employee Records

Fatima has fully digitized employee records, achieving a 100% automated document management system. This transition has eliminated manual record-keeping, ensuring data accuracy, compliance, and seamless access to HR information.

Through these digital advancements, Fatima is redefining HR excellence, fostering a culture of innovation, efficiency, and strategic workforce management. By leveraging automation and analytics, we are not only enhancing employee experience but also driving sustainable growth and organizational agility.



# OUR REPORTING PARAMETERS

This report contains the Directors' Report to shareholders along with the audited financial statements as per the statutory requirements for disclosure for listed companies in Pakistan. Additionally, the report also contains the voluntary reporting on sustainability in alignment with the ISSB's IFRS S1 (General Sustainability-Related Disclosures) and S2 (Climate-Related Disclosures) standards and is published as part with the Company Annual Report. The Company also considered the requirements of Association of Chartered Certified Accountants (ACCA), World Wide Fund for Nature – Pakistan (WWF–P) and Pakistan Environment Reporting Awards (PERA) in order to adopt best sustainability reporting practices within the Country.

## Report Boundary

This report covers all fertilizer production facilities and the Corporate Head Office in Lahore.

## Reporting Period

The reporting period is January 01, 2024 to December 31, 2024 and the data has mainly been obtained from Finance, Operations, Marketing and Sales, Human Resources, Corporate Secretarial, Internal Audit, Information Technology, Supply Chain, External Auditors, HSE and CSR Functions.

## Report Content

The Company identified key issues to be responded on as corporate strategy by using its materiality matrix. The purpose of the engagement was to prioritize the materiality of outcomes for management attention and further actions. All the issues which are significant in nature considering the concerns of the stakeholders and the Company are analysed and covered in detail in the report.

## Data Measurement Techniques

All numeric indicators are reported on actual basis except for a few environmental KPIs which are reported on management best estimates in accordance with international standards and best practices.

## Contact Us

Feedback on the Company's annual and sustainability reporting is encouraged. For comments and feedback, please contact the Corporate HSE / Corporate Communications Department at: [sustainability.reporting@fatima-group.com](mailto:sustainability.reporting@fatima-group.com) and [communications@fatima-group.com](mailto:communications@fatima-group.com)

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# REPORT OF THE AUDIT COMMITTEE

## on Adherence to the Listed Companies (Code of Corporate Governance), Regulations, 2019.

The Audit Committee has concluded its annual review of the conduct and operations of the Company during 2024, and reports that:

- The Company has issued a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" which has also been reviewed and certified by the External Auditors of the Company.
- The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures. Equitable treatment of shareholders has also been ensured.
- The Board has developed a Vision / Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- The Company has complied with all the corporate and financial reporting requirements. Appropriate accounting policies have been consistently applied. All core & other applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended December 31, 2024, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equity of the Company.
- The Directors' Report for this year has been prepared in compliance with the requirements of the Listed Companies (Code of Corporate Governance), Regulations, 2019 and fully describes the salient matters required to be disclosed.
- The Chief Executive and the CFO have reviewed the financial statements of the Company and the Directors' Report.
- 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.
- Directors, CEO and executives or their spouses do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the Chief Executive and executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

## INTERNAL AUDIT

- The internal control framework has been effectively implemented through an independent in-house Internal Audit function established by the Board which is independent of the External Audit function.
- 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 Company's system of internal control is adequate and effective. The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.

- 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.

## EXTERNAL AUDITORS

- The statutory Auditors of the Company, Yousuf Adil, Chartered Accountants have completed their Audit assignment of the "Company's Financial Statements" and the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" for the financial year ended December 31, 2024 and shall retire on the conclusion of the 22<sup>nd</sup> Annual General Meeting.
- The Audit Committee has reviewed and discussed Audit observations and Draft Audit Management Letter with the External Auditors. Final Management Letter is required to be submitted within 45 days of the date of the Auditors' Report on financial statements under the listing regulations and shall therefore accordingly be discussed in the next Audit Committee Meeting.

- The Auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured. The Audit Committee had a meeting with the external auditors without the presence of the CFO and the Head of Internal Audit. The Auditors attended the General Meeting of the Company during the Year and have confirmed attendance of the 22<sup>nd</sup> Annual General Meeting scheduled for April 18, 2025 and have indicated their willingness to continue as Auditors.
- Being eligible for reappointment as Auditors of the Company, the Audit Committee recommends their reappointment for the financial year ending December 31, 2025.
- The Firm has no financial or other relationship of any kind with the Company except that of External Auditors.

For and on behalf of Audit Committee

Lahore  
March 13, 2025



Tariq Jamali  
Chairman-Audit Committee



# STATEMENT OF COMPLIANCE

## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

### For the year ended December 31, 2024

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

1. The total number of directors are 7 as per the following:
  - a. Male: 6 members
  - b. Female: 1 member
2. The composition of the Board is as follows:

i	Independent directors (excluding female director)	Mr. Tariq Jamali
ii	Other Non-executive directors	Mr. Arif Habib Mr. Faisal Ahmed Mukhtar Mr. Muhammad Kashif Habib
iii	Executive directors	Mr. Fawad Ahmed Mukhtar Mr. Fazal Ahmed Sheikh
iv	Female directors (Independent)	Mrs. Julie Jannerup

For a Board comprising of seven members, one-third equates to 2.33. Two independent directors have been appointed, however, the fraction of 0.33 in such one-third is not rounded up as one since the fraction is below half (0.5). Furthermore, the two independent directors have the requisite skills, knowledge and are capable of protecting the interests of minority shareholders.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Three directors of the Company, Mr. Tariq Jamali (Independent/Non Executive Director), Mr. Muhammad Kashif Habib (Non Executive Director) and Mrs. Julie Jannerup (Independent/Non Executive Director) have already completed the formal Directors Training Program ("DTP"), whereas the remaining four directors fall under the exemption from the mandatory requirement for acquiring DTP certification.
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. There is no new appointment of Chief Financial Officer, Company Secretary or Head of Internal Audit during the year;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
  - a) **Audit Committee**
    1. Mr. Tariq Jamali Chairman
    2. Mr. Muhammad Kashif Habib Member
    3. Mr. Faisal Ahmed Mukhtar Member
    4. Mrs. Julie Jannerup Member
  - b) **HR and Remuneration Committee**
    1. Mrs. Julie Jannerup Chairperson
    2. Mr. Muhammad Kashif Habib Member
    3. Mr. Fawad Ahmed Mukhtar Member

**c) Nomination and Risk Management Committee**

1. Mr. Fazal Ahmed Sheikh Chairman
  2. Mr. Muhammad Kashif Habib Member
  3. Mr. Tariq Jamali Member
13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

**a) Audit Committee**

Four meetings of the Audit Committee were held during the year prior to approval of interim and final results of the Company during first, second, third and fourth quarter of the financial year.

**b) HR and Remuneration Committee**

The meeting of the HR and Remuneration Committee was held once during the year.

**c) Nomination and Risk Management Committee**

There was no meeting of the Nomination and Risk Management Committee during the year.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its 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;

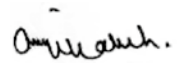
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation with respect to compliance with non-mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 is specified below:

Sr. No.	Requirement	Explanation	Regulation No.
1.	The board may constitute a separate committee, designed as the nomination committee of such number and class of Directors, as it may deem appropriate in its circumstances.	The board has constituted a joint Nomination and Risk Management Committee and the functions of both these committees i.e., Nomination Committee, and Risk Management Committee are being performed by the joint "Nomination and Risk Management Committee".	29
2.	The Board may establish a dedicated sustainability committee having at least one female director or assign additional responsibilities to an existing board committee.	Currently, the Board oversees sustainability-related matters. However, following the amendment to the Listed Companies (Code of Corporate Governance) Regulations, 2019, introduced through SECP's notification SRO 920(I)/2024 dated June 12, 2024, a new regulation 10A has been added. In line with this, the Board is currently deliberating, and compliance will be made in due course of time.	10A



Place: Lahore  
March 13, 2025

Fawad Ahmed Mukhtar  
CEO



Arif Habib  
Chairman

# INDEPENDENT AUDITOR'S REVIEW REPORT

To The Members of Fatima Fertilizer Company Limited

## 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 Fatima Fertilizer Company Limited (the Company) for the year ended December 31, 2024 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

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

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



Chartered Accountants

Lahore

Date: March 20, 2025

UDIN: CR202410180zJhp7U1Ys

# INDEPENDENT AUDITOR'S REPORT

To the members of Fatima Fertilizer Company Limited

## Report on the Audit of Financial Statements

### Opinion

We have audited the annexed financial statements of Fatima Fertilizer Company 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 a summary of 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, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, 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 the 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.



# INDEPENDENT AUDITOR'S REPORT

To the members of Fatima Fertilizer Company Limited

## Report on the Audit of Financial Statements

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
<b>1. Scheme of arrangement with Fatimafert Limited</b> <p>The Board of Directors of the Company in their meeting held on August 26, 2020, accorded in principle approval for the transfer of operations related to the Sheikhpura plant to Fatimafert Limited (a wholly owned Subsidiary). A Scheme of Arrangement (the Scheme) with effective date of January 01, 2022 was approved by the Board of Directors of both companies on July 15, 2021. The Scheme was filed with Lahore High Court (LHC) for formal sanction and approval of the Court. On December 01, 2022, LHC granted their approval for the Scheme of Arrangement.</p> <p>On December 30, 2022, the Board of the Company and Fatimafert Limited have agreed to defer the effective date of implementation of the Scheme from January 01, 2022 to January 01, 2024 or such suitable date, earlier or later, as may be decided by the Board of the Company and the Fatimafert Limited. The BOD has decided to implement this demerger from July 1, 2024.</p> <p>The financial statements of the Company for the year ended December 31, 2024 prepared by the management include the operations and results of Sheikhpura plant of the Company till June 30, 2024. The assets and liabilities of Sheikhpura plant have been transferred on July 01, 2024 to Fatimafert Limited.</p>	<p>Our audit procedures to address this Key Audit Matter included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the rationale and basis for the transfer of assets, liabilities, and operations to Fatimafert Limited, including management's considerations and the financial impact, while also gaining insight into the related internal processes.</li> <li>• Reviewed the Lahore High Court's approval order for the demerger and assessed compliance with the approved implementation timeline.</li> <li>• Verified that the assets and liabilities of the Sheikhpura plant were appropriately derecognized from the financial statements of Fatima Fertilizer Company Limited as at July 01, 2024.</li> <li>• Reviewed supporting documentation to confirm that operational results for the first six months of 2024 were correctly recorded in Fatima Fertilizer Company Limited, and operations were transferred to Fatimafert Limited from July 1, 2024.</li> <li>• Evaluated the adequacy and appropriateness of disclosures related to the demerger in the financial statements to ensure compliance with applicable accounting standards.</li> </ul>
<b>2. Revenue Recognition</b> <p>The Company's revenue comprises sales generated from the manufacturing, production, purchase, sale, and import of fertilizers and chemicals, as disclosed in note 33 of the financial statements. Revenue from sales is recognized when the Company fulfills its performance obligations under the contract by delivering the promised goods to customers. The criteria for revenue recognition are detailed in note 4.22 of the financial statements.</p>	<p>Our audit procedures to address this Key Audit Matter included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of and assessed the design and operational effectiveness of key internal controls related to revenue recognition.</li> <li>• Evaluated the appropriateness of the Company's accounting policies for revenue recognition and their compliance with applicable accounting standards.</li> </ul>

Key audit matters	How the matter was addressed in our audit
Revenue recognition has been identified as a key audit matter due to its significance as a key performance indicator for the Company and the inherent risk that revenue transactions may not be recognized based on the fulfillment of performance obligations in accordance with the contract. Additionally, there is a risk that revenue may not have been recorded in accordance with the accounting policy or within the appropriate reporting period.	<ul style="list-style-type: none"> <li>• Performed sample testing of recorded sales transactions by verifying them against underlying sales invoices.</li> <li>• Verified that sales prices were approved by the designated personnel.</li> <li>• Assessed the timeliness of revenue recognition by comparing individual sales transactions before and after the year-end to supporting documentation.</li> <li>• Evaluated the adequacy and appropriateness of disclosures related to revenue in the financial statements.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

Management of the Company 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 our auditor's report 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 controls 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

# INDEPENDENT AUDITOR'S REPORT

To the members of Fatima Fertilizer Company Limited

## Report on the Audit of Financial Statements

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 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 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 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 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 matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 Muhammad Sufyan.



Chartered Accountants

Lahore

Date: March 20, 2025

UDIN: AR202410180UcgCj6RFt



# STATEMENT OF FINANCIAL POSITION

as at December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized share capital 3,700,010,000 (2023: 3,700,010,000) shares of Rs 10 each		37,000,100	37,000,100
Issued, subscribed and paid up share capital 2,100,000,000 (2023: 2,100,000,000) ordinary shares of Rs 10 each	5	21,000,000	21,000,000
Reserves	6	120,732,919	97,365,983
		141,732,919	118,365,983
<b>NON CURRENT LIABILITIES</b>			
Long term finances	7	42,291,109	5,805,928
Subordinated redeemable preference Class A shares	8	1,714,210	1,473,323
Lease liabilities	9	636,185	107,377
Deferred taxation	10	23,668,521	27,110,658
Deferred liabilities	11	2,725,767	2,399,441
Long term advances and deposits		497,354	466,658
		71,533,146	37,363,385
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	55,422,205	56,607,722
Accrued finance cost	13	1,806,013	517,441
Income tax payable	14	10,140,497	11,714,000
Short term finances - secured	15	17,959,728	—
Short term loans from related parties	16	—	1,626,307
Unclaimed dividend		70,583	55,769
Payable to Privatization Commission of Pakistan	17	2,197,901	2,197,901
Current portion of long term liabilities	18	1,968,866	2,318,323
		89,565,793	75,037,463
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	19		
		302,831,858	230,766,831

The annexed explanatory notes from 1 to 53 form an integral part of these financial statements.

	Note	2024 (Rupees in thousand)	2023
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	20	96,202,487	110,025,290
Intangible assets	21	195,113	2,007,996
Investment property	22	163,607	164,513
		96,561,207	112,197,799
Long term investments	23	51,170,793	7,912,211
Long term loan to a subsidiary company	24	300,000	–
Long term advances and deposits	25	7,485,482	3,962,186
		58,956,275	11,874,397
		155,517,482	124,072,196
<b>CURRENT ASSETS</b>			
Stores and spares	26	15,058,608	13,717,907
Stock in trade	27	53,169,508	32,414,846
Trade debts	28	17,569,721	9,506,925
Short term loans to related parties	29	3,657,539	5,099,723
Advances, deposits, prepayments and other receivables	30	18,484,806	20,040,816
Short term investments	31	30,286,530	18,819,553
Cash and bank balances	32	9,087,664	7,094,865
		147,314,376	106,694,635
		302,831,858	230,766,831



Chief Executive Officer



Director



Chief Financial Officer

# STATEMENT OF PROFIT OR LOSS

for the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
Sales	33	238,422,133	232,754,821
Cost of sales	34	(150,919,315)	(160,345,454)
<b>Gross profit</b>		87,502,818	72,409,367
Distribution cost	35	(13,952,445)	(10,435,036)
Administrative expenses	36	(10,035,133)	(8,194,659)
		63,515,240	53,779,672
Finance cost	37	(4,750,109)	(4,640,423)
Other operating expenses	38	(10,568,880)	(7,623,757)
		48,196,251	41,515,492
Other income	39	13,133,253	7,276,640
Share of loss from associates	23.1	(87,543)	(1,404)
Other losses:			
– Unwinding of provision for GIDC	12.2	(58,700)	(220,083)
– Loss allowance on subsidy receivable from GoP	30.2	(627,648)	(826,377)
		(686,348)	(1,046,460)
<b>Profit before tax</b>		60,555,613	47,744,268
Taxation	40	(25,572,375)	(25,344,869)
<b>Profit for the year</b>		34,983,238	22,399,399
<b>Earnings per share – basic and diluted (Rupees)</b>	41	16.66	10.67

The annexed explanatory notes from 1 to 53 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended December 31, 2024

	2024 (Rupees in thousand)	2023
Profit for the year	34,983,238	22,399,399
<b>Other comprehensive income:</b>		
<b>Items that may not be reclassified subsequently to profit or loss:</b>		
Remeasurement of post retirement benefits obligation	(108,691)	(200,750)
Related tax thereon	42,389	103,150
Other comprehensive income – net of tax	(66,302)	(97,600)
<b>Total comprehensive income for the year</b>	<b>34,916,936</b>	<b>22,301,799</b>

The annexed explanatory notes from 1 to 53 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2024

	Ordinary share capital	Capital reserve Share premium	Revenue reserve Unappropriated profit	Post retirement benefit obligation reserve	Total
(Rupees in thousand)					
<b>Balance at December 31, 2022</b>	21,000,000	1,790,000	84,538,936	(239,752)	107,089,184
Profit for the year	–	–	22,399,399	–	22,399,399
Other comprehensive income	–	–	–	(97,600)	(97,600)
Total comprehensive income	–	–	22,399,399	(97,600)	22,301,799
Transaction with owners:					
– Final dividend for the year ended December 31, 2022 @ Rs 3.50 per share	–	–	(7,350,000)	–	(7,350,000)
– Interim dividend for the year ended December 31, 2023 @ Rs 1.75 per share	–	–	(3,675,000)	–	(3,675,000)
<b>Balance at December 31, 2023</b>	21,000,000	1,790,000	95,913,335	(337,352)	118,365,983
Profit for the year	–	–	34,983,238	–	34,983,238
Other comprehensive income	–	–	–	(66,302)	(66,302)
Total comprehensive income	–	–	34,983,238	(66,302)	34,916,936
Transaction with owners:					
– Final dividend for the year ended December 31, 2023 @ Rs 2.75 per share	–	–	(5,775,000)	–	(5,775,000)
– Interim dividend for the year ended December 31, 2024 @ Rs 2.75 per share	–	–	(5,775,000)	–	(5,775,000)
<b>Balance at December 31, 2024</b>	21,000,000	1,790,000	119,346,573	(403,654)	141,732,919

The annexed explanatory notes from 1 to 53 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer



# STATEMENT OF CASH FLOWS

for the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>Cash flows from operating activities</b>			
Cash generated from operations	45	39,182,374	73,308,739
Net increase in long term deposits		30,696	31,310
Finance cost paid		(3,344,933)	(5,015,877)
Taxes paid		(27,402,839)	(13,141,355)
Employee retirement benefits paid		(245,748)	(358,610)
<b>Net cash generated from operating activities</b>		8,219,550	54,824,207
<b>Cash flows from investing activities</b>			
Additions in property, plant and equipment		(9,239,113)	(6,513,747)
Additions in intangible assets		(41,437)	(71,780)
Proceeds from disposal of property, plant and equipment		50,671	8,419
Purchase of short term investments		(19,184,322)	(12,889,572)
Short term loans to associated companies – net		1,442,184	(100,000)
Long term loan given to a subsidiary company		(300,000)	–
Purchase of long term investments		(39,933,110)	(5,117,527)
Proceeds from long term investments		4,017,502	–
Proceeds from short term investments		13,763,956	625,099
Profit received on loans and saving accounts		5,623,792	2,387,543
Dividend income received		755,028	571,195
Net (increase) / decrease in long term advances and deposits		(3,934,446)	491,199
<b>Net cash used in investing activities</b>		(46,979,295)	(20,609,171)
<b>Cash flows from financing activities</b>			
Proceeds from long term finances	7.1	39,159,225	–
Repayment of long term finances	7.1	(3,100,841)	(3,521,364)
Repayment of short term loans from related parties		(1,626,307)	–
Repayment of lease liabilities	9	(104,075)	(83,963)
Dividend paid		(11,535,186)	(11,015,660)
Increase / (decrease) in short term finances – net		2,082,713	(8,611,211)
<b>Net cash generated from / (used in) financing activities</b>		24,875,529	(23,232,198)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(13,884,216)	10,982,838
<b>Cash and cash equivalents at the beginning of the year</b>		7,094,865	(3,887,973)
<b>Cash and cash equivalents at the end of the year</b>		(6,789,351)	7,094,865
<b>Cash and cash equivalents comprises of following:</b>			
Cash and bank balances	32	9,087,664	7,094,865
Running finance	15	(15,877,015)	–
<b>Cash and cash equivalents at the end of the year</b>		(6,789,351)	7,094,865

The annexed explanatory notes from 1 to 53 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

## 1 Legal Status and nature of business

- 1.1** Fatima Fertilizer Company Limited ('the Company'), was incorporated in Pakistan on December 24, 2003 as a public company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is listed on Pakistan Stock Exchange Limited. The principal activity of the Company is manufacturing, producing, buying, selling, importing and exporting fertilizers and chemicals.

Registered office of the Company is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt. The manufacturing facilities of the Company are located at Mukhtargarh - Sadiqabad and Khanewal Road - Multan.

- 1.2** The Board of the Company and Fatimafert Limited (a wholly owned subsidiary) decided and approved the implementation of the Scheme of Compromises, Arrangements and Reconstruction, as approved by Lahore High Court (LHC), to transfer the operations related to Sheikhupura plant to Fatimafert Limited (a wholly owned subsidiary) with effect from July 01, 2024.

Subsequent to implementation of the Scheme effective from July 01, 2024, following assets and liabilities were transferred by the Company to Fatimafert Limited (a wholly owned subsidiary):

<b>ASSETS</b>	(Rupees in thousand)
Operating fixed assets	11,526,972
Capital work in progress	215,807
Long term advances and deposits	93,332
Stores and spares	2,652,989
Stock in trade	266,025
Advances, deposits, prepayments and other receivables	495,802
<b>Total ( A )</b>	<b>15,250,927</b>
<b>LIABILITIES</b>	
Deferred taxation	(3,714,621)
Deferred liabilities	(21,797)
Trade and other payables	(4,319,610)
<b>Total ( B )</b>	<b>(8,056,028)</b>
<b>Subtotal ( A + B )</b>	<b>7,194,899</b>
<b>Long term investment recognized in the Company</b>	<b>7,194,899</b>

- 1.3** The Board of Directors of the Company in their meeting held on October 29, 2024 had given in principle approval of the Scheme of Compromises, Arrangements and Reconstruction (the Scheme) for carving out the net assets related to Multan Plant of the Company and amalgamating the same with and into Pakarab Fertilizers Limited, a wholly owned subsidiary with effect from October 01, 2024.

However, the Board of Directors of the Company in their meeting held on March 13, 2025 approved to amend the effective date of the Scheme to January 01, 2025, subject to regulatory approvals.

- 1.4** These financial statements are the separate financial statements of the Company in which investment in subsidiary companies is accounted for on the basis of actual cost incurred to acquire subsidiary and investment in associates are accounted for under equity method. Consolidated financial statements are prepared separately.

## **2 Basis of preparation**

### **2.1 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 in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

### **2.2 New accounting standards / amendments and IFRS Standards interpretations that are effective for the year ended December 31, 2024**

The following amendments are effective for the year ended December 31, 2024. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024

### **2.3 New accounting standards, amendments and IFRS Standards interpretations that are not yet effective**

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

Effective from  
accounting period  
beginning on or after:

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

### 3 Basis of measurement

#### 3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

#### 3.2 Critical accounting estimates and judgements

The Company's material accounting policies are stated in note 4. Not all of these material policies require the management to make difficult, subjective or complex judgements or estimates.

The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgement of estimation involved in their application and their impact on these financial statements. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgements involve assumptions or estimates in respect of future events and the actual results may differ from these estimates.

The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

##### a) Employee retirement benefits

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.2.

**b) Useful life and residual values of property, plant and equipment and intangible assets**

The Company reviews the useful lives of property, plant and equipment and intangible assets on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangible assets with a corresponding effect on the depreciation / amortization charge.

**c) Provision for taxation**

In making the estimates for income taxes payable by the Company, the management considers the applicable laws and the decisions of the appellate tax authorities on certain issues in the past.

**4 Material accounting policy information**

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

**4.1 Taxation**

**Current**

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the period for such years.

Further, the Company has adopted the guidance on accounting for minimum and final taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP). However, this has no impact on these financial statements.

**Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items recognised in other comprehensive income or directly in equity in which case it is included in other comprehensive income or equity, as the case may be.

The Company and its wholly owned subsidiary, Fatimafert Limited, have opted for Group taxation under section 59AA of the Income Tax Ordinance, 2001.

**4.2 Employee retirement benefits**

The main features of the schemes operated by the Company for its employees are as follows:

**a) Defined benefit plan – Gratuity**

The Company operates gratuity scheme for its employees, according to the terms of employment, subject to a minimum qualifying period of service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits.

The latest actuarial valuation for gratuity scheme was carried out as at December 31, 2024. Projected unit credit method is used for valuation of the scheme.

All actuarial gains and losses are recognised in 'Other Comprehensive Income' as they occur.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

## b) Accumulating compensated absences

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to the statement of profit or loss.

## c) Defined contribution plan - Provident Fund

The Company operates provident fund for all its permanent employees. Equal monthly contributions are made both by the Company and the employees. Retirement benefits are payable to employees on completion of prescribed qualifying period of service under these schemes.

## 4.3 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to own manufactured assets includes direct cost of materials, labour and applicable manufacturing overheads. Cost also includes capitalized borrowing costs as referred to in note 4.17.

Depreciation on property, plant and equipment is charged to the statement of profit or loss on straight line method so as to write off the depreciable amount of an asset over its estimated useful life at the rates given in note 20.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or made available for use, while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted prospectively, if impact on depreciation is significant.

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

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

## 4.4 Capital work in progress

Capital work in progress and stores held for capital expenditure are stated at cost less any recognised impairment loss. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use. Provision is made in the financial statements for obsolete and slow moving items based on management estimate.

## 4.5 Intangibles assets

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company and that the cost of such an asset can also be measured reliably. Subsequently asset is measured as follows:

### With indefinite useful life

Intangibles assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the intangible is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment / reversal of impairment is recognised in the statement of profit or loss immediately.

#### **With finite useful life**

Expenditure incurred to acquire intangible assets are capitalized and stated at cost less accumulated amortisation and any identified impairment loss. Computer software is amortised using the straight line method over a period of four years. Amortisation on additions to computer software is charged from the month in which the asset is available for use while no amortisation is charged for the month in which asset is disposed off.

#### **4.6 Investment property**

Investment property, which is property held to earn rentals and / or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss. Depreciation on buildings is charged to profit or loss on straight line method at the rate of 4%. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed. The difference between present value of the proceeds from disposal and the carrying amount is recognised in the statement of profit or loss.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of profit or loss on a straight line basis over the lease term and is included in 'other income'.

#### **4.7 Investments in associates - at equity method**

The Company's long term investments are investments in associates, entities over which the Company exercise significant influence. These investments are initially recognised at cost and subsequently carrying amount is increased or decreased to recognise the Company's share of the profit or loss or other comprehensive income or loss of the associates using the equity method. The Company's share of the associates profit or loss is recognised in the Company's statement of profit or loss and the Company's share of other comprehensive income or loss is recognised in the Company's other comprehensive income. At each reporting date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognised as expense in the statement of profit or loss.

#### **4.8 Investments in subsidiaries - at cost**

Investments in subsidiaries are initially valued at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The profits and losses of subsidiaries are carried forward in their financial statements and not dealt within these financial statements except to the extent of dividend declared by the subsidiaries which are recognised in other income.

#### **4.9 Government grant**

The Company recognises the benefit of a government loan at below market rate of interest as a Government grant. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received and is presented as deferred grant. The recognition of government grants in the statement of profit or loss is done on a systematic basis over the period of the loan.

#### **4.10 Leases**

As a lessee, the Company recognises right of use asset and lease liability at the lease commencement date.

##### **Right of use asset**

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of the property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for the certain remeasurement of the lease liability.

## Lease liability

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

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index, or a rate, initially measured using the index or rate as at commencement date;
- amount expected to be payable under a residual guarantee; and
- the exercise under purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero.

## 4.11 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

### 4.11.1 Financial assets

#### Classification

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

- (i) Amortised cost, where the effective interest rate method will apply;
- (ii) Fair value through profit or loss (FVTPL);
- (iii) Fair value through other comprehensive income (FVTOCI).

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

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Further, assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

### **Measurement**

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

### **Debt instruments**

#### **a) Debt instruments measured at amortised cost**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

The financial asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

#### **b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)**

Debt instruments whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured subsequently at fair value through other comprehensive income (FVTOCI).

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating gains / (losses). Interest income from these financial assets is included in other operating income using the effective interest rate method. Impairment expenses are presented as a separate line item in the statement of profit or loss.

#### **c) Debt instruments designated as at fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in statement of profit or loss and presented net within other operating gains / losses in the period in which it arises.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

## Equity instruments

On initial recognition, the Company may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the statement of profit or loss as other operating income when the Company's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised in other gains / losses in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

## 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 FVTOCI. 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 trade debts, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors and other direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets general 3 stage approach is used i.e. to measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a Company of financial instruments has not increased significantly since initial recognition.

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.

The Company recognises an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in the statement of other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

## 4.11.2 Financial liabilities

### Classification, initial recognition and subsequent measurement

The Company classifies its financial liabilities in the following categories:

- 1- At fair value through profit or loss; and
- 2- Amortised cost.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:



**a) Fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss.

**b) Other financial liabilities**

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised cost, using the effective interest rate method. Gain and losses are recognised in the statement of profit or loss, when the liabilities are derecognised as well as through effective interest rate amortisation process.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

**4.12 Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

**4.13 Stores and spares**

Stores and spares are valued at moving average cost. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made in the financial statements for obsolete and slow moving stores and spares based on management estimate.

**4.14 Stock in trade**

All stocks are valued at the lower of cost and net realizable value. Cost in relation to raw and packing materials, except for those in transit, signifies moving average cost and that relating to mid products and finished goods, monthly average cost comprising cost of direct materials, labour and appropriate manufacturing overheads based on normal operating capacity. Materials in transit are stated at cost comprising invoice value plus other charges incurred thereon. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management estimate.

**4.15 Trade debts and other receivables**

These are recognised and carried at the original invoice amounts, being the fair value and subsequently measured at amortised cost using the effective interest rate method, less loss allowance, if any. For measurement of loss allowance for trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses.

**4.16 Cash and cash equivalents**

Cash and bank balances are carried in the statement of financial position at amortised cost. For the purpose of cash flow statement, cash and cash equivalents comprises of cash in hand, bank balances, short term running finances and short term highly liquid investments that are readily convertible to known amounts of cash.

**4.17 Borrowings and their costs**

Borrowings are initially recorded at the proceeds received. They are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

## 4.18 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for the goods and / or services received, whether or not billed to the Company.

## 4.19 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Future operating losses are not provided for in financial statements.

## 4.20 Derivative financial instruments

These are initially recorded at cost on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit or loss. Amounts accumulated in equity are recognised in statement of profit or loss in the periods when the hedged item will affect profit or loss.

## 4.21 Impairment of non financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation / amortization and are tested annually for impairment. Assets that are subject to depreciation / amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

#### **4.22 Revenue recognition**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when or as performance obligations are satisfied by transferring control of promised goods or services to a customer and control either transfers overtime or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies. Scrap sales and miscellaneous receipts are recognised on realized amounts.

Revenue from sale of goods is recognised at the point in time when control of the fertilizer products and chemical is transferred to the customer, generally on delivery of the goods.

Government subsidy on sale of fertilizer is recognised when the right to receive such subsidy has been established and the underlying conditions are met.

Revenue from sale of Certified Emission Reductions (CERs) is recognised on the satisfaction of performance obligation i.e. generation of the Emission Reductions when a firm commitment for sale of CERs exists with a buyer.

Return on deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Interest income is recognised on accrual basis.

#### **4.23 Foreign currency transactions and translation**

##### **a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

##### **b) Transactions and balances**

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gain and losses on retranslation are recognised in the statement of profit or loss. All non monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

#### **4.24 Dividend**

Dividend distribution to the Company's members is recognised as a liability in the reporting period in which dividends are declared.

#### **4.25 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit by weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting for the effects of all dilutive potential ordinary shares.

#### **4.26 Acquisition of group of assets**

The group of assets (including the liabilities assumed) acquired as a result of any arrangement that does not meet the definition of a business are recognized under the asset acquisition method.

Upon the acquisition of net assets, the Company identifies and recognizes the assets acquired and liabilities assumed at their fair values as of the acquisition date. Any difference between the net assets acquired and the fair value of the consideration is allocated to non monetary long lived assets, and no gain or loss is recorded on the date of acquisition, whereas the current assets and liabilities are measured at fair values on the acquisition date.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

## 4.27 Redeemable preference shares

Redeemable preference shares are classified as financial liability if they meet the criteria of liability as per relevant accounting standard.

Upon issuance, the Company recognizes redeemable preference shares as a financial liability in its statement of financial position at the present value of the future cash outflows associated with the redemption. Subsequent to the initial recognition, these are measured at amortised cost and the effect of unwinding is recognised in the statement of profit or loss.

## 4.28 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.

## 5 Issued, subscribed and paid up share capital

2024 (Number of shares)			2023 (Rupees in thousand)	
2024	2023		2024	2023
2,000,000,000	2,000,000,000	Ordinary shares of Rs 10 each fully paid in cash	20,000,000	20,000,000
100,000,000	100,000,000	Ordinary shares of Rs 10 each issued on conversion of fully paid preference shares @ Rs 20 each	1,000,000	1,000,000
2,100,000,000	2,100,000,000		21,000,000	21,000,000

**5.1 Ordinary shares of the Company held by associates at year end are as follows:**

	2024 (Number of shares)	2023 (Number of shares)
Arif Habib Corporation Limited	319,000,206	319,000,206
Arif Habib Limited	210,000	30,175,774
Fatima Holding Limited	14,276,000	14,276,000
Fazal Cloth Mills Limited	69,114,031	69,114,031
Reliance Weaving Mills Limited	2,625,166	2,625,166
Farrukh Trading Company Limited	169,930,261	163,930,261
Fatima Management Company Limited	170,001,149	165,001,149
Fatima Trading Company (Private) Limited	171,874,016	171,874,016
Reliance Commodities (Private) Limited	500,000	500,000
	<b>917,530,829</b>	<b>936,496,603</b>

**5.2** All ordinary shares rank equally with regard to the Company's residual assets. Holders of the shares are entitled to dividends from time to time and are entitled to one vote per share at the general meetings of the Company.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>6 Reserves</b>			
<b>Capital reserve:</b>			
Share premium	6.1	1,790,000	1,790,000
<b>Revenue reserve:</b>			
Unappropriated profit		119,346,573	95,913,335
<b>Post retirement benefit obligation reserve</b>	6.2	(403,654)	(337,352)
		<b>120,732,919</b>	<b>97,365,983</b>

**6.1** This reserve can be utilised by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

**6.2** This represents cumulative actuarial adjustments in measurement of employee retirement benefits.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>7 Long term finances</b>			
Secured loans from banking companies / financial institutions	7.1 & 7.2	44,152,653	7,935,333
Less: Current portion		1,861,544	2,129,405
		<b>42,291,109</b>	<b>5,805,928</b>
<b>7.1 Movement of long term finances</b>			
Opening balance		7,935,333	11,880,389
Disbursements during the year		39,159,225	–
Accreditation of loan under SBP Temporary Economic Refinance Scheme		158,936	280,752
Classified as deferred government grant		–	(704,444)
Repayments during the year		(3,100,841)	(3,521,364)
		<b>44,152,653</b>	<b>7,935,333</b>



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>7.2 Secured loans from banking companies / financial institutions</b>			
<b>These are composed of:</b>			
Faysal Bank Limited – Diminishing Musharakah	7.2.1	1,250,000	1,750,000
Meezan Bank Limited – Diminishing Musharakah – I	7.2.2	1,500,000	1,500,000
Pak Kuwait Investment Company Limited – Term Finance	7.2.3	937,500	1,312,500
National Bank of Pakistan – Demand Finance	7.2.4	–	937,500
Allied Bank Limited – Term Loan – I	7.2.5	–	250,000
Allied Bank Limited – Term Loan – II	7.2.6	–	750,000
SBP Temporary Economic Refinance Facility (TERF) – I	7.2.7	345,530	389,207
SBP Temporary Economic Refinance Facility (TERF) – II	7.2.8	580,906	649,631
SBP Temporary Economic Refinance Facility (TERF) – III	7.2.9	379,493	396,495
Meezan Bank Limited – Diminishing Musharakah – II	7.2.10	2,000,000	–
Meezan Bank Limited – Running Musharakah	7.2.11	37,159,224	–
		<b>44,152,653</b>	<b>7,935,333</b>
Less: Current portion		1,861,544	2,129,405
		<b>42,291,109</b>	<b>5,805,928</b>

## 7.2.1 Faysal Bank Limited – Diminishing Musharakah

This facility has been obtained from Faysal Bank Limited for an amount of Rs 2,000 million to refinance BMR / CAPEX.

The facility carries markup at the rate of 6 months KIBOR plus 0.75% per annum. The effective rate of markup charged during the year ranged from 12.94% to 22.26% per annum (2023: 17.76% to 22.87%).

The facility is secured by pari passu charge over plant and machinery of the Company aggregating to Rs 2,667 million.

The loan is repayable in five years including one year grace period in eight semi annual equal instalments starting from December 15, 2023. Last repayment is due on June 14, 2027. During the year, the Company has paid instalments aggregating to Rs 500 million (2023: Rs 250 million).

## 7.2.2 Meezan Bank Limited – Diminishing Musharakah – I

This facility has been obtained from Meezan Bank Limited for an amount of Rs 2,000 million to refinance CAPEX already incurred by the Company.

The facility carries markup at the rate of 6 months KIBOR plus 0.85% per annum. The effective rate of markup charged during the year at 16.28% to 21.00% per annum (2023: 16.78% to 21.00%).

The facility is secured by pari passu charge over plant and machinery of the Company aggregating to Rs 2,667 million.

The loan was repayable in five years including one year grace period in eight semi annual equal instalments starting from March 30, 2023. During the year, the bank has provided further grace period of one year. As a result, the Company has paid nil (2023: Rs 500 million) instalments. The remaining loan is repayable in three semi annual equal instalments starting from September 30, 2025. Last repayment is due on September 30, 2026.

### **7.2.3 Pak Kuwait Investment Company Limited – Term Finance**

This facility has been obtained from Pakistan Kuwait Investment Company (Private) Limited for an amount of Rs 1,500 million to refinance CAPEX.

The facility carries markup at the rate of 6 months KIBOR plus 1.10% per annum payable quarterly. The effective rate of markup charged during the year ranged from 14.73% to 22.39% per annum (2023: 16.96% to 23.15%).

The facility is secured by pari passu charge over plant and machinery of the Company aggregating to Rs 2,000 million.

The loan is repayable in five years including one year grace period in eight semi annual equal instalments starting from November 19, 2023. Last repayment is due on May 19, 2027. During the year, the Company has paid instalments of to Rs 375 million (2023: Rs 187.5 million)

### **7.2.4 National Bank of Pakistan – Demand Finance**

This facility was obtained from National Bank of Pakistan for an amount of Rs 1,000 million to finance import and procurement of plant, machinery and spare parts for BMR / CAPEX.

The facility carried markup at the rate of 6 months KIBOR plus 1.50% per annum. The effective rate of markup charged during the year ranged from 22.99% per annum (2023: 18.54% to 24.47%).

The facility was secured by pari passu charge over plant and machinery of the Company aggregating to Rs 1,333.34 million.

The loan was repayable in ten years including two years grace period in sixteen semi annual equal instalments starting from December 21, 2023. During the year, the Company has prepaid the entire loan aggregating to Rs 937.5 million (2023: Rs 62.5 million).

### **7.2.5 Allied Bank Limited – Term Loan – I**

This facility was obtained from Allied Bank Limited, for an amount of Rs 1,000 million to finance CAPEX in the Company.

The facility carried markup at the rate of 6 months KIBOR plus 0.70% per annum. The effective rate of markup charged during the year at 23.64% (2023: 16.81% to 23.64%) per annum.

The facility was secured by pari passu charge over plant and machinery of the Company aggregating to Rs 1,334 million.

The loan was repayable in five years including one year grace period in eight semi annual equal instalments starting from March 25, 2021. During the year, the Company has prepaid the entire loan aggregating to Rs 250 million (2023: Rs 250 million).

### **7.2.6 Allied Bank Limited – Term Loan – II**

This facility was obtained from Allied Bank Limited for an amount of Rs 1,000 million to finance CAPEX in the Company.

The facility carried markup at the rate of 6 months KIBOR plus 0.80% per annum. The effective rate of markup charged during the year at 22.29% per annum (2023: 17.74% to 23.77%).

The facility was secured by pari passu charge over plant and machinery of the Company aggregating to Rs 1,334 million.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

The loan was repayable in five years including one year grace period in eight semi annual equal instalments starting from March 30, 2023. During the year, the Company has prepaid the entire loan aggregating to Rs 750 million (2023: Rs 250 million).

## 7.2.7 SBP Temporary Economic Refinance Facility (TERF) – I

This facility has been obtained from Askari Bank Limited for an amount of Rs 549.19 million out of total limit of Rs 550 million, under SBP TERF Scheme.

The facility carries markup at the rate of 3.00% per annum (SBP base rate plus 2.00%) per annum. The interest rate is calculated at 11.65% to 13.42% per annum (2023: 11.65% to 13.42%) and the loan has been recognised at present value.

The facility is secured by pari passu charge over plant and machinery of the Company aggregating to Rs 733.33 million.

The loan is repayable in ten years including two years grace period in sixteen semi annual instalments starting from September 30, 2023. Last repayment is due on March 31, 2031. During the year, the Company has paid instalments of Rs 68.65 million (2023: Rs 34.32 million).

## 7.2.8 SBP Temporary Economic Refinance Facility (TERF) – II

This facility has been from National Bank of Pakistan for an amount of Rs 993.70 million out of total limit of Rs 1,000 million, under SBP TERF Scheme.

The facility carries markup at the rate of 2.50% per annum (SBP base rate plus 1.50%) The interest rate is calculated at 13.41% to 14.13% per annum (2023: 13.41% to 14.13%) and the loan has been recognised at present value.

The facility is secured by pari passu charge over plant and machinery of the Company aggregating to Rs 1,333.34 million.

The loan is repayable in ten years including two years grace period in sixteen semi annual instalments starting from December 21, 2023. Last repayment is due on June 21, 2031. During the year, the Company has paid instalments aggregating to Rs 124.21 million (2023: Rs 62.10 million).

## 7.2.9 SBP Temporary Economic Refinance Facility (TERF) – III

This facility has been obtained from Bank Al Habib Limited for an amount of Rs 500 million out of total limit of Rs 500 million, under SBP TERF Scheme.

The facility carries markup at the rate of 5.00% per annum (SBP base rate plus 4.00%) per annum. The interest rate is calculated at 11.65% to 16.91% per annum (2023: 11.65% to 16.91%) and the loan has been recognised at present value.

The facility is secured by pari passu charge over plant and machinery of the Company aggregating to Rs 666.67 million.

The loan is repayable in ten years including two years grace period in sixteen semi annual instalments. Last repayment is due on February 15, 2032.

During the year, the Company has paid instalments aggregating to Rs 32.55 million (2023: nil).

#### 7.2.10 Meezan Bank Limited – Diminishing Musharakah – II

This facility has been obtained during the year from Meezan Bank Limited for an amount of Rs 2,000 million to refinance CAPEX already incurred by the Company.

The facility carries markup at the rate of 6 months KIBOR plus 0.55% per annum. The effective rate of markup charged during the year at 12.80% to 22.25% per annum.

The facility is secured by pari passu charge over plant and machinery of the Company aggregating to Rs 2,667 million.

The loan is repayable in four years including one year grace period in six semi annual equal instalments starting from December 21, 2025. Last repayment is due on June 21, 2028.

#### 7.2.11 Meezan Bank Limited – Running Musharakah

This facility has been obtained during the year from Meezan Bank Limited for an amount of Rs 37,159.22 million to meet medium term requirements of the Company.

The facility carries markup at expected rate of 15.23% per annum which will remain fixed for the tenure of the facility; however, both the parties may decide to reduce the expected rate during the tenure with mutual consent, keeping in view of the return of Musharakah. The effective rate of markup charged during the year at 15.23% per annum.

The facility is secured by lien and pledge over GoP Ijarah Sukuks and Trust Receipt aggregating to Rs 37,500 million.

The loan is repayable in its entirety on January 5, 2026.

#### 7.3 The aggregate unavailed long term financing facilities amounts to nil (2023: nil).

	Note	2024 (Rupees in thousand)	2023
<b>8 Subordinated redeemable preference Class A shares</b>			
Opening balance		1,473,323	1,266,286
Unwinding for the year	38	240,887	207,037
		1,714,210	1,473,323

- 8.1** This represents the present value of 270,000,000 subordinated redeemable preference Class A shares of Rs 10 each to be issued by the Company pursuant to the Scheme of Compromises, Arrangements and Reconstruction, sanctioned by the Lahore High Court, for amalgamation of its associated company, Pakarab Fertilizers Limited ('PFL') with effect from July 01, 2022.

The liability is carried at present value in accordance with the provisions of IFRS 9 using effective interest rate of 16.35% per annum.

As per the sanctioned scheme, the assets and liabilities of PFL have been acquired by the Company and in consideration, the receivables from PFL comprising trade receivable, loans and the accrued markup thereon as at June 30, 2022, stands relinquished. Further, capital contributories and the shareholders of PFL relinquished their right in the Company against which they shall be compensated in the form of Subordinated Redeemable Preference Shares of the Company under the following terms and conditions:

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- i) Subordinated Redeemable Preference Class A Shares of the Company: Shareholders of PFL shall be issued one (1) Class A Share of the Company against each ordinary share of PFL aggregating to 270,000,000 shares. Face value of such shares will be Rs 10 each. These shares are non-voting, neither non-cumulative nor cumulative fixed yield and have no dividend or other right. The redemption date shall be December 31, 2027, modifiable upon mutual consent of the Board of Directors of the Company and at least 90% of Class A Shareholders. Redemption value shall be lower of the (i) value as determined by the Company's Board of Directors unanimously, (ii) aggregate face value of Class A Shares or (iii) calculated values of assets and liabilities acquired from PFL as defined in the sanctioned Scheme; and
- ii) Subordinated Redeemable Preference Class B Shares of the Company: These shares shall be issued subject to fulfilment of conditions precedent to issue as defined in the sanctioned Scheme i.e. full redemption of Class A shares and unanimous approval of the Company's Board of Directors for issuance. These shares shall be issued to the shareholders and capital contributories of PFL up to a maximum number of 567,369,293 shares having face value of Rs 10 each. These shares are non voting, neither non cumulative nor cumulative fixed yield and have no dividend or other right. Aggregate redemption value of entire set of Class B Shares shall be in accordance with the sanctioned scheme.

	2024 (Rupees in thousand)	2023
<b>9 Lease liabilities</b>		
Opening balance	219,083	280,364
Addition during the year	516,407	–
Interest on lease liabilities	34,880	22,682
Payments made during the year	(104,075)	(83,963)
Closing balance	666,295	219,083
Less: Current portion of lease liabilities	30,110	111,706
	636,185	107,377
<b>10 Deferred taxation</b>		
The balance of deferred tax is in respect of the following:		
<b>Taxable temporary differences:</b>		
Accelerated tax depreciation	21,912,121	27,761,959
Gas Infrastructure Development Cess (GIDC)	–	21,324
Investment in subsidiary	77,497	77,497
Investment in associates	–	3,865
Investment in Defense Saving Certificates	17,788	17,788
Short term investments	1,652,476	258,549
Long term investments	64,800	133,146
	23,724,682	28,274,128
<b>Deductible temporary differences:</b>		
Remeasurement of defined benefit obligation	–	(239,868)
Investment in associates	(9,687)	–
Provision for doubtful receivables	(46,474)	(923,602)
	(56,161)	(1,163,470)
	23,668,521	27,110,658



	Note	2024 (Rupees in thousand)	2023
<b>10.1</b>	Movement in temporary differences for the year is as follows:		
Opening balance		27,110,658	24,366,344
<b>Charged to statement of profit or loss:</b>			
Accelerated tax depreciation		(2,128,258)	3,097,831
Gas Infrastructure Development Cess (GIDC)		(19,215)	(75,005)
Investments in associates		(13,552)	(783)
Investment in defence saving certificates		–	2,737
Short term investments		1,393,927	355,559
Long term investment		(68,346)	133,146
Loss allowance on subsidy receivable from GoP		–	210,584
Provision for doubtful receivables		868,061	(876,605)
Remeasurement of defined benefit obligation		239,868	–
		272,485	2,847,464
<b>Charged to other comprehensive income:</b>			
Remeasurement of defined benefit obligation		–	(103,150)
<b>Transferred as a result of transfer of operations</b>	1.2	(3,714,621)	–
		23,668,521	27,110,658
<b>11</b>	<b>Deferred liabilities</b>		
Employee retirement benefits	11.1	2,300,305	1,896,766
Deferred government grant	11.2	425,462	502,675
		2,725,767	2,399,441
<b>11.1</b>	<b>Employee retirement benefits</b>		
Gratuity	11.1.1	2,166,992	1,730,603
Accumulated compensated absences	11.1.2	133,313	166,163
		2,300,305	1,896,766
<b>11.1.1</b>	<b>Gratuity</b>		
<b>a)</b>	<b>Amount recognised in the statement of financial position</b>		
Present value of defined benefit obligations	(f)	2,855,963	2,510,516
Fair value of plan assets	(g)	(688,971)	(779,913)
Net liability at the end of the year		2,166,992	1,730,603
<b>b)</b>	<b>Movement in net liability</b>		
Net liability at the beginning of the year		1,730,603	1,462,253
Charge for the year	(c)	531,470	418,338
Transferred to associated companies		–	(172,504)
Benefits paid during the year		(220,488)	(178,234)
Charged to other comprehensive income	(e)	108,692	200,750
Transferred as a result of transfer of operations		16,715	–
Net liability at the end of the year		2,166,992	1,730,603

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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	2024 (Rupees in thousand)	2023
<b>c) Charge for the year</b>		
Current service cost	269,944	220,864
Past service cost	1,889	6,912
Net interest cost	259,637	190,562
	531,470	418,338
<b>d) Charge for the year has been allocated as follows:</b>		
Cost of sales	360,676	292,694
Administrative expenses	89,249	70,677
Distribution expenses	81,545	54,967
	531,470	418,338
<b>e) Total remeasurement chargeable to other comprehensive income</b>		
<b>Remeasurement of plan obligation:</b>		
Actuarial gains from changes in financial assumptions	(17,338)	96,317
Experience adjustments	123,222	132,591
Remeasurements of fair value of plan assets	2,808	(28,158)
	108,692	200,750
<b>f) Movement in the present value of defined benefit obligations</b>		
Defined benefit obligations at beginning of the year	2,510,516	1,943,615
Transferred to associated companies	–	(77,046)
Current service cost	269,944	220,864
Past service cost	1,889	6,912
Interest cost	367,166	273,522
Benefits due but not paid	(5,177)	(19,325)
Benefit paid during the year	(122,920)	(86,876)
Remeasurement of plan obligation	126,965	248,850
Transferred as a result of transfer of operations	(292,420)	–
Defined benefit obligations at end of the year	2,855,963	2,510,516
<b>g) Movement in the fair value of plan assets</b>		
Fair value at beginning of the year	(779,913)	(481,362)
Contributions	(140,494)	(211,638)
Interest income on plan assets	(107,529)	(82,960)
Return on plan assets excluding interest income	(18,273)	(48,100)
Benefits due but not paid	3,432	14,059
Benefits paid	44,671	30,088
Transferred as a result of transfer of operations	309,135	–
Fair value at end of the year	(688,971)	(779,913)
<b>h) Plan assets comprise of:</b>		
Deposit with banks	38,865	189,502
Mutual funds	34,119	93,352
Sukuks	118,265	125,000
Investment in TDRs / T-Bills / TFCs	497,722	372,059
	688,971	779,913

		2024	2023
<b>i)</b>	<b>The principal assumptions used in the actuarial valuation are as follows:</b>		
	Discount rate for interest cost	16.00%	14.50%
	Discount rate for year end obligation	12.25%	16.00%
	Salary increase used for year end obligation	12.25%	16.00%
	Retirement assumption	60 years	60 years
		<b>Impact on defined benefit obligation</b>	
		<b>Change in assumption</b>	<b>Increase in assumption</b>
		<b>Decrease in assumption</b>	
		% age	(Rupees in thousand)
<b>j)</b>	<b>Sensitivity analysis</b>		
	Discount rate	1%	(236,076)
	Salary growth rate	1%	265,047
			(242,263)
<b>k)</b>	The expected contribution to defined benefit obligation for the year ending December 31, 2025 will be Rs 553.09 million.		
	Note	2024	2023
		(Rupees in thousand)	
<b>11.1.2</b>	<b>Accumulated compensated absences</b>		
<b>a)</b>	<b>Amount recognised in the statement of financial position</b>		
	Present value of defined benefit obligations (e)	133,313	166,163
	Net liability payable at the end of the year	133,313	166,163
<b>b)</b>	<b>Movement in net liability</b>		
	Net liability at the beginning of the year	166,163	121,465
	Charge for the year (c)	30,923	52,570
	Benefits paid during the year	(25,261)	(7,872)
	Transferred as a result of transfer of operations	(38,512)	–
	Net liability at the end of the year	133,313	166,163
<b>c)</b>	<b>Charge for the year</b>		
	Current service cost	11,187	9,469
	Remeasurement of fair value of plan settlements	(3,028)	11,666
	Interest cost	21,266	16,846
	Experience adjustment	1,498	14,589
		30,923	52,570
<b>d)</b>	<b>Charge for the year has been allocated as follows:</b>		
	Cost of sales	26,180	49,422
	Administrative expenses	3,837	2,767
	Distribution expenses	906	381
		30,923	52,570

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	2024	2023
	(Rupees in thousand)	
<b>e) Movement in the present value of obligation</b>		
Obligation at beginning of the year	166,163	121,465
Current service cost	11,187	9,469
Interest cost	21,266	16,846
Benefits due but not paid (payables)	(697)	(2,570)
Benefit paid during the year	(24,564)	(5,302)
Actuarial loss from changes in financial assumptions	(403)	2,796
Experience adjustment	(1,127)	23,459
Transferred as a result of transfer of operations	(38,512)	—
Defined benefit obligations at end of the year	133,313	166,163

	2024	2023
<b>f) The principal assumptions used in the actuarial valuation are as follows:</b>		
Discount rate for interest cost	15.50%	14.50%
Discount rate for year end obligation	12.00%	16.00%
Salary increase used for year end obligation	12.00%	16.00%
Retirement assumption	60 years	60 years

## Impact on defined benefit obligation

	Change in assumption	Increase in assumption	Decrease in assumption
	% age	(Rupees in thousand)	
<b>g) Sensitivity analysis</b>			
Discount rate	1%	(11,012)	9,444
Salary growth rate	1%	9,563	(11,078)

**11.2** This represents deferred government grant in respect of Temporary Economic Refinance Facility by SBP as disclosed in note 7.2.7, 7.2.8 and 7.2.9 to these financial statements. These facilities carry markup at subsidised rates, as specified by SBP. These loans have been recognised at their fair value which is the present value of the loan proceeds received discounted at the market interest rates for similar instruments. The differential between the fair value and the present value is recognised as deferred government grant, which is being amortised over the term of the respective facilities at the effective interest rate.

	Note	2024	2023
		(Rupees in thousand)	
<b>12 Trade and other payables</b>			
Creditors	12.1	6,427,065	14,171,929
Provision for Gas Infrastructure Development Cess (GIDC)	12.2	5,799,870	7,576,270
Contract liabilities	12.3	10,039,537	10,677,273
Accrued liabilities		18,618,280	13,141,419
Withholding tax		324,694	171,629
Workers' profit participation fund	12.4	10,604,426	8,185,168
Workers' welfare fund	12.5	1,705,726	1,273,661
FED payable		1,286,523	948,534
Retention money payable		126,147	89,404
Provident fund payable		92,737	31,349
Others		397,200	341,086
		55,422,205	56,607,722

- 12.1** This includes balance of Rs 126.95 million (2023: nil) payable to Fatima Packing Limited, a wholly owned subsidiary, in the nature of normal course of business.

	2024 (Rupees in thousand)	2023
<b>12.2 Provision for GIDC</b>		
Opening balance	7,576,270	7,358,943
Unwinding of provision for GIDC	58,700	220,083
Transferred as a result of transfer of operations	(1,835,100)	–
Payment made	–	(2,756)
	5,799,870	7,576,270

- 12.2.1** On August 13, 2020 the Supreme Court of Pakistan (SCP) through its order declared GIDC Act as intra vires to the constitution and directed all the industrial and commercial entities to pay the Cess that have become due up to July 31, 2020. However, as a concession, the same was allowed to be recovered in twenty four equal monthly instalments starting from August 01, 2020.

Subsequently, SCP also dismissed all review petitions on November 2, 2020, against the gas consumers including the Company and stated that the Government of Pakistan is agreeable to recover the arrears in forty eight monthly instalments instead of twenty four equal monthly instalments.

Although, the Company has filed a suit for declaration and injunction in the Sindh High Court (SHC) and obtained a stay on October 06, 2020 against collection / recovery of GIDC by Mari Energies Limited (formerly Mari Petroleum Company Limited) on fuel stock on account of issues of computation of the liability. On a prudent basis, the Company has continued to recognise the provision against GIDC on fuel stock.

The Company has not booked GIDC on feed stock received at Sadiqabad Plant as it was entitled to receive feed stock at fixed price inclusive of all taxes, duties, levies, fees and charges under Sovereign Commitment from Government of Pakistan pursuant to Fertilizer Policy 2001.

The Company has also filed a suit for declaration and permanent injunction in the High Court of Sindh on these grounds on September 29, 2020 and obtained a stay on October 06, 2020 against collection / recovery of GIDC on feed stock.

- 12.3** Contract liabilities as at the beginning of the year, aggregating to Rs 10,639.18 million (2023: Rs 8,423.18 million), have been recognised as revenue upon meeting the performance obligations.

	Note	2024 (Rupees in thousand)	2023
<b>12.4 Workers' profit participation fund</b>			
Opening balance		8,185,168	6,210,258
Charge for the year	38	3,261,498	2,573,210
Payments made during the year		(842,240)	(598,300)
		10,604,426	8,185,168



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	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>12.5 Workers' welfare fund</b>			
Opening balance		1,273,661	1,371,297
Charge for the year		1,512,412	1,121,726
Prior year impact		(99,570)	25,001
Net charge for the year	38	1,412,842	1,146,727
Provision relating to subsidiary company		39,777	–
Payments made during the year		(1,020,554)	(1,244,363)
		1,705,726	1,273,661
<b>13 Accrued finance cost</b>			
On long term finances		1,317,083	303,296
On short term finances		488,930	16,166
On short term loans from related parties		–	197,979
		1,806,013	517,441

## 14 Income tax payable

This includes the income tax payable of Rs 571.84 million on behalf of Fatimafert Limited, a wholly owned subsidiary, due to the application of group taxation as disclosed in note 4.1 to the financial statements.

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>15 Short term finances</b>		
<b>Secured loans from banking companies</b>		
Finance against trust receipt	2,082,713	–
Running finance	15,877,015	–
	17,959,728	–

**15.1** These facilities have been obtained from various banks for working capital requirements, and are secured by pari passu charge of Rs 39,074.67 million (2023: Rs 22,342.01 million) and a ranking charge of Rs 20,000 million on present and future current assets and by personal guarantees of sponsoring directors. These facilities carry markup ranging from 12.85% to 22.55% and 13.97% to 23.37% per annum respectively.

**15.2** The aggregate unavailed short term borrowing facilities amount to Rs 39,006.27 million (2023: Rs 30,950 million).

	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>16 Short term loans from related parties</b>		
Fatima Trading Company Limited	–	225,619
Fatima Management Company Limited	–	225,619
Fatima Trade Company Limited	–	225,619
Fazal Holdings (Private) Limited	–	136,296
Arif Habib Corporation Limited	–	813,154
	–	1,626,307

The loans were completely repaid during the year as per terms of the agreement. The loans carried mark up at the rate of three months KIBOR plus 1.80% per annum, payable quarterly. These carried markup of 23.26% (2023: 18.86% to 24.70%) per annum.

## 17 Payable to Privatization Commission of Pakistan

Reliance Exports (Private) Limited (REL), under the terms and conditions stated in the 'Share Purchase Agreement' (the Agreement), acquired 100% shares in Pakarab Fertilizers Limited (PFL) on July 14, 2005 through the process of privatization. Under the terms of the Agreement, the purchase consideration, in addition to lump sum cash payment, included a further payment equivalent to 90% of PFL's claim of tax refund aggregating to Rs 2,814.51 million for the assessment years 1993-94, 1995-96 through 2002-2003 and tax years 2003 and 2004. The amount is payable to the Privatization Commission (PC) in the event of and at the time of acceptance of refund claim by concerned tax authorities.

The amount recognized in the financial statements as payable to PC is net off Rs 240.12 million which, according to the management, has already been withdrawn by the previous members as part of the dividend distribution for the year ended June 30, 2005. The management felt that the Agreement as presently worded, if executed, would result into double payment of the same amount to PC / previous members, firstly, as part of the profits for the year ended June 30, 2005 (computed without recognition of the tax expense for the years for which when the refund is issued, an amount equivalent to 90% would be the right of PC / previous members) and secondly, at the time the refund is received from the tax authorities when an amount equivalent to 90% of such refund is paid off to PC, as agreed. The management felt that such double payment is neither the intention nor warranted under the specific provisions of the Agreement. Upon dissolution of REL and its amalgamation with PFL on July 14, 2005, this liability was recognised in the books of PFL being the surviving entity upon REL's amalgamation with PFL in accordance with the Scheme of Arrangement for Amalgamation. Since the amalgamation of PFL into the Company, this liability has now been recognised in the books of the Company.

	Note	2024 (Rupees in thousand)	2023
<b>18 Current portion of long term liabilities</b>			
Long term finances	7	1,861,544	2,129,405
Lease liabilities	9	30,110	111,706
Deferred government grant	11.2	77,212	77,212
		<b>1,968,866</b>	<b>2,318,323</b>

## 19 Contingencies and commitments

### 19.1 Contingencies

- (i) Uptill the application under section 65 of the Sales Tax Act, 1990 is decided by the Federal Government, the Honorable Lahore High Court (LHC) through its order dated September 11, 2024 has stopped the proceedings of impugned show cause notice issued by the Department. Earlier the LHC has suspended the operation of the impugned order of Commissioner Inland Revenue Appeals [CIR(A)] Multan, who rejected the Company's application under section 65 of the Sales Tax Act, 1990 (STA) regarding the exemption of sales tax estimating Rs 690 Million inadvertently short levied / paid on its fertilizer product, Calcium Ammonium Nitrate (CAN) for the period from April 18, 2011 to December 31, 2011.
- (ii) The Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) dated August 5, 2020 against the order passed by CIR(A) whereby the order passed under section 11 of STA by the assessing officer amounting to Rs 501 million was set aside. CIR(A), through its order dated June 8, 2020, set aside the impugned order instead of 'deleting /annulling' the same and resultantly the Company assailed the same before ATIR. The assessing officer had raised the demand by charging sales tax on advances received from customers.

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- (iii) The Company's appeal filed with CIR(A) against the order amounting to Rs 7,745 million has succeeded and the order has been annulled. CIR(A) through order dated February 19, 2022 decided the case in the favour of the Company on legal touchstone thereby quashing the selection of case for audit u/s 25 by placing reliance on the judgment of LHC in case of M/s Hyundai Nishat Motors (Pvt.) Ltd vs FBR vide Wp 25793/2021. The tax department has also filed an appeal before the ATIR dated June 11, 2022 against the order of CIR(A) which is pending for adjudication as of date. Initially, the demand was raised against the Company by selecting it for the sales tax audit u/s 25 of STA for the tax periods from July 2016 to June 2017.
- (iv) The Company's appeal filed before CIR(A) dated July 13, 2022 against the impugned order u/s 11 of STA has not succeeded. Resultantly, the Company has filed an appeal before the ATIR in May 2023 against the adverse order of CIR(A) which is pending for adjudication as of date. The assessing officer had earlier raised a demand of Rs 122 million against the Company by disallowing the admissibility of sales tax on various items claimed during July 2020 to June 2021 and invoking the provisions of section 8 of STA.
- (v) The Company has filed an appeal before CIR (A) in September, 2023 against the order dated August 18, 2023 issued u/s 11 of the STA. The assessing officer raised a demand of Rs 2,531 million against the Company by disallowing the admissibility of sales tax on various items claimed during December 2021 to June 2022 thereby invoking the provisions of section 8 of STA.
- (vi) The Department filed an appeal before ATIR in September 2019 against the order passed by CIR(A), whereby the order passed u/s 122(5) of the Income Tax Ordinance 2001 (ITO 2001) by the Deputy Commissioner Inland Revenue (DCIR) Multan amounting to Rs 1,055 million was annulled. The DCIR had declared the Company's trial run production / gain as 'Commercial production' thereby imposing consequential income tax towards taxable income for Tax year 2011.
- (vii) The Company has preferred an appeal before ATIR in June 2021 against the order passed by the CIR(A), whereby the adverse order passed u/s 122(5A) of ITO 2001 by the assessing officer amounting to Rs 1,577 million was confirmed. The assessing officer disallowed and added back various admissible deductions and credits claimed by the Company towards its taxable income for Tax Year 2016.
- (viii) The Department has filed an appeal before ATIR in May 2019 against the order passed by CIR(A) whereby the order passed u/s 122(5A) of the ITO 2001, passed by the Additional Commissioner Inland Revenue (ACIR) Multan amounting to Rs 1,592 Million was annulled. The ACIR had disallowed and added back various admissible deductions claimed by the Company towards its taxable income for Tax Year 2017.
- (ix) Through amendment order dated September 25, 2013, deemed assessment of tax year 2012 was modified primarily on the grounds that the tax credit claimed u/s 65B of the Income Tax Ordinance, 2001 amounting to Rs 3,500 Million was not admissible to the Company. The Company's appeal against such order was disposed by CIR(A) through appellate order dated September 11, 2014 which has been further assailed before ATIR dated December 4, 2014. Such appeal has not yet been taken up for hearing by ATIR and is pending for adjudication as of date.
- (x) The Company has filed appeal before LHC against the following cases decided against the Company by the Custom Appellate Tribunal Lahore:
  - Alleged irregular claim of exemption under SRO 575 on import of 20 consignments of seamless pipes. Demand raised Rs 113.96 million.
  - Alleged irregular claim of exemptions under SRO 575 on import of 7 consignments of deformed steel bars. Demand raised Rs 150.60 million.
- (xi) The Company has netted off an amount of Rs 240.12 million from the amount payable to Privatization Commission, as part of purchase consideration, at the time and in the event the refund is received from the tax authorities. In case, the Company's contention relating to possible double payment is not acceded

to by the other party to the Share Purchase Agreement, the Company is contingently liable to the aforesaid amount of Rs 240.12 million. Furthermore, the Company had issued a bank guarantee amounting to Rs 240 million in favour of PC in this respect, which will expire on November 1, 2025.

**(xii)** The Company has also issued following guarantees in favour of:

- Custom Department for stay granted by Sindh High Court (SHC) against the chargeability of impugned tax charged by FBR as per STGO 103 Of 2019 amounting to Rs 74 million.
- Sui Northern Gas Pipelines Limited (SNGPL) against monthly gas bill (RLNG/NG) of Fatimafert Limited, a wholly owned subsidiary, amounting to Rs 1,200 million.

**(xiii)** As at June 30, 2004, the Company had investment of 140,000 ordinary shares of Rs 10 each valuing Rs 100,000 in National Fertilizer Marketing Limited, being the associated company on that date. On May 20, 2005, this investment was transferred to National Fertilizer Corporation of Pakistan (Private) Limited by the management of the Company. However, the new buyer, REL filed an application before PC challenging this transfer on the grounds that such transfer had been carried out against the terms and conditions of the bid documents. In case of a positive outcome to the application, this investment would be reinstated.

**(xiv)** An amount of Rs 129.17 million was withdrawn by the previous members of the Company as part of dividend for the year ended June 30, 2005 under the Share Purchase Agreement ('the Agreement'). Out of the aggregate amount, Rs 89.39 million represents the value of certain catalysts recovered in consequence of clean down operations of the plant prior to undertaking the process of privatization, which was accounted for as income in the financial statements for the year ended June 30, 2005 in the light of applicable financial reporting framework.

The management of the Company feels that notwithstanding the applicability of the financial reporting framework, on the financial statements for the year ended June 30, 2005, the amount was not distributable as part of dividend for that year in view of the clear understanding behind the execution of the Agreement as categorically confirmed, in writing, by PC prior to signing of the Agreement. Similarly, the balance amount of Rs 39.78 million is considered to be dividend distribution out of the then available reserves which was also not distributable to the previous members in terms of other covenants of the Agreement.

The Company has filed a claim for the recovery of the aforesaid aggregate amount on the grounds that in the present form, the distribution has been made out of the accumulated reserves, for the years up to June 30, 2004, which, under the specific provisions of the Agreement were not distributable to the previous members of the Company. In case of a positive outcome to the Company's claim, the excess dividend withdrawn by the previous members of the Company would be recovered.

**(xv)** Through a show cause notice, the tax department raised the issue of short payment of output sales tax on supplies of the Company's fertilizer product, Calcium Ammonium Nitrate (CAN) for the period from April 18, 2011 to December 31, 2011 involving a principal sales tax demand of Rs 500 million. Such issue was raised on the grounds that notification SRO 15(I)/2006, providing for levy of sales tax on the basis of 'notified price' of CAN, was withdrawn through notification SRO 313(I)/ 2011 dated April 18, 2011 and hence, the Company was legally required to recover output sales tax on supplies of CAN on the basis of actual consideration received there against. The Company had already approached the Federal Board of Revenue (FBR) on the issue for condonation in terms of section 65 of the Sales Tax Act, 1990, which was not entertained. The Company had assailed such order through institution of a writ petition before the LHC on the grounds that relevant powers have been exercised in an arbitrary manner without referring the matter to competent authority as required under the law. Such petition was allowed by the Court through its order dated June 21, 2017 and the Company was thereby directed to make a fresh application under section 65 of the Sales Tax Act, 1990. In compliance with the directions issued by the Honourable LHC in the aforementioned petition, the Commissioner Inland Revenue examined the fresh application made by the Company in accordance with the procedure laid down in Para 50 of the Sales Tax General Order No. 3

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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of 2004. However, the application was rejected and the same was therefore not referred to the FBR. Being aggrieved, the Company filed a writ petition before the LHC whereby operation of the impugned order shall remain suspended till final decision. The Honorable LHC through its order dated September 11, 2024 has stopped further proceedings until the decision of application filed under section 65 of the Sales Tax Act 1990, by the Federal Government.

- (xvi) Included in trade debts is an amount of Rs 18.88 million which has not been acknowledged as debts by its customers due to a dispute regarding the discount on the product's price. The Company's customers had collectively filed an appeal regarding the price dispute before the Honourable Civil Court, Multan, which decided the case in favour of the Company's customers. The Company preferred an appeal before the Honourable District and Sessions Court, Multan which set aside the order of the Civil Court. The Company's customers filed a revised petition before the Lahore High Court against the order of the District and Sessions Court, which is pending for adjudication.
- (xvii) The Deputy Commissioner Inland Revenue ('DCIR'), through an order dated January 20, 2011, passed under sections 122 and 182 of the Income Tax Ordinance, 2001 ('Ordinance'), had raised a demand of Rs 451.42 million, including penalty of Rs 169.20 million, for tax year 2006 by disallowing certain expenses and adding into income amount representing 'service charges'. The Company had preferred an appeal before the CIR(A) against the order of the DCIR, which was annulled by the CIR(A) through order dated June 25, 2011. Being dissatisfied, the department filed an appeal before the ATIR which annulled the aforementioned order of the CIR(A) through its order dated October 23, 2020 and restored the DCIR's order. The Company assailed the aforementioned order of the ATIR in the usual appellate course before the LHC wherein LHC through order dated May 19, 2022 remanded back the issue to ATIR for denovo proceedings. The remand back proceedings have not yet been started.
- (xviii) Based on audit proceedings conducted under section 25 of the Sales Tax Act, 1990 ('STA') for tax periods July 2016 to June 2017, the Assistant Commissioner Inland Revenue, Audit, Large Taxpayers Office, Multan raised a sales tax demand of Rs 1,176 million in the Company's case, through assessment order dated July 29, 2021 passed under section 11 of the STA, inter alia on account of alleged suppression of production and sale of fertilizers. The Company has assailed such order in appeal before CIR(A) under relevant legal provisions. CIR(A) through order dated February 24, 2022 decided the case in the favour of Company on legal grounds for selection of audit under section 25 of STA. The department has assailed the order of CIR(A) before ATIR for which adjudication is pending as of date.
- (xix) The ACIR through order dated February 25, 2022 passed under section 11 of the STA raised a sales tax demand of Rs 1,800 million on the grounds that since the Company had sold its manufacturing plant and machineries, it was no longer classifiable as a manufacturer and thus, input sales tax of Rs 898.73 million claimed by it during the tax periods of January 2021 through November 2021 was disallowed. Further, the ACIR also imposed penalty of Rs 898.73 million against the Company in terms of section 33 of the STA. The Company being aggrieved, assailed such order in appeal before the CIR(A) which was decided against the Company by the CIR(A) through order dated November 15, 2022. The Company has challenged the said appellate order in appeal before the ATIR which is pending adjudication. The management considers that since subject input tax was incurred on goods and services acquired for the business purposes, the same was duly admissible to the Company.
- (xx) The concerned assessing officer amended the Company's assessment through order dated June 26, 2020 passed for tax year 2014, as rectified through order dated January 20, 2021, and in consequence thereof, income tax refunds of Rs 257.71 million declared for such tax year stood curtailed to Rs 110 million. The Company's appeal against aforesaid amendment order was dismissed by the CIR(A) through appellate order dated June 7, 2021. Being aggrieved, the Company has further assailed the decision of CIR(A) in appeal before the ATIR, which has not yet been taken up for hearing. The issues forming basis of subject amendment primarily include disallowance of brought forward losses of Rs 2,298.54 million, addition of



various capital expenditures aggregating Rs 182.80 million towards Company's taxable income in terms of section 111 of the Ordinance, imposing tax of Rs 133.721 million on preference dividend and disallowance of tax credit of Rs 10.90 million claimed by Company under section 65B of the Income Tax Ordinance, 2001. In this respect, the management considers that such issues were framed/upheld by concerned officials in a disregard to the relevant legal/factual position of the case.

- (xxi) The ACIR through order dated June 16, 2022 passed under section 11 of the STA, raised a sales tax demand of Rs 50.45 million on the grounds that since the Company had sold its manufacturing plant and machineries, it was no longer classifiable as a manufacturer and thus, input sales tax of Rs 25.23 million claimed by it during the tax periods of July 2020 through June 2021 was disallowed. Further, the ACIR also imposed the penalty of Rs 25.23 million against the Company in terms of section 33 of the STA. The management considers that subject input tax was duly admissible to the Company as it incurred on goods and services acquired for the business purposes. Accordingly, the Company preferred an appeal before the CIR(A) against the order of the ACIR which is pending for adjudication as of date.

However, due to insertion of section 43A and 126A in Sales Tax Act 1990 and Income Tax Ordinance 2001 respectively, the appeals in respect of sales tax and income tax demands exceeding 10 million and 20 million respectively, previously heard by CIR (A) stood transferred to ATIR.

Based on the advice of the Company's legal counsels and tax advisor, management considers that reasonable grounds exist that all the above appeals will succeed. Consequently, no provision has been recognised for the above mentioned amounts.

	Note	2024 (Rupees in thousand)	2023
<b>19.2 Commitments in respect of:</b>			
(i) Contracts for capital expenditure		3,653,373	3,793,512
(ii) Contracts for other than capital expenditure		1,392,490	15,498,800
(iii) The amount of future payments under ijarah rentals and short term / low value leases:			
- Not later than one year		1,765,529	1,252,635
- Later than one year but not later than five years		1,723,047	1,742,497
		3,488,576	2,995,132
<b>20 Property, plant and equipment</b>			
Operating fixed assets	20.1	87,780,937	104,643,032
Capital work in progress	20.2	8,421,550	5,382,258
		96,202,487	110,025,290

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## 20.1 Operating fixed assets

	Note	Cost			Accumulated Depreciation			Book value		
		December 31, 2023	Additions/ (deletions/ impairment)	Transfer of operations	December 31, 2024	December 31, 2023	Charge/ (deletions/ impairment)	Transfer of operations	December 31, 2024	Depreciation rate
(Rupees in thousand)										
										%
Freehold land	20.1.2	7,219,437	844,095	(1,164,000)	6,899,532	–	–	–	–	–
Building on freehold land		7,041,955	74,926	(700,062)	6,416,819	2,328,019	269,675	(219,157)	2,378,537	4
Building on leasehold land		30,445	–	–	30,445	17,252	3,045	–	20,297	10
Plant and machinery		120,580,604	1,959,310	(13,065,792)	108,449,653	32,538,200	9,484,333	(3,367,287)	38,571,818	6
	20.1.1		(1,024,469)				(83,428)			
Aircraft		1,567,285	–	–	1,567,285	444,064	78,364	–	522,428	10
Catalysts		3,778,883	1,106,885	(314,963)	4,526,281	3,106,975	188,180	(312,127)	2,938,504	10 – 33.33
			(44,524)				(44,524)			
Furniture and fixtures		263,042	42,267	(3,247)	302,061	105,432	22,940	(2,815)	125,557	10
			(1)				–			
Office equipment		170,834	62,218	(17,269)	215,783	77,706	16,317	(17,269)	76,754	10
Electrical installations and appliances		2,516,566	770,833	(54,409)	3,232,874	1,217,346	223,139	(10,254)	1,430,209	10
			(116)				(22)			
Computers		989,091	502,459	(136,062)	1,330,436	671,888	210,069	(73,113)	785,761	25
			(25,052)				(23,083)			
Vehicles		1,426,997	568,594	(86,570)	1,897,750	620,091	257,842	(13,380)	858,972	20
			(11,271)				(5,581)			
Right of use assets – land and building		455,792	516,407	–	972,199	270,926	80,418	–	351,344	10 – 15.38
		146,040,931	6,447,994	(15,542,374)	135,841,118	41,397,899	10,834,322	(4,015,402)	48,060,181	87,780,937
			(1,105,433)				(156,638)			

**20.1.1** During the year, the Company has reassessed recoverable amount of its idle utility plant and recognized an impairment charge of Rs 941.04 million as disclosed in note 38 to the financial statements.

2023

	Cost		Accumulated Depreciation		Book value		Depreciation rate
	December 31, 2022	Additions / (deletions)	December 31, 2022	Charge/ (deletions)	December 31, 2023	December 31, 2023	
	(Rupees in thousand)						%
Freehold land	6,740,773	478,664	7,219,437	–	–	7,219,437	–
Building on freehold land	6,854,569	190,507	7,041,955	276,678	2,328,019	4,713,936	4
		(3,121)		(1,031)			
Building on leasehold land	30,445	–	30,445	3,044	17,252	13,193	10
Plant and machinery	113,879,733	7,020,778	120,580,604	9,747,249	32,538,200	88,042,404	6
		(319,907)		(41,356)			
Aircraft	1,567,285	–	1,567,285	78,364	444,064	1,123,221	10
Catalysts	3,236,236	542,647	3,778,883	2,973,203	3,106,975	671,908	10 – 33.33
Furniture and fixtures	177,481	88,276	263,042	91,347	105,432	157,610	10
		(2,715)		(2,715)			
Office equipment	1,41,710	29,124	1,70,834	65,508	77,706	93,128	10
Electrical installations and appliances	2,024,146	493,541	2,516,566	1,048,241	1,217,346	1,299,220	10
		(1,121)		(1,121)			
Computers	871,519	133,308	989,091	549,729	671,888	317,203	25
		(15,736)		(14,817)			
Vehicles	968,982	474,640	1,426,997	454,081	620,091	806,906	20
		(16,625)		(7,692)			
Right of use assets – land and building	518,916	–	455,792	268,065	270,926	184,866	13.20 – 17.16
		(63,124)		(63,124)			
	137,011,795	9,451,485	146,040,931	30,714,761	41,397,899	104,643,032	
		(422,349)		(131,856)			

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20.1.2 Particulars of land in the name of the Company are as follows:

Descriptions	Location	Land Area
Free hold Land	Sadiqabad, District Rahim Yar Khan	8,902 kanals
Free hold Land	Jahangirabad, District Multan	3,090 kanals
Free hold Land	Dherki, District Ghotki, Sindh	340 kanals
	Note	2024 (Rupees in thousand)

## 20.2 Capital work in progress

Civil works		1,066,816	610,030
Plant and machinery	20.3	2,712,067	790,266
Capital stores		4,642,667	3,981,962
		8,421,550	5,382,258

### 20.2.1 Movement of capital work in progress

Opening balance		5,666,503	8,083,252
Additions during the year		3,485,284	2,581,928
		9,151,787	10,665,180
Less: Capitalization during the year		177,758	4,998,677
Transferred as a result of transfer of operations		243,794	—
		8,730,235	5,666,503
Less: Provision for slow moving capital stores		308,685	284,245
		8,421,550	5,382,258

20.3 This includes Rs 1,070.55 million (2023: Rs 675.21 million) being the Company's share in joint operation relating to Gas Pressure Enhancement Facility (PEF), as disclosed in note 50 to the financial statements.

	2024 (Rupees in thousand)	2023
<b>20.4 The depreciation charge for the year has been allocated as follows:</b>		
Cost of sales	10,330,110	10,471,051
Administrative expenses	483,373	328,912
Distribution cost	20,839	15,031
	10,834,322	10,814,994

## 20.5 Disposal of property, plant and equipment

	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Relationship	Mode of disposal
	(Rupees in thousand)						
<b>Items having net book value above Rs 500,000</b>							
Vehicle – KIA Carnival GLS	10,668	4,979	5,689	11,000	5,311	None	Negotiation
<b>Items having net book value below Rs 500,000</b>							
	70,296	68,231	2,065	39,671	37,606	Employees	Company policy
2024	80,964	73,210	7,754	50,671	42,917		
2023	359,225	68,732	290,493	286,972	(3,523)		

## 21 Intangible assets

2024									
	Cost			Accumulated amortization / impairment			Book value		Amortization rate
	December 31, 2023	Additions	December 31, 2024	December 31, 2023	Amortization	Impairment	December 31, 2024	December 31, 2024	
(Rupees in thousand)									%
Bubber Sher brand	5,900,000	–	5,900,000	4,130,000	–	1,770,000	5,900,000	–	–
Computer software	423,833	41,437	465,270	291,083	55,056	–	346,139	119,131	25
Mining rights	145,642	–	145,642	40,396	29,264	–	69,660	75,982	10 – 33
	6,469,475	41,437	6,510,912	4,461,479	84,320	1,770,000	6,315,799	195,113	

2023									
	Cost			Accumulated amortization / impairment			Book value		Amortization rate
	December 31, 2022	Additions	December 31, 2023	December 31, 2022	Amortization	Impairment	December 31, 2023	December 31, 2023	
(Rupees in thousand)									%
Bubber Sher brand	5,900,000	–	5,900,000	2,360,000	–	1,770,000	4,130,000	1,770,000	–
Computer software	352,053	71,780	423,833	240,467	50,616	–	291,083	132,750	25
Mining rights	145,642	–	145,642	11,132	29,264	–	40,396	105,246	10 – 33
	6,397,695	71,780	6,469,475	2,611,599	79,880	1,770,000	4,461,479	2,007,996	

**21.1** The amortization / impairment charge for the year has been allocated to administrative / other operating expenses.

## 22 Investment property

2024									
Note	Cost			Accumulated depreciation			Book value		Amortization rate
	December 31, 2023	Additions	December 31, 2024	December 31, 2023	Charge for the year	December 31, 2024	December 31, 2024	December 31, 2024	
(Rupees in thousand)									%
Freehold land	22.1	145,563	–	145,563	–	–	–	145,563	–
Building		22,650	–	22,650	3,700	906	4,606	18,044	4
		168,213	–	168,213	3,700	906	4,606	163,607	

2023									
	Cost			Accumulated depreciation			Book value		Amortization rate
	December 31, 2022	Additions	December 31, 2023	December 31, 2022	Charge for the year	December 31, 2023	December 31, 2023	December 31, 2023	
(Rupees in thousand)									%
Freehold land		145,563	–	145,563	–	–	–	145,563	–
Building		22,650	–	22,650	2,794	906	3,700	18,950	4
		168,213	–	168,213	2,794	906	3,700	164,513	



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**22.1** Freehold land consists of 8,127.78 Kanals situated in District Dera Ismail Khan, Khybar Pakhtunkhwa. The land is in possession and control of the Company and currently it is in the name of the three Directors of the Company, Mr. Fawad Ahmed Mukhtar, Mr. Fazal Ahmed Sheikh and Mr. Faisal Ahmed Mukhtar, which will be transferred in the name of the Company in due course of time.

**22.2** Latest valuation of investment property was carried by an independent professional valuator on December 24, 2022. The fair value of these investment properties is determined to be Rs 394.13 million.

	Note	2024 (Rupees in thousand)	2023
<b>23 Long term investments</b>			
<b>In associates – equity method</b>			
Fatima Agri Sales & Services (Pvt) Limited	23.2	32,220	28,661
Multan Real Estate Company (Pvt) Limited	23.3	92,868	89,114
Fatima Electric Company Limited	23.4	–	–
KT Bank Pakistan Limited	23.5	25	25
Singfert PTE. Limited	23.6	–	–
National Resources (Pvt) Limited	23.7	607,337	–
		732,450	117,800
<b>In wholly owned subsidiary companies – at cost</b>			
Fatima Cement Limited	23.8	1,400,030	1,400,030
Fatimafert Limited	23.9	7,195,099	200
Pan-Africa Fertilizers Limited	23.10	–	–
Fatima Packaging Limited	23.11	685,279	685,279
Pakarab Fertilizers Limited	23.12	1,000	–
		9,281,408	2,085,509
<b>Debt instrument – Fair value through profit or loss (FVTPL)</b>			
Silk Islamic Development REIT	23.13	859,200	941,400
Emerald Bay Islamic Developmental REIT	23.14	468,500	–
		1,327,700	941,400
<b>Equity instrument – Fair value through profit or loss (FVTPL)</b>			
Sapphire Bay Islamic Development REIT	23.15	472,659	–
<b>Debt instrument – Amortised cost</b>			
Bank Al-Habib Limited – Term Finance Certificate	23.16	750,000	750,000
Pakistan Investment Bonds	23.17	–	4,017,502
Government of Pakistan Ijarah Sukuk	23.18	38,606,576	–
		39,356,576	4,767,502
		51,170,793	7,912,211

### 23.1 Movement in investment in associates

	2024				Closing
	Opening	Purchased during the year	Share of profit / (loss)	Share of other comprehensive income	
	(Rupees in thousand)				
Fatima Agri Sales & Services (Pvt) Limited	28,661	–	3,559	–	32,220
Multan Real Estate Company (Pvt) Limited	89,114	–	3,754	–	92,868
Fatima Electric Company Limited	–	–	–	–	–
KT Bank Pakistan Limited	25	–	–	–	25
Singfert PTE. Limited	–	–	–	–	–
National Resources (Pvt) Limited	–	702,193	(94,856)	–	607,337
	117,800	702,193	(87,543)	–	732,450

	2023				Closing
	Opening	Purchased during the year	Share of profit / (loss)	Share of other comprehensive income	
	(Rupees in thousand)				
Fatima Agri Sales & Services (Pvt) Limited	32,575	–	(3,914)	–	28,661
Multan Real Estate Company (Pvt) Limited	86,581	–	2,533	–	89,114
Fatima Electric Company Limited	23	–	(23)	–	–
KT Bank Pakistan Limited	–	25	–	–	25
Singfert PTE. Limited	–	–	–	–	–
	119,179	25	(1,404)	–	117,800

**23.2** This represents investment in 196,000 (2023: 196,000) fully paid ordinary shares of Rs 10 each of Fatima Agri Sales & Services (Pvt) Limited (FASS). The investment represents 49% (2023: 49%) of the total issued, subscribed and paid up share capital of FASS.

The principal activity of FASS is to carry on business as a sellers, marketers, importers, exporters, wholesalers, retailers and dealers in all types of agri inputs including fertilizers, micronutrients, pesticides and insecticides, seeds, veterinary and live stock feeds and feeds supplements, fish feeds and its supplements. The registered office of FASS is located at E-110, Khayaban-e-Jinnah, Lahore Cantt., Pakistan.

**23.3** This represents investment in 858,056 (2023: 858,056) fully paid ordinary shares of Rs 100 each of Multan Real Estate Company (Pvt) Limited (MREC). The investment represents 28.37% (2023: 28.37%) of the total issued, subscribed and paid up share capital of MREC. The main business of MREC is establishing and designing housing and commercial schemes, to carry on business of civil engineers for construction of private and governmental buildings and infrastructure and provision of labour and building material. The registered office of MREC is located at 2nd floor, Trust Plaza, L.M.Q Road, Multan.

**23.4** This represents investment in 14,000 fully (2023: 14,000) paid ordinary shares of Rs 10 each of Fatima Electric Company Limited (FECL). The investment represents 40% (2023: 40%) of the total issued, subscribed and paid up share capital of FECL.

The main business of FECL is transmission, manufacture, supply, generation and distribution of electricity and all forms of energy and power. The registered office of FECL is located at E-110, Khayaban-e-Jinnah, Lahore Cantt., Pakistan.

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for the year ended December 31, 2024

- 23.5** This represents investment in 2,500 (2023: 2,500) fully paid ordinary shares of Rs 10 each of KT Bank Pakistan Limited (KTBPL). The investment represents 25% (2023: 25%) of the total issued, subscribed and paid up share capital of KTBPL.

The main business of KTBPL is of banking as a digital bank and undertake financial transactions. The registered office of KTBPL is located at Smart Tower, C-10/2, Off Shahrah-e-Faisal, Lines Area, Sector 8/A, Opposite Finance & Trade Centre Building, Karachi, Pakistan.

- 23.6** This represents investment in 1 (2023: 1) fully paid ordinary share of SGD 1 each of Singfert PTE. Limited (Singfert), a company formed and registered in the Republic of Singapore. The investment represents 25% (2023: 25%) of the total issued, subscribed and paid up share capital of Singfert.

Singfert is a Special Purpose Vehicle (SPV) which will be used to route equity investment in Midwest Fertilizer Company (MFC), USA. MFC is setting up a nitrogen fertilizer project in the State of Indiana, USA.

- 23.7** This represents investment in 79,833,833 shares (2023: nil) of National Resources (Private) Limited (NRL). 34,833,833 shares were purchased from Reliance Commodities (Private) Limited at total cost of Rs 252.19 million, pursuant to approval of the shareholders in the Extraordinary General Meeting held on December 12, 2023. While 45,000,000 shares were also purchased during the year against rights offer amounting to Rs 450 million. The investment represents 33% of the total issued, subscribed and paid up share capital of NRL.

The principal activity of NRL is to carry on business of exploring, operating and working on mines, quarries and other related activities in the province of Balochistan. The registered office of NRL is located at Flat No. 1, Plot No. 34-C, Yousaf Homes, Essa Khan Road, Quetta, Pakistan.

- 23.8** This represents investment in 140,003,000 (2023: 140,003,000) fully paid ordinary shares of Rs 10 each of Fatima Cement Limited (FCL), a wholly owned subsidiary company, as approved by the Board of Directors of the Company in their meeting held on April 07, 2022.

The principal activity of FCL is manufacturing, producing, buying, selling, importing and exporting cement. The registered office of FCL is located at E-110, Khayaban-e-Jinnah, Lahore Cantt., Lahore, Pakistan.

- 23.9** This represents investment of Rs 7,195.10 million (2023: Rs 0.20 million) in Fatimafert Limited (FFT), a wholly owned subsidiary company, as a result of transfer of operations related to the Sheikhpura plant as explained in note 1.2.

The principal line of business of FFT is to carry on business of manufacture, produce, treat, refine, reduce and process all kinds of artificial manures and fertilizers, chemicals and minerals and any products and by products which may be prepared therefrom. The registered office of the FFT is located at E-110, Khayaban-e-Jinnah, Lahore Cantt., Pakistan.

- 23.10** This represents incorporation of a wholly owned subsidiary company in Kenya. The principal business of this company is trade marketing services including but not limited to manufacturing and / or sales / provision of fertilizer products or alike or any other business. The registered address of this company is located at Westlands District, Nairobi, Kenya.

- 23.11** This represents investment in 16,863,277 (2023: 16,863,277) fully paid ordinary shares of Rs 10 each of Fatima Packaging Limited (FPL), a wholly owned subsidiary company.

The principal line of business of FPL is manufacturing and sale of polypropylene sacks, polypropylene cloth, liners and cement bags. The registered office of the FPL is located at E-110, Khayaban-e-Jinnah, Lahore Cantt., Lahore, Pakistan while its manufacturing facility is located at Mukhtargarh - Sadiqabad.

**23.12** This represents investment in 100,000 fully paid ordinary shares of Rs 10 each of Pakarab Fertilizers Limited (PFL), a wholly owned subsidiary company, incorporated on August 06, 2024.

The principal line of business of the PFL is to carry on the business of manufacturing, producing, buying, selling, importing and exporting or otherwise dealing in or with chemicals and fertilizers of any and all kinds. The registered office of the PFL is located at E-110, Khayaban-e-Jinnah, Lahore Cantt., Pakistan.

During the year, the Board of Directors of the Company in their meeting held on October 29, 2024, accorded in principle approval of the Scheme of Compromises, Arrangements and Reconstruction (the Scheme) to reorganize the Company by carving out its Multan Plant related operations and amalgamating the same with and into PFL with effect from October 01, 2024. However, as disclosed in note 1.2 to the financial statements, the Board of Directors of the Company in their meeting held on March 13, 2025 approved to amend the effective date of the Scheme to January 01, 2025, subject to receipt of all requisite court, corporate and regulatory authorizations, consents and approvals.

**23.13** This represents 60,000,000 (2023: 60,000,000) units of Rs 10 each held in a privately placed closed - end shariah compliant apartment development REIT scheme which constitutes 20% (2023: 20%) of the total 300 million units issued (the Investment). This REIT Scheme is managed by Arif Habib Dolmen REIT Management Company Limited.

The Company has valued this investment on fair value basis using the discounted cashflow technique, considering the progress on the project. This method considers the present value of all future proceeds from the Investment, discounted using a risk adjusted discount rate which is taken at 17.92%. The cash flow projections include specific estimates for the entire life of the project which is estimated to be 10 years from the date of statement of financial position. Further, discounting due to lack of marketability factor is taken at 25% on the present value of all future proceeds. Further, the Company has estimated a fair value of Rs 850.20 million (2023: Rs 941.40 million) of its investment in the REIT and therefore recorded a loss of Rs 82.20 million during the year as disclosed in note 38 to the financial statements.

The Company being strategic investor of the REIT has 25% of its subscribed units in an account marked as 'blocked' with the Central Depository Company as required by the Real Estate Investment Trust Regulations, 2022.

**23.14** This represents 46,850,000 (2023: nil) units of Rs 10 each held in a privately placed closed - end shariah compliant apartment development REIT scheme with an expected life of 10 years. The Real Estate situated in the vicinity of Ravi River Urban Development Project.

The purpose of the trust shall be to develop the REIT Project and to sell its end product to the customers. The registered office of the REIT is located at 121 The Forum, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan.

**23.15** This represents 47,265,876 (2023: nil) units of Rs 10 each held in a privately placed closed - end shariah compliant developmental (PPP) REIT Scheme with perpetual life which constitutes 6.22% of the total Investment. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Company Limited, a related party and has entered into a Public Private Partnership Agreement with Ravi Urban Development Authority for development, marketing and sale of Phase 1 Zone 3 Sapphire Bay at Ravi City (measuring 2,000 acres of land). As at the reporting date, the face value of the units is equal to market value of the units.

**23.16** These term finance certificates (TFCs) are classified as a financial asset measured at amortized cost in accordance with IFRS 9 - Financial Instruments. The TFCs carry a profit rate of 6MK + 1.65%. Effective rate of profit during the year was 15.89% to 23.67% (2023: 17.48% to 23.74%).

**23.17** These Pakistan Investment Bonds (PIBs) carried profit at the rate of 16.22% and were redeemed during the year.

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**23.18** This represent investment in Government of Pakistan Ijarah Sukuk, which is classified as a financial asset measured at amortized cost in accordance with IFRS 9 – Financial Instruments. The Sukuk carries a variable rental rate that is subject to biannual adjustments based on market conditions. The effective rate of profit earned during the year was 19.69%. The sukuk was issued by the Government on January 05, 2023 and has a maturity date of January 05, 2026.

## 24 Long term loan to a subsidiary company

This represents loan of Rs 300 million as per agreement dated September 05, 2024 in favour of Fatima Packaging Limited, a wholly owned subsidiary company. As per the terms of the agreement, the loan is repayable in 5 years including one year grace period. Interest is to be settled semi annually. The loan carries markup rate at 6 months KIBOR plus 0.75% per annum. Effective rate of markup charged during the period was 18.66%.

	Note	2024 (Rupees in thousand)	2023
<b>25 Long term advances and deposits</b>			
Advance against investments in REITs	25.1	5,571,551	1,938,037
Capital advances:			
- Freehold land		192,665	338,972
- Plant and machinery		1,001,900	1,329,021
		1,194,565	1,667,993
Other advances and deposits	25.2	719,366	356,156
		7,485,482	3,962,186

**25.1** This includes advances aggregating to Rs 3,895.55 million (2023: Rs 1,738.04 million) paid for investments in shariah compliant development REIT schemes which are managed by Arif Habib Dolmen REIT Management Company Limited (RMC), a related party.

**25.2** This includes advance against issue of shares amounting to Rs 200 million (2023: nil) paid to KT Bank Pakistan Limited, a related party.

	Note	2024 (Rupees in thousand)	2023
<b>26 Stores and spares</b>			
Stores		918,615	988,753
Spares		12,468,849	10,886,795
Catalyst and chemicals		4,772,104	4,708,130
		18,159,568	16,583,678
Less: Provision for slow moving stores and spares	26.1	3,100,960	2,865,771
		15,058,608	13,717,907
<b>26.1 Movement of provision for slow moving stores and spares</b>			
Opening balance		2,865,771	395,186
Charge for the year		455,845	2,470,585
Transferred as a result of transfer of operations		(220,656)	–
		3,100,960	2,865,771



		2024 (Rupees in thousand)	2023
<b>27 Stock in trade</b>			
Raw materials {including in transit Rs 12,363.64 million (2023: Rs 2,985.29 million)}		19,641,266	15,728,528
Packing materials		180,965	353,565
		19,822,231	16,082,093
<b>Mid products</b>			
Ammonia		146,437	335,489
Nitric acid		33,257	46,766
Others		5,438	7,632
		185,132	389,887
<b>Finished goods</b>			
<b>Own manufactured</b>			
Urea		4,043,351	630,764
NP		18,763,565	14,153,402
CAN		7,851,808	945,647
Others		2,415	4,073
		30,661,139	15,733,886
<b>Purchased for resale</b>		2,501,006	208,980
		53,169,508	32,414,846
<b>28 Trade debts</b>			
Secured against bank guarantees		17,306,305	9,061,931
Unsecured – considered good		263,416	444,994
		17,569,721	9,506,925

**28.1** All these debtors are not past due.

	Note	2024 (Rupees in thousand)	2023
<b>29 Short term loans to related parties</b>			
Reliance Commodities (Pvt) Limited	29.1	248,031	4,999,723
Silk Islamic Development REIT	29.2	180,000	100,000
Fatimafert Limited	29.3	3,229,508	–
		3,657,539	5,099,723

**29.1** This represents loan given to an associated company Reliance Commodities (Private) Limited (RCL), against an approved limit of Rs 5,000 million. The loan is repayable within 30 business days notice of demand. The markup rate on the said loan is 6 months KIBOR plus 2.00% per annum, which has been revised to 6 month KIBOR plus 1.25% as per the shareholders' approval in Annual General Meeting held on April 28, 2023. Effective rate of markup charged during the year ranged from 15.37% to 23.25% (2023: 17.84% to 24.08%). The loan is fully secured against a ranking charge over the present and future current assets of RCL. The maximum amount of loan outstanding during the year was Rs 4,999.72 million.

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**29.2** This represents loan given to an associated undertaking Silk Islamic Development REIT, against an approved limit of Rs 200 million as per the shareholders' approval in Extra Ordinary General Meeting dated September 22, 2023. The loan is repayable within 10 days notice of demand. The markup rate on the said loan is 6 months KIBOR plus 2% per annum. Effective rate of markup charged during the year ranged from 17.20% to 23.63% (2023: 24.96%). The maximum amount of loan outstanding during the year was Rs 180 million.

**29.3** This represents loan given to subsidiary company Fatimafert Limited, against an approved limit of Rs 15,000 million. The loan is repayable within 30 business days notice of demand. The markup rate on the said loan is 6 months KIBOR plus 1.25% per annum as per approval of Board of Directors dated October 29, 2024. Effective rate of markup charged during the period is 21.38% .The maximum amount of loan outstanding during the year was Rs 14,604.29 million.

	Note	2024 (Rupees in thousand)	2023
<b>30 Advances, deposits, prepayments and other receivables</b>			
Advances - considered good			
- to employees		43,104	65,164
- to suppliers	30.1	2,793,390	2,280,456
		2,836,494	2,345,620
Margin deposits held by banks		1,977,749	2,785,468
Prepayments		176,485	119,172
Receivable from Government of Pakistan (GoP)			
- Advance sales tax		11,941,141	13,506,001
- Subsidy receivable		1,884,585	2,092,159
- Loss allowance on subsidy receivable	30.2	(1,884,585)	(1,464,511)
		11,941,141	14,133,649
Markup receivable		681,260	464,805
Others		871,677	192,102
		18,484,806	20,040,816

**30.1** This includes balance of Rs 2.85 million (2023: Rs 28.57 million) from Fatima Agri Sales & Services (Private) Limited, a related party, in the nature of normal course of business. The maximum amount outstanding during the year was Rs 28.57 million.

**30.2** This represents loss allowance on subsidy receivable from GoP in accordance with requirement of IFRS 9. However, management is confident of recovering the full amount from GoP.

	Note	2024 (Rupees in thousand)	2023
<b>31 Short term investments</b>			
<b>At fair value through profit or loss (FVTPL)</b>			
Equity investments	31.1	11,872,674	5,974,626
Mutual fund	31.2	18,411,706	—
<b>At amortised cost</b>			
Term deposit receipts	31.3	2,150	6,252,150
Market treasury bills	31.4	—	6,024,008
Ijarah Sukuks	31.5	—	502,159
Defence saving certificates		—	66,610
		30,286,530	18,819,553

**31.1** These consist of investments made in equity instruments of various listed companies.

**31.2** These consist of mutual funds measured at FVTPL. The fair value of the fund is determined based on the publicly available net asset value (NAV) quotes published by the Mutual Funds Association of Pakistan (MUFAP) as at the reporting date.

**31.3** The term deposit receipts carry markup ranging from 12.3% to 17.50% (2023: 9.00% to 22.50%) per annum.

**31.4** These Market Treasury Bills (T-Bills) had maturity of one year and carried profit at the rate of 21.23% per annum.

**31.5** These Ijarah Sukuks had maturity of one year and carried profit at the rate of 22.49% per annum.

	Note	2024 (Rupees in thousand)	2023
<b>32 Cash and bank balances</b>			
Cash in hand		7,804	9,156
At banks			
- saving accounts	32.1	5,345,201	3,963,988
- current accounts		3,734,659	3,121,721
		9,087,664	7,094,865

**32.1** The balances in saving accounts carry markup ranging from 6.07% to 20.75% (2023: 14.50% to 20.75%) per annum.

	Note	2024 (Rupees in thousand)	2023
<b>33 Sales</b>			
<b>Revenue from contracts with customers</b>			
Local sales	33.1	238,419,908	232,754,821
Export sales - Certified Emission Reductions		2,225	—
		238,422,133	232,754,821

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for the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>33.1 Local sales</b>			
Own manufactured		238,917,597	221,506,570
Mid products		2,591,536	2,294,153
Purchased for resale		14,612,004	21,635,270
		256,121,137	245,435,993
Less: Sales tax		963,151	1,132,302
Federal excise duty		11,681,875	6,718,924
Discounts		5,056,203	4,829,946
		238,419,908	232,754,821
<b>34 Cost of sales</b>			
Raw material consumed		93,199,267	76,878,972
Packing material consumed		4,550,020	4,682,541
Salaries, wages and other benefits	34.1	11,471,858	9,851,450
Fuel and power		14,716,015	12,352,009
Chemicals and catalyst consumed		4,389,732	3,772,120
Stores and spares consumed		5,076,138	7,591,978
Depreciation	20.4	10,330,110	10,471,051
Technical assistance		562,847	475,681
Repair and maintenance		10,511,474	10,376,858
Insurance		1,856,431	2,063,667
Travelling and conveyance		361,805	376,297
Rent, rates and taxes	34.2	765,625	915,977
Vehicle running and maintenance		347,553	369,313
Others		267,857	181,904
Subsidy on RLNG released by GoP to SNGPL	34.3	(8,456,399)	(10,426,437)
<b>Manufacturing cost</b>		149,950,333	129,933,381
Opening stock of mid products		389,887	183,511
Transferred as a result of transfer of operations		(223,301)	–
Closing stock of mid products		(185,132)	(389,887)
<b>Cost of goods manufactured</b>		149,931,787	129,727,005
Opening stock of finished goods		15,733,886	29,024,754
Closing stock of finished goods		(30,661,139)	(15,733,886)
<b>Cost of sales - own manufactured</b>		135,004,534	143,017,873
<b>Cost of sales - purchased for resale</b>		15,914,781	17,327,581
		150,919,315	160,345,454

**34.1** This includes charge on account of employees' retirement benefits namely gratuity, leave encashment and provident fund contribution amounting to Rs 579.25 million (2023: Rs 535.14 million).

**34.2** This includes ijarah lease rentals aggregating to Rs 462.13 million (2023: Rs 365.74 million).

**34.3** This represents subsidy related to prior year, released by Government of Pakistan (GoP) to SNGPL, as the difference between full RLNG price billed to the Company (Sheikhupura plant) by SNGPL and the gas price capped by GoP for fertilizer plants operating on RLNG.

	Note	2024 (Rupees in thousand)	2023
<b>35 Distribution cost</b>			
Salaries, wages and other benefits	35.1	2,254,155	1,722,013
Rent, rates and taxes	35.2	917,641	648,347
Advertisement and sales promotion		1,235,468	1,222,659
Transportation and freight		8,729,307	6,131,778
Technical services to farmers		110,677	135,510
Insurance		70,328	62,216
Travelling and conveyance		106,035	152,128
Others		528,834	360,385
		13,952,445	10,435,036

**35.1** This includes charge on account of employees' retirement benefits namely gratuity, leave encashment and provident fund contribution amounting to Rs 119.31 million (2023: Rs 85.29 million).

**35.2** This includes rental paid for short term leases aggregating to Rs 662.5 million (2023: Rs 452.54 million) and ijarah lease rentals aggregating to Rs 259.23 million (2023: Rs 178.24 million).

	Note	2024 (Rupees in thousand)	2023
<b>36 Administrative expenses</b>			
Salaries, wages and other benefits	36.1	4,292,736	3,620,079
Travelling and conveyance		474,478	388,288
Vehicles' running and maintenance		146,814	143,327
Insurance		47,609	31,364
Communication and postage		54,527	68,020
Printing and stationery		19,806	51,170
Repair and maintenance		221,055	260,483
Rent, rates and taxes	36.2	501,658	183,630
Fees and subscription		331,275	249,458
Entertainment		102,913	65,475
Legal and professional		1,287,532	993,874
Auditors' remuneration	36.3	13,709	11,019
Utilities		55,441	43,107
Aircraft operating expenses		399,466	366,935
Depreciation on operating fixed assets	20.4	483,373	328,912
Depreciation on investment property	22	906	906
Amortization	21	84,320	79,880
Charity and donation	36.4	1,035,654	895,588
Others		481,861	413,144
		10,035,133	8,194,659

**36.1** This includes charge on account of employees' retirement benefits namely gratuity, leave encashment and provident fund contribution amounting to Rs 154.49 million (2023: Rs 126.77 million).

**36.2** This includes rental paid for low value leases amounting to Rs 336.79 million (2023: Rs 41.04 million) and ijarah lease rentals amounting to Rs 166.05 million (2023: Rs 137.26 million).



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

**36.3** The breakup of statutory auditors' remuneration including non adjustable sales tax is as follows:

	Note	2024 (Rupees in thousand)	2023
Annual audit fee		5,830	5,561
Half yearly review fee		730	697
Others	36.3.1	5,902	3,779
Out of pocket expenses		1,247	982
		13,709	11,019

**36.3.1** Others include special audits fee of Rs 5.38 million (2023: Rs 3.65 million).

## 36.4 Donations

**36.4.1** Donations paid to Mian Mukhtar A. Sheikh Trust (the Trust) exceeds 10% of the Company's total amount of donation.

**36.4.2** Donations include the following in which certain directors are interested:

Name of director	Interest in donee	Name of donee	2024 (Rupees in thousand)	2023
Mr. Fawad Ahmed Mukhtar Mr. Faisal Ahmed Mukhtar Mr. Fazal Ahmed Sheikh	Trustees	Mian Mukhtar A. Sheikh Trust	488,717	494,759
Mr. Fawad Ahmed Mukhtar	Member of the Board of Governors of National Management Foundation (NMF) the sponsoring body of LUMS.	Lahore University of Management Sciences (LUMS)	36,000	23,909
			2024 (Rupees in thousand)	2023
<b>37 Finance cost</b>				
Markup on:				
- long term finances			2,626,315	1,725,192
- short term finances			998,209	1,752,340
- short term loans from related parties			94,567	370,208
Interest on lease liabilities			34,880	22,682
Bank charges and others			996,138	770,001
			4,750,109	4,640,423

	Note	2024 (Rupees in thousand)	2023
<b>38 Other operating expenses</b>			
Workers' profit participation fund	12.4	3,261,498	2,573,210
Workers' welfare fund	12.5	1,412,842	1,146,727
Late payment surcharge on payables		655,530	–
Impairment of advances		–	76,874
Impairment of brand		1,770,000	1,770,000
Loss on disposal of property, plant and equipment		–	3,523
Unwinding of payable against subordinated redeemable preference Class A shares	8	240,887	207,037
Exchange loss – net		778,997	1,612,675
Loss on remeasurement of long term investment	23.13	82,200	–
Impairment of plant and machinery	20.1.1	941,041	–
Others		1,425,885	233,711
		10,568,880	7,623,757
<b>39 Other income</b>			
<b>Income from financial assets</b>			
Profit on loans to related parties		1,556,840	1,162,956
Gain on sale of investment classified as FVTPL		384,300	142,825
Gain on remeasurement of short term investments classified as FVTPL		5,662,311	1,986,355
Gain on remeasurement of long term investment	23.13	–	341,400
Profit on investments and saving accounts		4,283,407	1,501,471
Dividend income		755,028	571,195
		12,641,886	5,706,202
<b>Income from non financial assets</b>			
Scrap sales		86,748	48,037
Gain on disposal of property, plant and equipment	20.5	42,917	–
Gain on disposal of stores and spares		–	1,093
Markup on credit sale of fertilizer		231,014	1,480,656
Others		130,688	40,652
		491,367	1,570,438
		13,133,253	7,276,640
<b>40 Taxation</b>			
Current tax			
- Current year		26,319,157	20,242,562
- Prior year		(1,019,267)	2,254,843
		25,299,890	22,497,405
Deferred tax		272,485	2,847,464
		25,572,375	25,344,869

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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	2024	2023
	(%)	
<b>40.1 Tax charge reconciliation</b>		
<b>Numerical reconciliation between the average tax rate and the applicable tax rate:</b>		
Applicable tax rate	29.00	29.00
<b>Tax effect of :</b>		
Income exempt from income tax or taxed at lower rate	(1.47)	(1.24)
Super tax	10.00	10.00
Prior year	0.45	3.48
Impact of rate change	—	9.37
Deductions disallowed	4.18	2.15
Others	0.07	0.32
	13.23	24.08
<b>Average effective tax rate charged to statement of profit or loss</b>	<b>42.23</b>	<b>53.08</b>

	2024	2023
<b>41 Earnings per share – basic and diluted</b>		
Profit attributable to ordinary shareholders (Rupees in thousand)	34,983,238	22,399,399
Weighted average number of shares (Number of shares)	2,100,000,000	2,100,000,000
Basic and diluted earnings per share (Rupees)	16.66	10.67

## 42 Transactions with related parties

The related parties comprise the associated undertakings, directors and other key management personnel of the Company. Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties have been disclosed in the relevant notes to the financial statements. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements are as follows:

		2024	2023
		(Rupees in thousand)	
<b>Relationship with the Company</b>	<b>Nature of transaction</b>		
<b>Subsidiary companies</b>	Acquisition of shares	1,000	1,100,000
	Loans given	3,529,508	—
	Payment against sales collection agreement	16,240,006	—
	Transfer of net assets	7,194,899	—
	Payments made on behalf	—	18,000
	Profit on loans to related parties	746,373	76,829
	Miscellaneous expenses	789,058	247,124
	Purchase of packing material	4,210,183	4,781,643

		2024 (Rupees in thousand)	2023
<b>Associated companies</b>	Lease rental	343,068	271,200
	Advance against shares	200,000	–
	Fee for services	611,538	797,263
	Repayment of short term loans to related parties	4,751,693	–
	Repayment of short term loans from related parties	1,626,307	–
	Miscellaneous expenses	3,849	11,288
	Short term loan given	80,000	100,000
	Profit on loans to related parties	810,468	1,086,127
	Dividend paid	5,490,205	5,136,216
	Markup expense	94,567	370,208
<b>Directors &amp; key management personnel</b>	Remuneration including benefits & perquisites	842,555	706,230
	Dividend paid	3,497,634	3,853,042
<b>Retirement benefit plans</b>	Retirement benefit expense	853,051	747,205

**42.1** Following are the related parties with whom the Company had entered into transactions or have arrangements / agreements in place.

Name	Basis of Relationship	Aggregate % of shareholding in the Company
Fatimafert Limited	Subsidiary company	Nil
Fatima Cement Limited	Subsidiary company	Nil
Fatima Packaging Limited	Subsidiary company	Nil
Pakarab Fertilizers Limited	Subsidiary company	Nil
Air One (Private) Limited	Common directorship	Nil
Arif Habib Equity (Private) Limited	Common directorship	Nil
HerBeauty (Private) Limited	Common directorship	Nil
OSOL (Private) Limited	Common directorship	Nil
Fatima AG Solutions Limited	Common directorship	Nil
KT Bank Pakistan Limited	Common directorship	Nil
Prime Agtech Solutions (Private) Limited	Common directorship	Nil
National Resources (Private) Limited	Common directorship	Nil
Sapphire Bay Islamic Development REIT	Common directorship	Nil
Silk Islamic Development REIT	Common directorship	Nil
Reliance Commodities (Private) Limited	Common directorship	0.02%
Reliance Weaving Mills Limited	Common directorship	0.13%
Fatima Holding Limited	Common directorship	0.68%
Arif Habib Limited	Common directorship	0.01%
Fazal Cloth Mills Limited	Common directorship	3.29%
Farrukh Trading Company Limited	Common directorship	8.09%
Fatima Management Company Limited	Common directorship	8.10%
Fatima Trading Company (Private) Limited	Common directorship	8.18%
Arif Habib Corporation Limited	Common directorship	15.19%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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**42.2** The Company considers its Chief Executive Officer, Executive Director, and Functional Heads as its key management personnel.

	Note	2024 Metric ton	2023
<b>43 Capacity and production</b>			
<b>Urea</b>			
Designed production capacity	43.1	815,150	1,037,900
Actual production		811,771	985,419
<b>CAN</b>			
Designed production capacity		870,000	870,000
Actual production		854,557	839,721
<b>NP</b>			
Designed production capacity		664,500	664,500
Actual production		852,490	713,038

**43.1** Operations related to Sheikhpura plant have been transferred to Fatimafert Limited with effect from July 01, 2024.

## 44 Remuneration of chief executive, directors and executives

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to full time working Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)					
<b>Short term employee benefits</b>						
Managerial remuneration	61,217	66,371	64,341	63,721	2,792,561	2,020,731
Housing allowance	27,547	29,867	22,695	23,765	1,003,818	874,323
Utilities allowance	—	—	—	—	275,362	186,877
Conveyance and site allowance	—	—	—	—	451,599	386,195
Leave fare assistance and bonus	31,034	28,966	32,853	30,784	2,482,506	1,810,712
Others	47,326	21,151	12,239	14,319	219,812	101,025
	167,124	146,355	132,128	132,589	7,225,658	5,379,863
<b>Retirement benefits</b>						
Contribution to provident fund and gratuity	—	—	—	—	206,107	167,778
Accumulating compensated absences	—	—	—	—	7,731	12,617
	167,124	146,355	132,128	132,589	7,439,496	5,560,258
<b>Number of persons</b>	1	1	2	2	742	633

**44.1** Non Executive Directors were paid meeting fee aggregating to Rs 3.25 million (2023: Rs 1.55 million).

**44.2** The Company also provides the Chief Executive, Executive Director and some of the Executives with Company maintained cars.



	Note	2024 (Rupees in thousand)	2023
<b>45 Cash generated from operations</b>			
Profit before tax		60,555,613	47,744,268
Adjustments for:			
Depreciation on property, plant and equipment	20.4	10,834,322	10,814,994
Impairment of plant and machinery	20.1.1	941,041	–
Depreciation on investment property	22	906	906
Amortization of intangible assets	21	84,320	79,880
Impairment of brand	21	1,770,000	1,770,000
Finance cost	37	4,750,109	4,640,423
Provision for staff retirement benefits		562,393	470,908
Provision for slow moving stores and spares		508,272	2,713,023
Profit on loans to related parties	39	(1,556,840)	(1,162,956)
Gain on investments classified as FTVPL		(6,046,611)	(2,129,180)
Loss / (gain) on remeasurement of long term investment	23.13	82,200	(341,400)
Loss allowance on subsidy receivable from GoP		627,648	826,377
Unwinding of payable against subordinated redeemable preference Class A shares		240,887	207,037
Unwinding of provision for GIDC	12.2	58,700	220,083
Dividend income	39	(755,028)	(571,195)
Share of loss from associates	23.1	87,543	1,404
Profit on short term investments and saving accounts	39	(4,283,407)	(1,501,471)
Impairment of advances	38	–	76,874
Late payment surcharge on payables	38	655,530	–
(Gain) / loss on disposal of property, plant and equipment	20.5	(42,917)	3,523
		8,519,068	16,119,230
Operating cash flows before working capital changes		69,074,681	63,863,498
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		(4,449,535)	(569,312)
Stock in trade		(21,020,687)	12,422,341
Trade debts		(8,062,796)	3,825,185
Loans, advances, deposits, prepayments and other receivables		1,220,850	(637,727)
Net decrease in creditors, accrued and other liabilities		2,419,861	(5,595,246)
		(29,892,307)	9,445,241
		39,182,374	73,308,739

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

## 46 Financial risk management

### 46.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

#### (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. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro (EUR) and Great British Pound (GBP). Currently, the Company's foreign exchange risk exposure is restricted to bank balances, the amounts receivable / payable from / to the foreign entities. The Company's exposure to currency risk was as follows:

	2024	2023
	(FCY in thousand)	
Cash at banks and in hand – USD	20	32
Trade and other payables – USD	(1,592)	(1,712)
Net exposure – USD	(1,572)	(1,680)
Cash at banks and in hand – EUR	–	4
Trade and other payables – EUR	(979)	(761)
Net exposure – EUR	(979)	(757)
Trade and other payables – GBP	–	(269)
Net exposure – GBP	–	(269)

The following significant exchange rates were applied during the year:

	2024	2023
<b>Rupees per USD</b>		
Average rate	280.63	283.53
Reporting date rate	278.85	282.40
<b>Rupees per EUR</b>		
Average rate	301.39	307.95
Reporting date rate	289.66	313.11
<b>Rupees per GBP</b>		
Average rate	354.52	353.89
Reporting date rate	349.27	359.77

If the functional currency, at reporting date, had fluctuated by 5% against the USD, EUR and GBP with all other variables held constant, the impact on profit after taxation for the year would have been Rs 36.1 million (2023: Rs 40.41 million), respectively higher / lower, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

**(ii) Other price risk**

Other price risk represents 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 instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is also exposed to equity price risk since there are investments in equity securities. The Company is also not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

**Fair value sensitivity analysis – Investments through Profit or Loss**

In case of 5% change in KSE 100 index on December 31, 2024, with all other variables held constant, net profit for the year would increase / decrease by Rs 923.67 million (2023: Rs 182.23 million) as a result of gains / losses on equity securities classified as at fair value through profit or loss.

**(iii) Interest rate risk**

Interest rate risk represents 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 has significant interest bearing assets. The Company's interest rate risk arises from long term financing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2024	2023
	(Rupees in thousand)	
<b>Fixed rate instruments</b>		
Term deposit receipt	2,150	6,252,150
Defence saving certificates	—	66,610
Market treasury bills	—	6,024,008
Ijarah Sukuks	—	502,159
Term Finance Certificate	750,000	750,000
Pakistan Investment Bonds	—	4,017,502
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Cash at bank - saving accounts	5,345,201	3,963,988
Short term loans to related parties	3,657,539	5,099,723
Government of Pakistan Ijarah Sukuk	38,606,576	—
<b>Financial liabilities</b>		
Long term finances	44,152,653	7,935,333
Short term loans from related parties	—	1,626,307
Short term finance – secured	17,959,728	—

## Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect the statement of profit or loss of the Company.

## Cash flow sensitivity analysis for variable rate instruments

If the markup rate on net finance at reporting date, had fluctuated by 100 basis points with all other variables held constant, the impact on profit after taxation for the year would have been Rs 86.31 million (2023: Rs 3.04 million) respectively higher / lower.

## (b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from deposits with banks and loans, advances, deposits, prepayments and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024	2023
	(Rupees in thousand)	
Long term advances and deposits	6,290,917	2,294,193
Long term loan to subsidiary company	300,000	—
Short term loan to associated companies	3,657,539	5,099,723
Advances, deposits and other receivables	3,530,686	3,442,375
Trade debts	17,569,721	9,506,925
Short term investments	2,150	12,844,927
Bank balances	9,079,860	7,085,709
	40,430,873	40,273,852

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees in thousand)	
Bank balances					
Al Baraka Bank (Pakistan) Limited	A1	A+	VIS	17	87
Allied Bank Limited	A1+	AAA	PACRA	143,005	746
Askari Bank Limited	A1+	AA+	PACRA	153,106	8,123
Bank Alfalah Limited	A1+	AAA	PACRA	321,336	224,030
Bank Al Habib Limited	A1+	AAA	PACRA	4,026,648	3,404,092
BankIslami Pakistan Limited	A1	AA–	PACRA	15	100,040
Bank Makramah Limited	On hold		VIS	1,677,778	803,446
Citibank N.A	P–1	Aa3	Moody's	44	44
Dubai Islamic Bank Limited	A1+	AA	VIS	150,765	612
Faysal Bank Limited	A1+	AA	PACRA	554,454	139,330
Habib Bank Limited	A1+	AAA	VIS	682,371	279,996
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	5,843	3,335
Industrial and Commercial Bank of China	P1	A2	Moody's	677	679
JS Bank Limited	A1+	AA	PACRA	174,350	280,892
MCB Bank Limited	A1+	AAA	PACRA	36,016	16,710
Meezan Bank Limited	A1+	AAA	VIS	3,169	404,732
National Bank of Pakistan	A1+	AAA	PACRA	463,700	204,155
Sindh Bank Limited	A1+	AA–	VIS	–	128
Soneri Bank Limited	A1+	AA–	PACRA	18,131	62,648
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	1,348	24,340
The Bank of Punjab	A1+	AA+	PACRA	606,487	1,088,077
Bank of Khyber	A1	A+	PACRA	4,523	2,983
United Bank Limited	A1+	AAA	VIS	29,924	18,722
Term deposit receipts					
Allied Bank Limited	A1+	AAA	PACRA	–	50,000
Askari Bank Limited	A1+	AA+	PACRA	2,150	502,150
Faysal Bank Limited	A1+	AA	PACRA	–	4,000,000
National Bank of Pakistan	A1+	AAA	PACRA	–	1,000,000
Soneri Bank Limited	A1+	AA–	PACRA	–	700,000
Term finance certificate					
Bank Al Habib Limited	A1+	AAA	PACRA	750,000	750,000

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

The Company is not exposed to credit risk on its Government of Pakistan Ijarah Sukuk and Defence saving certificates.



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## (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At December 31, 2024 the Company has Rs 39,006.27 million (2023: Rs 30,950 million) unutilized borrowing limits from financial institutions and Rs 9,819.31 million (2023: Rs 13,347.02 million) cash and bank balances.

The following are the carrying values of financial liabilities as at December 31, 2024:

	Carrying amount	Less than one year	One to five years	More than five years
(Rupees in thousand)				
Long term finances	44,152,653	1,861,544	42,109,447	181,662
Short term finances – secured	17,959,728	17,959,728	–	–
Subordinated redeemable preference class A shares	1,714,210	–	1,714,210	–
Lease liabilities	666,295	30,110	267,234	368,951
Trade and other payables	36,894,752	36,894,752	–	–
Unclaimed dividend	70,583	70,583	–	–
Long term deposits	497,354	–	497,354	–
Payable to privatization commission of Pakistan	2,197,901	2,197,901	–	–
Accrued finance cost	1,806,013	1,806,013	–	–
	105,959,489	60,820,631	44,588,245	550,613

The following are the carrying values of financial liabilities as at December 31, 2023:

	Carrying amount	Less than one year	One to five years	More than five years
(Rupees in thousand)				
Long term finances	7,935,333	2,129,405	5,187,527	618,401
Subordinated redeemable preference class A shares	1,473,323	–	1,473,323	–
Lease liabilities	219,083	111,706	107,377	–
Trade and other payables	39,369,645	39,369,645	–	–
Short term loans from related parties	1,626,307	1,626,307	–	–
Unclaimed dividend	55,769	55,769	–	–
Long term deposits	466,658	–	466,658	–
Payable to privatization commission of Pakistan	2,197,901	2,197,901	–	–
Accrued finance cost	517,441	517,441	–	–
	53,861,460	46,008,174	7,234,885	618,401

## 46.2 Fair values of financial assets and liabilities

The carrying amounts of all financial assets and liabilities reflected in the financial statement approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

### Fair value hierarchy

The Company is required to classify financial instruments using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Investments of the Company carried at fair value are categorised as follows:

	2024			
	(Rupees in thousand)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Investment - FVTPL	30,284,380	–	1,800,359	32,084,739
Total financial assets at fair value	30,284,380	–	1,800,359	32,084,739

	2023			
	(Rupees in thousand)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Investment - FVTPL	5,974,626	–	941,400	6,916,026
Total financial assets at fair value	5,974,626	–	941,400	6,916,026

### 46.3 Financial instruments by categories

	2024			2023		
	Amortized Cost	Fair value Through P & L	Fair value Through OCI	Amortized Cost	Fair value Through P & L	Fair value Through OCI
	(Rupees in thousand)					
<b>Financial assets as per statement of financial position</b>						
Long term investments	39,356,576	1,800,359	–	4,767,502	941,400	–
Long term advances and deposits	6,290,917	–	–	2,294,193	–	–
Long term loan to a subsidiary company	300,000	–	–	–	–	–
Short term loan to related parties	3,657,539	–	–	5,099,723	–	–
Advances, deposits and other receivables	3,530,686	–	–	3,442,375	–	–
Trade debts	17,569,721	–	–	9,506,925	–	–
Short term investments	2,150	30,284,380	–	12,844,927	5,974,626	–
Cash and bank balances	9,087,664	–	–	7,094,865	–	–
	79,795,253	32,084,739	–	45,050,510	6,916,026	–

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	2024	2023
	(Rupees in thousand)	
<b>Financial liabilities as per statement of financial position - at amortised cost</b>		
Long term finance	44,152,653	7,935,333
Short term finance - secured	17,959,728	—
Short term loans from related parties	—	1,626,307
Unclaimed dividend	70,583	55,769
Lease liabilities	666,295	219,083
Long term deposits	497,354	466,658
Trade and other payables	36,894,752	39,369,645
Subordinated redeemable preference Class A shares	1,714,210	1,473,323
Payable to Privatization Commission of Pakistan	2,197,901	2,197,901
Accrued finance cost	1,806,013	517,441
	<b>105,959,489</b>	<b>53,861,460</b>

## 46.4 Capital risk management

The Company's objectives when managing capital are to safeguard Company's ability to continue as a going concern in order to provide maximum return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure as required by the lenders. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of debt to equity ratio.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, issue new ordinary / preference shares, or obtain / repay loans.

	2024	2023
	(Rupees in thousand)	
Total debt	62,778,676	9,780,723
Total equity	141,732,919	118,365,983
Debt to equity ratio	44.29%	8.26%

	2024	2023
	(Rupees in thousand)	
<b>47 Provident fund</b>		
The following information is based on latest un audited financial statements of the fund:		
Size of the fund	4,178,690	4,187,680
Cost of investments made	3,480,281	3,693,423
Fair value of investments	3,597,236	3,895,586
Percentage of investments made	83.29%	88.20%

	2024		2023	
	(Rupees in thousand)	%age	(Rupees in thousand)	%age
<b>47.1 The breakup of fair value of investments is as follows:</b>				
Mutual funds	2,299,229	64%	2,087,254	54%
Scheduled banks	1,298,007	36%	1,808,332	46%
	3,597,236	100%	3,895,586	100%

**47.2** The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

**47.3** An amount of Rs 290.66 million (2023: Rs 270.02 million) has been contributed during the year to the provident fund.

	2024	2023
<b>48 Number of employees</b>		
Average number of employees during the year	4,562	4,593
Number of employees at end of the year	4,498	4,626

	Note	2024 (Rupees in thousand)	2023
<b>49 Shariah compliance disclosure</b>			
<b>Financing as per Islamic mode</b>			
Long term loans	7	42,846,724	4,562,500
Short term loans	15	15,877,015	—
<b>Accrued finance cost as per Islamic mode</b>			
Long term loans	13	1,317,083	95,377
Short term loans	13	481,411	10,442
<b>Investments as per Islamic mode</b>			
Long term investments	23	40,406,935	941,400
Short term investments	31	4,880,480	9,155,248
Bank balances	32	712,352	644,869
<b>Gain / (loss) from shariah compliant investments</b>			
Dividend income earned on Islamic mode of investments	39	205,734	191,909
Unrealized gain / (loss) on remeasurement of investments at FVTPL	39	1,839,894	1,282,250
Realized gain on investments at FVTPL	39	181,038	138,193
Profit on investments and saving accounts	39	1,615,750	191,723
Finance cost accrued on Islamic mode of financing	37	2,896,784	1,152,596
<b>Profit earned or interest accrued on conventional loans</b>			
Finance cost	37	1,853,325	3,487,827
Profit on loans to related parties	39	1,556,840	1,162,956
Profit on investments and saving accounts	39	2,667,657	1,309,748

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2024

## Relationship with shariah compliant banks and financial institutions

Name	Relationship
Al Baraka Bank (Pakistan) Limited	Bank balance
BankIslami Pakistan Limited	Bank balance
Dubai Islamic Bank Limited	Bank balance
Faysal Bank Limited	Bank balance and long term finance
Meezan Bank Limited	Bank balance, short term finance and long term finance
Pak Kuwait Investment Company Limited	Long term finance

## 50 Interest in joint arrangements

The Company, Fauji Fertilizer Company Limited (FFC) and Engro Fertilizers Limited (EFERT) entered into a Framework Agreement (the Agreement) for Gas Pressure Enhancement Facilities (PEF) project on November 30, 2022. Under the Agreement, the Company, FFC and EFERT have decided to jointly develop and install pressure enhancement facilities at the Mari Energies Limited (MEL)(formerly Mari Petroleum Company Limited) delivery node to sustain the current level of pressure of gas supply from Habib Rahi Limestone (HRL) reservoir of MEL.

All decisions with respect to development and operations of PEF would be made only with unanimous consent of the Company, FFC and EFERT. Accordingly, PEF arrangement would be classified as a 'Joint Arrangement' in accordance with IFRS – 11. 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 Company, FFC and EFERT, hence, the joint arrangement for establishment and operations of PEF has been classified as a 'Joint Operations' in these financial statements. Current cost sharing percentages in PEF of the Company, FFC and EFERT are 18.4%, 47.7% and 33.9%, respectively.

The Company has recognised its share of jointly held assets of the joint operation under the appropriate heads and disclosed the same in related note to the financial statements.

## 51 Non adjusting events after reporting date

The Board of Directors of the Company in its meeting held on March 13, 2025 proposed a final dividend of Rs 4.25 (2023: Rs 2.75) per share for the year ended December 31, 2024, aggregating to Rs 8,925 million (2023: Rs 5,775 million) for approval of the members at the Annual General Meeting to be held on April 18, 2025.

## 52 Date of authorization of issue

These financial statements have been authorised for issue on March 13, 2025 by the Board of Directors of the Company.

## 53 General

Figures have been rounded off to the nearest thousand of rupees unless stated otherwise.



Chief Executive Officer



Director



Chief Financial Officer

# CONSOLIDATED FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR'S REPORT

To the members of Fatima Fertilizer Company Limited

## Opinion

We have audited the annexed consolidated financial statements of Fatima Fertilizer Company Limited and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at December 31, 2024 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including a summary of 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 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 the 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.

# INDEPENDENT AUDITOR'S REPORT

To the members of Fatima Fertilizer Company Limited

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
<b>Revenue Recognition</b>	
<p>The Group's sales comprise of revenue from the manufacturing, production, purchase, sale, and import of fertilizers and chemicals, as disclosed in note 31 of the consolidated financial statements. Revenue from sales is recognized when the Group fulfills its performance obligations under the contract by delivering the promised goods to customers. The criteria for revenue recognition are detailed in note 4.22 of the consolidated financial statements.</p> <p>Revenue recognition has been identified as a key audit matter due to its significance as a key performance indicator for the Group and the inherent risk that revenue transactions may not be recognized based on the fulfillment of performance obligations in accordance with the contract. Additionally, there is a risk that revenue may not have been recorded in accordance with the accounting policy or within the appropriate reporting period.</p>	<p>Our audit procedures to address this Key Audit Matter included the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of and assessed the design and operational effectiveness of key internal controls related to revenue recognition.</li><li>• Evaluated the appropriateness of the Group's accounting policies for revenue recognition and their compliance with applicable accounting standards.</li><li>• Performed sample testing of recorded sales transactions by verifying them against underlying sales invoices.</li><li>• Verified that sales prices were approved by the designated personnel.</li><li>• Assessed the timeliness of revenue recognition by comparing individual sales transactions before and after the year end to supporting documentation.</li><li>• Evaluated the adequacy and appropriateness of disclosures related to revenue in the consolidated financial statements.</li></ul>

## Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management of the Group is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report 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 the requirements of Companies Act, 2017 (XIX of 2017) and for such internal controls 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.

Board of Directors are 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 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.

# INDEPENDENT AUDITOR'S REPORT

## To the members of Fatima Fertilizer Company Limited

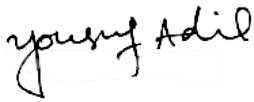
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies 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 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 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 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 matter. 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 Muhammad Sufyan.



Chartered Accountants

Lahore

Date: March 20, 2025

UDIN: AR202410180M2CAaw4bT



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized share capital 3,700,010,000 (2023: 3,700,010,000) shares of Rs 10 each		37,000,100	37,000,100
Issued, subscribed and paid up share capital 2,100,000,000 (2023: 2,100,000,000) ordinary shares of Rs 10 each	5	21,000,000	21,000,000
Reserves	6	123,169,019	98,385,630
		144,169,019	119,385,630
<b>NON CURRENT LIABILITIES</b>			
Long term finances	7	42,291,109	5,865,827
Subordinated redeemable preference Class A shares	8	1,714,210	1,473,323
Lease liabilities	9	648,616	115,211
Deferred taxation	10	27,656,479	27,534,188
Deferred liabilities	11	2,847,575	2,451,303
Long term advances and deposits		497,663	466,658
		75,655,652	37,906,510
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	61,803,834	57,351,905
Accrued finance cost	13	1,842,511	570,910
Income tax payable		9,662,283	11,404,954
Short term finances – secured	14	19,515,298	937,842
Short term loans from related parties	15	–	1,626,307
Unclaimed dividend		70,583	55,769
Payable to Privatization Commission of Pakistan	16	2,197,901	2,197,901
Current portion of long term liabilities	17	1,971,882	2,440,769
		97,064,292	76,586,357
<b>CONTINGENCIES &amp; COMMITMENTS</b>	18		
		316,888,963	233,878,497

The annexed explanatory notes from 1 to 51 form an integral part of these consolidated financial statements.

	Note	2024 (Rupees in thousand)	2023
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	19	110,850,155	112,899,021
Intangible assets	20	195,113	2,007,996
Investment property	21	163,607	164,513
		111,208,875	115,071,530
Long term investments	22	41,889,385	5,826,702
Long term advances and deposits	23	7,529,582	3,973,497
		49,418,967	9,800,199
		160,627,842	124,871,729
<b>CURRENT ASSETS</b>			
Stores and spares	24	19,234,739	13,867,718
Stock in trade	25	59,785,874	33,377,002
Trade debts	26	18,594,936	10,354,747
Short term loans to related parties	27	428,031	5,099,723
Advances, deposits, prepayments and other receivables	28	18,082,898	20,005,103
Short term investments	29	30,743,757	18,964,855
Cash and bank balances	30	9,390,886	7,337,620
		156,261,121	109,006,768
		316,888,963	233,878,497

Chief Executive Officer

Director

Chief Financial Officer

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
Sales	31	256,920,236	235,423,342
Cost of sales	32	(165,103,137)	(161,240,415)
<b>Gross profit</b>		<b>91,817,099</b>	<b>74,182,927</b>
Distribution cost	33	(14,406,838)	(10,532,444)
Administrative expenses	34	(10,437,249)	(8,280,416)
		<b>66,973,012</b>	<b>55,370,067</b>
Finance cost	35	(5,082,522)	(4,902,301)
Other operating expenses	36	(10,773,368)	(7,751,625)
		<b>51,117,122</b>	<b>42,716,141</b>
Other income	37	12,501,906	7,227,556
Share of loss from associates	22.1	(87,543)	(1,404)
Other losses:			
– Unwinding of provision for GIDC	12.1	(70,207)	(220,083)
– Loss allowance on subsidy receivable from GoP	28.2	(627,648)	(826,377)
		<b>(697,855)</b>	<b>(1,046,460)</b>
<b>Profit before tax</b>		<b>62,833,630</b>	<b>48,895,833</b>
Taxation	38	(26,438,835)	(25,887,417)
<b>Profit for the year</b>		<b>36,394,795</b>	<b>23,008,416</b>
<b>Earnings per share – basic and diluted (Rupees)</b>	39	<b>17.33</b>	<b>10.96</b>

The annexed explanatory notes from 1 to 51 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended December 31, 2024

	2024 (Rupees in thousand)	2023
Profit for the year	36,394,795	23,008,416
<b>Other comprehensive income:</b>		
<b>Items that may not be reclassified subsequently to profit or loss:</b>		
Remeasurement of post retirement benefits obligation	(100,665)	(202,259)
Related tax thereon	39,259	103,739
Other comprehensive income – net of tax	(61,406)	(98,520)
<b>Total comprehensive income for the year</b>	<b>36,333,389</b>	<b>22,909,896</b>

The annexed explanatory notes from 1 to 51 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended December 31, 2024

	Ordinary share capital	Capital reserve Share premium	Revenue reserve Unappropriated profit	Post retirement benefit obligation reserve	Total
(Rupees in thousand)					
<b>Balance at December 31, 2022</b>	21,000,000	1,790,000	84,950,556	(239,822)	107,500,734
Profit for the year	–	–	23,008,416	–	23,008,416
Other comprehensive income	–	–	–	(98,520)	(98,520)
Total comprehensive income	–	–	23,008,416	(98,520)	22,909,896
Transaction with owners:					
– Final dividend for the year ended December 31, 2022 @ Rs 3.50 per share	–	–	(7,350,000)	–	(7,350,000)
– Interim dividend for the year ended December 31, 2023 @ Rs 1.75 per share	–	–	(3,675,000)	–	(3,675,000)
<b>Balance at December 31, 2023</b>	21,000,000	1,790,000	96,933,972	(338,342)	119,385,630
Profit for the year	–	–	36,394,795	–	36,394,795
Other comprehensive income	–	–	–	(61,406)	(61,406)
Total comprehensive income	–	–	36,394,795	(61,406)	36,333,389
Transaction with owners:					
– Final dividend for the year ended December 31, 2023 @ Rs 2.75 per share	–	–	(5,775,000)	–	(5,775,000)
– Interim dividend for the year ended December 31, 2024 @ Rs 2.75 per share	–	–	(5,775,000)	–	(5,775,000)
<b>Balance at December 31, 2024</b>	21,000,000	1,790,000	121,778,767	(399,748)	144,169,019

The annexed explanatory notes from 1 to 51 form an integral part of these consolidated financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>Cash flows from operating activities</b>			
Cash generated from operations	43	37,167,522	74,873,800
Net increase in long term deposits		31,005	31,310
Finance cost paid		(3,692,087)	(5,295,074)
Taxes paid		(28,019,957)	(13,462,506)
Employee retirement benefits paid		(189,573)	(362,377)
<b>Net cash generated from operating activities</b>		5,296,910	55,785,153
<b>Cash flows from investing activities</b>			
Additions in property, plant and equipment		(9,821,480)	(6,561,467)
Additions in intangible assets		(41,437)	(71,780)
Proceeds from disposal of property, plant and equipment		50,765	8,468
Purchase of short term investments		(19,445,700)	(12,304,626)
Short term loans to associated companies – net		4,671,692	(100,000)
Purchase of long term investments		(39,932,110)	(4,017,527)
Proceeds from long term investments		4,017,502	–
Proceeds from short term investments		13,763,956	–
Profit received on loans and saving accounts		5,420,933	2,323,641
Dividend income received		760,844	575,115
Net increase in long term advances and deposits		(3,873,903)	(457,288)
<b>Net cash used in investing activities</b>		(44,428,938)	(20,605,464)
<b>Cash flows from financing activities</b>			
Proceeds from long term finances	7.1	39,159,225	–
Repayment of long term finances	7.1	(3,280,536)	(3,641,160)
Repayment of short term loans from related parties		(1,626,307)	–
Repayment of loan from directors		–	(18,000)
Repayment of lease liabilities	9	(109,358)	(87,676)
Dividend paid		(11,535,186)	(11,015,660)
Increase / (decrease) in short term finances – net		2,557,277	(9,096,253)
<b>Net cash generated from / (used in) financing activities</b>		25,165,115	(23,858,749)
<b>Net (decrease) / increase in cash and cash equivalents</b>		(13,966,913)	11,320,940
<b>Cash and cash equivalents at the beginning of the year</b>		7,225,634	(4,095,306)
<b>Cash and cash equivalents at the end of the year</b>		(6,741,279)	7,225,634
<b>Cash and cash equivalents comprises of following:</b>			
Cash and bank balances	30	9,390,886	7,337,620
Running finance	14	(16,132,165)	(111,986)
<b>Cash and cash equivalents at the end of the year</b>		(6,741,279)	7,225,634

The annexed explanatory notes from 1 to 51 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

## 1 Legal Status and nature of business

- 1.1** Fatima Fertilizer Company Limited (the Holding Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) and it is listed on Pakistan Stock Exchange Limited. Fatimafert Limited, Fatima Cement Limited, Pakarab Fertilizers Limited, Fatima Packaging Limited and Pan-Africa Fertilizers Limited are wholly owned subsidiaries of the Holding Company. Fatimafert Limited, Fatima Cement Limited, Pakarab Fertilizers Limited and Fatima Packaging Limited are incorporated in Pakistan under the Companies Act, 2017 and Pan Africa Fertilizers Limited is incorporated in Kenya. Collectively, these would be referred to as 'the Group' in these consolidated financial statements.

The principal activity of the Group is manufacturing, producing, buying, selling, importing and exporting fertilizers, chemicals, cement and polypropylene sacks, cloth, liner & bags. The registered office of the Holding Company, Fatimafert Limited, Pakarab Fertilizers Limited, Fatima Packaging Limited and Fatima Cement Limited is situated at E-110, Khayaban-e-Jinnah, Lahore Cantt, whereas the registered office of Pan-Africa Fertilizers Limited is situated at Westlands District, Nairobi, Kenya. The manufacturing facilities of the Holding Company are located at Mukhtargarh - Sadiqabad and Khanewal Road - Multan.

- 1.2** The Board of the Holding Company and Fatimafert Limited (a wholly owned subsidiary) had decided and approved the implementation of the Scheme of Compromises, Arrangements and Reconstruction, as approved by Lahore High Court (LHC), to transfer the operations related to Sheikhpura plant to Fatimafert Limited (a wholly owned subsidiary) with effect from July 01, 2024.

Subsequent to implementation of the Scheme effective from July 01, 2024, following assets and liabilities were transferred by the Holding Company to Fatimafert Limited (a wholly owned subsidiary):

<b>ASSETS</b>	(Rupees in thousand)
Operating fixed assets	11,526,972
Capital work in progress	215,807
Long term advances and deposits	93,332
Stores and spares	2,652,989
Stock in trade	266,025
Advances, deposits, prepayments and other receivables	495,802
<b>Total ( A )</b>	<b>15,250,927</b>
<b>LIABILITIES</b>	
Deferred taxation	(3,714,621)
Deferred liabilities	(21,797)
Trade and other payables	(4,319,610)
<b>Total ( B )</b>	<b>(8,056,028)</b>
<b>Subtotal ( A + B )</b>	<b>7,194,899</b>
<b>Long term investment recognized in the Holding Company</b>	<b>7,194,899</b>

- 1.3** The Board of Directors of the Holding Company in their meeting held on October 29, 2024 had given in principle approval of the Scheme of Compromises, Arrangements and Reconstruction (the Scheme) for carving out the net assets related to Multan Plant of the Holding Company and amalgamating the same with and into Pakarab Fertilizers Limited, a wholly owned subsidiary with effect from October 01, 2024.

However, the Board of Directors of the Holding Company in their meeting held on March 13, 2025 approved to amend the effective date of the Scheme to January 01, 2025, subject to regulatory approvals.

## **2 Basis of preparation**

### **2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

### **2.2 New accounting standards / amendments and IFRS Standards interpretations that are effective for the year ended December 31, 2024**

The following amendments are effective for the year ended December 31, 2024. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024

### **2.3 New accounting standards, amendments and IFRS Standards interpretations that are not yet effective**

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

Effective from  
accounting period  
beginning on or after:

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

### 3 Basis of measurement

#### 3.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

#### 3.2 Critical accounting estimates and judgements

The Group's material accounting policies are stated in note 4. Not all of these material policies require the management to make difficult, subjective or complex judgements or estimates.

The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgement of estimation involved in their application and their impact on these consolidated financial statements. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgements involve assumptions or estimates in respect of future events and the actual results may differ from these estimates.

The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

##### a) Employee retirement benefits

The Group uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.2.

**b) Useful life and residual values of property, plant and equipment and intangible assets**

The Group reviews the useful lives of property, plant and equipment and intangible assets on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment and intangible assets with a corresponding effect on the depreciation / amortization charge.

**c) Provision for taxation**

In making the estimates for income taxes payable by the Group, the management considers the applicable laws and the decisions of the appellate tax authorities on certain issues in the past.

**4 Material accounting policy information**

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

**4.1 Taxation**

**Current**

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the period for such years.

Further, the Group has adopted the guidance on accounting for minimum and final taxes issued by the Institute of Chartered Accountants of Pakistan (ICAP). However, this has no impact on these consolidated financial statements.

**Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the consolidated statement of profit or loss, except in the case of items recognised in consolidated other comprehensive income or directly in equity in which case it is included in consolidated other comprehensive income or equity, as the case may be.

**4.2 Employee retirement benefits**

The main features of the schemes operated by the Group for its employees are as follows:

**a) Defined benefit plan – Gratuity**

The Group operates gratuity scheme for its employees, according to the terms of employment, subject to a minimum qualifying period of service. Annual provision is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits.

The latest actuarial valuation for gratuity scheme was carried out as at December 31, 2024. Projected unit credit method is used for valuation of the scheme.

All actuarial gains and losses are recognised in 'Consolidated Other Comprehensive Income' as they occur.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

## b) Accumulating compensated absences

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to the consolidated statement of profit or loss.

## c) Defined contribution plan – Provident Fund

The Group operates provident fund for all its permanent employees. Equal monthly contributions are made both by the Group and the employees. Retirement benefits are payable to employees on completion of prescribed qualifying period of service under these schemes.

## 4.3 Basis of consolidation

These consolidated financial statements include the financial statements of Holding Company and its wholly owned subsidiaries.

### Subsidiaries

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

Inter company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

### 4.3.1 Business Combination

The Holding Company owns the 100% equity shares of Fatimafert Limited, Fatima Cement Limited, Pakarab Fertilizers Limited, Fatima Packaging Limited and Pan Africa Fertilizers Limited. The control of Fatimafert Limited, Fatima Cement Limited, Pakarab Fertilizers Limited and Pan Africa Fertilizers Limited was obtained on January 01, 2021, May 27, 2022, August 06, 2024 and September 02, 2021 respectively and the control of Fatima Packaging Limited was obtained with effect from July 01, 2022 as a result of asset acquisition from PFL.

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 values 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. 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.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in profit or loss or as a change to the consolidated statement of other comprehensive income. Contingent consideration that is classified as equity is not re measured, and its subsequent settlement is accounted for within equity.

#### **4.4 Property, plant and equipment**

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to own manufactured assets includes direct cost of materials, labour and applicable manufacturing overheads. Cost also includes capitalized borrowing costs as referred to in note 4.17.

Depreciation on property, plant and equipment is charged to the consolidated statement of profit or loss on straight line method so as to write off the depreciable amount of an asset over its estimated useful life at the rates given in note 19.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or made available for use, while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted prospectively, if impact on depreciation is significant.

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

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

#### **4.5 Capital work in progress**

Capital work in progress and stores held for capital expenditure are stated at cost less any recognised impairment loss. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use. Provision is made in the consolidated financial statements for obsolete and slow moving items based on management estimate.

#### **4.6 Intangibles assets**

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Group and that the cost of such an asset can also be measured reliably. Subsequently asset is measured as follows:

##### **With indefinite useful life**

Intangibles assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the intangible is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment / reversal of impairment is recognised in the consolidated statement of profit or loss immediately.

##### **With finite useful life**

Expenditure incurred to acquire intangible assets are capitalized and stated at cost less accumulated amortisation and any identified impairment loss. Computer software is amortised using the straight line method over a period of four years. Amortisation on additions to computer software is charged from the month in which the asset is available for use while no amortisation is charged for the month in which asset is disposed off.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

## 4.7 Investment property

Investment property, which is property held to earn rentals and / or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss. Depreciation on buildings is charged to profit or loss on straight line method at the rate of 4%. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalized while no depreciation is charged for the month in which the property is disposed. The difference between present value of the proceeds from disposal and the carrying amount is recognised in the consolidated statement of profit or loss.

Rental income from investment property that is leased to a third party under an operating lease is recognised in the consolidated statement of profit or loss on a straight line basis over the lease term and is included in 'other income'.

## 4.8 Investments in associates – at equity method

The Group's long term investments are investments in associates, entities over which the Group exercise significant influence. These investments are initially recognised at cost and subsequently carrying amount is increased or decreased to recognise the Group's share of the profit or loss or other comprehensive income or loss of the associates using the equity method. The Group's share of the associates profit or loss is recognised in the Group's consolidated statement of profit or loss and the Group's share of other comprehensive income or loss is recognised in the Group's other comprehensive income. At each reporting date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognised as expense in the statement of profit or loss.

## 4.9 Government grant

The Group recognises the benefit of a government loan at below market rate of interest as a Government grant. The benefit of the below market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received and is presented as deferred grant. The recognition of government grants in the consolidated statement of profit or loss is done on a systematic basis over the period of the loan.

## 4.10 Leases

As a lessee, the Group recognises right of use asset and lease liability at the lease commencement date.

### Right of use asset

The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payment made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of the property, plant and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for the certain remeasurement of the lease liability.

### Lease liability

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

Lease payments included in the measurement of the lease liability comprise of the following:

- fixed payments, including in substance fixed payments;
- variable lease payments that depend on an index, or a rate, initially measured using the index or rate as at commencement date;

- amount expected to be payable under a residual guarantee; and
- the exercise under purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recorded in consolidated statement of profit or loss if the carrying amount of the right of use asset has been reduced to zero.

#### **4.11 Financial instruments**

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

##### **4.11.1 Financial assets**

###### **Classification**

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

- (i) Amortised cost, where the effective interest rate method will apply;
- (ii) Fair value through profit or loss (FVTPL);
- (iii) Fair value through other comprehensive income (FVTOCI).

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

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of profit or loss or consolidated other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVTOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

###### **Recognition and derecognition**

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 asset. Further, assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

###### **Measurement**

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

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended December 31, 2024

### Debt instruments

#### a) Debt instruments measured at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

The financial asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows; and

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

#### b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured subsequently at fair value through other comprehensive income (FVTOCI).

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating gains / (losses). Interest income from these financial assets is included in other operating income using the effective interest rate method. Impairment expenses are presented as a separate line item in the consolidated statement of profit or loss.

#### c) Debt instruments designated as at fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of profit or loss and presented net within other operating gains / losses in the period in which it arises.

### Equity instruments

On initial recognition, the Group may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated statement of profit or loss as other operating income when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised in other gains / losses in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

### 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 FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade debts, using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and other direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets general 3 stage approach is used i.e. to measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a Group of financial instruments has not increased significantly since initial recognition.

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.

The Group recognises an impairment gain or loss in the consolidated statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in the consolidated statement of other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

#### **4.11.2 Financial liabilities**

##### **Classification, initial recognition and subsequent measurement**

The Group classifies its financial liabilities in the following categories:

- 1- At fair value through profit or loss; and
- 2- Amortised cost.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of other financial liabilities, also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:

##### **a) Fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss.

##### **b) Other financial liabilities**

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortised cost, using the effective interest rate method. Gain and losses are recognised in the consolidated statement of profit or loss, when the liabilities are derecognised as well as through effective interest rate amortisation process.

##### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### **4.12 Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set off the recognised amount and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended December 31, 2024

### 4.13 Stores and spares

Stores and spares are valued at moving average cost. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision is made in the consolidated financial statements for obsolete and slow moving stores and spares based on management estimate.

### 4.14 Stock in trade

All stocks are valued at the lower of cost and net realizable value. Cost in relation to raw and packing materials, except for those in transit, signifies moving average cost and that relating to mid products and finished goods, monthly average cost comprising cost of direct materials, labour and appropriate manufacturing overheads based on normal operating capacity. Materials in transit are stated at cost comprising invoice value plus other charges incurred thereon. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale. Provision is made in the consolidated financial statements for obsolete and slow moving stock in trade based on management estimate.

### 4.15 Trade debts and other receivables

These are recognised and carried at the original invoice amounts, being the fair value and subsequently measured at amortised cost using the effective interest rate method, less loss allowance, if any. For measurement of loss allowance for trade debts, the Group applies IFRS 9 simplified approach to measure the expected credit losses.

### 4.16 Cash and cash equivalents

Cash and bank balances are carried in the consolidated statement of financial position at amortised cost. For the purpose of cash flow statement, cash and cash equivalents comprises of cash in hand, bank balances, short term running finances and short term highly liquid investments that are readily convertible to known amounts of cash.

### 4.17 Borrowings and their costs

Borrowings are initially recorded at the proceeds received. They are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

### 4.18 Trade and other payables

Liabilities for creditors and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for the goods and / or services received, whether or not billed to the Group.

### 4.19 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Future operating losses are not provided for in the consolidated financial statements.

### 4.20 Derivative financial instruments

These are initially recorded at cost on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of profit or loss. Amounts accumulated in equity are recognised in consolidated statement of profit or loss in the periods when the hedged item will affect profit or loss.

#### **4.21 Impairment of non financial assets**

Assets that have an indefinite useful life, for example land, are not subject to depreciation / amortization and are tested annually for impairment. Assets that are subject to depreciation / amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

#### **4.22 Revenue recognition**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when or as performance obligations are satisfied by transferring control of promised goods or services to a customer and control either transfers overtime or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies. Scrap sales and miscellaneous receipts are recognised on realized amounts.

Revenue from sale of goods is recognised at the point in time when control of the fertilizer products and chemical is transferred to the customer, generally on delivery of the goods.

Government subsidy on sale of fertilizer is recognised when the right to receive such subsidy has been established and the underlying conditions are met.

Revenue from sale of Certified Emission Reductions (CERs) is recognised on the satisfaction of performance obligation i.e. generation of the Emission Reductions when a firm commitment for sale of CERs exists with a buyer.

Return on deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Interest income is recognised on accrual basis.

#### **4.23 Foreign currency transactions and translation**

##### **a) Functional and presentation currency**

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

## b) Transactions and balances

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gain and losses on retranslation are recognised in the consolidated statement of profit or loss. All non monetary items are translated into Pak Rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

### 4.24 Dividend

Dividend distribution to the Group's members is recognised as a liability in the reporting period in which dividends are declared.

### 4.25 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") for its ordinary shares. Basic EPS is calculated by dividing the profit by weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting for the effects of all dilutive potential ordinary shares.

### 4.26 Acquisition of group of assets

The group of assets (including the liabilities assumed) acquired as a result of any arrangement that does not meet the definition of a business are recognized under the asset acquisition method.

Upon the acquisition of net assets, the Group identifies and recognizes the assets acquired and liabilities assumed at their fair values as of the acquisition date. Any difference between the net assets acquired and the fair value of the consideration is allocated to non monetary long lived assets, and no gain or loss is recorded on the date of acquisition, whereas the current assets and liabilities are measured at fair values on the acquisition date.

### 4.27 Redeemable preference shares

Redeemable preference shares are classified as financial liability if they meet the criteria of liability as per relevant accounting standard.

Upon issuance, the Group recognizes redeemable preference shares as a financial liability in its consolidated statement of financial position at the present value of the future cash outflows associated with the redemption. Subsequent to the initial recognition, these are measured at amortised cost and the effect of unwinding is recognised in the consolidated statement of profit or loss.

### 4.28 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.

## 5 Issued, subscribed and paid up share capital

	2024 (Number of shares)	2023 (Number of shares)		2024 (Rupees in thousand)	2023 (Rupees in thousand)
	2,000,000,000	2,000,000,000	Ordinary shares of Rs 10 each fully paid in cash	20,000,000	20,000,000
	100,000,000	100,000,000	Ordinary shares of Rs 10 each issued on conversion of fully paid preference shares @ Rs 20 each	1,000,000	1,000,000
	2,100,000,000	2,100,000,000		21,000,000	21,000,000

### 5.1 Ordinary shares of the Holding Company held by associates at year end are as follows:

	2024 (Number of shares)	2023 (Number of shares)
Arif Habib Corporation Limited	319,000,206	319,000,206
Arif Habib Limited	210,000	30,175,774
Fatima Holding Limited	14,276,000	14,276,000
Fazal Cloth Mills Limited	69,114,031	69,114,031
Reliance Weaving Mills Limited	2,625,166	2,625,166
Farrukh Trading Company Limited	169,930,261	163,930,261
Fatima Management Company Limited	170,001,149	165,001,149
Fatima Trading Company (Private) Limited	171,874,016	171,874,016
Reliance Commodities (Private) Limited	500,000	500,000
	917,530,829	936,496,603

**5.2** All ordinary shares rank equally with regard to the Group's residual assets. Holders of the shares are entitled to dividends from time to time and are entitled to one vote per share at the general meetings of the Holding Company.

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
<b>6 Reserves</b>			
<b>Capital reserve:</b>			
Share premium	6.1	1,790,000	1,790,000
<b>Revenue reserve:</b>			
Unappropriated profit		121,778,767	96,933,972
<b>Post retirement benefit obligation reserve</b>	6.2	(399,748)	(338,342)
		123,169,019	98,385,630

**6.1** This reserve can be utilised by the Group only for the purposes specified in section 81 of the Companies Act, 2017.

**6.2** This represents cumulative actuarial adjustments in measurement of employee retirement benefits.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>7 Long term finances</b>			
Secured loans from banking companies / financial institutions	7.1 & 7.2	44,152,653	8,115,028
Less: Current portion		1,861,544	2,249,201
		42,291,109	5,865,827
<b>7.1 Movement of long term finances</b>			
Opening balance		8,115,028	12,179,880
Disbursements during the year		39,159,225	–
Accreditation of loan under SBP Temporary Economic Refinance Scheme		158,936	280,752
Classified as deferred government grant		–	(704,444)
Repayments during the year		(3,280,536)	(3,641,160)
		44,152,653	8,115,028
<b>7.2 Secured loans from banking companies / financial institutions</b>			
<b>These are composed of:</b>			
Faysal Bank Limited – Diminishing Musharakah	7.2.1	1,250,000	1,750,000
Meezan Bank Limited – Diminishing Musharakah–I	7.2.2	1,500,000	1,500,000
Pak Kuwait Investment Company Limited – Term Finance	7.2.3	937,500	1,312,500
National Bank of Pakistan – Demand Finance	7.2.4	–	937,500
Allied Bank Limited – Term Loan – I	7.2.5	–	250,000
Allied Bank Limited – Term Loan – II	7.2.6	–	750,000
SBP Temporary Economic Refinance Facility (TERF) 1	7.2.7	345,530	389,207
SBP Temporary Economic Refinance Facility (TERF) 2	7.2.8	580,906	649,631
SBP Temporary Economic Refinance Facility (TERF) 3	7.2.9	379,493	396,495
Meezan Bank Limited – Diminishing Musharakah – II	7.2.10	2,000,000	–
Meezan Bank Limited – Running Musharakah	7.2.11	37,159,224	–
Allied Bank Limited – Diminishing Musharakah	7.2.12	–	179,695
		44,152,653	8,115,028
Less: Current portion		1,861,544	2,249,201
		42,291,109	5,865,827

## 7.2.1 Faysal Bank Limited – Diminishing Musharakah

This facility has been obtained from Faysal Bank Limited for an amount of Rs 2,000 million to refinance BMR / CAPEX.

The facility carries markup at the rate of 6 months KIBOR plus 0.75% per annum. The effective rate of markup charged during the year ranged from 12.94% to 22.26% per annum (2023: 17.76% to 22.87%).

The facility is secured by pari passu charge over plant and machinery of the Group aggregating to Rs 2,667 million.

The loan is repayable in five years including one year grace period in eight semi annual equal instalments starting from December 15, 2023. Last repayment is due on June 14, 2027. During the year, the Group has paid instalments aggregating to Rs 500 million (2023: Rs 250 million).

### 7.2.2 Meezan Bank Limited – Diminishing Musharakah – I

This facility has been obtained from Meezan Bank Limited for an amount of Rs 2,000 million to refinance CAPEX already incurred by the Group.

The facility carries markup at the rate of 6 months KIBOR plus 0.85% per annum. The effective rate of markup charged during the year at 16.28% to 21.00% per annum (2023: 16.78% to 21.00%).

The facility is secured by pari passu charge over plant and machinery of the Group aggregating to Rs 2,667 million.

The loan was repayable in five years including one year grace period in eight semi annual equal instalments starting from March 30, 2023. During the year, the bank has provided further grace period of one year. As a result, the Group has paid nil (2023: Rs 500 million) instalments. The remaining loan is repayable in three semi annual equal instalments starting from September 30, 2025. Last repayment is due on September 30, 2026.

### 7.2.3 Pak Kuwait Investment Company Limited – Term Finance

This facility has been obtained from Pakistan Kuwait Investment Company (Private) Limited for an amount of Rs 1,500 million to refinance CAPEX.

The facility carries markup at the rate of 6 months KIBOR plus 1.10% per annum payable quarterly. The effective rate of markup charged during the year ranged from 14.73% to 22.39% per annum (2023: 16.96% to 23.15%).

The facility is secured by pari passu charge over plant and machinery of the Group aggregating to Rs 2,000 million.

The loan is repayable in five years including one year grace period in eight semi annual equal instalments starting from November 19, 2023. Last repayment is due on May 19, 2027. During the year, the Group has paid instalments of to Rs 375 million (2023: Rs 187.5 million)

### 7.2.4 National Bank of Pakistan – Demand Finance

This facility was obtained from National Bank of Pakistan for an amount of Rs 1,000 million to finance import and procurement of plant, machinery and spare parts for BMR / CAPEX.

The facility carried markup at the rate of 6 months KIBOR plus 1.50% per annum. The effective rate of markup charged during the year ranged from 22.99% per annum (2023: 18.54% to 24.47%).

The facility was secured by pari passu charge over plant and machinery of the Group aggregating to Rs 1,333.34 million.

The loan was repayable in ten years including two years grace period in sixteen semi annual equal instalments starting from December 21, 2023. During the year, the Group has prepaid the entire loan aggregating to Rs 937.5 million (2023: Rs 62.5 million).

### 7.2.5 Allied Bank Limited – Term Loan – I

This facility was obtained from Allied Bank Limited, for an amount of Rs 1,000 million to finance CAPEX in the Group.

The facility carried markup at the rate of 6 months KIBOR plus 0.70% per annum. The effective rate of markup charged during the year at 23.64% (2023: 17.74% to 23.77%) per annum.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended December 31, 2024

The facility was secured by pari passu charge over plant and machinery of the Group aggregating to Rs 1,334 million.

The loan was repayable in five years including one year grace period in eight semi annual equal instalments starting from March 25, 2021. During the year, the Group has prepaid the entire loan aggregating to Rs 250 million (2023: Rs 250 million).

### 7.2.6 Allied Bank Limited – Term Loan – II

This facility was obtained from Allied Bank Limited for an amount of Rs 1,000 million to finance CAPEX in the Group.

The facility carried markup at the rate of 6 months KIBOR plus 0.80% per annum. The effective rate of markup charged during the year at 22.29% per annum (2023: 17.74% to 23.77%).

The facility was secured by pari passu charge over plant and machinery of the Group aggregating to Rs 1,334 million.

The loan was repayable in five years including one year grace period in eight semi annual equal instalments starting from March 30, 2023. During the year, the Group has prepaid the entire loan aggregating to Rs 750 million (2023: Rs 250 million).

### 7.2.7 SBP Temporary Economic Refinance Facility (TERF) – I

This facility has been obtained from Askari Bank Limited for an amount of Rs 549.19 million out of total limit of Rs 550 million, under SBP TERF Scheme.

The facility carries markup at the rate of 3.00% per annum (SBP base rate plus 2.00%) per annum. The interest rate is calculated at 11.65% to 13.42% per annum (2023: 11.65% to 13.42%) and the loan has been recognised at present value.

The facility is secured by pari passu charge over plant and machinery of the Group aggregating to Rs 733.33 million.

The loan is repayable in ten years including two years grace period in sixteen semi annual instalments starting from September 30, 2023. Last repayment is due on March 31, 2031. During the year, the Group has paid instalments of Rs 68.65 million (2023: Rs 34.32 million).

### 7.2.8 SBP Temporary Economic Refinance Facility (TERF) – II

This facility has been from National Bank of Pakistan for an amount of Rs 993.70 million out of total limit of Rs 1,000 million, under SBP TERF Scheme.

The facility carries markup at the rate of 2.50% per annum (SBP base rate plus 1.50%) The interest rate is calculated at 13.41% to 14.13% per annum (2023: 13.41% to 14.13%) and the loan has been recognised at present value.

The facility is secured by pari passu charge over plant and machinery of the Group aggregating to Rs 1,333.34 million.

The loan is repayable in ten years including two years grace period in sixteen semi annual instalments starting from December 21, 2023. Last repayment is due on June 21, 2031. During the year, the Group has paid instalments aggregating to Rs 124.21 million (2023: Rs 62.10 million).

#### **7.2.9 SBP Temporary Economic Refinance Facility (TERF) – III**

This facility has been obtained from Bank Al Habib Limited for an amount of Rs 500 million out of total limit of Rs 500 million, under SBP TERF Scheme.

The facility carries markup at the rate of 5.00% per annum (SBP base rate plus 4.00%) per annum. The interest rate is calculated at 11.65% to 16.91% per annum (2023: 11.65% to 16.91%) and the loan has been recognised at present value.

The facility is secured by pari passu charge over plant and machinery of the Group aggregating to Rs 666.67 million.

The loan is repayable in ten years including two years grace period in sixteen semi annual instalments. Last repayment is due on February 15, 2032.

During the year, the Group has paid instalments aggregating to Rs 32.55 million (2023: nil).

#### **7.2.10 Meezan Bank Limited – Diminishing Musharakah – II**

This facility has been obtained during the year from Meezan Bank Limited for an amount of Rs 2,000 million to refinance CAPEX already incurred by the Group.

The facility carries markup at the rate of 6 months KIBOR plus 0.55% per annum. The effective rate of markup charged during the year at 12.80% to 22.25% per annum.

The facility is secured by pari passu charge over plant and machinery of the Group aggregating to Rs 2,667 million.

The loan is repayable in four years including one year grace period in six semi annual equal instalments starting from December 21, 2025. Last repayment is due on June 21, 2028.

#### **7.2.11 Meezan Bank Limited – Running Musharakah**

This facility has been obtained during the year from Meezan Bank Limited for an amount of Rs 37,159.22 million to meet medium term requirements of the Group.

The facility carries markup at expected rate of 15.23% per annum which will remain fixed for the tenure of the facility; however, both the parties may decide to reduce the expected rate during the tenure with mutual consent, keeping in view of the return of Musharakah. The effective rate of markup charged during the year at 15.23% per annum.

The facility is secured by lien and pledge over GOP Ijarah Sukuks and Trust Receipt aggregating to Rs 37,500 million.

The loan is repayable in its entirety on January 5, 2026.

#### **7.2.12 Allied Bank Limited – Diminishing Musharakah**

This facility was obtained from Allied Bank Limited for an amount of Rs 600 million to finance the purchase of both local and imported plant and machinery in connection with the expansion of current manufacturing facility of the Group.

The facility carried markup at the rate of 6 months KIBOR plus 0.90% per annum. The effective rate of markup charged during the year ranged from 22.54% to 23.86% (2023: 15.86% to 22.96%) per annum.

The facility was secured against first exclusive charge over newly installed plant and machinery and related civil work for Rs 733.60 million.

During the year, the Group has paid the entire outstanding loan aggregating to Rs 179.70 million.



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for the year ended December 31, 2024

**7.3** The aggregate unavailed long term financing facilities amounts to nil (2023: nil).

	Note	2024 (Rupees in thousand)	2023
<b>8 Subordinated redeemable preference Class A shares</b>			
Opening balance		1,473,323	1,266,286
Unwinding for the year	36	240,887	207,037
		<b>1,714,210</b>	<b>1,473,323</b>

**8.1** This represents the present value of 270,000,000 subordinated redeemable preference Class A shares of Rs 10 each to be issued by the Holding Company pursuant to the Scheme of Compromises, Arrangements and Reconstruction, sanctioned by the Lahore High Court, for amalgamation of its associated company, Pakarab Fertilizers Limited ('PFL') with effect from July 01, 2022.

The liability is carried at present value in accordance with the provisions of IFRS 9 using effective interest rate of 16.35% per annum.

As per the sanctioned scheme, the assets and liabilities of PFL have been acquired by the Holding Company and in consideration, the receivables from PFL comprising trade receivable, loans and the accrued markup thereon as at June 30, 2022, stands relinquished. Further, capital contributories and the shareholders of PFL relinquished their right in the Holding Company against which they shall be compensated in the form of Subordinated Redeemable Preference Shares of the Holding Company under the following terms and conditions:

- i) Subordinated Redeemable Preference Class A Shares of the Holding Company: Shareholders of PFL shall be issued one (1) Class A Share of the Holding Company against each ordinary share of PFL aggregating to 270,000,000 shares. Face value of such shares will be Rs 10 each. These shares are non-voting, neither non-cumulative nor cumulative fixed yield and have no dividend or other right. The redemption date shall be December 31, 2027, modifiable upon mutual consent of the Board of Directors of the Holding Company and at least 90% of Class A Shareholders. Redemption value shall be lower of the (i) value as determined by the Holding Company's Board of Directors unanimously, (ii) aggregate face value of Class A Shares or (iii) calculated values of assets and liabilities acquired from PFL as defined in the sanctioned Scheme; and
- ii) Subordinated Redeemable Preference Class B Shares of the Holding Company: These shares shall be issued subject to fulfilment of conditions precedent to issue as defined in the sanctioned Scheme i.e. full redemption of Class A shares and unanimous approval of the Holding Company's Board of Directors for issuance. These shares shall be issued to the shareholders and capital contributories of PFL up to a maximum number of 567,369,293 shares having face value of Rs 10 each. These shares are non voting, neither non cumulative nor cumulative fixed yield and have no dividend or other right. Aggregate redemption value of entire set of Class B Shares shall be in accordance with the sanctioned scheme.

	2024 (Rupees in thousand)	2023
<b>9 Lease liabilities</b>		
Opening balance	229,567	293,161
Addition during the year	524,423	–
Interest on lease liabilities	37,110	24,082
Payments made during the year	(109,358)	(87,676)
Closing balance	681,742	229,567
Less: Current portion of lease liabilities	33,126	114,356
	648,616	115,211
<b>10 Deferred taxation</b>		
The balance of deferred tax is in respect of the following:		
<b>Taxable temporary differences:</b>		
Accelerated tax depreciation	25,992,136	28,268,114
Gas Infrastructure Development Cess (GIDC)	–	21,324
Investment in associates	–	3,865
Investment in Defense Saving Certificates	17,788	17,788
Short term investments	1,652,476	258,548
Long term investment	64,800	133,146
	27,727,200	28,702,785
<b>Deductible temporary differences:</b>		
Remeasurement of defined benefit obligation	(5,492)	(244,995)
Investment in associates	(9,687)	–
Provision for doubtful receivables	(55,542)	(923,602)
	(70,721)	(1,168,597)
	27,656,479	27,534,188
<b>10.1 Movement in temporary differences for the year is as follows:</b>		
Opening balance	27,534,188	24,692,436
<b>Charged to statement of profit or loss:</b>		
Accelerated tax depreciation	(2,275,975)	3,184,257
Gas Infrastructure Development Cess (GIDC)	(21,324)	(75,005)
Investments in associates	(13,554)	(783)
Investment in defence saving certificates	–	2,737
Short term investments	1,393,927	354,905
Long term investment	(68,346)	133,146
Loss allowance on subsidy receivable from GoP	–	210,584
Provision for doubtful receivables	868,060	(876,605)
Minimum tax available for carry forward	–	13,131
Lease liability	–	43
Remeasurement of defined benefit obligation	239,019	(1,508)
	121,807	2,944,902
<b>Charged to other comprehensive income:</b>		
Remeasurement of defined benefit obligation	484	(103,150)
	27,656,479	27,534,188

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	Note	2024 (Rupees in thousand)	2023
<b>11 Deferred liabilities</b>			
Employee retirement benefits	11.1	2,422,113	1,948,628
Deferred government grant	11.2	425,462	502,675
		2,847,575	2,451,303
<b>11.1 Employee retirement benefits</b>			
Gratuity	11.1.1	2,222,258	1,769,318
Accumulating compensated absences	11.1.2	199,855	179,310
		2,422,113	1,948,628
<b>11.1.1 Gratuity</b>			
<b>a) Amount recognised in the statement of financial position</b>			
Present value of defined benefit obligations	(f)	3,236,294	2,549,231
Fair value of plan assets	(g)	(1,014,036)	(779,913)
Net liability at the end of the year		2,222,258	1,769,318
<b>b) Movement in net liability</b>			
Net liability at the beginning of the year		1,769,318	1,490,110
Charge for the year	(c)	579,377	430,945
Transfer to associated companies		–	(172,504)
Benefits paid during the year		(227,103)	(181,492)
Charged to other comprehensive income	(e)	100,666	202,259
Net liability at the end of the year		2,222,258	1,769,318
<b>c) Charge for the year</b>			
Current service cost		299,557	229,661
Past service cost		15,853	10,722
Net interest cost		263,967	190,562
		579,377	430,945
<b>d) Charge for the year has been allocated as follows:</b>			
Cost of sales		401,704	300,063
Administrative expenses		94,359	74,697
Distribution expenses		83,314	56,185
		579,377	430,945
<b>e) Total remeasurement chargeable to other comprehensive income</b>			
<b>Remeasurement of plan obligation:</b>			
Actuarial gains from changes in financial assumptions		(18,336)	97,827
Experience adjustments		135,771	132,591
Remeasurements of fair value of plan assets		(16,769)	(28,159)
		100,666	202,259

		2024	2023
		(Rupees in thousand)	
<b>f)</b>	<b>Movement in the present value of defined benefit obligations</b>		
	Defined benefit obligations at beginning of the year	2,549,231	1,971,472
	Transfer to associated companies	–	(77,046)
	Current service cost	299,557	229,661
	Past service cost	15,853	10,722
	Interest cost	394,395	273,522
	Benefits due but not paid	(5,225)	(20,058)
	Benefit paid during the year	(154,791)	(89,401)
	Remeasurement of plan obligation	137,274	250,359
	Defined benefit obligations at end of the year	3,236,294	2,549,231
<b>g)</b>	<b>Movement in the fair value of plan assets</b>		
	Fair value at beginning of the year	(779,913)	(481,362)
	Contributions	(140,494)	(211,638)
	Interest income on plan assets	(130,428)	(82,960)
	Return on plan assets excluding interest income	(36,608)	(48,100)
	Benefits due but not paid	3,432	14,059
	Benefits paid	69,975	30,088
	Fair value at end of the year	(1,014,036)	(779,913)
<b>h)</b>	<b>Plan assets comprise of:</b>		
	Deposit with banks	60,300	189,502
	Mutual funds	34,119	93,352
	Sukuks	143,265	125,000
	Investment in TDRs / T-Bills / TFCs	776,352	372,059
		1,014,036	779,913
		2024	2023
<b>i)</b>	<b>The principal assumptions used in the actuarial valuation are as follows:</b>		
	Discount rate for interest cost	16.00%	14.50%
	Discount rate for year end obligation	12.25%	16.00%
	Salary increase used for year end obligation	12.25%	16.00%
	Retirement assumption	60 years	60 years
		<b>Impact on defined benefit obligation</b>	
		<b>Change in assumption</b>	<b>Increase in assumption</b>
		<b>Decrease in assumption</b>	
		% age	(Rupees in thousand)
<b>j)</b>	<b>Sensitivity analysis</b>		
	Discount rate	1%	(255,512)
	Salary growth rate	1%	284,523
<b>k)</b>	The expected contribution to defined benefit obligation for the year ending December 31, 2025 will be Rs 590.44 million.		

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>11.1.2 Accumulating compensated absences</b>			
<b>a) Amount recognised in the statement of financial position</b>			
Present value of defined benefit obligations	(e)	199,855	179,310
Net liability payable at the end of the year		199,855	179,310
<b>b) Movement in net liability</b>			
Net liability at the beginning of the year		179,310	132,114
Charge for the year	(c)	48,864	55,577
Benefits paid during the year		(28,319)	–
Transfer as a result of transfer of operations		–	(8,381)
Net liability at the end of the year		199,855	179,310
<b>c) Charge for the year</b>			
Current service cost		27,362	10,471
Remeasurement of fair value of plan settlements		(6,878)	11,666
Interest cost		27,065	18,353
Experience adjustment		1,315	15,087
		48,864	55,577
<b>d) Charge for the year has been allocated as follows:</b>			
Cost of sales		42,857	50,975
Administrative expenses		4,741	3,875
Distribution expenses		1,266	727
		48,864	55,577
<b>e) Movement in the present value of obligation</b>			
Obligation at beginning of the year		179,310	132,114
Current service cost		27,362	10,471
Interest cost		27,065	18,353
Benefits due but not paid (payables)		(697)	(2,728)
Benefit paid during the year		(27,622)	(5,653)
Actuarial loss from changes in financial assumptions		(658)	3,294
Experience adjustment		(4,905)	23,459
Defined benefit obligations at end of the year		199,855	179,310
		2024	2023
<b>f) The principal assumptions used in the actuarial valuation are as follows:</b>			
Discount rate for interest cost		15.50%	14.50%
Discount rate for year end obligation		12.00%	16.00%
Salary increase used for year end obligation		12.00%	16.00%
Retirement assumption		60 years	60 years

		Impact on defined benefit obligation		
		Change in assumption	Increase in assumption	Decrease in assumption
		% age	(Rupees in thousand)	
<b>g) Sensitivity analysis</b>				
Discount rate	1%		(13,616)	12,380
Salary growth rate	1%		12,454	(13,769)

**11.2** This represents deferred government grant in respect of Temporary Economic Refinance Facility by SBP as disclosed in note 7.2.7, 7.2.8 and 7.2.9 to these consolidated financial statements. These facilities carry markup at subsidised rates, as specified by SBP. These loans have been recognised at their fair value which is the present value of the loan proceeds received discounted at the market interest rates for similar instruments. The differential between the fair value and the present value is recognised as deferred government grant, which is being amortised over the term of the respective facilities at the effective interest rate.

		Note	2024 (Rupees in thousand)	2023
<b>12 Trade and other payables</b>				
Creditors			8,158,551	14,690,492
Provision for Gas Infrastructure Development Cess (GIDC)	12.1		7,646,477	7,576,270
Contract liabilities	12.2		10,103,024	10,688,989
Accrued liabilities			20,590,675	13,155,529
Withholding tax			376,590	171,673
Workers' profit participation fund	12.3		10,844,741	8,320,567
Workers' welfare fund	12.4		1,781,344	1,331,505
FED payable			1,649,927	948,534
Retention money payable			128,400	89,657
Provident fund payable			103,892	33,176
Others			420,213	345,513
			61,803,834	57,351,905
<b>12.1 Provision for GIDC</b>				
Opening balance			7,576,270	7,358,943
Unwinding of provision for GIDC			70,207	220,083
Payment made			–	(2,756)
			7,646,477	7,576,270

**12.1.1** On August 13, 2020 the Supreme Court of Pakistan (SCP) through its order declared GIDC Act as intra vires to the constitution and directed all the industrial and commercial entities to pay the Cess that have become due up to July 31, 2020. However, as a concession, the same was allowed to be recovered in twenty four equal monthly instalments starting from August 01, 2020.

Subsequently, SCP also dismissed all review petitions on November 2, 2020, against the gas consumers including the Group and stated that the Government of Pakistan is agreeable to recover the arrears in forty eight monthly instalments instead of twenty four equal monthly instalments.

Although, the Holding Company has filed a suit for declaration and injunction in the Sindh High Court (SHC) and obtained a stay on October 06, 2020 against collection / recovery of GIDC by Mari Energies Limited (formerly Mari Petroleum Company Limited) on fuel stock on account of issues of computation of the liability. On a prudent basis, the Group has continued to recognise the provision against GIDC on fuel stock.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

The Holding Company has not booked GIDC on feed stock received at Sadiqabad Plant as it was entitled to receive feed stock at fixed price inclusive of all taxes, duties, levies, fees and charges under Sovereign Commitment from Government of Pakistan pursuant to Fertilizer Policy 2001.

The Holding Company has also filed a suit for declaration and permanent injunction in the High Court of Sindh on these grounds on September 29, 2020 and obtained a stay on October 06, 2020 against collection / recovery of GIDC on feed stock.

- 12.2** Contract liabilities as at the beginning of the year, aggregating to Rs 10,650.90 million (2023: Rs 8,437.05 million), have been recognised as revenue upon meeting the performance obligations.

	Note	2024 (Rupees in thousand)	2023
<b>12.3 Workers' profit participation fund</b>			
Opening balance		8,320,567	6,288,300
Charge for the year	36	3,379,936	2,644,368
Interest accrued for the year		16,878	5,098
Payments made during the year		(872,640)	(617,199)
		10,844,741	8,320,567
<b>12.4 Workers' welfare fund</b>			
Opening balance		1,331,505	1,400,598
Charge for the year		1,569,962	1,150,268
Prior year impact		(99,570)	25,001
Net charge for the year	36	1,470,392	1,175,269
Payments made during the year		(1,020,553)	(1,244,362)
		1,781,344	1,331,505
<b>13 Accrued finance cost</b>			
On long term finances		1,317,083	313,373
On short term finances		525,428	59,558
On short term loans from related parties		—	197,979
		1,842,511	570,910
<b>14 Short term finances</b>			
<b>Secured loans from banking companies</b>			
Cash finance	14.1	1,300,420	825,856
Finance against trust receipt	14.2	2,082,713	—
		3,383,133	825,856
Running finance	14.3	16,132,165	111,986
		19,515,298	937,842

- 14.1** These facilities have been obtained from various banks for working capital requirements, and portion of which are secured by pledge of raw material and finished goods and a portion by ranking charge over all the current assets. The facilities carry markup ranging from 12.91% to 22.99% (2023: 16.92% to 25.86%) per annum.

**14.2** These facilities have been obtained from various banks against trust receipts. These facilities carry markup ranging from 12.85% to 22.55% (2023: 17.18% to 23.97%) per annum.

**14.3** These facilities have been obtained from various banks for working capital requirements, and are secured by pari passu and hypothecation charge of Rs 39,074.67 million (2023: Rs 22,342.01 million) and a ranking charge of Rs 20,000 million on present and future current assets and by personal guarantees of sponsoring directors. These facilities carry markup ranging from 13.97% to 23.37% (2023: 16.11% to 24.45%) per annum respectively.

**14.4** The aggregate unavailed short term borrowing facilities amount to Rs 41,037.70 million (2023: Rs 33,217.15 million).

	2024	2023
	(Rupees in thousand)	
<b>15 Short term loans from related parties</b>		
Fatima Trading Company Limited	—	225,619
Fatima Management Company Limited	—	225,619
Fatima Trade Company Limited	—	225,619
Fazal Holdings (Private) Limited	—	136,296
Arif Habib Corporation Limited	—	813,154
	—	1,626,307

The loans were completely repaid during the year as per terms of the agreement. The loans carried mark up at the rate of three months KIBOR plus 1.80% per annum, payable quarterly. These carried markup of 23.26% (2023: 18.86% to 24.70%) per annum.

## **16 Payable to Privatization Commission of Pakistan**

Reliance Exports (Private) Limited (REL), under the terms and conditions stated in the 'Share Purchase Agreement' (the Agreement), acquired 100% shares in Pakarab Fertilizers Limited (PFL) on July 14, 2005 through the process of privatization. Under the terms of the Agreement, the purchase consideration, in addition to lump sum cash payment, included a further payment equivalent to 90% of PFL's claim of tax refund aggregating to Rs 2,814.51 million for the assessment years 1993-94, 1995-96 through 2002-2003 and tax years 2003 and 2004. The amount is payable to the Privatization Commission (PC) in the event of and at the time of acceptance of refund claim by concerned tax authorities.

The amount recognized in the consolidated financial statements as payable to PC is net off Rs 240.12 million which, according to the management, has already been withdrawn by the previous members as part of the dividend distribution for the year ended June 30, 2005. The management felt that the Agreement as presently worded, if executed, would result into double payment of the same amount to PC / previous members, firstly, as part of the profits for the year ended June 30, 2005 (computed without recognition of the tax expense for the years for which when the refund is issued, an amount equivalent to 90% would be the right of PC / previous members) and secondly, at the time the refund is received from the tax authorities when an amount equivalent to 90% of such refund is paid off to PC, as agreed. The management felt that such double payment is neither the intention nor warranted under the specific provisions of the Agreement. Upon dissolution of REL and its amalgamation with PFL on July 14, 2005, this liability was recognised in the books of PFL being the surviving entity upon REL's amalgamation with PFL in accordance with the Scheme of Arrangement for Amalgamation. Since the amalgamation of PFL into the Group, this liability has now been recognised in the books of the Group.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

	Note	2024 (Rupees in thousand)	2023
<b>17 Current portion of long term liabilities</b>			
Long term finances	7	1,861,544	2,249,201
Lease liabilities	9	33,126	114,356
Deferred government grant	11.2	77,212	77,212
		<b>1,971,882</b>	<b>2,440,769</b>

## 18 Contingencies and commitments

### 18.1 Contingencies

- (i) Uptill the application under section 65 of the Sales Tax Act, 1990 is decided by the Federal Government, the Honorable Lahore High Court (LHC) through its order dated September 11, 2024 has stopped the proceedings of impugned show cause notice issued by the Department. Earlier the LHC has suspended the operation of the impugned order of Commissioner Inland Revenue Appeals [CIR(A)] Multan, who rejected the Holding Company's application under section 65 of the Sales Tax Act, 1990 (STA) regarding the exemption of sales tax estimating Rs 690 Million inadvertently short levied / paid on its fertilizer product, Calcium Ammonium Nitrate (CAN) for the period from April 18, 2011 to December 31, 2011.
- (ii) The Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) dated August 5, 2020 against the order passed by CIR(A) whereby the order passed under section 11 of STA by the assessing officer amounting to Rs 501 million was set aside. CIR(A), through its order dated June 8, 2020, set aside the impugned order instead of 'deleting /annulling' the same and resultantly the Holding Company assailed the same before ATIR. The assessing officer had raised the demand by charging sales tax on advances received from customers.
- (iii) The Holding Company's appeal filed with CIR(A) against the order amounting to Rs 7,745 million has succeeded and the order has been annulled. CIR(A) through order dated February 19, 2022 decided the case in the favour of the Company on legal touchstone thereby quashing the selection of case for audit u/s 25 by placing reliance on the judgment of LHC in case of M/s Hyundai Nishat Motors (Pvt.) Ltd vs FBR vide Wp 25793/2021. The tax department has also filed an appeal before the ATIR dated June 11, 2022 against the order of CIR(A) which is pending for adjudication as of date. Initially, the demand was raised against the Holding Company by selecting it for the sales tax audit u/s 25 of STA for the tax periods from July 2016 to June 2017.
- (iv) The Holding Company's appeal filed before CIR(A) dated July 13, 2022 against the impugned order u/s 11 of STA has not succeeded. Resultantly, the Holding Company has filed an appeal before the ATIR in May 2023 against the adverse order of CIR(A) which is pending for adjudication as of date. The assessing officer had earlier raised a demand of Rs 122 million against the Holding Company by disallowing the admissibility of sales tax on various items claimed during July 2020 to June 2021 and invoking the provisions of section 8 of STA.
- (v) The Holding Company has filed an appeal before CIR (A) in September, 2023 against the order dated August 18, 2023 issued u/s 11 of the STA. The assessing officer raised a demand of Rs 2,531 million against the Holding Company by disallowing the admissibility of sales tax on various items claimed during December 2021 to June 2022 thereby invoking the provisions of section 8 of STA.
- (vi) The Department filed an appeal before ATIR in September 2019 against the order passed by CIR(A), whereby the order passed u/s 122(5) of the Income Tax Ordinance 2001 (ITO 2001) by the Deputy Commissioner Inland Revenue (DCIR) Multan amounting to Rs 1,055 million was annulled. The DCIR had declared the Holding Company's trial run production / gain as 'Commercial production' thereby imposing consequential income tax towards taxable income for Tax year 2011.

- (vii) The Holding Company has preferred an appeal before ATIR in June 2021 against the order passed by the CIR(A), whereby the adverse order passed u/s 122(5A) of ITO 2001 by the assessing officer amounting to Rs 1,577 million was confirmed. The assessing officer disallowed and added back various admissible deductions and credits claimed by the Holding Company towards its taxable income for Tax Year 2016.
- (viii) The Department has filed an appeal before ATIR in May 2019 against the order passed by CIR(A) whereby the order passed u/s 122(5A) of the ITO 2001, passed by the Additional Commissioner Inland Revenue (ACIR) Multan amounting to Rs 1,592 Million was annulled. The ACIR had disallowed and added back various admissible deductions claimed by the Holding Company towards its taxable income for Tax Year 2017.
- (ix) Through amendment order dated September 25, 2013, deemed assessment of tax year 2012 was modified primarily on the grounds that the tax credit claimed u/s 65B of the Income Tax Ordinance, 2001 amounting to Rs 3,500 Million was not admissible to the Holding Company. The Holding Company's appeal against such order was disposed by CIR(A) through appellate order dated September 11, 2014 which has been further assailed before ATIR dated December 4, 2014. Such appeal has not yet been taken up for hearing by ATIR and is pending for adjudication as of date.
- (x) The Holding Company has filed appeal before LHC against the following cases decided against the Holding Company by the Custom Appellate Tribunal Lahore:
  - Alleged irregular claim of exemption under SRO 575 on import of 20 consignments of seamless pipes. Demand raised Rs 113.96 million.
  - Alleged irregular claim of exemptions under SRO 575 on import of 7 consignments of deformed steel bars. Demand raised Rs 150.60 million.
- (xi) The Holding Company has netted off an amount of Rs 240.12 million from the amount payable to Privatization Commission, as part of purchase consideration, at the time and in the event the refund is received from the tax authorities. In case, the Holding Company's contention relating to possible double payment is not acceded to by the other party to the Share Purchase Agreement, the Holding Company is contingently liable to the aforesaid amount of Rs 240.12 million. Furthermore, the Holding Company had issued a bank guarantee amounting to Rs 240 million in favour of PC in this respect, which will expire on November 1, 2025.
- (xii) The Group has also issued following guarantees in favour of:
  - Custom Department for stay granted by Sindh High Court (SHC) against the chargeability of impugned tax charged by FBR as per STGO 103 Of 2019 amounting to Rs 74 million.
  - Directorate General Mines & Minerals department of KPK., amounting to Rs 62.10 million.
- (xiii) As at June 30, 2004, the Holding Company had investment of 140,000 ordinary shares of Rs 10 each valuing Rs 100,000 in National Fertilizer Marketing Limited, being the associated company on that date. On May 20, 2005, this investment was transferred to National Fertilizer Corporation of Pakistan (Private) Limited by the management of the Holding Company. However, the new buyer, REL filed an application before PC challenging this transfer on the grounds that such transfer had been carried out against the terms and conditions of the bid documents. In case of a positive outcome to the application, this investment would be reinstated.

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for the year ended December 31, 2024

- (xiv) An amount of Rs 129.17 million was withdrawn by the previous members of the Holding Company as part of dividend for the year ended June 30, 2005 under the Share Purchase Agreement ('the Agreement'). Out of the aggregate amount, Rs 89.390 million represents the value of certain catalysts recovered in consequence of clean down operations of the plant prior to undertaking the process of privatization, which was accounted for as income in the financial statements for the year ended June 30, 2005 in the light of applicable financial reporting framework.

The management of the Holding Company feels that notwithstanding the applicability of the financial reporting framework, on the consolidated financial statements for the year ended June 30, 2005, the amount was not distributable as part of dividend for that year in view of the clear understanding behind the execution of the Agreement as categorically confirmed, in writing, by PC prior to signing of the Agreement. Similarly, the balance amount of Rs 39.78 million is considered to be dividend distribution out of the then available reserves which was also not distributable to the previous members in terms of other covenants of the Agreement.

The Holding Company has filed a claim for the recovery of the aforesaid aggregate amount on the grounds that in the present form, the distribution has been made out of the accumulated reserves, for the years up to June 30, 2004, which, under the specific provisions of the Agreement were not distributable to the previous members of the Holding Company. In case of a positive outcome to the Holding Company's claim, the excess dividend withdrawn by the previous members of the Holding Company would be recovered.

- (xv) Through a show cause notice, the tax department raised the issue of short payment of output sales tax on supplies of the Holding Company's fertilizer product, Calcium Ammonium Nitrate (CAN) for the period from April 18, 2011 to December 31, 2011 involving a principal sales tax demand of Rs 500 million. Such issue was raised on the grounds that notification SRO 15(I)/2006, providing for levy of sales tax on the basis of 'notified price' of CAN, was withdrawn through notification SRO 313(I)/ 2011 dated April 18, 2011 and hence, the Holding Company was legally required to recover output sales tax on supplies of CAN on the basis of actual consideration received there against. The Holding Company had already approached the Federal Board of Revenue (FBR) on the issue for condonation in terms of section 65 of the Sales Tax Act, 1990, which was not entertained. The Holding Company had assailed such order through institution of a writ petition before the LHC on the grounds that relevant powers have been exercised in an arbitrary manner without referring the matter to competent authority as required under the law. Such petition was allowed by the Court through its order dated June 21, 2017 and the Holding Company was thereby directed to make a fresh application under section 65 of the Sales Tax Act, 1990. In compliance with the directions issued by the Honourable LHC in the aforementioned petition, the Commissioner Inland Revenue examined the fresh application made by the Holding Company in accordance with the procedure laid down in Para 50 of the Sales Tax General Order No. 3 of 2004. However, the application was rejected and the same was therefore not referred to the FBR. Being aggrieved, the Holding Company filed a writ petition before the LHC whereby operation of the impugned order shall remain suspended till final decision. The Honourable LHC through its order dated September 11, 2024 has stopped further proceedings until the decision of application filed under section 65 of the Sales Tax Act 1990, by the Federal Government.

- (xvi) Included in trade debts is an amount of Rs 18.88 million which has not been acknowledged as debts by its customers due to a dispute regarding the discount on the product's price. The Holding Company's customers had collectively filed an appeal regarding the price dispute before the Honourable Civil Court, Multan, which decided the case in favour of the Holding Company's customers. The Holding Company preferred an appeal before the Honourable District and Sessions Court, Multan which set aside the order of the Civil Court. The Holding Company's customers filed a revised petition before the Lahore High Court against the order of the District and Sessions Court, which is pending for adjudication.

- (xvii) The Deputy Commissioner Inland Revenue ('DCIR'), through an order dated January 20, 2011, passed under sections 122 and 182 of the Income Tax Ordinance, 2001 ('Ordinance'), had raised a demand of Rs 451.42 million, including penalty of Rs 169.20 million, for tax year 2006 by disallowing certain expenses and adding into income amount representing 'service charges'. The Holding Company had preferred an appeal before the CIR(A) against the order of the DCIR, which was annulled by the CIR(A) through order dated June 25, 2011. Being dissatisfied, the department filed an appeal before the ATIR which annulled the aforementioned order of the CIR(A) through its order dated October 23, 2020 and restored the DCIR's order. The Holding Company assailed the aforementioned order of the ATIR in the usual appellate course before the LHC wherein LHC through order dated May 19, 2022 remanded back the issue to ATIR for denovo proceedings. The remand back proceedings have not yet been started.
- (xviii) Based on audit proceedings conducted under section 25 of the Sales Tax Act, 1990 ('STA') for tax periods July 2016 to June 2017, the Assistant Commissioner Inland Revenue, Audit, Large Taxpayers Office, Multan raised a sales tax demand of Rs 1,176 million in the Holding Company's case, through assessment order dated July 29, 2021 passed under section 11 of the STA, inter alia on account of alleged suppression of production and sale of fertilizers. The Holding Company has assailed such order in appeal before CIR(A) under relevant legal provisions. CIR(A) through order dated February 24, 2022 decided the case in the favour of Holding Company on legal grounds for selection of audit under section 25 of STA. The department has assailed the order of CIR(A) before ATIR for which adjudication is pending as of date.
- (xix) The ACIR through order dated February 25, 2022 passed under section 11 of the STA raised a sales tax demand of Rs 1,800 million on the grounds that since the Holding Company had sold its manufacturing plant and machineries, it was no longer classifiable as a manufacturer and thus, input sales tax of Rs 898.73 million claimed by it during the tax periods of January 2021 through November 2021 was disallowed. Further, the ACIR also imposed penalty of Rs 898.73 million against the Holding Company in terms of section 33 of the STA. The Holding Company being aggrieved, assailed such order in appeal before the CIR(A) which was decided against the Holding Company by the CIR(A) through order dated November 15, 2022. The Holding Company has challenged the said appellate order in appeal before the ATIR which is pending adjudication. The management considers that since subject input tax was incurred on goods and services acquired for the business purposes, the same was duly admissible to the Holding Company.
- (xx) The concerned assessing officer amended the Holding Company's assessment through order dated June 26, 2020 passed for tax year 2014, as rectified through order dated January 20, 2021, and in consequence thereof, income tax refunds of Rs 257.71 million declared for such tax year stood curtailed to Rs 110 million. The Holding Company's appeal against aforesaid amendment order was dismissed by the CIR(A) through appellate order dated June 7, 2021. Being aggrieved, the Holding Company has further assailed the decision of CIR(A) in appeal before the ATIR, which has not yet been taken up for hearing. The issues forming basis of subject amendment primarily include disallowance of brought forward losses of Rs 2,298.54 million, addition of various capital expenditures aggregating Rs 182.80 million towards Holding Company's taxable income in terms of section 111 of the Ordinance, imposing tax of Rs 133.721 million on preference dividend and disallowance of tax credit of Rs 10.90 million claimed by Holding Company under section 65B of the Income Tax Ordinance, 2001. In this respect, the management considers that such issues were framed/upheld by concerned officials in a disregard to the relevant legal/factual position of the case.



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- (xxi) The ACIR through order dated June 16, 2022 passed under section 11 of the STA, raised a sales tax demand of Rs 50.45 million on the grounds that since the Holding Company had sold its manufacturing plant and machineries, it was no longer classifiable as a manufacturer and thus, input sales tax of Rs 25.23 million claimed by it during the tax periods of July 2020 through June 2021 was disallowed. Further, the ACIR also imposed the penalty of Rs 25.23 million against the Holding Company in terms of section 33 of the STA. The management considers that subject input tax was duly admissible to the Holding Company as it incurred on goods and services acquired for the business purposes. Accordingly, the Holding Company preferred an appeal before the CIR(A) against the order of the ACIR which is pending for adjudication as of date.

However, due to insertion of section 43A and 126A in Sales Tax Act 1990 and Income Tax Ordinance 2001 respectively, the appeals in respect of sales tax and income tax demands exceeding 10 million and 20 million respectively, previously heard by CIR (A) stood transferred to ATIR.

Based on the advice of the Holding Company's legal counsels and tax advisor, management considers that reasonable grounds exist that all the above appeals will succeed. Consequently, no provision has been recognised for the above mentioned amounts.

	Note	2024 (Rupees in thousand)	2023
<b>18.2 Commitments in respect of :</b>			
(i) Contracts for capital expenditure		3,653,373	3,793,512
(ii) Contracts for other than capital expenditure		1,461,434	15,823,935
(iii) The amount of future payments under ijarah rentals and short term / low value leases:"			
- Not later than one year		1,775,461	1,263,364
- Later than one year but not later than five years		1,743,451	1,764,546
		3,518,912	3,027,910
<b>19 Property, plant and equipment</b>			
Operating fixed assets	19.1	101,819,894	107,471,361
Capital work in progress	19.2	9,030,261	5,427,660
		110,850,155	112,899,021

## 19.1 Operating fixed assets

2024								
	Note	Cost		Accumulated Depreciation		Book value		
		December 31, 2023	Additions / (deletions/ impairment)	December 31, 2024	December 31, 2023	Charge/ (deletions/ impairment)	December 31, 2024	Depreciation rate
(Rupees in thousand)								
	19.1.2						%	
Freehold land		8,358,118	844,096	9,202,214	—	—	9,202,214	—
Building on freehold land		7,041,955	74,926	7,116,881	2,328,019	283,676	2,611,695	4
			—			—		
Building on leasehold land		410,245	—	410,245	33,097	13,575	46,672	363,573
Plant and machinery		121,952,757	2,117,601	123,045,889	32,598,331	9,982,834	42,497,737	2.78 – 10
	19.1.1		(1,024,469)			(83,428)		2.78 – 6
Aircraft		1,567,285	—	1,567,285	444,064	78,364	522,428	1,044,857
Catalysts		3,778,883	1,106,885	4,841,244	3,106,975	188,764	3,251,215	1,590,029
			(44,524)			(44,524)		10 – 33.33
Furniture and fixtures		267,692	42,276	309,967	109,594	23,126	132,720	177,247
			(1)			—		10
Office equipment		182,453	63,780	245,813	87,027	18,397	105,004	140,809
			(420)			(420)		10
Electrical installations and appliances		2,516,566	781,793	3,298,243	1,217,346	226,839	1,444,163	1,854,080
			(116)			(22)		10
Computers		989,091	517,689	1,479,098	671,888	223,117	869,428	609,670
			(27,682)			(25,577)		25
Vehicles		1,428,039	617,406	2,034,174	621,133	271,184	886,736	1,147,438
			(11,271)			(5,581)		20
Right of use assets – land and building		471,238	524,423	995,661	275,487	83,535	359,022	636,639
		148,964,322	6,690,875	154,546,714	41,492,961	11,393,411	52,726,820	101,819,894
			(1,108,483)			(159,552)		

**19.1.1** During the year, the Group has reassessed recoverable amount of its idle utility plant and recognized an impairment charge of Rs 941.04 million as disclosed in note 36 to the consolidated financial statements.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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2023									
Note	Cost		Accumulated Depreciation		Book value		Depreciation rate	%	
	December 31, 2022	Additions / deletions/	December 31, 2022	Charge/ deletions/	December 31, 2023	December 31, 2023			
		(deletions/)		(deletions/)					
				(Rupees in thousand)					
Freehold land	7879,455	478,663	8,358,118	–	–	8,358,118	–	–	–
Building on freehold land	6,854,569	190,507	7,041,955	2,052,372	2,328,019	4,713,936	4	4	4
Building on leasehold land	410,245	–	410,245	19,494	33,097	377,148	2.78 – 10	2.78 – 10	2.78 – 10
Plant and machinery	11,521,235	7,060,310	121,952,757	22,851,962	32,598,331	89,354,426	2.78 – 6	2.78 – 6	2.78 – 6
Aircraft	1,567,285	–	1,567,285	365,700	444,064	1,123,221	10	10	10
Catalysts	3,236,236	542,647	3,778,883	297,320	3,106,975	671,908	10 – 33.33	10 – 33.33	10 – 33.33
Furniture and fixtures	182,131	88,276	267,692	95,300	109,594	158,098	10	10	10
Office equipment	152,109	30,465	182,453	73,627	87,027	95,426	10	10	10
Electrical installations and appliances	2,024,146	493,541	2,516,566	1,048,241	1,217,346	1,299,220	10	10	10
Computers	871,519	133,308	989,091	549,729	671,888	317,203	25	25	25
Vehicles	970,024	474,640	1,428,039	455,123	621,133	806,906	20	20	20
Right of use assets – land and building	534,362	–	471,238	269,753	275,487	195,751	13.20 – 17.16	13.20 – 17.16	13.20 – 17.16
	139,894,435	9,492,357	148,964,322	30,754,504	41,492,961	107,471,361			
		(422,470)		(131,930)					

**19.1.2** Particulars of land in the name of the Group are as follows:

Descriptions	Location	Land Area
Free hold Land	Sadiqabad, District Rahim Yar Khan	8,902 kanals
Free hold Land	Chichoki Mallian, District Sheikhpura	2,656 kanals
Free hold Land	Jahangirabad, District Multan	3,090 kanals
Free hold Land	Dherki, District Ghotki, Sindh	340 kanals
Free hold Land	Pie Khail, District Mianwali	5,018 kanals
Free hold Land	Umer Khail, District Dera Ismail Khan	3,372 kanals

	Note	2024 (Rupees in thousand)	2023
<b>19.2 Capital work in progress</b>			
Civil works		1,128,135	610,062
Plant and machinery	19.3	2,988,626	835,234
Intangibles		402	402
Capital stores		4,913,098	3,981,962
		9,030,261	5,427,660
<b>19.2.1 Movement of capital work in progress</b>			
Opening balance		5,711,905	8,121,806
Additions during the year		3,965,972	2,588,776
		9,677,877	10,710,582
Less: Capitalization during the year		310,944	4,998,677
		9,366,933	5,711,905
Less: Provision for slow moving capital stores		336,672	284,245
		9,030,261	5,427,660

**19.3** This includes Rs 1,070.55 million (2023: Rs 675.21 million) being the Group's share in joint operation relating to Gas Pressure Enhancement Facility (PEF), as disclosed in note 48 to the consolidated financial statements.

	2024 (Rupees in thousand)	2023
<b>19.4 The depreciation charge for the year has been allocated as follows:</b>		
Cost of sales	10,873,626	10,522,450
Administrative expenses	497,987	332,341
Distribution cost	21,798	15,596
	11,393,411	10,870,387

**19.5 Disposal of property, plant and equipment**

	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Relationship	Mode of disposal
	(Rupees in thousand)						
<b>Items having net book value above Rs 500,000</b>							
Vehicle – KIA Carnival GLS	10,668	4,979	5,689	11,000	5,311	None	Negotiation
<b>Items having net book value below Rs 500,000</b>							
	73,346	71,145	2,201	39,765	37,564	Employees	Company policy
2024	84,014	76,124	7,890	50,765	42,875		
2023	359,346	68,806	290,540	287,021	(3,521)		

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

## 20 Intangible assets

2024									
	Cost			Accumulated amortization / impairment			Book value		Amortization rate
	December 31, 2023	Additions	December 31, 2024	December 31, 2023	Amortization	Impairment	December 31, 2024	December 31, 2024	
(Rupees in thousand)									%
Bubber Sher brand	5,900,000	–	5,900,000	4,130,000	–	1,770,000	5,900,000	–	–
Computer software	423,833	41,437	465,270	291,083	55,056	–	346,139	119,131	25
Mining rights	145,642	–	145,642	40,396	29,264	–	69,660	75,982	10 – 33
	6,469,475	41,437	6,510,912	4,461,479	84,320	1,770,000	6,315,799	195,113	

2023									
	Cost			Accumulated amortization / impairment			Book value		Amortization rate
	December 31, 2022	Additions	December 31, 2023	December 31, 2022	Amortization	Impairment	December 31, 2023	December 31, 2023	
(Rupees in thousand)									%
Bubber Sher brand	5,900,000	–	5,900,000	2,360,000	–	1,770,000	4,130,000	1,770,000	–
Computer software	352,053	71,780	423,833	240,467	50,616	–	291,083	132,750	25
Mining rights	145,642	–	145,642	11,132	29,264	–	40,396	105,246	10 – 33
	6,397,695	71,780	6,469,475	2,611,599	79,880	1,770,000	4,461,479	2,007,996	

**20.1** The amortization / impairment charge for the year has been allocated to administrative / other operating expenses.

## 21 Investment property

2024									
Note	Cost			Accumulated depreciation			Book value		Amortization rate
	December 31, 2023	Additions	December 31, 2024	December 31, 2023	Charge for the year	December 31, 2024	December 31, 2024	December 31, 2024	
(Rupees in thousand)									%
Freehold land	21.1	145,563	–	145,563	–	–	–	145,563	–
Building		22,650	–	22,650	3,700	906	4,606	18,044	4
		168,213	–	168,213	3,700	906	4,606	163,607	

2023									
	Cost			Accumulated depreciation			Book value		Amortization rate
	December 31, 2022	Additions	December 31, 2023	December 31, 2022	Charge for the year	December 31, 2023	December 31, 2023	December 31, 2023	
(Rupees in thousand)									%
Freehold land		145,563	–	145,563	–	–	–	145,563	–
Building		22,650	–	22,650	2,794	906	3,700	18,950	4
		168,213	–	168,213	2,794	906	3,700	164,513	

**21.1** Freehold land consists of 8,127.78 Kanals situated in District Dera Ismail Khan, Khybar Pakhtunkhwa. The land is in possession and control of the Group and currently it is in the name of the three Directors of the Holding Company, Mr. Fawad Ahmed Mukhtar, Mr. Fazal Ahmed Sheikh and Mr. Faisal Ahmed Mukhtar, which will be transferred in the name of the Holding Company in due course of time.

**21.2** Latest valuation of investment property was carried by an independent professional valuator on December 24, 2022. The fair value of these investment properties is determined to be Rs 394.13 million.

	Note	2024 (Rupees in thousand)	2023
<b>22 Long term investments</b>			
<b>In associates - equity method</b>			
Fatima Agri Sales & Services (Pvt) Limited	22.2	32,220	28,661
Multan Real Estate Company (Pvt) Limited	22.3	92,868	89,114
Fatima Electric Company Limited	22.4	—	—
KT Bank Pakistan Limited	22.5	25	25
Singfert PTE. Limited	22.6	—	—
National Resources (Pvt) Limited	22.7	607,337	—
		732,450	117,800
<b>Debt instrument - Fair value through profit or loss (FVTPL)</b>			
Silk Islamic Development REIT	22.8	859,200	941,400
Emerald Bay Islamic Developmental REIT	22.9	468,500	—
		1,327,700	941,400
<b>Equity instrument - Fair value through profit or loss (FVTPL)</b>			
Sapphire Bay Islamic Development REIT	22.10	472,659	—
<b>Debt instrument - Amortised cost</b>			
Bank Al-Habib Limited - Term Finance Certificate	22.11	750,000	750,000
Pakistan Investment Bonds	22.12	—	4,017,502
Government of Pakistan Ijarah Sukuk	22.13	38,606,576	—
		39,356,576	4,767,502
		41,889,385	5,826,702

## 22.1 Movement in investment in associates

	2024				
	Opening	Purchased during the year	Share of profit / (loss)	Share of other comprehensive income	Closing
	(Rupees in thousand)				
Fatima Agri Sales & Services (Pvt) Limited	28,661	—	3,559	—	32,220
Multan Real Estate Company (Pvt) Limited	89,114	—	3,754	—	92,868
Fatima Electric Company Limited	—	—	—	—	—
KT Bank Pakistan Limited	25	—	—	—	25
Singfert PTE. Limited	—	—	—	—	—
National Resources (Pvt) Limited	—	702,193	(94,856)	—	607,337
	117,800	702,193	(87,543)	—	732,450



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

		2023				
		Opening	Purchased during the year	Share of profit / (loss)	Share of other comprehensive income	Closing
		(Rupees in thousand)				
	Fatima Agri Sales & Services (Pvt) Limited	32,575	–	(3,914)	–	28,661
	Multan Real Estate Company (Pvt) Limited	86,581	–	2,533	–	89,114
	Fatima Electric Company Limited	23	–	(23)	–	–
	KT Bank Pakistan Limited	–	25	–	–	25
	Singfert PTE. Limited	–	–	–	–	–
		119,179	25	(1,404)	–	117,800

- 22.2** This represents investment in 196,000 (2023: 196,000) fully paid ordinary shares of Rs 10 each of Fatima Agri Sales & Services (Pvt) Limited (FASS). The investment represents 49% (2023: 49%) of the total issued, subscribed and paid up share capital of FASS.

The principal activity of FASS is to carry on business as a sellers, marketers, importers, exporters, wholesalers, retailers and dealers in all types of agri inputs including fertilizers, micronutrients, pesticides and insecticides, seeds, veterinary and live stock feeds and feeds supplements, fish feeds and its supplements. The registered office of FASS is located at E-110, Khayaban-e-Jinnah, Lahore Cantt., Pakistan.

- 22.3** This represents investment in 858,056 (2023: 858,056) fully paid ordinary shares of Rs 100 each of Multan Real Estate Company (Pvt) Limited (MREC). The investment represents 28.37% (2023: 28.37%) of the total issued, subscribed and paid up share capital of MREC. The main business of MREC is establishing and designing housing and commercial schemes, to carry on business of civil engineers for construction of private and governmental buildings and infrastructure and provision of labour and building material. The registered office of MREC is located at 2nd floor, Trust Plaza, L.M.Q Road, Multan.

- 22.4** This represents investment in 14,000 fully (2023: 14,000) paid ordinary shares of Rs 10 each of Fatima Electric Company Limited (FECL). The investment represents 40% (2023: 40%) of the total issued, subscribed and paid up share capital of FECL.

The main business of FECL is transmission, manufacture, supply, generation and distribution of electricity and all forms of energy and power. The registered office of FECL is located at E-110, Khayaban-e-Jinnah, Lahore Cantt., Pakistan.

- 22.5** This represents investment in 2,500 (2023: 2,500) fully paid ordinary shares of Rs 10 each of KT Bank Pakistan Limited (KTBPL). The investment represents 25% (2023: 25%) of the total issued, subscribed and paid up share capital of KTBPL.

The main business of KTBPL is of banking as a digital bank and undertake financial transactions. The registered office of KTBPL is located at Smart Tower, C-10/2, Off Shahrah-e-Faisal, Lines Area, Sector 8/A, Opposite Finance & Trade Centre Building, Karachi, Pakistan.

- 22.6** This represents investment in 1 (2023: 1) fully paid ordinary share of SGD 1 each of Singfert PTE. Limited (Singfert), a company formed and registered in the Republic of Singapore. The investment represents 25% (2023: 25%) of the total issued, subscribed and paid up share capital of Singfert.

Singfert is a Special Purpose Vehicle (SPV) which will be used to route equity investment in Midwest Fertilizer Company (MFC), USA. MFC is setting up a nitrogen fertilizer project in the State of Indiana, USA.

- 22.7** This represents investment in 79,833,833 shares (2023: nil) of National Resources (Private) Limited (NRL). 34,833,833 shares were purchased from Reliance Commodities (Private) Limited at total cost of Rs 252.19 million, pursuant to approval of the shareholders in the Extraordinary General Meeting held on December 12, 2023. While 45,000,000 shares were also purchased during the year against rights offer amounting to Rs 450 million. The investment represents 33% of the total issued, subscribed and paid up share capital of NRL.

The principal activity of NRL is to carry on business of exploring, operating and working on mines, quarries and other related activities in the province of Balochistan. The registered office of NRL is located at Flat No. 1, Plot No. 34-C, Yousaf Homes, Essa Khan Road, Quetta, Pakistan.

- 22.8** This represents 60,000,000 (2023: 60,000,000) units of Rs. 10 each held in a privately placed closed – end shariah compliant apartment development REIT scheme which constitutes 20% (2023: 20%) of the total 300 million units issued (the Investment). This REIT Scheme is managed by Arif Habib Dolmen REIT Management Company Limited.

The Group has valued this investment on fair value basis using the discounted cashflow technique, considering the progress on the project. This method considers the present value of all future proceeds from the Investment, discounted using a risk adjusted discount rate which is taken at 17.92%. The cash flow projections include specific estimates for the entire life of the project which is estimated to be 10 years from the date of consolidated statement of financial position. Further, discounting due to lack of marketability factor is taken at 25% on the present value of all future proceeds. Further, the Group has estimated a fair value of Rs 850.20 million (2023: Rs 941.40 million) of its investment in the REIT and therefore recorded a loss of Rs 82.20 million during the year as disclosed in note 36 to the consolidated financial statements.

The Group being strategic investor of the REIT has 25% of its subscribed units in an account marked as 'blocked' with the Central Depository Company as required by the Real Estate Investment Trust Regulations, 2022.

- 22.9** This represents 46,850,000 (2023: nil) units of Rs 10 each held in a privately placed closed - end shariah compliant apartment development REIT scheme with an expected life of 10 years. The Real Estate situated in the vicinity of Ravi River Urban Development Project.

The purpose of the trust shall be to develop the REIT Project and to sell its end product to the customers. The registered office of the REIT is located at 121 The Forum, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi, Pakistan.

- 22.10** This represents 47,265,876 (2023: nil) units of Rs 10 each held in a privately placed closed - end shariah compliant developmental (PPP) REIT Scheme with perpetual life which constitutes 6.22% of the total Investment. This REIT Scheme is managed by Arif Habib Dolmen REIT Management Company Limited, a related party and has entered into a Public Private Partnership Agreement with Ravi Urban Development Authority for development, marketing and sale of Phase 1 Zone 3 Sapphire Bay at Ravi City (measuring 2,000 acres of land). As at the reporting date, the face value of the units is equal to market value of the units.

- 22.11** These term finance certificates (TFCs) are classssified as a financial asset measured at amortized cost in accordance with IFRS 9 – Financial Instruments. The TFCs carry a profit rate of 6MK + 1.65%. Effective rate of profit during the year was 15.89% to 23.67% (2023: 17.48% to 23.74%).

- 22.12** These Pakistan Investment Bonds (PIBs) carried profit at the rate of 16.22% and were redeemed during the year.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

**22.13** This represent investment in Government of Pakistan Ijarah Sukuk, which is classified as a financial asset measured at amortized cost in accordance with IFRS 9 – Financial Instruments. The Sukuk carries a variable rental rate that is subject to biannual adjustments based on market conditions. The effective rate of profit earned during the year was 19.69%. The sukuk was issued by the Government on January 05, 2023 and has a maturity date of January 05, 2026.

	Note	2024 (Rupees in thousand)	2023
<b>23 Long term advances and deposits</b>			
Advance against investments in REITs	23.1	5,571,551	1,938,037
Capital advances:			
- Freehold land		194,513	340,820
- Plant and machinery		1,001,900	1,329,021
		1,196,413	1,669,841
Other advances and deposits	23.2	761,618	365,619
		7,529,582	3,973,497

**23.1** This includes advances aggregating to Rs 3,895.55 million (2023: Rs 1,738.04 million) paid for investments in shariah compliant development REIT schemes which are managed by Arif Habib Dolmen REIT Management Company Limited (RMC), a related party.

**23.2** This includes advance against issue of shares amounting to Rs 200 million (2023: nil) paid to KT Bank Pakistan Limited.

	Note	2024 (Rupees in thousand)	2023
<b>24 Stores and spares</b>			
Stores		1,495,615	1,138,564
Spares		15,525,170	10,886,795
Catalyst and chemicals		5,535,570	4,708,130
		22,556,355	16,733,489
Less: Provision for slow moving stores and spares	24.1	3,321,616	2,865,771
		19,234,739	13,867,718
<b>24.1 Movement of provision for slow moving stores and spares</b>			
Opening balance		2,865,771	395,186
Charge for the year		455,845	2,470,585
		3,321,616	2,865,771

		2024 (Rupees in thousand)	2023
<b>25 Stock in trade</b>			
Raw materials {including in transit Rs 12,738.98 million (2023: Rs 3,462.70 million)}		20,605,106	16,638,934
Packing materials		197,050	254,567
		20,802,156	16,893,501
Work in progress		102,497	115,941
<b>Mid products</b>			
Ammonia		364,078	335,489
Nitric acid		33,257	46,766
Others		5,438	7,632
		402,773	389,887
<b>Finished goods</b>			
<b>Own manufactured</b>			
Urea		9,265,054	630,764
NP		18,763,565	14,153,402
CAN		7,851,808	945,647
Others		97,015	38,880
		35,977,442	15,768,693
<b>Purchased for resale</b>		2,501,006	208,980
		59,785,874	33,377,002
<b>26 Trade debts</b>			
Secured against bank guarantees		17,342,267	9,061,931
Unsecured - considered good		1,252,669	1,292,816
		18,594,936	10,354,747

**26.1** All these debtors are not past due.

	Note	2024 (Rupees in thousand)	2023
<b>27 Short term loans to related parties</b>			
Reliance Commodities (Pvt) Limited	27.1	248,031	4,999,723
Silk Islamic Development REIT	27.2	180,000	100,000
		428,031	5,099,723

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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**27.1** This represents loan given to an associated company Reliance Commodities (Private) Limited (RCL), against an approved limit of Rs 5,000 million. The loan is repayable within 30 business days notice of demand. The markup rate on the said loan is 6 months KIBOR plus 2.00% per annum, which has been revised to 6 month KIBOR plus 1.25% as per the shareholders' approval in Annual General Meeting held on April 28, 2023. Effective rate of markup charged during the year ranged from 15.37% to 23.25% (2023: 17.84% to 24.08%). The loan is fully secured against a ranking charge over the present and future current assets of RCL. The maximum amount of loan outstanding during the year was Rs 4,999.72 million.

**27.2** This represents loan given to an associated undertaking Silk Islamic Development REIT, against an approved limit of Rs 200 million as per the shareholders' approval in Extra Ordinary General Meeting dated September 22, 2023. The loan is repayable within 10 days notice of demand. The markup rate on the said loan is 6 months KIBOR plus 2% per annum. Effective rate of markup charged during the year ranged from 17.20% to 23.63% (2023: 24.96%). The maximum amount of loan outstanding during the year was Rs 180 million.

	Note	2024 (Rupees in thousand)	2023
<b>28 Advances, deposits, prepayments and other receivables</b>			
Advances - considered good			
- to employees		43,785	65,199
- to suppliers	28.1	2,905,218	2,287,581
		2,949,003	2,352,780
Margin deposits held by banks		1,979,829	2,788,003
Prepayments		220,881	135,040
Receivable from Government of Pakistan (GoP)			
- Advance sales tax		11,895,337	13,444,771
- Subsidy receivable		2,092,159	2,092,159
- Loss allowance on subsidy receivable	28.2	(2,092,159)	(1,464,511)
		11,895,337	14,072,419
Markup receivable		169,799	464,782
Others		868,049	192,079
		18,082,898	20,005,103

**28.1** This includes balance of Rs 2.85 million (2023: Rs 28.57 million) from Fatima Agri Sales & Services (Private) Limited, which is a related party of the Group and is in the nature of normal course of business. The maximum amount outstanding during the year was Rs 28.57 million.

**28.2** This represents loss allowance on subsidy receivable from GoP in accordance with requirement of IFRS 9. However, management is confident of recovering the full amount from GoP.

	Note	2024 (Rupees in thousand)	2023
<b>29 Short term investments</b>			
<b>At fair value through profit or loss (FVTPL)</b>			
Equity investments	29.1	11,966,423	6,017,828
Mutual fund	29.2	18,411,706	–
<b>At amortised cost</b>			
Term deposit receipts	29.3	365,628	6,354,250
Market treasury bills	29.4	–	6,024,008
Ijarah Sukuks	29.5	–	502,159
Defence saving certificates		–	66,610
		<b>30,743,757</b>	<b>18,964,855</b>

**29.1** These consist of investments made in equity instruments of various listed companies.

**29.2** These consist of mutual funds measured at FVTPL. The fair value of the fund is determined based on the publicly available net asset value (NAV) quotes published by the Mutual Funds Association of Pakistan (MUFAP) as at the reporting date.

**29.3** The term deposit receipts carry markup ranging from 12.3% to 17.50% (2023: 9.00% to 22.50%) per annum.

**29.4** These Market Treasury Bills (T-Bills) had maturity of one year and carried profit at the rate of 21.23% per annum.

**29.5** These Ijarah Sukuks had maturity of one year and carried profit at the rate of 22.49% per annum.

	Note	2024 (Rupees in thousand)	2023
<b>30 Cash and bank balances</b>			
Cash in hand		8,280	9,257
At banks			
- saving accounts	30.1	5,508,638	3,963,988
- current accounts		3,873,968	3,364,375
		<b>9,390,886</b>	<b>7,337,620</b>

**30.1** The balances in saving accounts carry markup ranging from 6.07% to 20.75% (2023: 14.50% to 20.75%) per annum.

	Note	2024 (Rupees in thousand)	2023
<b>31 Sales</b>			
<b>Revenue from contracts with customers</b>			
Local sales	31.1	256,765,122	235,359,994
Export sales		155,114	63,348
		<b>256,920,236</b>	<b>235,423,342</b>



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	Note	2024 (Rupees in thousand)	2023
<b>31.1 Local sales</b>			
Own manufactured		259,363,048	225,304,977
Mid products		2,927,600	2,294,153
Purchased for resale		14,612,004	21,635,270
		276,902,652	249,234,400
Less: Sales tax		2,184,761	2,325,536
Federal excise duty		12,451,306	6,718,924
Discounts		5,501,463	4,829,946
		256,765,122	235,359,994
<b>32 Cost of sales</b>			
Raw material consumed		108,927,959	81,082,743
Packing material consumed		1,232,452	720,104
Salaries, wages and other benefits	32.1	12,849,490	10,111,273
Fuel and power		17,560,673	12,352,009
Chemicals and catalyst consumed		4,601,015	3,772,120
Stores and spares consumed		5,819,070	7,684,259
Depreciation	19.4	10,873,626	10,522,450
Technical assistance		599,562	475,681
Repair and maintenance		11,413,939	10,378,183
Insurance		2,053,235	2,082,945
Travelling and conveyance		435,031	382,073
Rent, rates and taxes	32.2	803,007	925,572
Vehicle running and maintenance		367,275	374,639
Others		316,612	439,975
Subsidy on RLNG released by GoP to SNGPL	32.3	(8,456,399)	(10,426,437)
<b>Manufacturing cost</b>		169,396,547	130,877,589
Opening stock of work in process		115,941	58,123
Closing stock of work in process		(102,497)	(115,941)
Opening stock of mid products		389,887	183,511
Closing stock of mid products		(402,773)	(389,887)
<b>Cost of goods manufactured</b>		169,397,105	130,613,395
Opening stock of finished goods		15,768,693	29,050,164
Closing stock of finished goods		(35,977,442)	(15,768,693)
<b>Cost of sales – own manufactured</b>		149,188,356	143,894,866
<b>Cost of sales – purchased for resale</b>		15,914,781	17,345,549
		165,103,137	161,240,415

**32.1** This includes charge on account of employees' retirement benefits namely gratuity, leave encashment and provident fund contribution amounting to Rs 598.62 million (2023: Rs 549.54 million).

**32.2** This includes ijarah lease rentals aggregating to Rs 463.16 million (2023: Rs 370.31 million).

**32.3** This represents subsidy related to prior year, released by Government of Pakistan (GoP) to SNGPL, as the difference between full RLNG price billed to the Holding Company (Sheikhupura plant) by SNGPL and the gas price capped by GoP for fertilizer plants operating on RLNG.

	Note	2024 (Rupees in thousand)	2023
<b>33 Distribution cost</b>			
Salaries, wages and other benefits	33.1	2,421,768	1,741,527
Rent, rates and taxes	33.2	936,943	650,859
Advertisement and sales promotion		1,238,767	1,222,659
Transportation and freight		8,926,028	6,198,474
Technical services to farmers		128,175	135,510
Insurance		78,214	62,586
Travelling and conveyance		116,261	154,479
Others		560,682	366,350
		14,406,838	10,532,444

**33.1** This includes charge on account of employees' retirement benefits namely gratuity, leave encashment and provident fund contribution amounting to Rs 122.37 million (2023: Rs 87.62 million).

**33.2** This includes rental paid for short term leases aggregating to Rs 662.5 million (2023: Rs 452.54 million) and ijarah lease rentals aggregating to Rs 261.72 million (2023: Rs 180.51 million).

	Note	2024 (Rupees in thousand)	2023
<b>34 Administrative expenses</b>			
Salaries, wages and other benefits	34.1	4,520,935	3,673,765
Travelling and conveyance		481,392	390,837
Vehicles' running and maintenance		154,707	146,336
Insurance		50,205	32,613
Communication and postage		60,090	68,364
Printing and stationery		20,156	51,197
Repair and maintenance		234,586	260,483
Rent, rates and taxes	34.2	520,345	188,811
Fees and subscription		381,578	259,393
Entertainment		106,287	66,362
Legal and professional		1,292,455	995,535
Auditors' remuneration	34.3	17,067	12,950
Utilities		56,210	44,485
Aircraft operating expenses		399,466	366,935
Depreciation on operating fixed assets	19.4	497,987	332,341
Depreciation on investment property	21	906	906
Amortization	20	84,320	79,880
Charity and donation	34.4	1,035,654	895,588
Others		522,903	413,635
		10,437,249	8,280,416

**34.1** This includes charge on account of employees' retirement benefits namely gratuity, leave encashment and provident fund contribution amounting to Rs 161.64 million (2023: Rs 129.10 million).

**34.2** This includes rental paid for low value leases amounting to Rs 337.93 million (2023: Rs 42.10 million) and ijarah lease rentals amounting to Rs 174.73 million (2023: Rs 141.38 million).

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for the year ended December 31, 2024

**34.3** The breakup of statutory auditors' remuneration including non adjustable sales tax is as follows:

	Note	2024 (Rupees in thousand)	2023
Annual audit fee		8,491	7,167
Half yearly review fee		730	697
Others	34.3.1	6,550	4,035
Out of pocket expenses		1,296	1,051
		17,067	12,950

**34.3.1** Others include special audits fee of Rs 5.89 million (2023: Rs 3.85 million).

## 34.4 Donations

**34.4.1** Donations paid to Mian Mukhtar A. Sheikh Trust (the Trust) exceeds 10% of the Group's total amount of donation.

**34.4.2** Donations include the following in which certain directors are interested:

Name of director	Interest in donee	Name of donee	2024 (Rupees in thousand)	2023
Mr. Fawad Ahmed Mukhtar Mr. Faisal Ahmed Mukhtar Mr. Fazal Ahmed Sheikh	Trustees	Mian Mukhtar A. Sheikh Trust	488,717	494,759
Mr. Fawad Ahmed Mukhtar	Member of the Board of Governors of National Management Foundation (NMF) the sponsoring body of LUMS.	Lahore University of Management Sciences (LUMS)	36,000	23,909
			2024 (Rupees in thousand)	2023

## 35 Finance cost

Markup on:

- long term finances	2,650,503	1,776,181
- short term finances	1,273,389	1,951,690
- short term loans from related parties	94,567	370,208
Interest on lease liabilities	37,110	24,082
Bank charges and others	1,026,953	780,140

5,082,522 4,902,301

	Note	2024 (Rupees in thousand)	2023
<b>36 Other operating expenses</b>			
Workers' profit participation fund	12.3	3,379,936	2,644,368
Workers' welfare fund	12.4	1,470,392	1,175,269
Late payment surcharge on payables		702,531	–
Impairment of advances		–	76,874
Impairment of brand		1,770,000	1,770,000
Loss on disposal of property, plant and equipment		–	3,521
Unwinding of payable against subordinated redeemable preference Class A shares	8	240,887	207,037
Exchange loss – net		760,224	1,640,656
Loss on remeasurement of long term investment	22.8	82,200	–
Impairment of plant and machinery	19.1.1	941,041	–
Others		1,426,157	233,900
		<b>10,773,368</b>	<b>7,751,625</b>
<b>37 Other income</b>			
<b>Income from financial assets</b>			
Profit on loans to related parties		810,467	1,086,127
Gain on sale of investment classified as FVTPL		384,300	155,215
Gain on remeasurement of short term investments classified as FVTPL		5,712,858	1,986,355
Gain on remeasurement of long term investment	22.8	–	341,400
Profit on investments and saving accounts		4,315,483	1,512,906
Dividend income		760,844	575,115
		<b>11,983,952</b>	<b>5,657,118</b>
<b>Income from non financial assets</b>			
Scrap sales		109,524	48,037
Gain on disposal of property, plant and equipment		42,875	–
Gain on disposal of stores and spares		–	1,093
Markup on credit sale of fertilizer		234,269	1,480,656
Others		131,286	40,652
		<b>517,954</b>	<b>1,570,438</b>
		<b>12,501,906</b>	<b>7,227,556</b>

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

	2024 (Rupees in thousand)	2023
<b>38 Taxation</b>		
Current tax		
- Current year	27,343,430	20,717,207
- Prior year	(1,026,401)	2,225,308
	26,317,029	22,942,515
Deferred tax	121,806	2,944,902
	26,438,835	25,887,417

	2024 (%)	2023
<b>38.1 Tax charge reconciliation</b>		
<b>Numerical reconciliation between the average tax rate and the applicable tax rate:</b>		
Applicable tax rate	29.00	29.00
<b>Tax effect of :</b>		
Income exempt from income tax or taxed at lower rate	(1.62)	(1.24)
Super tax	10.00	10.00
Prior year	0.45	3.48
Impact of rate change	—	9.37
Deductions disallowed	4.18	2.15
Others	0.07	0.18
	13.08	23.94
<b>Average effective tax rate charged to statement of profit or loss</b>	<b>42.08</b>	<b>52.94</b>

	2024	2023
<b>39 Earnings per share – basic and diluted</b>		
Profit attributable to ordinary shareholders (Rupees in thousand)	36,394,795	23,008,416
Weighted average number of shares (Number of shares)	2,100,000,000	2,100,000,000
Basic and diluted earnings per share (Rupees)	17.33	10.96

## 40 Transactions with related parties

The related parties comprise the associated undertakings, directors and other key management personnel of the Group. Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties have been disclosed in the relevant notes to the consolidated financial statements. 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	2023
		(Rupees in thousand)	
Relationship with the Group	Nature of transaction		
<b>Associated companies</b>	Lease rental	343,068	271,200
	Sales of packing material	1,278,477	1,548,763
	Repayment of short term loans to related parties	4,751,693	–
	Repayment of short term loans from related parties	1,626,307	–
	Fee for services	611,538	797,263
	Miscellaneous expenses	3,849	11,288
	Short term loan given	80,000	100,000
	Acquisition of shares	–	25
	Profit on loans to related parties	810,467	1,086,127
	Dividend paid	5,490,205	5,136,216
	Markup expense	94,567	370,208
<b>Directors &amp; key management personnel</b>	Remuneration including benefits & perquisites	921,090	777,003
	Dividend paid	3,497,634	3,853,042
<b>Retirement benefit plans</b>	Retirement benefit expense	937,351	770,596

**40.1** Following are the related parties with whom the Group had entered into transactions or have arrangements / agreements in place.

Name	Basis of Relationship	Aggregate % of shareholding in the Holding Company
Air One (Private) Limited	Common directorship	Nil
Arif Habib Equity (Private) Limited	Common directorship	Nil
HerBeauty (Private) Limited	Common directorship	Nil
OSOL (Private) Limited	Common directorship	Nil
Fatima AG Solutions Limited	Common directorship	Nil
KT Bank Pakistan Limited	Common directorship	Nil
Prime Agtech Solutions (Pvt) Limited	Common directorship	Nil
National Resources (Pvt) Limited	Common directorship	Nil
Sapphire Bay Islamic Development REIT	Common directorship	Nil
Silk Islamic Development REIT	Common directorship	Nil
Reliance Commodities (Pvt) Limited	Common directorship	0.02%
Reliance Weaving Mills Limited	Common directorship	0.13%
Fatima Holding Limited	Common directorship	0.68%
Arif Habib Limited	Common directorship	0.01%
Fazal Cloth Mills Limited	Common directorship	3.29%
Farrukh Trading Company Limited	Common directorship	8.09%
Fatima Management Company Limited	Common directorship	8.10%
Fatima Trading Company (Private) Limited	Common directorship	8.18%
Arif Habib Corporation Limited	Common directorship	15.19%

**40.2** The Group considers its Chief Executive Officer, Executive Director, and Functional Heads as its key management personnel.



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	2024	2023
	Metric ton	
<b>41 Capacity and production</b>		
<b>Urea</b>		
Designed production capacity	1,037,900	1,037,900
Actual production	1,087,620	985,419
<b>CAN</b>		
Designed production capacity	870,000	870,000
Actual production	854,557	839,721
<b>NP</b>		
Designed production capacity	664,500	664,500
Actual production	852,490	713,038
	Kilograms	
<b>Tapeline</b>		
Designed production capacity	10,624,614	11,629,630
Actual production	9,768,476	9,623,081
<b>Liner</b>		
Designed production capacity	2,882,250	2,874,375
Actual production	2,255,847	2,298,867

## 42 Remuneration of chief executive, directors and executives

The aggregate amount charged in the consolidated financial statements for the year for remuneration, including certain benefits, to full time working Directors and Executives of the Group are as follows:

	Chief Executive		Directors		Executives	
	2024	2023	2024	2023	2024	2023
	(Rupees in thousand)					
<b>Short term employee benefits</b>						
Managerial remuneration	61,217	66,371	64,341	63,721	2,968,900	2,020,731
Housing allowance	27,547	29,867	22,695	23,765	1,015,405	874,323
Utilities allowance	—	—	—	—	330,581	186,877
Conveyance and site allowance	—	—	—	—	451,599	386,195
Leave fare assistance and bonus	31,034	28,966	32,853	30,784	2,502,011	1,810,712
Others	47,326	21,151	12,239	14,319	236,799	101,025
	167,124	146,355	132,128	132,589	7,505,295	5,379,863
<b>Retirement benefits</b>						
Contribution to provident fund and gratuity	—	—	—	—	231,953	167,778
Accumulating compensated absences	—	—	—	—	9,421	12,617
	167,124	146,355	132,128	132,589	7,746,669	5,560,258
<b>Number of persons</b>	1	1	2	2	748	633

**42.1** Non Executive Directors were paid meeting fee aggregating to Rs 3.25 million (2023: Rs 1.55 million).

**42.2** The Group also provides the Chief Executive, Executive Director and some of the Executives with Group maintained cars.

**42.3** Executives as mentioned above include Directors and Chief Executive of subsidiary companies.

	Note	2024 (Rupees in thousand)	2023
<b>43 Cash generated from operations</b>			
Profit before tax		62,833,630	48,895,833
Adjustments for:			
Depreciation on property, plant and equipment	19.4	11,393,411	10,870,387
Impairment of plant and machinery	19.1.1	941,041	–
Depreciation on investment property	21	906	906
Amortization of intangible assets	20	84,320	79,880
Impairment of brand	20	1,770,000	1,770,000
Finance cost	35	5,082,522	4,902,301
Provision for staff retirement benefits		562,393	486,522
Provision for slow moving stores and spares		508,272	2,713,023
Profit on loans to related parties	37	(810,467)	(1,086,127)
Gain on investments classified as FTVPL		(6,097,158)	(2,141,570)
Loss / (gain) on remeasurement of long term investment	22.8	82,200	(341,400)
Loss allowance on subsidy receivable from GoP		627,648	826,377
Unwinding of payable against subordinated redeemable preference Class A shares		240,887	207,037
Unwinding of provision for GIDC	12.1	70,207	220,083
Dividend income	37	(760,844)	(575,115)
Share of loss from associates	22.1	87,543	1,404
Profit on short term investments and saving accounts	37	(4,315,483)	(1,512,906)
Impairment of advances	36	–	76,874
Late payment surcharge on payables	36	702,531	–
(Gain) / loss on disposal of property, plant and equipment	19.5	(42,875)	3,521
		10,127,054	16,501,197
Operating cash flows before working capital changes		72,960,684	65,397,030
Effect on cash flow due to working capital changes:			
(Increase) / decrease in current assets:			
Stores and spares		(5,822,866)	(589,503)
Stock in trade		(26,408,872)	12,398,132
Trade debts		(8,240,189)	3,439,615
Loans, advances, deposits, prepayments and other receivables		999,574	(663,080)
Net decrease in creditors, accrued and other liabilities		3,679,191	(5,108,394)
		(35,793,162)	9,476,770
		37,167,522	74,873,800

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

## 44 Financial risk management

### 44.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

#### (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. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Euro (EUR) and Great British Pound (GBP). Currently, the Group's foreign exchange risk exposure is restricted to bank balances, the amounts receivable / payable from / to the foreign entities. The Group's exposure to currency risk was as follows:

	2024	2023
	(FCY in thousand)	
Cash at banks and in hand – USD	20	32
Trade and other payables – USD	(1,632)	(1,712)
Net exposure – USD	(1,612)	(1,680)
Cash at banks and in hand – EUR	–	4
Trade and other payables – EUR	(1,011)	(761)
Net exposure – EUR	(1,011)	(757)
Trade and other payables – GBP	–	(269)
Net exposure – GBP	–	(269)

The following significant exchange rates were applied during the year:

	2024	2023
<b>Rupees per USD</b>		
Average rate	280.63	283.53
Reporting date rate	278.85	282.40
<b>Rupees per EUR</b>		
Average rate	301.39	307.95
Reporting date rate	289.66	313.11
<b>Rupees per GBP</b>		
Average rate	354.52	353.89
Reporting date rate	349.27	359.77

If the functional currency, at reporting date, had fluctuated by 5% against the USD, EUR and GBP with all other variables held constant, the impact on profit after taxation for the year would have been Rs 37.12 million (2023: Rs 40.41 million), respectively higher / lower, mainly as a result of exchange losses / gains on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

**(ii) Other price risk**

Other price risk represents 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 instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is also exposed to equity price risk since there are investments in equity securities. The Group is also not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

**Fair value sensitivity analysis – Investments through Profit or Loss**

In case of 5% change in KSE 100 index on December 31, 2024, with all other variables held constant, net profit for the year would increase / decrease by Rs 926.53 million (2023: Rs 183.54 million) as a result of gains / losses on equity securities classified as at fair value through profit or loss.

**(iii) Interest rate risk**

Interest rate risk represents 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 has significant interest bearing assets. The Group's interest rate risk arises from long term financing. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

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	2024 (Rupees in thousand)	2023
<b>Fixed rate instruments</b>		
Term deposit receipt	365,628	6,354,250
Defence saving certificates	–	66,610
Market treasury bills	–	6,024,008
Ijarah Sukuks	–	502,159
Term Finance Certificate	750,000	750,000
Pakistan Investment Bonds	–	4,017,502
<b>Floating rate instruments</b>		
<b>Financial assets</b>		
Cash at bank – saving accounts	5,508,638	3,963,988
Short term loans to related parties	428,031	5,099,723
Government of Pakistan Ijarah Sukuk	38,606,576	–
<b>Financial liabilities</b>		
Long term finances	44,152,653	8,115,028
Short term loans from related parties	–	1,626,307
Short term finance – secured	19,515,298	937,842

## Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect the consolidated statement of profit or loss of the Group.

## Cash flow sensitivity analysis for variable rate instruments

If the markup rate on net finance at reporting date, had fluctuated by 100 basis points with all other variables held constant, the impact on profit after taxation for the year would have been Rs 114.50 million (2023: Rs 9.86 million) respectively higher / lower.

## (b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from deposits with banks and loans, advances, deposits, prepayments and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2024 (Rupees in thousand)	2023
Long term advances and deposits	6,333,169	2,303,656
Short term loan to associated companies	428,031	5,099,723
Advances, deposits and other receivables	3,017,677	3,444,864
Trade debts	18,594,936	10,354,747
Short term investments	365,628	12,947,027
Bank balances	9,382,606	7,328,363
	38,122,047	41,478,380

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2024	2023
	Short term	Long term		(Rupees in thousand)	
Bank balances					
Al Baraka Bank (Pakistan) Limited	A1	A+	VIS	17	87
Allied Bank Limited	A1+	AAA	PACRA	143,987	4,428
Askari Bank Limited	A1+	AA+	PACRA	226,914	20,991
Bank Alfalah Limited	A1+	AAA	PACRA	321,336	224,030
Bank Al Habib Limited	A1+	AAA	PACRA	4,027,321	3,411,136
BankIslami Pakistan Limited	A1	AA–	PACRA	82	100,107
Bank Makramah Limited	On hold		VIS	1,879,351	884,246
Citibank N.A	P–1	Aa3	Moody's	44	44
Dubai Islamic Bank Limited	A1+	AA	VIS	150,765	612
Faysal Bank Limited	A1+	AA	PACRA	555,471	139,330
Habib Bank Limited	A1+	AAA	VIS	414,144	290,841
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	5,843	3,335
Industrial and Commercial Bank of China	P1	A2	Moody's	677	679
JS Bank Limited	A1+	AA	PACRA	174,350	280,892
MCB Bank Limited	A1+	AAA	PACRA	36,016	16,710
Meezan Bank Limited	A1+	AAA	VIS	22,537	530,928
National Bank of Pakistan	A1+	AAA	PACRA	464,854	204,818
Sindh Bank Limited	A1+	AA–	VIS	–	128
Soneri Bank Limited	A1+	AA–	PACRA	18,131	62,648
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	302,603	24,340
The Bank of Punjab	A1+	AA+	PACRA	607,416	1,088,491
Bank of Khyber	A1	A+	PACRA	4,523	2,983
United Bank Limited	A1+	AAA	VIS	76	18,798
Term deposit receipts					
Allied Bank Limited	A1+	AAA	PACRA	–	50,000
Askari Bank Limited	A1+	AA+	PACRA	2,150	502,150
Bank Al Habib Limited	A1+	AAA	PACRA	50,000	50,000
Bank Makramah Limited	On hold		VIS	52,100	52,100
Faysal Bank Limited	A1+	AA	PACRA	–	4,000,000
Meezan Bank Limited	A1+	AAA	VIS	261,378	–
National Bank of Pakistan	A1+	AAA	PACRA	–	1,000,000
Soneri Bank Limited	A1+	AA–	PACRA	–	700,000
Term finance certificate					
Bank Al Habib Limited	A1+	AAA	PACRA	750,000	750,000

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counterparties on their obligations to the Group. Accordingly, the credit risk is minimal.

The Group is not exposed to credit risk on its Government of Pakistan Ijarah Sukuk and Defence saving certificates.

### (c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.



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The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At December 31, 2024 the Group has Rs 41,037.70 million (2023: Rs 33,217.15 million) unutilized borrowing limits from financial institutions and Rs 10,486.02 million (2023: Rs 13,589.77 million) cash and bank balances.

The following are the carrying values of financial liabilities as at December 31, 2024:

	Carrying amount	Less than one year	One to five years	More than five years
(Rupees in thousand)				
Long term finances	44,152,653	1,861,544	42,109,447	181,662
Lease liabilities	681,742	33,126	267,234	381,382
Short term finance - secured	19,515,298	19,515,298	—	—
Subordinated redeemable preference Class A shares	1,714,210	—	1,714,210	—
Trade and other payables	41,050,790	41,050,790	—	—
Short term loans from related parties	—	—	—	—
Unclaimed dividend	70,583	70,583	—	—
Long term deposits	497,663	—	497,663	—
Payable to Privatization Commission of Pakistan	2,197,901	2,197,901	—	—
Accrued finance cost	1,842,511	1,842,511	—	—
	111,723,351	66,571,753	44,588,554	563,044

The following are the carrying values of financial liabilities as at December 31, 2023:

	Carrying amount	Less than one year	One to five years	More than five years
(Rupees in thousand)				
Long term finances	8,115,028	2,249,201	5,247,426	618,401
Lease liabilities	229,567	114,356	115,211	—
Short term finance - secured	937,842	937,842	—	—
Subordinated redeemable preference Class A shares	1,473,323	—	1,473,323	—
Trade and other payables	39,918,714	39,918,714	—	—
Short term loans from related parties	1,626,307	1,626,307	—	—
Unclaimed dividend	55,769	55,769	—	—
Long term deposits	466,658	—	466,658	—
Payable to Privatization Commission of Pakistan	2,197,901	2,197,901	—	—
Accrued finance cost	570,910	570,910	—	—
	55,592,019	47,671,000	7,302,618	618,401

## 44.2 Fair values of financial assets and liabilities

The carrying amounts of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

### Fair value hierarchy

The Group is required to classify financial instruments using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

Investments of the Group carried at fair value are categorised as follows:

	2024			
	(Rupees in thousand)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Investment – FVTPL	30,378,129	–	3,128,059	33,506,188
Total financial assets at fair value	30,378,129	–	3,128,059	33,506,188

	2023			
	(Rupees in thousand)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Investment – FVTPL	6,017,828	–	941,400	6,959,228
Total financial assets at fair value	6,017,828	–	941,400	6,959,228

### 44.3 Financial instruments by categories

	2024			2023		
	Amortized Cost	Fair value Through P & L	Fair value Through OCI	Amortized Cost	Fair value Through P & L	Fair value Through OCI
	(Rupees in thousand)					
<b>Financial assets as per statement of financial position</b>						
Long term investments	39,356,576	1,800,359	–	4,767,502	941,400	–
Long term advances and deposits	6,333,169	–	–	2,303,656	–	–
Short term loan to related parties	428,031	–	–	5,099,723	–	–
Advances, deposits and other receivables	3,017,677	–	–	3,444,864	–	–
Trade debts	18,594,936	–	–	10,354,747	–	–
Short term investments	365,628	30,378,129	–	12,947,027	6,017,828	–
Cash and bank balances	9,390,886	–	–	7,337,620	–	–
	77,486,903	32,178,488	–	46,255,139	6,959,228	–

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	2024	2023
	(Rupees in thousand)	
<b>Financial liabilities as per statement of financial position - at amortised cost</b>		
Long term finance	44,152,653	8,115,028
Short term finance - secured	19,515,298	937,842
Short term loans from related parties	—	1,626,307
Unclaimed dividend	70,583	55,769
Lease liabilities	681,742	229,567
Long term deposits	497,663	466,658
Trade and other payables	41,050,790	39,918,714
Subordinated redeemable preference Class A shares	1,714,210	1,473,323
Payable to Privatization Commission of Pakistan	2,197,901	2,197,901
Accrued finance cost	1,842,511	570,910
	<b>111,723,351</b>	<b>55,592,019</b>

## 44.4 Capital risk management

The Group's objectives when managing capital are to safeguard Group's ability to continue as a going concern in order to provide maximum return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure as required by the lenders. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of debt to equity ratio.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may, for example, issue new ordinary / preference shares, or obtain / repay loans.

	2024	2023
	(Rupees in thousand)	
Total debt	64,349,693	10,908,744
Total equity	144,169,019	119,385,630
Debt to equity ratio	44.63%	9.14%

	2024	2023
	(Rupees in thousand)	
<b>45 Provident fund</b>		
The following information is based on latest un audited financial statements of the fund:		
Size of the fund	5,246,056	4,252,945
Cost of investments made	4,488,216	3,756,861
Fair value of investments	4,646,543	3,959,024
Percentage of investments made	85.55%	88.34%

	2024		2023	
	(Rupees in thousand)	%age	(Rupees in thousand)	%age
<b>45.1 The breakup of fair value of investments is as follows:</b>				
Mutual funds	2,844,371	61%	2,087,254	53%
Scheduled banks	1,802,172	39%	1,871,770	47%
	4,646,543	100%	3,959,024	100%

**45.2** The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

**45.3** An amount of Rs 325.56 million (2023: Rs 278.29 million) has been contributed during the year to the provident fund.

	2024	2023
<b>46 Number of employees</b>		
Average number of employees during the year	5,189	5,001
Number of employees at end of the year	5,344	5,034

	Note	2024 (Rupees in thousand)	2023
<b>47 Shariah compliance disclosure</b>			
<b>Financing as per Islamic mode</b>			
Long term loans	7	42,846,724	4,742,195
Short term loans	14	16,376,841	—
<b>Accrued finance cost as per Islamic mode</b>			
Long term loans	13	1,317,083	105,454
Short term loans	13	491,660	21,042
<b>Investments as per Islamic mode</b>			
Long term investments	22	40,406,935	941,400
Short term investments	29	5,159,522	9,167,579
Bank balances	30	732,804	771,132
<b>Gain / (loss) from shariah compliant investments</b>			
Dividend income earned on Islamic mode of investments	37	206,253	192,186
Unrealized gain / (loss) on remeasurement of investments at FVTPL	37	1,845,228	1,286,115
Realized gain on investments at FVTPL	37	181,038	138,193
Profit on investments and saving accounts	37	1,629,738	191,723
Finance cost accrued on Islamic mode of financing	35	2,972,072	1,203,585
<b>Profit earned or interest accrued on conventional loans</b>			
Finance cost	35	2,110,450	3,698,716
Profit on loans to related parties	37	810,467	1,086,127
Profit on investments and saving accounts	37	2,685,745	1,321,183

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 2024

## Relationship with shariah compliant banks and financial institutions

Name	Relationship
Al Baraka Bank (Pakistan) Limited	Bank balance
Industrial and Commercial Bank of China	Bank balance
Meezan Bank Limited	Bank balance
National Bank of Pakistan	Bank balance and long term finance
United Bank Limited	Bank balance, short term finance and long term finance
Pak Kuwait Investment Company Limited	Long term finance

## 48 Interest in joint arrangements

The Holding Company, Fauji Fertilizer Company Limited (FFC) and Engro Fertilizers Limited (EFERT) entered into a Framework Agreement (the Agreement) for Gas Pressure Enhancement Facilities (PEF) project on November 30, 2022. Under the Agreement, the Holding Company, FFC and EFERT have decided to jointly develop and install pressure enhancement facilities at the Mari Energies Limited (MEL)(formerly Mari Petroleum Company Limited) delivery node to sustain the current level of pressure of gas supply from Habib Rahi Limestone (HRL) reservoir of MEL.

All decisions with respect to development and operations of PEF would be made only with unanimous consent of the Holding Company, FFC and EFERT. Accordingly, PEF arrangement would be classified as a 'Joint Arrangement' in accordance with IFRS – 11. 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 Holding Company, FFC and EFERT, hence, the joint arrangement for establishment and operations of PEF has been classified as a 'Joint Operations' in these consolidated financial statements. Current cost sharing percentages in PEF of the Holding Company, FFC and EFERT are 18.4%, 47.7% and 33.9%, respectively.

The Group has recognised its share of jointly held assets of the joint operation under the appropriate heads and disclosed the same in related note to the consolidated financial statements.

## 49 Non adjusting events after reporting date

The Board of Directors of the Holding Company in its meeting held on March 13, 2025 proposed a final dividend of Rs 4.25 (2023: Rs 2.75) per share for the year ended December 31, 2024, aggregating to Rs 8,925 million (2023: Rs 5,775 million) for approval of the members at the Annual General Meeting to be held on April 18, 2025.

## 50 Date of authorization of issue

These consolidated financial statements have been authorised for issue on March 13, 2025 by the Board of Directors of the Holding Company.

## 51 General

Figures have been rounded off to the nearest thousand of rupees unless stated otherwise.



Chief Executive Officer



Director



Chief Financial Officer

# STATEMENTS UNDER SECTION

134(3) of the Companies Act, 2017

## Item 5 of the Agenda:

### Annexure – A

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
(a)	<b>Disclosure for all types of Investments</b>	
(A)	<b>Disclosure regarding associated company</b>	
(i)	Name of associated company or associated undertaking	Reliance Commodities (Pvt) Limited (RCL)
(i)	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 85.86 for the year 2022 PKR 7.01 for the year 2023 PKR 176.73 for the year 2024
(iv)	Break-up value per share, based on latest audited financial statements	PKR 460.34
(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 June 30, 2024  <b>PKR in Million</b> Authorized Capital 350 Paid-up capital and reserves 4,527 Surplus on revaluation of property, plant and equipment 573 Non-Current Liabilities 881 Current Liabilities 7,545 Current Assets 12,173 Non-Current Assets 1,353 Revenue 5,220 Gross Profit 1,551 Finance Cost 1,203 Profit After Tax 1,414



# STATEMENTS UNDER SECTION

134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(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)</b>	<b>General Disclosures</b>	
(i)	Maximum amount of investment to be made	Loan Investment in the nature of running finance facility 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:  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.  2. Markup will be charged on the entire loan at the rate of 6M KIBOR+1.25% but not less than the borrowing cost of Fatima. Markup is payable on a six monthly basis.

# STATEMENTS UNDER SECTION

## 134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(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. <b>Directors</b> 1) Mr. Fawad Ahmed Mukhtar 2) Mr. Fazal Ahmed Sheikh 3) Mr. Faisal Ahmed Mukhtar
(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 + 1.25% 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 in the nature of running finance facility 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 16.44%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	6M KIBOR+1.25% 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.

# STATEMENTS UNDER SECTION

134(3) of the Companies Act, 2017

## Item 6 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, as 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 for placement of the same 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 Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 and 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 7 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, 2025, 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/mid-products/raw material/assets, and purchase of packaging material with the following related parties but are not limited to:

### Company Name and Nature of Relationship

1. Fatimafert Limited – Wholly owned subsidiary
2. Fatima Cement Limited – Wholly owned subsidiary
3. Fatima Packaging Limited – Wholly owned subsidiary
4. Pakarab Fertilizers Limited – Wholly owned subsidiary

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 Fatimafert Limited and Fatima Cement Limited, however, the directors have no direct or indirect interest except to the extent of their shareholding/directorship in Fatimafert Limited and Fatima Cement Limited:

### 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

# STATEMENTS UNDER SECTION

## 134(3) of the Companies Act, 2017

Mr. Muhammad Kashif Habib, director of the Company and Mr. Asad Murad, COO of the Company, are also the directors in Fatima Packaging Limited, however, they have no direct or indirect interest except to the extent of their shareholding/directorship in Fatima Packaging Limited.

Further, the following directors/shareholders of Fatima are also the directors/shareholders in Pakarab Fertilizers Limited, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship as aforesaid.

### 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
- 6) Mr. Abdus Samad Habib
- 7) Mr. Rehman Naseem

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

## Item 8 of the Agenda:

### Annexure – B

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 Mr. Arif Habib, Director/Chairman of the Company is also the Director/Chairman of Arif Habib Dolmen REIT Management Limited (which is the RMC of proposed REIT Schemes), however, he has no interest except to the extent of shareholding/directorship in the investee companies:

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

Investment in Securities – Existing and / or proposed REIT Schemes

Sr. No.	Description	Information Required
(a)	<b>Disclosure for all types of Investments</b>	
(A)	<b>Disclosure regarding associated company</b>	
(i)	Name of associated company or associated undertaking	Existing and / or proposed REIT Schemes under the management of Arif Habib Dolmen REIT Management Limited ("AHDRML").  This approval is being sought for the sake of good corporate governance to enable the Company to be in ready position to capitalize on investment opportunities as and when available.
(ii)	Basis of relationship	REIT Schemes managed / to be managed by Arif Habib Dolmen REIT Management Limited (AHDRML) (an associated company).
(iii)	Earnings per share for the last three years	As this approval is being sought for various existing / proposed funds under management of AHDRML, EPS of such entities is not available at the time of this statement.

# STATEMENTS UNDER SECTION

## 134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(iv)	Break-up value per share, based on latest audited financial statements	As this approval is being sought for various existing / proposed funds under management of AHDRML, Break-up value of such entities is not available at the time of this statement.
(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 this approval is being sought for various existing / proposed funds under management of AHDRML, financial position of such entities is not available at the time of this statement.
(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>	<p>Various existing / proposed funds under management of AHDRML are launched or are in pipeline under different stages of launching. These include Dolmen City REIT, Globe Residency REIT, Silk World Islamic REIT, Naya Nazimabad Apartments REIT, Rahat Residency REIT, DHA Dolmen Lahore REIT, Signature Residency REIT, Meezan Center REIT, Gymkhana Apartment REIT and Park View Apartment REIT.</p> <p>This approval is being sought for other proposed REITS as specified above and any other REITS that may be launched under the management of AHDRML, for which required information is not presently available.</p>
<b>(B)</b>	<b>General Disclosures</b>	
(i)	Maximum amount of investment to be made	Renewal of unutilized limit of PKR 2.250 billion is requested for approval.
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment. Approval of limit shall remain valid for a period upto next annual general meeting and shall be renewable thereon for further period(s).
(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>	<p>The investment may be made from Company's own available liquidity and/or credit lines.</p> <p>(I) Higher rate of return</p> <p>(II) Pledge of listed securities and / or charge over assets of the Company, if and where needed.</p> <p>(III) Company expects to time the investment to earn return over and above the borrowing cost.</p>
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	There is no agreement to date for proposed REIT Schemes.
(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	Directors of the Company have no interest in the investee entity except in their capacity as sponsor / director / shareholder of the RMC or possibility of being a unitholder of the REIT Scheme.

# STATEMENTS UNDER SECTION

## 134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(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 par / premium / offered / negotiated price prevailing on the date of transaction / investment.
(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	No. of securities purchasable under approved limit in accordance with / bases on Sr. Nos. (B) i & (b) i
(iv)	Number of securities and percentage thereof held before and after the proposed investment	N/A
(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	N/A

## Item 9 of the Agenda:

### Annexure – C

Investment in Securities - Pakistan Corporate CBD REIT (CBD)

Sr. No.	Description	Information Required
(a)	<b>Disclosure for all types of Investments</b>	
(A)	<b>Disclosure regarding associated company</b>	
(i)	Name of associated company or associated undertaking	Pakistan Corporate CBD REIT (PCCR)
(ii)	Basis of relationship	PCCR is a REIT Scheme managed by Arif Habib Dolmen REIT Management Limited (AHDRML) (an associated company)
(iii)	Earnings per share for the last three years	Year ended 30 <sup>th</sup> June 2022 was the first accounting period of PCCR. However, the units of the scheme have not been issued yet.
(iv)	Break-up value per share, based on latest audited financial statements	Please refer point # iii



# STATEMENTS UNDER SECTION

134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	The financial position based on Financials for the year ended 30 June 2024 (in PKR) is as follows: Total Assets : 7.19 billion Total Liabilities 0.03 billion Total unitholder's fund 7.16 billion Total revenue: 0.09 billion Admin and operating expenses: 0.07 billion Loss for the period 0.01 billion Bank balance 0.16 billion
(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) PCCR has been established for investing in / acquiring commercial immovable property measuring 28.44 Kanals located in the Central Business District of Lahore. The purpose is to develop the Real Estate into a mixed-use development, for generating income for the Unit Holders, through sale of saleable area, including commercial retail units, offices, and residential apartments to the Customers and disposal of all other REIT Assets. (II)&(III) The Trust Deed of PCCR was registered on 29th October 2021 and approval by SECP was granted on 22nd December 2021. Total completion time for the whole project is estimated / targeted at 7 years; (IV) PCCR is expected to start paying returns on investment in approximately 4 years from the date of registration ; and (V) In addition to Fatima, another associated company Arif Habib Corporation Limited has invested in the units of PCCR.
(B)	<b>General Disclosures</b>	
(i)	Maximum amount of investment to be made	PCCR has an indicative Fund size of approximately PKR 30 billion. The fund will be privately placed and utilized to partially settle land acquisition payments to the relevant Authority, transfer taxes payments and reimbursement of REIT formation expenses and remaining will be utilized for work mobilization and construction of the REIT Project. Fatima has pledged to invest PKR 7.5 billion of the Fund size over a period of 3 to 5 years.
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	For the benefit of the Company and to earn better returns in the long run on strategic investment. Approval of limit shall remain valid for a period upto 5 years and shall be renewable subsequently.

# STATEMENTS UNDER SECTION

## 134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(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	The investment is made / to be made from Company's own available liquidity and/or credit lines.  (I) Higher rate of return (II) Pledge of listed securities and / or charge over assets of the Company, if and where needed. (III) Company expects to time the investment to earn return over and above the borrowing cost.
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Consortium Agreement was signed on 1 <sup>st</sup> November 2021 with the REIT Scheme along with other investors. Salient features are as follows:  <ul style="list-style-type: none"> <li>Each investor is required to pay its PRO RATA contribution as and when demanded by the RMC.</li> <li>Fatima participating interest is 25% of the fund size of PKR 30 billion.</li> <li>AHDRML has been appointed as an authorised party to manage the affairs of PCCR and perform as a REIT Management Company under REIT Regulations.</li> </ul>
(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	Directors of the Company have no interest in the investee entity except in their capacity as sponsor / director / shareholder of the RMC or possibility of being a unitholder of the REIT Scheme.
(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	The Company has already made an equity investment amounting to PKR 2,116 million. Please refer Point (A) iii to vi above.
(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 par / premium / offered / negotiated price prevailing on the date of transaction / investment.
(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	No. of securities purchasable under approved limit in accordance with / bases on Sr. Nos. (B) i & (b) i
(iv)	Number of securities and percentage thereof held before and after the proposed investment	Nil
(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	N/A

# STATEMENTS UNDER SECTION

134(3) of the Companies Act, 2017

## Item 10 of the Agenda:

### Annexure – D

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/shareholders of the Company are also the directors/shareholders 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. Muhammad Arif Habib
- 2) 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
(a)	<b>Disclosure for all types of Investments</b>	
(A)	<b>Disclosure regarding associated company</b>	
(i)	Name of associated company or associated undertaking	Power Cement Limited
(i)	Basis of relationship	Due to common directorship by the following: 1) Mr. Muhammad Arif Habib 2) Mr. Muhammad Kashif Habib
(iii)	Earnings per share for the last three years	PKR (0.62) for the year 2022 PKR (0.19) for the year 2023 PKR (2.88) for the year 2024
(iv)	Break-up value per share, based on latest audited financial statements	PKR 5.56
(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 June 30, 2024  <b>PKR in Million</b> Authorized Capital 13,900 Paid-up capital and reserves 11,119 Surplus on revaluation of property, plant and equipment Non-Current Liabilities 15,469 Current Liabilities 15,469 Current Assets 10,197 Non-Current Assets 37,580 Revenue 31,077 Gross Profit 6,790 Finance Cost 4,975 Profit/(Loss) After Tax (2,703)

# STATEMENTS UNDER SECTION

## 134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(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)</b>	<b>General Disclosures</b>	
(i)	Maximum amount of investment to be made	The Company has made an equity investment of PKR 530,935,497 by acquiring 50,376,926 ordinary shares at net purchase price of PKR 10.54/- per share, and intends to make further investment of upto PKR 200 million, through shares acquired from the open market under the Company's board authorization for market securities investments.
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>To diversify the Company's investment portfolio and capitalize on growth opportunities in the cement sector, aligning with the Company's strategic objectives.</p> <p>Approval shall remain valid for a period up to next general meeting and shall be renewable thereon for further period(s) if needed.</p>
(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>	Investments were made/ will be made through the Company's internal cash reserves allocated for market securities investments.
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Shares were acquired/will be acquired through standard brokerage arrangements in the open market.

# STATEMENTS UNDER SECTION

## 134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(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/shareholders of the Company are also the directors/shareholders in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:  <b>Directors</b> 1) Mr. Muhammad Arif Habib 2) 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	Performance of Power Cement Limited can be referred to in point (A) iii to v above. There is no impairment or write-offs.
(vii)	Any other important details necessary for the members to understand the transaction	The investments were made under the board's authorization for market securities investments. Shareholder ratification/approval is now being sought for the sake of good corporate governance and to comply with Section 199 of the Companies Act, 2017, and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.
(b)	<b>Additional Disclosures regarding Equity Investment</b>	
(i)	Maximum price at which securities will be acquired	Investment in 50,376,926 (4.23%) ordinary shares were made at net purchase price of PKR 10.54/- per share. Additional Investment of upto PKR 200 million, if made, will be at market price prevailing on the date of transaction / investment.
(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	Refer point # i
(iv)	Number of securities and percentage thereof held before and after the proposed investment	Before: 50,376,926 (4.23%) ordinary shares After: In accordance with increase/change in securities.
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	As at March 13, 2025: Current price per share: PKR 11.88 (ordinary shares) Weighted average market price per share of preceding twelve weeks: PKR 10.07 (ordinary shares).
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	N/A

# STATEMENTS UNDER SECTION

134(3) of the Companies Act, 2017

## Item 11 of the Agenda:

### Annexure – E

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/shareholders of the Company are also the directors/shareholders 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. Muhammad Arif Habib
- 2) 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																						
(c)	Disclosure for all types of Investments																							
(C)	Disclosure regarding associated company																							
(i)	Name of associated company or associated undertaking	Aisha Steel Mills Limited																						
(ii)	Basis of relationship	Due to common directorship by the following: 1) Mr. Muhammad Arif Habib 2) Mr. Muhammad Kashif Habib																						
(iii)	Earnings per share for the last three years	PKR 1.27 for the year 2022 PKR (3.56) for the year 2023 PKR (0.26) for the year 2024																						
(iv)	Break-up value per share, based on latest audited financial statements	PKR 16.89																						
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<div>As per the audited Financial Statements for the year ended June 30, 2024</div> <div><div>PKR in Million</div><table><tr><td>Authorized Capital</td><td>11,000</td></tr><tr><td>Paid-up capital and reserves</td><td>9,300</td></tr><tr><td>Surplus on revaluation of property, plant and equipment</td><td>2,229</td></tr><tr><td>Non-Current Liabilities</td><td>941</td></tr><tr><td>Current Liabilities</td><td>23,949</td></tr><tr><td>Current Assets</td><td>18,210</td></tr><tr><td>Non-Current Assets</td><td>22,387</td></tr><tr><td>Revenue</td><td>42,750</td></tr><tr><td>Gross Profit</td><td>3,831</td></tr><tr><td>Finance Cost</td><td>3,861</td></tr><tr><td>Profit/(Loss) After Tax</td><td>(132)</td></tr></table></div>	Authorized Capital	11,000	Paid-up capital and reserves	9,300	Surplus on revaluation of property, plant and equipment	2,229	Non-Current Liabilities	941	Current Liabilities	23,949	Current Assets	18,210	Non-Current Assets	22,387	Revenue	42,750	Gross Profit	3,831	Finance Cost	3,861	Profit/(Loss) After Tax	(132)
Authorized Capital	11,000																							
Paid-up capital and reserves	9,300																							
Surplus on revaluation of property, plant and equipment	2,229																							
Non-Current Liabilities	941																							
Current Liabilities	23,949																							
Current Assets	18,210																							
Non-Current Assets	22,387																							
Revenue	42,750																							
Gross Profit	3,831																							
Finance Cost	3,861																							
Profit/(Loss) After Tax	(132)																							



# STATEMENTS UNDER SECTION

134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(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
(D)	<b>General Disclosures</b>	
(i)	Maximum amount of investment to be made	The Company has made an equity investment of PKR 68,220,293 by acquiring 3,225,000 ordinary shares at net purchase price of PKR 21.15/- per share, and intends to make further investment of up to PKR 50 million, through shares acquired from the open market under the Company's board authorization for market securities investments.
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To diversify the Company's investment portfolio and capitalize on growth opportunities in the steel sector, aligning with the Company's strategic objectives. Approval shall remain valid for a period up to next general meeting and shall be renewable thereon for further period(s) if needed.
(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>	Investments were made/ will be made through the Company's internal cash reserves allocated for market securities investments.
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Shares were acquired/will be acquired through standard brokerage arrangements in the open market.

# STATEMENTS UNDER SECTION

## 134(3) of the Companies Act, 2017

Sr. No.	Description	Information Required
(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/shareholders of the Company are also the directors/shareholders in the investee company, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:  <b>Directors</b> 1) Mr. Muhammad Arif Habib 2) 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	Performance of Aisha Steel Mills Limited can be referred to in point (A) iii to v above. There is no impairment or write-offs.
(vii)	Any other important details necessary for the members to understand the transaction	The investments were made under the board's authorization for market securities investments. Shareholder ratification/approval is now being sought for the sake of good corporate governance and to comply with Section 199 of the Companies Act, 2017, and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.
(d)	<b>Additional Disclosures regarding Equity Investment</b>	
(i)	Maximum price at which securities will be acquired	Investment in 3,225,000 (0.35%) ordinary shares were made at net purchase price of PKR 21.15/- per share. Additional Investment up to PKR 50 million, if made, will be at market price prevailing on the date of transaction / investment.
(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	Refer point # i
(iv)	Number of securities and percentage thereof held before and after the proposed investment	Before: 3,225,000 (0.35%) ordinary shares After: In accordance with increase/change in securities.
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	As at March 13, 2025: Current price per share: PKR 9.85 (ordinary shares) Weighted average market price per share of preceding twelve weeks: PKR 11.49 (ordinary shares).
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	N/A

# STATEMENTS UNDER SECTION

## 134(3) of the Companies Act, 2017

**Statement under Section 134(3) of the Companies Act, 2017, in compliance with Regulation 4(2) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, for decision to make investment under the authority of a resolution passed pursuant to provisions of section 199 of the Companies Act, 2017 is not fully implemented:**

The Company in its annual general meeting held on April 29, 2024 had sought approval under section 199 of the Companies Act, 2017 for investments in the following Associated Companies and Associated Undertakings in which investment has not been fully made so far. Approval of renewal of unutilized portion of equity investments is also being sought for the associated undertakings as mentioned above. The directors of the Company have no interest except in their capacity as director/shareholder:

**Name of associated company / undertaking: REIT Schemes under management of Arif Habib Dolmen REIT Management Limited (AHRML)**

Sr. No.	Description	Information Required
		Equity investment in existing and / or proposed REIT Schemes under management of Arif Habib Dolmen REIT Management Limited.
(a)	Total Investment approved	PKR 2,250 million
(b)	Amount of Investment made to date	Nil
(c)	Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	Waiting for an appropriate time in the interest of the shareholders for complete utilization. The limit of investment was approved by the shareholders on April 29, 2024 for a period upto next annual general meeting. Accordingly, renewal of unutilized investment limit out of already approved limit is now being sought.
(d)	Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company	Nil. Details relating to REIT Schemes are disclosed in Annexure B above.

# PATTERN OF SHAREHOLDING

as at December 31, 2024

Categories of Shareholders	Shareholders	Shares Held	Percentage
<b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>			
Mr. Fawad Ahmed Mukhtar	3	80,900,389	3.85
Mr. Fazal Ahmed Sheikh	4	101,016,205	4.81
Mr. Faisal Ahmed Mukhtar	4	131,932,979	6.28
Mr. Muhammad Arif Habib	3	258,944,773	12.33
Mrs. Ambreen Fawad	2	15,473,526	0.74
Mrs. Farah Faisal	2	56,250	0.00
Mrs. Fatima Fazal	2	1,884,311	0.09
Mrs. Julie Jannerup	1	1	0.00
Mr. Mohammad Kashif	1	62,293,675	2.97
Mr. Tariq Jamali	1	1	0.00
<b>Associated Companies, undertakings and related parties</b>	12	917,320,829	43.68
<b>Sponsors</b>	47	252,131,637	12.01
<b>Executives</b>	25	392,500	0.02
<b>NIT and ICP</b>	2	596	0.00
<b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b>	15	22,432,663	1.07
<b>Insurance Companies</b>	9	14,143,492	0.67
<b>Modarabas and Mutual Funds</b>	48	51,772,738	2.47
<b>General Public</b>			
a. Local	10,938	94,137,704	4.48
b. Foreign	366	1,399,579	0.07
<b>Foreign Companies</b>	4	1,114,430	0.05
<b>Others</b>	163	92,651,722	4.41
<b>Totals</b>	<b>11,652</b>	<b>2,100,000,000</b>	<b>100.00</b>

Share holders holding 10% or more	Shares Held	Percentage
Mr. Arif Habib	258,944,773	12.33
Arif Habib Corporation Limited	319,000,206	15.19

# PATTERN OF SHAREHOLDING

as at December 31, 2024

No. of Shareholders	From	Having Shares	To	Shares Held
3369	1	to	100	122,978
4117	101	to	500	1,570,752
1234	501	to	1000	1,072,318
1613	1001	to	5000	4,180,693
445	5001	to	10000	3,507,393
178	10001	to	15000	2,218,868
114	15001	to	20000	2,099,369
74	20001	to	25000	1,723,691
44	25001	to	30000	1,246,372
35	30001	to	35000	1,171,735
24	35001	to	40000	912,199
20	40001	to	45000	849,656
43	45001	to	50000	2,125,431
18	50001	to	55000	947,072
17	55001	to	60000	991,816
10	60001	to	65000	634,203
9	65001	to	70000	612,835
14	70001	to	75000	1,028,739
6	75001	to	80000	465,798
3	80001	to	85000	250,000
5	85001	to	90000	444,100
4	90001	to	95000	374,900
12	95001	to	100000	1,199,500
8	100001	to	105000	821,316
9	105001	to	110000	969,608
4	110001	to	115000	451,580
6	115001	to	120000	717,000
6	120001	to	125000	740,500
1	125001	to	130000	130,000
4	130001	to	135000	533,394
1	135001	to	140000	138,155
2	140001	to	145000	284,008
11	145001	to	150000	1,636,600
2	150001	to	155000	303,049
6	155001	to	160000	948,601
1	160001	to	165000	161,500
1	165001	to	170000	168,000
1	170001	to	175000	171,225
2	175001	to	180000	356,299
1	185001	to	190000	185,566
6	195001	to	200000	1,189,931
2	200001	to	205000	410,000
1	205001	to	210000	210,000
1	210001	to	215000	210,419
3	220001	to	225000	672,778
1	225001	to	230000	229,000

No. of Shareholders	From	Having Shares	To	Shares Held
1	230001	to	235000	232,000
2	235001	to	240000	471,806
1	240001	to	245000	240,784
4	245001	to	250000	1,000,000
1	255001	to	260000	256,651
1	265001	to	270000	270,000
1	270001	to	275000	275,000
2	275001	to	280000	556,360
1	280001	to	285000	281,000
1	285001	to	290000	289,906
2	295001	to	300000	600,000
1	300001	to	305000	305,000
1	310001	to	315000	311,727
1	315001	to	320000	319,800
1	320001	to	325000	321,500
2	330001	to	335000	664,500
1	335001	to	340000	335,581
1	345001	to	350000	347,000
1	365001	to	370000	369,982
2	375001	to	380000	754,245
1	390001	to	395000	391,500
1	395001	to	400000	400,000
2	400001	to	405000	807,000
2	415001	to	420000	836,490
1	420001	to	425000	421,578
1	425001	to	430000	428,865
1	430001	to	435000	430,045
1	445001	to	450000	450,000
1	450001	to	455000	450,357
2	475001	to	480000	958,000
1	480001	to	485000	484,781
1	485001	to	490000	486,000
4	495001	to	500000	2,000,000
1	500001	to	505000	505,000
1	505001	to	510000	505,134
2	585001	to	590000	1,176,361
1	590001	to	595000	593,937
1	595001	to	600000	600,000
1	605001	to	610000	609,292
1	670001	to	675000	675,000
1	720001	to	725000	725,000
1	725001	to	730000	725,716
1	740001	to	745000	740,500
2	750001	to	755000	1,506,046
1	755001	to	760000	758,797
1	770001	to	775000	770,804



# PATTERN OF SHAREHOLDING

as at December 31, 2024

No. of Shareholders	From	Having Shares	To	Shares Held
2	780001	to	785000	1,567,950
1	805001	to	810000	809,225
1	820001	to	825000	824,980
1	845001	to	850000	846,266
1	930001	to	935000	931,009
1	950001	to	955000	955,000
1	965001	to	970000	965,541
1	975001	to	980000	979,900
2	995001	to	1000000	2,000,000
2	1095001	to	1100000	2,195,270
1	1135001	to	1140000	1,140,000
1	1245001	to	1250000	1,250,000
1	1320001	to	1325000	1,325,000
2	1345001	to	1350000	2,699,050
1	1375001	to	1380000	1,380,000
1	1445001	to	1450000	1,450,000
1	1495001	to	1500000	1,500,000
2	1540001	to	1545000	3,081,895
1	1695001	to	1700000	1,698,357
1	1860001	to	1865000	1,863,218
1	1895001	to	1900000	1,900,000
1	1995001	to	2000000	2,000,000
2	2015001	to	2020000	4,030,430
1	2025001	to	2030000	2,026,535
1	2045001	to	2050000	2,045,728
1	2175001	to	2180000	2,175,245
1	2270001	to	2275000	2,272,277
1	2400001	to	2405000	2,403,669
1	2425001	to	2430000	2,428,828
1	2605001	to	2610000	2,610,000
1	2625001	to	2630000	2,625,166
1	2795001	to	2800000	2,800,000
1	2920001	to	2925000	2,925,000
1	2980001	to	2985000	2,981,177
1	3025001	to	3030000	3,028,954
1	3135001	to	3140000	3,135,630
1	3315001	to	3320000	3,319,789
1	3645001	to	3650000	3,648,818
1	3775001	to	3780000	3,776,700
1	3860001	to	3865000	3,863,500
1	3920001	to	3925000	3,924,459
1	4100001	to	4105000	4,104,744
1	4995001	to	5000000	5,000,000
1	5115001	to	5120000	5,116,285
3	5155001	to	5160000	15,474,978
1	5195001	to	5200000	5,200,000

No. of Shareholders	From	Having Shares	To	Shares Held
2	5355001	to	5360000	10,718,543
1	5370001	to	5375000	5,373,907
3	5375001	to	5380000	16,125,084
1	5545001	to	5550000	5,550,000
1	5575001	to	5580000	5,577,724
1	5655001	to	5660000	5,658,075
1	7320001	to	7325000	7,321,372
1	7425001	to	7430000	7,429,576
1	7550001	to	7555000	7,553,720
2	7735001	to	7740000	15,474,978
1	7995001	to	8000000	8,000,000
1	8035001	to	8040000	8,038,869
1	8865001	to	8870000	8,866,946
2	10015001	to	10020000	20,039,578
1	10065001	to	10070000	10,066,585
1	10645001	to	10650000	10,647,893
1	11925001	to	11930000	11,927,500
1	12030001	to	12035000	12,033,014
1	12490001	to	12495000	12,492,349
1	14195001	to	14200000	14,200,000
2	16625001	to	16630000	33,254,639
1	17910001	to	17915000	17,913,706
2	18785001	to	18790000	37,579,583
1	25845001	to	25850000	25,845,280
1	39255001	to	39260000	39,258,014
1	39510001	to	39515000	39,512,487
1	41160001	to	41165000	41,163,375
1	46610001	to	46615000	46,610,769
1	53875001	to	53880000	53,878,336
1	62290001	to	62295000	62,293,675
1	64520001	to	64525000	64,521,043
1	69110001	to	69115000	69,114,031
2	84890001	to	84895000	169,784,446
1	85035001	to	85040000	85,038,038
1	85105001	to	85110000	85,108,926
1	91900001	to	91905000	91,900,380
1	111660001	to	111665000	111,662,000
1	147280001	to	147285000	147,282,772
1	163870001	to	163875000	163,874,016
1	319000001	to	319005000	319,000,206
11,652				2,100,000,000



# FORM OF PROXY

## 22<sup>nd</sup> Annual General Meeting

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member(s) of Fatima Fertilizer Company Limited hold \_\_\_\_\_  
Ordinary Shares hereby appoint Mr. / Mrs. / Miss \_\_\_\_\_  
of \_\_\_\_\_ or falling him / her \_\_\_\_\_  
of \_\_\_\_\_ as my / our proxy in my / our absence to attend and vote for me / us and  
on my / our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company to be held on April 18, 2025 and / or any  
adjournment thereof.

As witness my/our hand/seal this \_\_\_\_\_ 2025.

Signed by \_\_\_\_\_

in the presence of \_\_\_\_\_

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

Signature on  
Fifty Rupees  
Revenue Stamp

The Signature should  
agree with the  
specimen registered  
with the Company

### IMPORTANT:

1. This Proxy Form, duly completed and signed, must be received at the office of our Shares Registrar not later than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

3. For CDC Account Holders / Corporate Entities

In addition to the above the following requirements have to be met.

- (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- (ii) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- (iii) 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 alongwith proxy form to the Company).

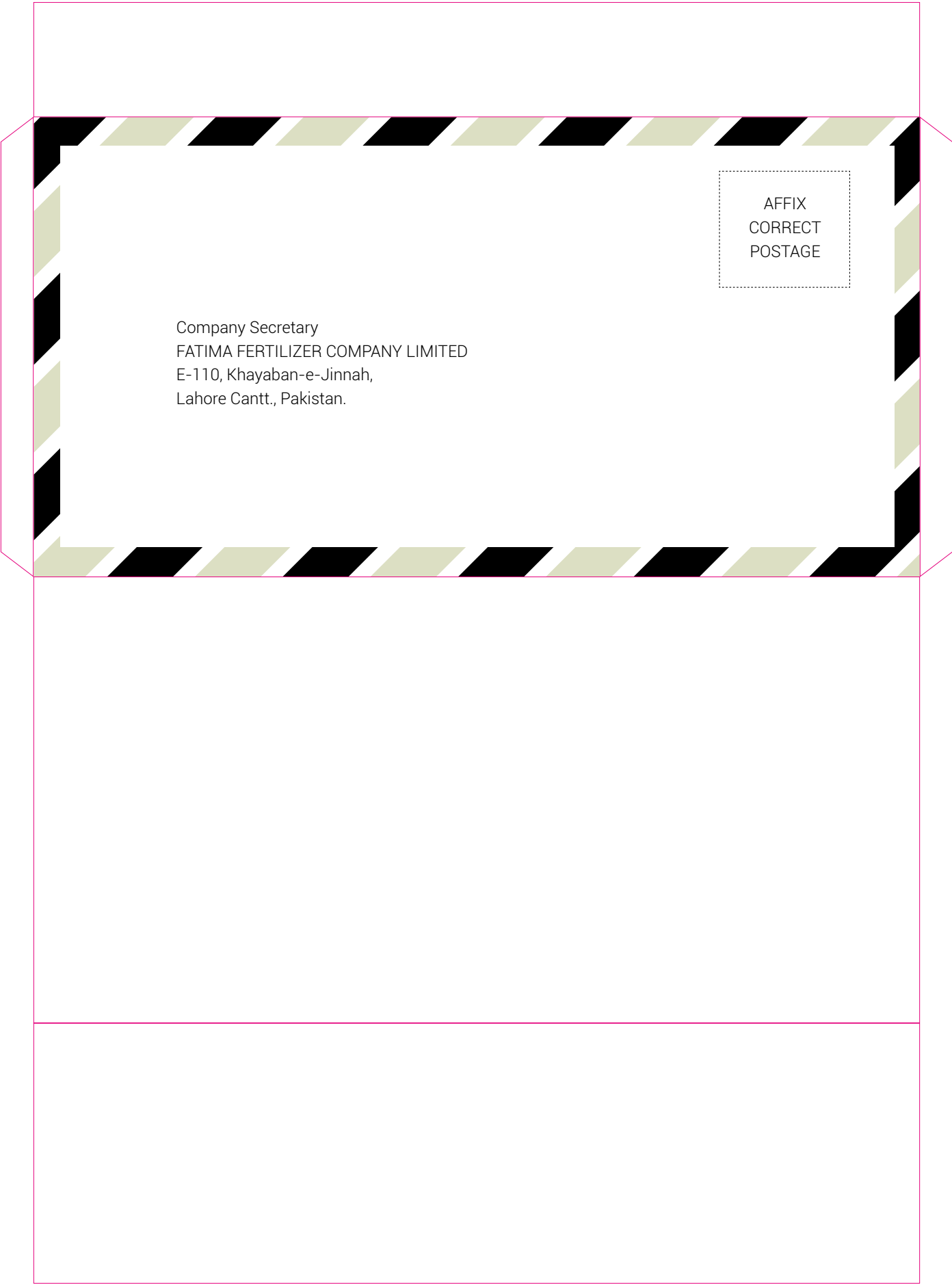


بطور گواہ آج \_\_\_\_\_ بتاریخ \_\_\_\_\_ اپریل 2025 \_\_\_\_\_ کی موجودگی میں دستخط ہوئے۔

سی ڈی سی اکاؤنٹ نمبر	فولیو نمبر
<div> <div>شہادت دار کی شناخت</div> <div>اکاؤنٹ نمبر</div> </div>	

(iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔





If undelivered, please return to:  
The Company Secretary  
Fatima Fertilizer Company Limited  
E-110, Khayaban-e-Jinnah, Lahore Cantt., Pakistan.  
UAN:111FATIMA (111-328-462) Fax: 042-36621389  
www.fatima-group.com

**MANDATORY REQUIREMENT OF BANK ACCOUNT DETAILS FOR ELECTRONIC CREDIT OF CASH  
DIVIDEND PAYMENT AS PER THE COMPANIES ACT, 2017**

Dear Shareholder,

This is to inform you that in accordance with the Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Please note that giving bank mandate for dividend payments is **mandatory** and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information **to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in Book Entry Form) OR 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 (in case your shareholding is in Physical Form)**:

<b><u>Details of Shareholder</u></b>	
Name of shareholder	
Folio / CDS Account No.	
CNIC No. (Copy attached)	
Cell number of shareholder	
Landline number of shareholder, if any	
Email	
<b><u>Details of Bank Account</u></b>	
Title of Bank Account	
International Bank Account Number (IBAN) <b>“Mandatory”</b>	<b>PK _____ (24 digits)</b> (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's name	
Branch name and address	
It is stated that the above mentioned information is correct and in case of any change therein, I /we will immediately intimate Participant / Share Registrar accordingly.	
_____ <b>Signature of shareholder</b>	

موصول نہ ہونے کی صورت میں، براہ کرم یہاں واپس بھیج دیں:

کمپنی سیکرٹری

فاطمہ فریڈلائزر کمپنی لمیٹڈ

E-110، خیابان جناح لاہور کینٹ، پاکستان

یو اے این: 111FATIMA (111-328-462)، فیکس: 042-36621389

www.fatima-group.com

## کمپنیز ایکٹ 2017 کے مطابق کمپنی منافع (ڈیویڈنڈ) کی نقد ادائیگی کے واسطے الیکٹرانک کریڈٹ کے بینک اکاؤنٹ تفصیلات کی لازمی شرائط

معزز شیئر ہولڈر،

آپ کو مطلع کیا جاتا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 242 کے مطابق، نقد کی صورت میں ادا کیے جانے والے کسی بھی کمپنی منافع کو (ڈیویڈنڈ) صرف الیکٹرانک ذریعہ سے حقدار شیئر ہولڈر کی طرف سے نامزد کردہ بینک اکاؤنٹ میں براہ راست ادا کیا جائیگا۔ براہ مہربانی نوٹ فرمائیں کہ کمپنی منافع (ڈیویڈنڈ) ادائیگیوں کے لئے بینک مینڈیٹ کا دیا جانا لازمی ہے اور اس انضباطی شرط کے مطابق عمل درآمد کے لئے نیز کمپنی منافع (ڈیویڈنڈ) کی رقم کی اپنے بینک میں براہ راست منتقلی کی سہولت سے بہرہ مند ہونے کے لئے، آپ سے درخواست کی جاتی ہے کہ براہ مہربانی اپنے متعلقہ سی ڈی سی حصہ دار / سی ڈی سی سرمایہ کار اکاؤنٹ سرومز (آپ کے شیئر ہولڈنگ کے بک انٹری فارم میں ہونے کی صورت میں) یا ہمارے شیئر رجسٹرار سی ڈی سی شیئر رجسٹرار سرومز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل کراچی-74400 (آپ کا شیئر ہولڈنگ فریکل فارم میں ہونے کی صورت میں) کو درج ذیل معلومات فراہم کریں:

شیئر ہولڈر کی تفصیلات	
شیئر ہولڈر کا نام	
فولیو / سی ڈی ایس اکاؤنٹ نمبر	
کمپیوٹرائزڈ شناختی کارڈ نمبر (لف شدہ کاپی)	
شیئر ہولڈر کا سیل فون نمبر	
شیئر ہولڈر کا لینڈ لائن نمبر، اگر کوئی ہو تو	
ای میل	
بینک اکاؤنٹ کی تفصیلات	
بینک اکاؤنٹ کا عنوان	
بین الاقوامی بینک اکاؤنٹ نمبر (آئی بین)	<p>(24 حروف) PK</p> <p>(براہ مہربانی اپنے متعلقہ بینک برانچ سے مشورہ کر کے اپنا درست آئی بین نمبر فراہم کریں کیونکہ آئی بین نمبر میں کسی بھی غلطی یا بھول چوک کے باعث آپ کے نقد کمپنی منافع (ڈیویڈنڈ) ادائیگی میں نقصان یا دیر ہو جانے کی صورت میں کمپنی کسی بھی طرح ذمہ دار نہ ہوگی)</p>
بینک کا نام	
برانچ کا نام اور پتہ	
<p>فراہم کی گئی درج بالا تمام معلومات بالکل درست ہیں اور ان میں کسی بھی قسم کی تبدیلی واقع ہونے کی صورت میں، میں / ہم فوری طور پر حصہ دار / شیئر رجسٹرار کو مطلع کریں گے۔</p>	
<p>دستخط شیئر ہولڈر</p>	







[www.fatima-group.com](http://www.fatima-group.com)



**Fatima**

Fertilizer Company Limited

JV of Fatima and Arif Habib Group



E-110, Khayaban-e-Jinnah  
Lahore Cantt., Pakistan



PABX : +92 42 111 328 462



Fax : +92 42 3662 1389