



FAUJI FERTILIZER COMPANY LIMITED

20  
24

Annual Integrated Report

# SYNERGIES IN ACTION ENHANCING VALUE CREATION



# COVER STORY

In the symphony of growth and green, the landmark merger and acquisition marked a pivotal moment in our enduring journey, not only amplifying our capabilities and reach but also strengthening our commitment to nourishing the earth, safeguarding national food security, and empowering farmers. The launch of Sona Centres and enhanced-efficiency fertilizers advances our mission of integrating innovative agricultural solutions and sustainable practices, ensuring our fertilizers are accessible, supporting economic growth and shareholder's value.

By weaving ESG practices into the fabric of our business strategies, we aim to keep sustainability at the core of our operations, propelling us towards a future where we continue to make a significant impact and thrive.



# VISION

To be an inspiring, distinguished and globally diversified enterprise with a hallmark of excellence, trust and innovation

# MISSION

Taking a lead role in the agricultural & industrial development by delivering premium products and services while maintaining a high level of social and environmental responsibility for all the stakeholders, thus providing a dynamic and challenging environment for our employees



# CONTENTS

## 01

### Company Overview

06-47

General information about the Company and its operations

## 02

### Directors' Report

48-155

Review of the Company's performance by the Board of Directors

## 03

### Sustainability Report

156-255

Assessment of the Company's value creation ability and contribution towards Sustainable Development Goals

## 04

### Financial Statements

256-345

Financial Statements of the Company along with Reports by the Audit Committee and Independent External Auditors

## 05

### Consolidated Financial Statements

346-485

Consolidated Financial Statements of the FFC Group along with Chairman's Review on the Group's performance

## 06

### Shareholders' Information

486-515

Information about the Company's Shareholders

## 07

### ڈائریکٹرز رپورٹ

516-545

کمپنی اور گروپ کی کارکردگی پر ڈائریکٹرز کا تجزیہ

# ABOUT ANNUAL INTEGRATED REPORT 2024

## Integrated Thinking and Delivery on our Purpose

Vision  
Mission

Leading Through  
Our Purpose

Values  
Practices

### Value for/in our business model

Our vision, mission, codes, and values are founded on the principles of value creation and preservation, which are embedded in our business model and unify our organization. Through integrated thinking, we assess factors that may impact our ability to create value. Our value-driven business model illustrates how we make decisions, utilize resources and capitals, drive performance, and enhance stakeholder value. Additionally, our sustainability report provides insights into our environmental, social, governance, and economic performance, highlighting impacts on material matters relevant to FFC and its stakeholders.

We use the following icons in our report to represent value creation, preservation, and erosion.

This year, we voluntarily adopted IFRS sustainability disclosure standards (SDS), including IFRS S1 and S2, in preparation for Pakistan's mandatory adoption from July 1, 2025. Last year's information was not compiled under IFRS SDS, but GRI 305 and IFRS S2 align closely on GHG emissions disclosure. The interoperability guide by GRI and IFRS Foundation highlights this alignment. Previously reported GRI-based information remains included for comparability.

- + Value creation
- Value preservation
- Value erosion

### Governance, Strategy and Future Outlook

The Board of Directors ensures sustainability and prosperity through a transparent and accountable governance framework, aligning with our vision, mission, and values (VMVs) to protect stakeholder interests. Our business strategy defines short, medium and long-term objectives, with forward-looking statements outlining future performance, project status and key assumptions. As a leader in Sustainability, we actively collaborate with SECP on the ESG Regulatory Roadmap, with further details on page 114.

Board and its subcommittees

Governance,  
Strategy & Future  
Outlook

Management,  
KPIs & Objectives

Risk Governance

Enterprise Risk  
Management

Mitigation of  
Risks

### Enterprise Risk Management

FFC's independent risk governance structure, led by the MD & CEO, identifies and assesses risks and opportunities in the operating environment, focusing on material impacts on our capitals. Our risk management and internal control processes are detailed on page 90, and we are advancing towards sustainability risk management in line with relevant guidelines. FFC is continuously strengthening its ERM process to pro actively manage risks with effective mitigation strategies.

### Our Capitals

Our business deliver a culture of empowerment and accountability by employing resources/capitals, focusing on ESG through standardized, scalable and efficient way of doing sustainable business. These capitals have been explained in detail in Directors Report and Sustainability Report.



Resource Allocation

Capitals

Value Creating  
Business Model

Identify & Prioritize

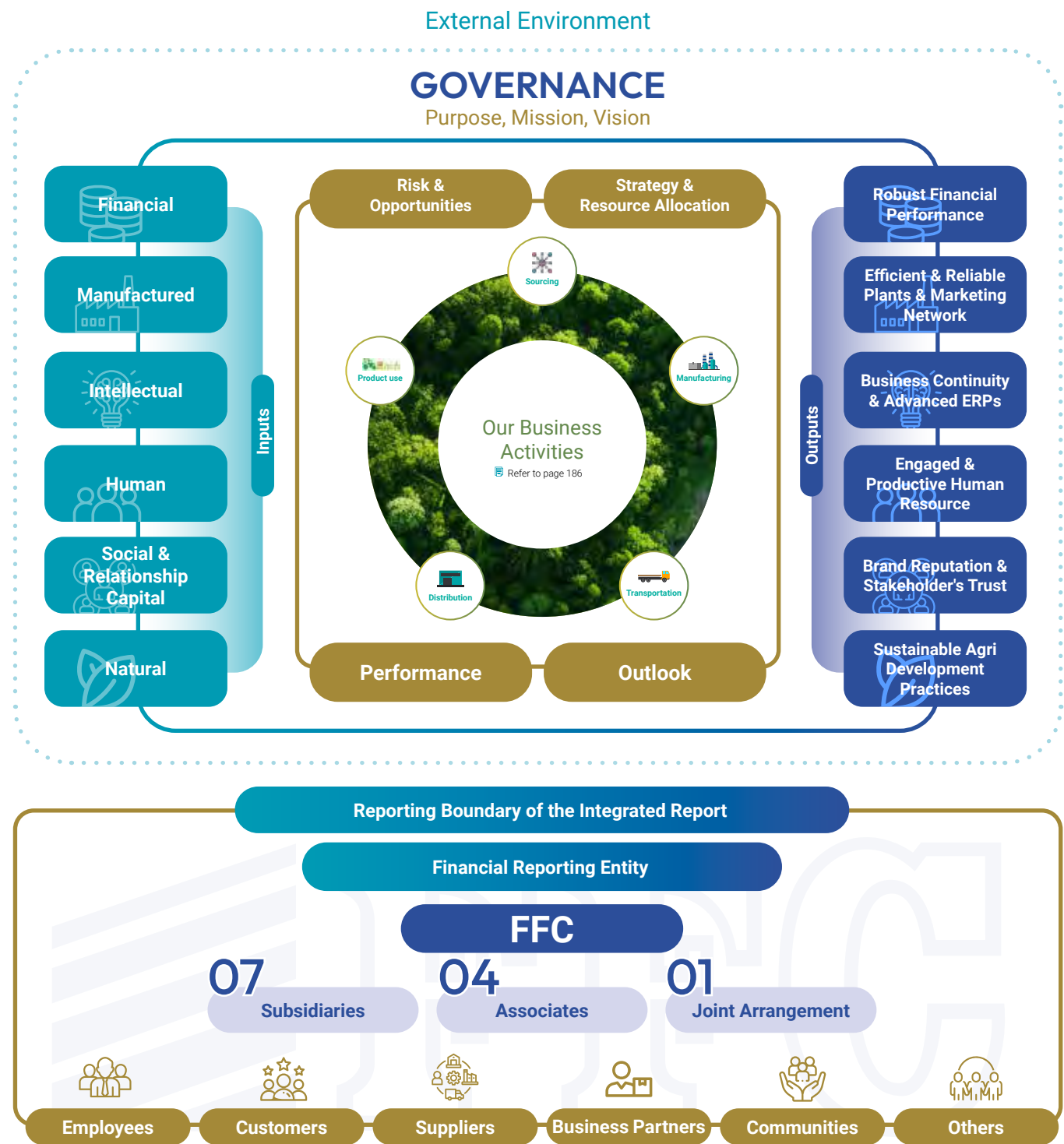
Materiality  
Assessment

Validate & Approve

### Materiality Assessment

FFC's materiality assessment focuses on issues, risks, and opportunities that significantly impact our capitals and our ability to maintain a sustainable business. This approach helps us create long-term shared value in an evolving landscape while considering impacts on the economy, environment, and society. The assessment process is structured into four phases: identification, prioritization, validation, and approval. Detailed explanation of materiality assessment can be found in each of our capitals.

## Integrated Reporting Process



### Reporting Process

#### Reporting Process

The Report is prepared with inputs from cross-functional process owners across FFC and its subsidiaries. Dedicated financial reporting and corporate affairs teams evaluate reasonableness and validity of information using various reporting criteria and guidelines. Materiality is considered for financial and non-financial disclosures, with financial reviews based on audited statements. The Sustainability Report is developed by a cross-functional team under Sustainability Committee and any related feedback can be shared at [azka.rehman@ffc.com.pk](mailto:azka.rehman@ffc.com.pk). Monetary values are presented in Pakistani Rupee.

#### Adherence with Legal / Regulatory and Reporting Frameworks

FFC complies with legal and regulatory frameworks as defined in its capitals, with key frameworks outlined below

- Companies Act and related pronouncements
- Applicable International Financial Reporting Standards (IFRS)
- Code of Corporate Governance
- Integrated <IR> Framework & BCR reporting criteria of ICAP/ICMAP
- PSX Top 25 Reporting Criteria
- Global Reporting Initiative (GRI) Standards 2021
- Chemical Industry Standard of the Sustainability Accounting Standard Board (SASB)
- United Nations Global Compact (UNGC) "Ten Principles"
- SGD Reporting

#### Legal / Regulatory

#### Legal / Regulatory & Reporting Frameworks

#### Compliance & Control

### Approving the Integrated Report

#### Integrity of The Report

The integrity of this report is ensured through a well-designed integrated reporting process, multiple reviews and approvals. Directors' Report and Financial Statements are reviewed by the Audit Committee and approved by the Board of Directors. Annual Integrated Report 2024 has been prepared on the basis and guidelines of <IR> and BCR ICAP/ICMAP Framework. The Board has endorsed and authorized the release of their Directors Report on January 29, 2025.

#### Independent External Review and Assurances

- Statutory Auditors; A.F. Ferguson & Co – a member firm of Pricewaterhouse Coopers network
- Cost auditors; BDO Ebrahim & Co., Chartered Accountants
- Compliance with IR Framework & ISAE 3000 (Revised);
- Ferso ESG – AA1000 Licensed Assurance Provider and Nadeem Safdar & Co. Chartered Accountants (Sustainability Report)
- Pakistan Credit Rating Agency (PACRA)
- Various External Reviews/ Evaluations and Audits as described in our Capitals mentioned in the Report.

#### Reviews / Audits

#### Assurance & Reviews

#### Sign off

### Our Integrated Report

#### Reporting Period

The report is prepared and published annually and covers the period from January 01 to December 31, 2024. The report is published on March 03, 2024.

#### Data Compilation Methodologies

All financial data has been extracted from Audited Financial Statements (which are also part of this report). Data included in Capitals and Sustainability Report covers FFC's manufacturing plants, marketing offices/ locations and head office.

There are no changes in the report's reporting period and data measurement methodologies. However, the reporting scope increased to include the sustainability data of the Port Qasim Plant acquired through an amalgamation of FFBL with and into the FFC in 2024. Previous years' figures have been regrouped/rearranged wherever found appropriate to conform to this year's classification. The online PDF version can be accessed at <http://www.ffc.com.pk/investors-relations/annual-reports/>.

#### Diversified Business Portfolio

FFC, its subsidiaries and associated entities, operates in fertilizer, power, food, banking, cement and technical services business.

#### Financial and Non-Financial Reporting

The report includes financial and non-financial performance, risks and opportunities, and outcomes attributable to our activities and key stakeholders that significantly influence our value-creation ability. Details related to financial position and performance are presented in Financial Capital, whereas all non-financial information/KPI are mentioned in other Capitals including Sustainability Report.

#### Targeted Readers

The report primarily addresses stakeholders needs and provide them with a holistic view of our value creation potential.

#### Compliance beyond Reporting Criterion

Refer to Corporate Governance Section (page 98) under 'Governance practices exceeding legal requirements' and 'Disclosures beyond BCR Criteria' for the compliances beyond reporting criteria.

#### Navigating through this report

page 509-510 will also assist the readers to understand and evaluate the ten domains of this report.





“

Our Value Creation  
Business Model Drives  
Synergies to  
Maximize Long-Term  
Growth and  
Stakeholder Value.





# 01

## COMPANY OVERVIEW

General information about the Company and its operations

|                                                   |    |
|---------------------------------------------------|----|
| Company Information                               | 08 |
| Highlights 2024                                   | 09 |
| Product Portfolio                                 | 10 |
| Sona Centres                                      | 12 |
| Geographical Presence                             | 14 |
| Code of Conduct                                   | 16 |
| Core Values                                       | 18 |
| Policy Statement on Ethics and Business Practices | 19 |
| Company Profile and Group Structure               | 20 |
| History of Major Events                           | 22 |
| Organizational Chart                              | 24 |
| Major Events During the Year                      | 25 |
| Strategy and Resource Allocation                  | 26 |
| Competitive Landscape and Market Positioning      | 29 |
| Profile of the Board                              | 30 |
| Board Committees                                  | 38 |
| Management Committees                             | 46 |
| SWOT Analysis                                     | 47 |

# COMPANY INFORMATION

## Board of Directors

Lt. Gen Anwar Ali Hyder, HI(M) (Retd)  
*Chairman*

Mr. Jahangir Piracha  
*Managing Director & Chief Executive Officer*

Mr. Saad Amanullah Khan  
Ms. Maryam Aziz  
Syed Bakhtiyar Kazmi  
Mr. Shoaib Javed Hussain  
Mr. Yassir Ghiyati Ibn Ziyad  
Mr. Qamar Haris Manzoor  
Mr. Saif Anjum  
Mr. Mazhar Abbas Hasnani  
Maj Gen Muhammad Aneeq Ur  
Rehman Malik, HI(M) (Retd)  
Dr. Shamshad Akhtar  
Mr. Farhad Shaikh Mohammad

## Chief Financial Officer

Syed Atif Ali  
Tel No. +92-51-8456101  
Fax No. +92-51-8459961  
E-mail: atif.ali@ffc.com.pk

## Company Secretary

Brig Zulfiqar Ali Haider, SI(M) (Retd)  
Tel No. +92-51-8453101  
Fax No. +92-51-8459931  
E-mail: secretary@ffc.com.pk

## Registered Office

156 - The Mall, Rawalpindi  
Cantt, Pakistan  
Website: [www.ffc.com.pk](http://www.ffc.com.pk)  
Tel No. +92-51-111-332-111  
+92-51-8450001  
Fax No. +92-51-8459925  
E-mail: [ffcrwp@ffc.com.pk](mailto:ffcrwp@ffc.com.pk)



[www.ffc.com.pk](http://www.ffc.com.pk)

## Plant Sites

**Goth Machhi, Sadiqabad**  
(Distt: Rahim Yar Khan), Pakistan  
Tel No. +92-68-5954550-64  
Fax No. +92-68-5954510-11

**Mirpur Mathelo**  
(Distt: Ghotki), Pakistan  
Tel No. +92-723-661500-09  
Fax No. +92-723-661462

**Port Qasim**  
Plot No. EZ/I/P-1, Eastern Zone,  
Port Qasim, Karachi 75020.  
Tel: +92 21 34724500-29

## Marketing Division

Lahore Trade Centre,  
11 Shahrah-e-Aiwan-e-Tijarat,  
Lahore, Pakistan  
Tel No. +92-42-36369137-40  
Fax No. +92-42-36366324

## Karachi Office

B-35, KDA Scheme No. 1  
Karachi, Pakistan  
Tel No. +92-21-34390115-16  
Fax No. +92-21-34390117 &  
34390122

## Auditors

A. F. Ferguson & Co.  
Chartered Accountants  
74 - East, Blue Area,  
Jinnah Avenue, Islamabad  
Tel No. +92-51-2273457-9,  
2870045-85  
Fax No. +92-51-2206473

## Shares Registrar

CDC Share Registrar Services Limited  
CDC House, 99 - B, Block - B  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi - 74400  
Tel: +92-0800-23275  
Fax: +92-21-34326053

## Bankers

### Conventional Banks

Allied Bank Limited  
Askari Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
Deutsche Bank AG  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
HBL Microfinance Bank  
Industrial and Commercial Bank of  
China  
JS Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
NRSP Microfinance Bank  
SAMBA Bank Limited  
Silk Bank Limited  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan)  
Limited  
Summit Bank Limited  
The Bank of Punjab  
United Bank Limited

### Islamic Banks

Askari Bank Islamic  
Al Baraka Bank (Pakistan) Limited  
Bank Islami Pakistan Limited  
Bank Alfalah (Islamic)  
Dubai Islamic Bank Pakistan Limited  
Faysal Bank Limited  
Habib Metro Sirat  
MCB Islamic Bank Limited  
Meezan Bank Limited  
Silk Bank Islamic  
The Bank of Khyber



# HIGHLIGHTS 2024



Rs **121.22** Billion  
Earnings before Interest Tax &  
Depreciation  
(EBITDA)



**2,841** KT  
Sona Urea  
production



**124%**  
Operational  
Efficiency



**2,942** KT  
Sona Urea sales\*

**48%**  
(Urea)  
Combined FFC /  
Ex-FFBL market share



Rs **94.11** Billion  
Contribution to National  
Exchequer



**75**  
Sona Centres - Company  
owned Sales Outlets



Rs **765** million  
Donations



Rs **373.5** Billion  
Highest ever turnover



USD **1.4** Billion  
Import substitution



Rs **10.8** Billion  
Dividend Income



Rs **22.9** Billion  
Highest ever investment  
income

**62%**  
(DAP)

Combined FFC /  
Ex-FFBL market share



Rs **34.86** Per Share  
Dividend payout to  
shareholders



**72%**  
Return on Capital  
Employed  
(ROCE)

\*Includes Sale of Imported Fertilizer

# PRODUCT PORTFOLIO

## Principal Activities of the Company

The principal activity of the Company is manufacturing, import and subsequently marketing of fertilizer products in addition to its investment in numerous other projects related to energy production, food processing, financial services and other chemical production. FFC focuses on market expansion, product innovation, and service excellence through strong distribution, farmer engagement, and advanced fertilizers like Sona Urea Zinc-Coated and Sona Boron. Investing in R&D, it develops solutions to enhance soil fertility and crop yields. Additionally, value-added services like agronomic support and training drive agricultural productivity and industry leadership.

### Sona Urea P & Sona Urea G

#### Agricultural Use:

Urea is a concentrated straight nitrogenous fertilizer that contains 46% nitrogen, which is a major plant nutrient. Nitrogen is an integral part of chlorophyll, which is necessary for the photosynthesis. Urea is applied in splits (basal & top-dressing) to promote growth of crops, vegetables and orchards.

In irrigated areas, urea is applied (top-dressed) in the standing crop followed by irrigation to minimize gaseous losses as ammonia volatilization. In rain fed areas, it is often spread just before rain or after rains to minimize gaseous as well as runoff losses. FFC produces both Prilled and Granular Urea. Granular urea has the advantage of ease in application on standing crops due to bigger size granules.

#### Industrial Use:

Raw material for manufacturing of plastics, adhesives and industrial feedstock.

### Sona Urea (Neem Coated)

#### Agricultural Use:

Neem Coated Urea is an enhanced efficiency concentrated straight nitrogenous fertilizer, which is coated with neem oil. It contains 46% nitrogen, which is a major plant nutrient and a vital component of chlorophyll required for photosynthesis. Coating urea with Neem oil has been proved to be an effective natural alternative to nitrification inhibiting chemicals.

Thus, it leads to gradual release of nitrogen for a longer period of time resulting in more nitrogen uptake and higher yields. Neem oil also serves as a repellent to certain soil pests like nematodes. It is applied in splits (basal & top-dressing) to promote vegetative growth of crops, vegetables and orchards. Neem coated urea is also environment friendly due to its slow release characteristics.

### FFC DAP & Sona DAP

#### Agricultural Use:

Di-ammonium Phosphate (DAP) is a highly concentrated phosphatic fertilizer containing 46% P<sub>2</sub>O<sub>5</sub> and 18% N, produced from ammonia and phosphoric acid. With over 90% solubility, it is ideal for fertigation and basal application, promoting root proliferation, energy reactions, and grain or fruit development. Its net acidic effect makes it suitable for Pakistani farmlands, while its nitrogen content supports early-stage crop growth.

#### Industrial Use:

Fire retardant used in commercial firefighting products. Other uses are as metal finisher, yeast nutrient and sugar purifier.

### FFC SOP

#### Agricultural Use:

SOP (Sulfate of Potash) is a vital source of Potash, essential for better crop yields, especially in fruits and vegetables. FFC SOP contains 50% K<sub>2</sub>O and 18% sulfur, supporting plant growth, enzyme activation, stress resistance, and increased sugar content. Sulfur aids in fatty acid synthesis for oilseed crops

and improves salt-affected soils. With less than 1.5% chloride content, FFC SOP is a high-quality, European-origin product preferred for high-value crops.

#### Industrial Use:

Occasionally used in manufacturing of glass.

### FFC MOP

#### Agricultural Use:

Potassium chloride (commonly referred as Muriate of Potash or MOP) is the most common potassium source used in agriculture, accounting for over 90% of all potash fertilizers used worldwide. MOP is the most concentrated form of granular potassium and typically the most cost effective source of potash. FFC MOP contains 60% K<sub>2</sub>O and is used for fertilizing almost all crops like sugarcane, maize, rice, wheat, cotton, orchards, vegetables and other field crops. The even granule size of MOP allows uniform field application through broadcast spreading. This product can be mixed with other fertilizer products due to physical compatibility with other granular products.

#### Industrial Use:

Used in medicine, scientific applications, food processing etc.

### Sona Boron

#### Agricultural Use:

Sona Boron is a micronutrient fertilizer as Borax (Di-Sodium Tetra Borate Deca-hydrate) in 3 kg packaging. It is an essential micronutrient required for plant nutrition, which plays a vital role in a number of growth processes especially cell division, cell elongation/development,



pollination, and fruit/seed setting. Keeping in view increasing boron deficiency in Pakistani soils, FFC is providing superior quality Sona Boron containing minimum 10.5% Boron. It is in crystalline form and easy to use. It is soluble in water and readily available to plants. Sona Boron can be applied with other fertilizers.

## Sona Zinc

### Agricultural Use:

Sona Zinc is a 27% Zinc Sulphate Monohydrate micronutrient fertilizer available in 3 kg packaging. It plays a vital role in plant nutrition by aiding chlorophyll synthesis, enzyme activation, and nutrient uptake. With over 85% zinc deficiency in Pakistani soils, FFC provides high-quality Sona Zinc in granular form, suitable for broadcast application and fertigation.

## Sona Boron DAP

### Agricultural Use:

Sona B-DAP is first ever DAP based enhanced efficiency fertilizer in Pakistan. It contains 0.1% Boron in addition to 18% Nitrogen & 46% P2O5. Presence of Boron in each granule ensures its uniform distribution throughout the field, making it readily accessible to plants and maximizing its efficiency, leading to improved yield due to enhanced efficiency of boron uptake. Sona B-DAP is recommended as basal dose for all crops and orchards. However, it can also be used as top dressing.

## Sona Urea Zinc Coated

### Agricultural Use:

Sona Urea Zinc Coated (SUZC) is an enhanced efficiency fertilizer containing 42% Nitrogen and 1% Zinc. The zinc coating ensures uniform

distribution, improves nutrient availability, and prolongs nitrogen efficiency by reducing losses. This results in better plant growth, higher nutrient uptake, and increased crop yields. SUZC is recommended for all crops and orchards and can be applied through broadcast or fertilizer spreaders.

## Renewable Energy

Supply of green / renewable wind energy to the Country, through the Company's subsidiary companies:

### FFC Energy Limited

FFCEL has been incorporated to build, own and operate a 49.5 MW wind power generation facility and the onward supply of electricity to Pakistan's national grid (NTDC).

### Foundation Wind Energy – I Limited

FWEL – I operates a 50 MW wind power generation facility for onward supply of electricity to Pakistan's national grid (NTDC).

### Foundation Wind Energy – II Limited

FWEL – II operates a 50 MW wind power generation facility for onward supply of electricity to Pakistan's national grid (NTDC).

### FFBL Power Company Limited (FPCL)

A coal fired power generation project having gross capacity of 118 MW. FPCL supplies reliable and uninterrupted electricity to FFBL and K-Electric. FPCL is contributing towards economic growth of Pakistan and is lighting our houses since its start of operations in 2017.

## Technical Services

### OLIVE Technical Services (Pvt) Limited

OLIVE is engaged in provision of Technical, Operations, Maintenance, Inspection and IT Services.

## Food Business

### Fauji Fresh n Freeze Limited

Fauji Fresh n Freeze (FFF), a wholly owned subsidiary, provides high-quality frozen Fruits & Vegetables (F&V) and French Fries to the domestic market, ensuring hygiene, convenience, and year-round availability. Operating a state-of-the-art IQF facility in Sahiwal, FFF upholds top food safety standards with BRC, ISO, and Halal certifications. Its brand, Opa!, is gaining popularity for frozen French Fries and F&V, with strong potential as a household favorite. The IQF product range includes peas, sweet corn, strawberry, broccoli, and mixed vegetables.

### Fauji Foods Limited (FFL)

FFL focuses on healthy food production by processing and marketing high-quality dairy products under the House of Nurpur brand, ensuring quality and nourishment for consumers. It also operates in the tea creamer category with its leading brand, DOSTEA. Food quality and sustainability remain top priorities to maximize long-term value.



# SONA CENTRES

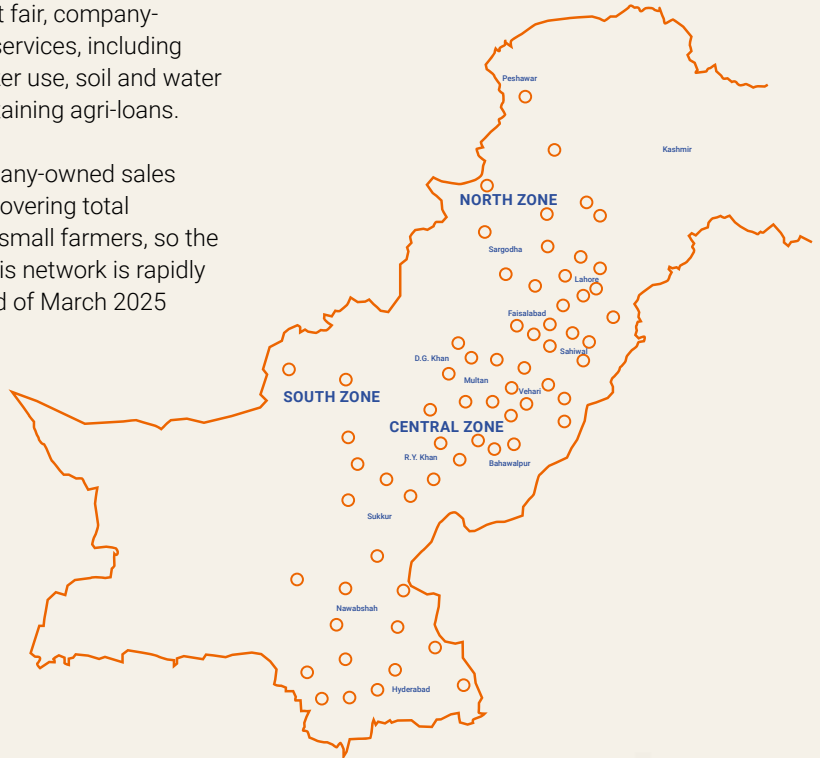


Sona Centre is committed to empowering Pakistan's farming community by ensuring the availability of high-quality fertilizers at fair, company-established price and offering a range of agriculture services, including farm advisory services, promotion of balanced fertilizer use, soil and water testing, AI-based consultations, and facilitation of obtaining agri-loans.

The Company has successfully established 75 Company-owned sales outlets, known as Sona Centers, across the country covering total landholding of nearly 1 million acres. Our focus is on small farmers, so the average size of the registered farm is 12.65 acres. This network is rapidly expanding, with plans to reach 100 centres by the end of March 2025

Sona Centres have an outreach of

**80,000** Farmers  
across Pakistan, spanning over  
**1,000,000**  
acres of farmland





# NEW PRODUCT LAUNCH

## Enhanced Efficiency Fertilizer

### Sona Urea - Zinc Coated

FFC has successfully launched Sona Urea Zinc-Coated, an enhanced efficiency fertilizer to address zinc deficiency in Pakistani soils. With specialized zinc layering improves nitrogen and phosphorus uptake while supporting vital plant growth processes. This advancement strengthens soil fertility, boosts agricultural productivity, and promotes better nutrition across the food chain.

- Zinc Coated Urea Line commissioned at FFC-GM
- Capacity of 100,000 Metric Tons
- Successfully achieved desired zinc content (exceeding 1%) in the final product

### Boron Fortified DAP

Boron-fortified DAP enhances root development, nutrient absorption, and overall plant growth by addressing boron deficiency in soils. Supports cell division, elongation, pollination, and fruit/seed setting, enhancing crop productivity. By addressing boron deficiency, it strengthens cell walls, improves nutrient absorption, and boosts stress resilience. This innovation ensures balanced plant nutrition for healthier, higher-yielding crops.

- Boron is the second most efficient micronutrient, as 60% of Pakistani soil is deficient in it
- Application enhance 10-23% crop yield.



# GEOGRAPHICAL PRESENCE





## Pakistan

### Fauji Fertilizer Company Limited

|                                                  |                 |                                                                                                         |
|--------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------|
| Head Office                                      | Rawalpindi      | Sona Tower, 156 - The Mall, Rawalpindi Cantt, Punjab                                                    |
| Islamabad Office                                 | Islamabad       | Sona Tower, C1/C2, Sector B, Jinnah Boulevard DHA Phase II, Islamabad                                   |
| Marketing Office                                 | Lahore          | Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore, Punjab                                       |
| Urea Plants I & II                               | Goth Machhi     | Goth Machhi, Sadiqabad (District: Rahim Yar Khan), Punjab                                               |
| Urea Plant III                                   | Mirpur Mathelo  | Mirpur Mathelo (District: Ghotki), Sindh                                                                |
| Urea Plant IV                                    | Karachi         | Plot No. EZ/I/P-1 Eastern Zone, Port Qasim, Karachi, Sindh                                              |
| Regional Manager Office                          | Karachi         | B-35, KDA Scheme No. 1, Karachi, Sindh                                                                  |
| Food Security & Agriculture Center of Excellence | Ahmed Pur Lamma | Main Bhong Road, Ahmed Pur Lamma, Sadiqabad, Rahim Yar Khan, Punjab                                     |
| National Incubation Center                       | Faisalabad      | 1 <sup>st</sup> Floor, Expo Center, University of Agriculture Faisalabad, Jail Road, Faisalabad, Punjab |

### FFC Energy Limited

|                    |            |                                                        |
|--------------------|------------|--------------------------------------------------------|
| Head Office        | Rawalpindi | Sona Tower, 156 - The Mall, Rawalpindi Cantt, Punjab   |
| Wind Power Project | Jhimpir    | Deh Kohistan, Taluka Jhimpir (District: Thatta), Sindh |

### Fauji Fresh n Freeze Limited

|                  |            |                                                                   |
|------------------|------------|-------------------------------------------------------------------|
| Head Office      | Rawalpindi | Sona Tower, 156 - The Mall, Rawalpindi Cantt, Punjab              |
| Corporate Office | Lahore     | 42 CCA, Ex Park View, DHA Phase VIII, Lahore, Punjab              |
| Site Office      | Sahiwal    | 16 KM Sahiwal Pakpattan Road, Sahiwal (District: Sahiwal), Punjab |

### OLIVE Technical Services (Private) Limited

|             |            |                                                      |
|-------------|------------|------------------------------------------------------|
| Head Office | Rawalpindi | Sona Tower, 156 - The Mall, Rawalpindi Cantt, Punjab |
|-------------|------------|------------------------------------------------------|

### Foundation Wind Energy I and II Limited

|                    |            |                                                                             |
|--------------------|------------|-----------------------------------------------------------------------------|
| Head Office        | Rawalpindi | Sona Tower, 5 <sup>th</sup> Floor, 156 - The Mall, Rawalpindi Cantt, Punjab |
| Wind Power Project | Jhimpir    | Gharo Creek Area (District: Thatta), Sindh                                  |

### FFBL Power Company Limited

|             |           |                                                                           |
|-------------|-----------|---------------------------------------------------------------------------|
| Head Office | Islamabad | Sona Tower, Plot No. C-1/2, Sector B, Jinnah Boulevard, DHA-II, Islamabad |
| Plant Site  | Karachi   | EZ/I/P-1, Eastern Zone, Port Qasim, Karachi-75020, Pakistan.              |

### Fauji Foods Limited

|                 |         |                                                      |
|-----------------|---------|------------------------------------------------------|
| Head Office     | Lahore  | 42 CCA, Ex Park View, DHA Phase VIII, Lahore, Punjab |
| Processing Unit | Bhalwal | Sargodha Road, Qaisarabad, Bhalwal, Sargodha, Punjab |

### Askari Bank Limited

|                   |            |                                                                         |
|-------------------|------------|-------------------------------------------------------------------------|
| Head Office       | Islamabad  | 3 <sup>rd</sup> Floor, Plot No. 18, NPT Building, F-8 Markaz, Islamabad |
| Registered Office | Rawalpindi | AWT Plaza, The Mall, P.O. Box 1084, Rawalpindi, Punjab                  |

### Fauji Cement Company Limited

|               |            |                                                         |
|---------------|------------|---------------------------------------------------------|
| Head Office   | Rawalpindi | Fauji Towers, Block 3, 68 Tipu Road, Rawalpindi, Punjab |
| Cement Plants | Attock     | Jhang Bahtar, Tehsil Fateh Jang, Attock, Punjab         |
|               | Wah        | Near Wah Railway Station Tehsil Taxila, Punjab          |
|               | Nizampur   | Village Kahi, Naushera Punjab                           |

### Thar Energy Limited

|                   |            |                                                                                                        |
|-------------------|------------|--------------------------------------------------------------------------------------------------------|
| Head Office       | Karachi    | 11 <sup>th</sup> Floor Ocean Tower, G-3, Block 9, Main Clifton Road, Karachi, Sindh                    |
| Thar Energy Plant | TharParker | HUBCO - Thar Energy Limited Block-II, Thar Coal Mine Fields, 34 Km from Islamabad, District TharParker |

## Morocco

### Pak Maroc Phosphore S.A.

|                |             |                                                  |
|----------------|-------------|--------------------------------------------------|
| Head Office    | Casablanca  | Hay Erraha. 2, Rue Al Abtal, Casablanca, Morocco |
| PMP Plant Site | Jorf Lasfar | BP 118 ElJadida, Jorf Lasfar, Morocco            |

Addresses of the Company's Offices are given in note 1.1 of the Financial Statements and the Consolidated Financial Statements.

# CODE OF CONDUCT

FFC aims at maintaining the Organizational Culture that Promotes Transparency and Accountability through honesty, integrity and diligence in dealing with employees, customers, financial market, government, regulatory authorities and other stakeholders.



## Gender Equality

- The Company shall strictly maintain and promote gender equality without discrimination on the basis of race, religion, ancestry, familial status, age, disability etc.
- Equal opportunities to employees in professional growth will be afforded to all irrespective of any gender or racial/religious biases.



## Compliance to Law / Policies

- We shall not make, recommend, or cause any action, contract, agreement, investment, expenditure or transaction known or believed to be in violation of any law, regulation or corporate/Company policy.



## Exercise of Authority

- We shall not use our respective positions/authority to force, induce, coerce, harass, intimidate, or in any manner influence any person, including subordinates, to provide any favour, gift or benefit, whether financial or otherwise, to ourselves or others.
- We shall remain refuted to any actual or attempted abuse of a position of vulnerability, differential power, or trust, for any purposes.



## Protection of Property

- We shall not use or disclose the Company's trade secret, proprietary or confidential information gained in the performance of Company duties as a means of making private profit, gain or benefit.
- We shall protect Company's property, plant premises, supplies (all kind), production equipment and products.



## Reporting of Illegal / Unethical Conduct

- We shall implement a strict policy for "whistleblowing" and protection against retaliation.
- Employees shall be encouraged to report any unethical behaviour, violation of laws, rules, regulations, Company policies and procedures or Code of Conduct to the respective committee.
- Informant shall be warranted no retaliation for reports made in good faith.



## Reputation

- We shall maintain reputation of the Company as a valuable asset and consciousness of our reputation shall prevail in our words and deeds.





### Business Dealings

- In business dealings with suppliers, contractors, consultants, customers and government entities, we shall not provide or offer to provide, any gratuity, favor or other benefit.
- All business dealings shall be conducted strictly at an arm's length basis.
- We shall not engage in outside business activities, either directly or indirectly, with a customer, vendor, supplier or agent of the Company, or engage in business activities which are inconsistent with, or contrary to, the business activities of the Company.
- We shall deal with our business partners, suppliers and customers honestly at the same time protecting the Company's confidential information, trade secrets and business interests.



### Personal Relationship

- All of us shall exercise utmost care in looking after business interests of the Company under situations in which a pre-existing personal relationship exists between an individual and any third party or Government employee or official of an agency with whom the Company has an existing or potential business relationship.
- Where there is any doubt as to the propriety of the relationship, the individual shall report the relationship to management so as to avoid even the appearance of impropriety.



### Health and Safety

- We shall set a goal-oriented Health, Safety, Environment and Quality (HSEQ) Management System; derived from Industry Best Practices and International Standard.
- Every employee should:
  - » Observe all applicable health and safety rules and practices
  - » Promptly report any unhealthy or unsafe conditions or threatening or violent behavior
  - » Follow all security measures and guidelines for a safe work environment
  - » Know what to do in an emergency and cooperate during the practice of emergency drills



### Brand Image

- Every employee shall maintain strong and consistent brand image of the Company while dealing with all stakeholders.



### Protection of Environment

- We shall abide by all applicable environmental laws, rules and regulations including environmental quality standards.
- We shall encourage all employees to recognize and promptly report any situation posing potential or actual environmental hazard.



### Contribution to Society

- We shall enhance and create value for the society social initiatives.
- We shall create lasting change in communities through programs designed and implemented in the light of Sustainable Development Goals, which include Commitment to implement universal principles of human rights, labour standards, environmental protection, anti-corruption, key education, health, environmental, social and humanitarian issues, investments in communities and empowering farmer's community to ensure food security.

# CORE VALUES

FFC's Beliefs and Principles that articulate the desired culture of the organization. Standards describe how employees and the organization are expected to behave internally and externally. Serve as the basis for decision-making and influence actions in everyday situations



## Honesty

in communicating within the Company and with our business partners, suppliers & customers, while at the same time protecting the Company's confidential information and trade secrets

## Consistency

in our words and deeds



## Fairness

to our fellow employees, stakeholders, business partners, customers & suppliers through adherence to all applicable laws, regulations & policies and a high standard of moral behavior

## Teamwork

to synergize for achieving strategic objectives



## Excellence

in high-quality products and services to our customers

## Compassion

in our relationships with our employees and the communities affected by our business



## Reputation

is built/perceived as a valuable asset and the consciousness of our reputation prevails in our words and deeds

## Innovation

to create value and sustain competitive advantage



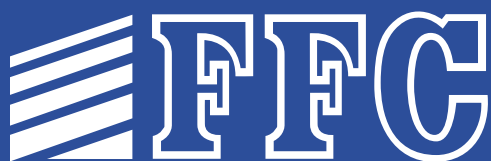


# POLICY STATEMENT ON ETHICS AND BUSINESS PRACTICES

- It is the policy of FFC to follow the highest business ethics and standards of conduct. It is the obligation of every one of us to act responsibly; that is, to be honest, trustworthy, conscientious and dedicated to the highest standards of ethical business practices
- The Company's reputation and its actions as a legal entity depend on the conduct of its directors and employees. Each one of us must endeavour to act according to the highest ethical standards and to be aware of and abide by applicable laws
- We all must ensure that our personal conduct is above reproach and complies with the highest standards of conduct and business ethics, and have the obligation to ensure that the conduct of those who work around us complies with these standards. The Company's Code of Business Ethics and Code of Conduct will be enforced at all levels fairly and without prejudice
- This code to which the Company is committed in maintaining the highest standards of conduct and ethical behaviour is obligatory, both morally as well as legally and is equally applicable to all the directors and employees of the Company who all have been provided with a personal copy.



# COMPANY PROFILE AND GROUP STRUCTURE



**Subsidiary Companies**

**Associated Companies**

**Joint Venture Company**

Fauji Fertilizer Company Limited (FFC) is Pakistan's largest urea manufacturing company, incorporated in 1978 as a joint venture between Fauji Foundation, a charitable trust in Pakistan which owns 43.51% equity stake in the Company and Haldor Topsoe A/S of Denmark to set up a urea production facility with capacity of 570 thousand tonnes per annum. The Company has grown through reinvestment in fertilizer sector. During the year, FFBL, previously an associated company, through a Scheme of Arrangement sanctioned by Lahore High Court merged with and into FFC effective July 01, 2024. At present FFC's Urea production capacity stands over 2.5 million tonnes through its four plants. The Company has contributed more than US\$ 20.34 billion to the National Exchequer through import substitution of over 72.3 million tonnes of urea since its inception.



**Merged Entity**



**FFC Energy Limited**

Realizing the importance of green energy, the Company pioneered into wind power generation in Pakistan by incorporating a wholly owned subsidiary, FFC Energy Limited (FFCEL) in 2009. FFCEL started commercial operations in May 2013 with a power generation capacity of 49.5 MW.



**Foundation Wind Energy Limited I&II**

In 2021, the Company further enhanced its commendable expertise in the renewable energy sector by successfully acquiring 100% equity stake in Foundation Wind Energy - I Limited (FWEL - I) and 80% equity stake in Foundation Wind Energy - II Limited (FWEL - II). Both FWEL - I and FWEL - II have a combined wind power generation capacity of 100 MW.



**fauji foods**

**Fauji Foods Limited**

Fauji Foods Limited (FFL) was founded in 2015 after the acquisition of Noon Pakistan Limited, a Company with over 50 years of dairy business legacy in Pakistan. FFL is engaged in processing, marketing and sale of products including Milk, Cheese, Butter, Tea Whitener, Chocolate Dip, Jams, Marmalade and Fruit Drinks. FFL's brand 'Nurpur' is one of the oldest and highly recognizable brand in Pakistan. Pursuant to merger of FFBL with and into FFC, FFC has gained control over FFL, via its direct holding interest of 47.84% and through shares held by subsidiary companies i.e FPCL with an interest of 15.87% and FFCEL with an interest of 18.45% bring total shareholding interest of FFC in FFL to 82.16%.

FFC with a resilient business model, fortitude workforce in conjunction with diversified portfolio, a consistent contributor to the economy with the resolute purpose to create value for stakeholders; stands out as one of the most robust and accomplished businesses of Pakistan.



### Fauji Fresh n Freeze Limited

Fauji Fresh n Freeze Limited (FFFL), operating Pakistan's only Individual Quick Freeze (IQF) food preservation technology, was acquired in 2013 as part of FFC's risk diversification strategy.



### Olive Technical Services (Private) Limited

OLIVE Technical Services (Private) Limited has been incorporated as a wholly owned subsidiary of FFC to provide wide array of plant related technical services pertaining primarily to operations, maintenance, inspection, engineering and information technology (IT/SAP). OLIVE is expected to take FFC's existing services portfolio to new heights.



### FFBL Power Company Limited

FPCL owns and operates a coal based power generation facility at Port Qasim Karachi with a net capacity of 103 MW (Gross Capacity of 118 MW). FPCL achieved its commercial operations date (COD) on 19 May 2017. After merger with FFBL, FFC gained control of FPCL with holding of 75%.



### Fauji Cement Company Limited

Fauji Cement Company Limited (FCCL), a public limited company, was incorporated on November 23, 1992 and is listed on the Pakistan Stock Exchange (PSX).

The Company is primarily engaged in the manufacture and sale of different types of cement through its production lines having an annual production capacity of 6.40 million tonnes. With an investment of PKR 6.4 billion, FFC holds 4.29% equity stake in the Company.



### Askari Bank Limited

FFC initially invested PKR 10.46 billion in 2013 to acquire a 43.15% equity stake in Askari Bank Limited (AKBL), marking a step towards investment diversification. Pursuant to the merger between FFBL and FFC, the company's stake in AKBL grew by 21.57%. This brought FFC's total equity interest in AKBL to 64.72%. The Bank was incorporated in Pakistan on October 9, 1991, as a public limited Company.

It is principally engaged in the banking business, with a market capitalization of PKR 55.46 billion at the end of the year. The Bank operates throughout Pakistan with a branch network of 720 branches, including 198 Islamic banking/sub branches, Wholesale Banking Branch in the Kingdom of Bahrain and a Rep office in Beijing, China.



### Thar Energy Limited

Thar Energy Limited (TEL), incorporated in 2016 is a 330 MW coal-based power project being developed under the CPEC in collaboration with HUB Power Company Limited (HUBCO: 60%) and China Machinery Engineering Corporation (CMEC: 10%), FFC currently holds 30% equity stake in the Company. TEL achieved Commercial Operations in October 2022.



### Agritech Limited

Agritech Limited (AGL) was incorporated in Pakistan on 15 December 1959 with two manufacturing facilities located in Mianwali and Haripur. The principal business of AGL is the production and sale of Urea and Granulated Single Super Phosphate ("GSSP") fertilizer. During the year, FFC acquired 28.86% of AGL's share capital.



### Pakistan Maroc Phosphore, S.A.

Pakistan Maroc Phosphore (PMP) is a private limited company incorporated in Morocco as a Joint Venture between FFC (shareholding of 37.5%, post FFBL merger), Fauji Foundation (12.5%) and Office Cherifien Des Phosphates (OCP) of Morocco (50%) in 2004. The company began its activities in 2008 and has a capacity to produce 375 thousand tonnes of industrial phosphoric acid per year. FFC invested in PMP to secure supply of raw material for DAP production.

# HISTORY OF MAJOR EVENTS



**1978**

Incorporation of the Company



**1982**

Commissioning of Plant-I,  
Goth Machhi (annual capacity  
570 KT urea)



**1991**

Listed with Karachi and  
Lahore Stock Exchanges



**2013**

Acquisition of 100% equity stake  
in FFFL

Acquisition of 43.15% equity  
stake in AKBL

Commencement of commercial  
operations by FFCEL



**2012**

FFCEL inauguration

Sona Tower, new state of the  
art Head Office Building in  
Rawalpindi



**2011**

SAP-ERP implemented in the  
Company



**2015**

Inauguration of FFFL



**2016**

Long term credit rating of AA  
and short-term rating of A1+

Won overall top position  
in the Best Presented  
Annual Report competition  
conducted by the South Asian  
Federation of Accountants  
(SAFA) in SAARC region

Launch of "OPA!" French Fries  
brand by FFFL



**2017**

Highest ever DAP offtake -  
513 KT

Highest ever all Fertilizer  
sales - 3,223 KT



**2023**

13<sup>th</sup> consecutive 1<sup>st</sup> position - PSX Top 25 Companies

SAFA Awards in Manufacturing Sector, Good Corporate Governance and  
Integrated Reporting

Highest ever all product turnover PKR 159.47 billion

Highest ever investment income of PKR 15.3 billion

Overall First position for the 15<sup>th</sup> time and First position in Chemical & Fertilizer  
sector for 19<sup>th</sup> time in Best Corporate Report Awards 2022 by ICAP/ICMAP

Joint 1<sup>st</sup> in Best Sustainability Report Awards 2022 by ICAP/ICMAP

Awarded for Best ESG Reporting by CFA Society





**1992**

De-Bottle Necking of Plant-I  
(capacity increased to 695  
KT urea)  
Listed with Islamabad Stock  
Exchange



**1993**

Investment in FFBL (equity  
share: 49.88%)  
Commissioning of Plant-II,  
Goth Machhi (annual capacity  
635 KT urea)



**2002**

Acquisition of Plant-III, Mirpur  
Mathelo (annual capacity of  
574 KT urea)



**2010**

Investment in FFCEL,  
Pakistan's first wind power  
generation project



**2008**

De-Bottle Necking of Plant-III  
(capacity increased to 718 KT  
urea - 125% of design)  
Equity Investment of PKR 6.4  
billion in FCCL



**2004**

Equity investment of PKR 706  
million in PMP



**2018**

Highest ever domestic urea  
sale - 2,527 KT  
Investment in TEL, equity  
stake of 30%



**2021**

Equity investment of PKR  
13.51 billion in FWEL-I (100%)  
and FWEL-II (80%)



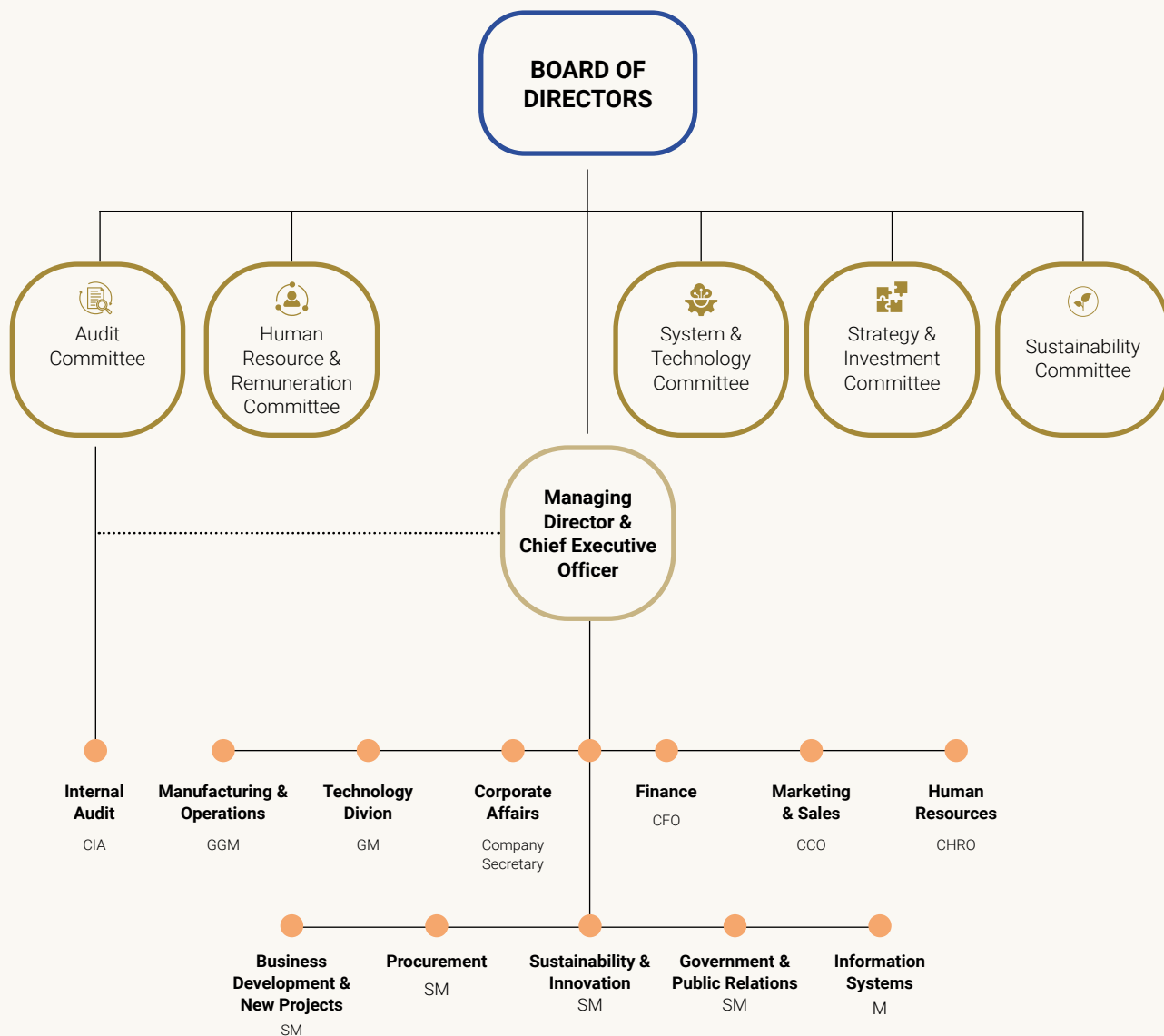
**2022**

Commencement of  
Commercial Operations by  
TEL (with effect from October  
01)  
Awarded Largest National  
Taxpayer from Manufacturing  
Sector for 2<sup>nd</sup> consecutive  
time  
Maiden dividend from FWEL-I  
(PKR 1.75 billion) and FWEL-II  
(PKR 1.40 billion)

## ● 2024

- One of the fastest merger and presentation of audited merged financial statements in Pakistan's corporate history
- Overall winner of SAFA Award, Gold in Manufacturing Sector, Merit Awards for Corporate Governance & Integrated Reporting
- Best Corporate Report 2023 for Chemical & Fertilizer Sector by ICAP
- IFA Industry Stewardship Champions
- Best ESG Reporting Award by CFA society
- Highest ever all product turnover Rs 373.54 billion
- Highest ever investment income of Rs 22.9 billion
- 75 sona centres operational
- Highest ever Prilled urea production of 2,555 KT
- Highest DAP sales of 654 KT
- Contribution to National Exchequer Rs 94.11 billion
- Highest ever combined profitability of Rs 64.7 billion

# ORGANIZATIONAL CHART



|                    |                                     |
|--------------------|-------------------------------------|
| <b>BD &amp; NP</b> | Business Development & New Projects |
| <b>CCO</b>         | Chief Commercial Officer            |
| <b>CFO</b>         | Chief Financial Officer             |
| <b>CHRO</b>        | Chief Human Resources Officer       |
| <b>CIA</b>         | Chief Internal Auditor              |
| <b>GGM</b>         | Group General Manager               |
| <b>GM</b>          | General Manager                     |
| <b>M</b>           | Manager                             |
| <b>RM</b>          | Resident Manager                    |
| <b>SM</b>          | Senior Manager                      |

## Number of Employees

FFC has employed 4,118 people in its operations including plants, marketing offices and head office. Location-wise break-up of number of employees has been disclosed on page 344 of the Report.

Disclosure of total number of employees has been made in Note 44.5 of the Financial Statements.

## Value Creation Business Model

Our value creation business model and process shows how we take in value, use our manufacturing facilities, people, systems and relationships to create additional value for our shareholders, employees, and other stakeholders. Detailed value chain has been disclosed on page 186 of the Report.

## External Environment

Significant factors affecting the external environment and our associated responses have been disclosed in detail on page 184 of the Report.

## Significant Changes From Prior Year

Any significant changes from last year, have been appropriately disclosed in the relevant sections of this Report.

\*MD & CEO and C-1 Level Reporting

# MAJOR EVENTS DURING THE YEAR

01

## January

- 222<sup>nd</sup> Board of Directors Meeting  
Final dividend 2023 - 41%.
- 1<sup>st</sup> Corporate briefing

03

## March

- 46<sup>th</sup> Annual General Meeting

04

## April

- 223<sup>rd</sup> Board of Directors Meeting
- 1<sup>st</sup> Interim Dividend 2024 - 55%

07

## July

- 224<sup>th</sup> Board of Directors Meeting
- 225<sup>th</sup> Board of Directors Meeting
- 226<sup>th</sup> Board of Directors Meeting
- 2nd Interim Dividend 2024 - 100%

08

## August

- 2<sup>ND</sup> Corporate briefing

09

## September

- 227<sup>th</sup> Board of Directors Meeting
- 228<sup>th</sup> Board of Directors Meeting
- Best ESG Reporting Award

10

## October

- 229<sup>th</sup> Board of Directors Meeting
- Extraordinary General Meeting - Election of Directors
- 1<sup>st</sup> position Best Corporate Report 2023 for Chemical and Fertilizer
- 1<sup>st</sup> position Best Sustainability Report 2023
- 2<sup>nd</sup> position Overall Best Corporate Report 2023
- 1<sup>st</sup> position MAP Corporate Excellence Award
- Started acquisition of AGL

11

## November

- 3<sup>rd</sup> Corporate briefing
- Extraordinary General Meeting - FFC/FFBL Merger
- Amongst Top 25 listed companies
- SAFA Award in Colombo Sri Lanka

12

## December

- 230<sup>th</sup> Board of Directors Meeting
- SDPI's Sustainability Award
- FFC & FFBL Amalgamation



# STRATEGY AND RESOURCE ALLOCATION

## Corporate Strategy to ensure Business Sustainability

Sustained fertilizer business with alternative feedstock, diversify both domestically & internationally, engage to maximize portfolio performance and introduce customer focused differentiated products by deploying innovative culture, while remaining a responsible corporate entity. FFC's strategic objectives are aligned with its mission, vision, and overall goals to ensure sustainable growth and industry leadership. The company drives agricultural productivity while maintaining its commitment to stakeholder value and national food security. This integrated approach strengthens FFC's position as a pioneer in the fertilizer industry.

## Significant Changes in Objectives and Strategies

Based on dynamic business environment, strategic objectives and their implementation strategies are developed and executed professionally.

There is no significant change in strategic objectives and strategies, however, new strategic initiatives related to the strategic objectives have been included in Strategic Plan.

/// Nature      ★★★★★ Priority  
Medium term and long term      High

| Strategic Objective:<br>Sustain growth in fertilizer business                                                                                                                                    |                                                                                 |                                                                                                                                                                            |                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated                                                                                                                                                                              | Human capital, financial capital, manufactured capital and intellectual capital | <br> | FFC shall sustain its market position by utilizing its business expertise to tap alternate feedstock and maintain its future production capacities. Viability of alternate feedstock is critical for the future of fertilizer business and food security of Pakistan. |
| KPI Monitored                                                                                                                                                                                    | Production, Sales, Market Share and Net Profit Margin                           |                                                                                                                                                                            |                                                                                                                                                                                                                                                                       |
| Status                                                                                                                                                                                           | Various viable options for alternative feedstock are being considered           |                                                                                                                                                                            |                                                                                                                                                                                                                                                                       |
| Future relevance of KPI                                                                                                                                                                          | The KPI will remain relevant in future                                          |                                                                                                                                                                            |                                                                                                                                                                                                                                                                       |
| Strategy: Identifying and implementing most suitable alternative resources of energy and increasing fertilizer market share for FFC core business sustainability and growth in fertilizer sector |                                                                                 |                                                                                                                                                                            |                                                                                                                                                                                                                                                                       |

/// Nature      ★★★★★ Priority  
Short term, medium term and long term      High

| Strategic Objective:<br>Diversify locally and globally through leveraging synergies and fostering strategic partnerships                             |                                                                         |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated                                                                                                                                  | Human capital and financial capital                                     | <br> | FFC's strong financial position, technical expertise along with adequate human resources enables it to diversify by pursuing growing markets. In addition to organic growth in fertilizer business, FFC also identifies and evaluates inorganic growth opportunities in the market and potential M&A to diversify in new business aligned to its strengths and growth aspirations. |
| KPI Monitored                                                                                                                                        | Return on Invested Capital, Gearing Ratio and Interest Cover            |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                    |
| Status                                                                                                                                               | On-going process; hence, business opportunities are under consideration |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                    |
| Future relevance of KPI                                                                                                                              | The KPI will remain relevant in future                                  |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                    |
| Strategy: Identify and evaluate best-suited opportunities in growth sectors through utilizing in-house business expertise and strategic partnerships |                                                                         |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                    |

/// Nature      ★★★★★ Priority  
Short Term and Medium Term      High

| Strategic Objective:                                                                            |                                                                  |                                                                                                                                                                            |                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategize portfolio management to drive long-term growth and exceed shareholders' expectations |                                                                  |                                                                                                                                                                            |                                                                                                                                                                                           |
| Resources allocated                                                                             | Financial Capital                                                | <br> | Dynamic business environment warrants evaluation of new opportunities and consolidation of existing position that mandates capital shift to more strategic and growing sectors prudently. |
| KPI Monitored                                                                                   | Return on Invested Capital and Share of Earning from Investments |                                                                                                                                                                            |                                                                                                                                                                                           |
| Status                                                                                          | On-going process                                                 |                                                                                                                                                                            |                                                                                                                                                                                           |
| Future relevance of KPI                                                                         | The KPI will remain relevant in future                           |                                                                                                                                                                            |                                                                                                                                                                                           |
| Strategy: Appraise performance of existing investments and position accordingly                 |                                                                  |                                                                                                                                                                            |                                                                                                                                                                                           |

/// Nature

Short term and medium term

★★★ Priority

High

### Strategic Objective:

Maintain outstanding brand image by providing premium quality innovative products and services



|                         |                                                           |                                                                                                                                                                        |                                                                                                                                                                                                                                                                     |
|-------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated     | Manufactured Capital, Human Capital and Financial Capital | <br> | <p>Strong brand image enables FFC to market new products and services while maintaining existing market position. Global developing regulations on nutrient use efficiency have opened opportunities to develop and market high efficiency fertilizer products.</p> |
| KPI Monitored           | Customer Satisfaction Index and Net Profit Margin         |                                                                                                                                                                        |                                                                                                                                                                                                                                                                     |
| Status                  | Ongoing process                                           |                                                                                                                                                                        |                                                                                                                                                                                                                                                                     |
| Future relevance of KPI | The KPI will remain relevant in future                    |                                                                                                                                                                        |                                                                                                                                                                                                                                                                     |

**Strategy:** Invest in R&D and innovative solutions for introducing new products as per the evolving needs of the customers

/// Nature

Short term

★★★ Priority

High

### Strategic Objective:

Improve operational efficiency through cost economization and enhanced synergies among functions



|                         |                                                           |                                                                                                                                                                            |                                                                                                                                                                                     |
|-------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated     | Manufactured Capital, Human Capital and Financial Capital | <br> | <p>Optimal operations facilitate further cost economization. External factors particularly input costs and international price volatility may affect the Company's performance.</p> |
| KPI Monitored           | Net Profit Margin                                         |                                                                                                                                                                            |                                                                                                                                                                                     |
| Status                  | The KPI will remain relevant in future                    |                                                                                                                                                                            |                                                                                                                                                                                     |
| Future relevance of KPI | The KPI will remain relevant in future                    |                                                                                                                                                                            |                                                                                                                                                                                     |

**Strategy:** Realign and implement policies and procedures for cost optimization and implement systems and processes to enhance synergy among functions

/// Nature

Long term

★★★ Priority

High

### Strategic Objective:

Objective-6: Demonstrate sustainable social, environmental and corporate governance commitment



|                         |                                                                                       |                                                                                                                                                                            |                                                                                                                                                                                                                                         |
|-------------------------|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated     | Human Capital, Financial Capital, Social and Relationship Capital and Natural Capital | <br> | <p>FFC's commitment to sustainable social, environmental and corporate governance provides confidence to stakeholders which consequently generate reputational excellence in the agricultural and industrial sector of the country.</p> |
| KPI Monitored           | Net Energy Efficiency                                                                 |                                                                                                                                                                            |                                                                                                                                                                                                                                         |
| Status                  | Ongoing process                                                                       |                                                                                                                                                                            |                                                                                                                                                                                                                                         |
| Future relevance of KPI | The KPI will remain relevant in future                                                |                                                                                                                                                                            |                                                                                                                                                                                                                                         |

**Strategy:** Focus UN Sustainable Development Goals and long-term environmental concerns specially climate change

/// Nature

Long term

★★★ Priority

High

### Strategic Objective:

Nurture innovative thinking, teamwork and strong organizational purpose



|                         |                                                                                                                                  |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                             |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated     | Human Capital, Social and Relationship Capital                                                                                   | <br> | <p>Nurturing innovative thinking and teamwork fuels human capital discretionary efforts towards value addition in business and to develop entrepreneurial mindset. Strong organizational purpose and fast changing business environment demands innovation and teamwork to meet the prevailing and upcoming challenges.</p> |
| KPI Monitored           | Employee Engagement                                                                                                              |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                             |
| Status                  | System is being reinforced to revitalize organizational culture through cultural interventions and change management initiatives |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                             |
| Future relevance of KPI | The KPI will remain relevant in future                                                                                           |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                             |

**Strategy:** Create a culture that nurtures innovation and entrepreneurial thinking, establish innovation platforms and enhance employee engagement.

# STRATEGY AND RESOURCE ALLOCATION

## Impact of External Environment on Strategy and Resource Allocation

FFC proactively addresses new developments in technology, sustainability and matters related to environment, social and governance (ESG). While making its wider business strategies, matters such as demographic changes, health, poverty alleviation and educational requirements are also brought into considerations keeping in view the flux in external business environment. Such externalities have a profound influence in reshaping the future business strategy of the organization. Every coming year, this well worked out strategy is refined and then crystalized into a coherent action plan. Management monitors imminent challenges and prioritizes its actions through appropriate resource allocation. Nonetheless, any development that has potential to materialize in future also remains under the radar for effective planning and formulation of alternatives. FFC ESG Journey can also be referred from page 114 to 115.

## The Legitimate Needs, Interests of Key Stakeholders and Industry Trends

At FFC, we consider the legitimate needs and interests of our key stakeholders. Our key stakeholders includes customers, employees, shareholders, suppliers, regulators, and the wider community in which the business operates. Each of our business unit understands needs and interests of our shareholders and take adequate steps to build trust, loyalty and a positive reputation. Industry trends also play a crucial role in shaping our business strategy and operations and our leadership teams ensure that changes in market conditions, consumer behavior, technology, and regulatory requirements are properly addressed and embedded in our business processes.

## Strategic Decisions Process

A dedicated Corporate Strategy Office through a strategic planning and management system ensures that our strategy is evolved and aligned with the vision while incorporating the associated risks, both at developmental and implementation stages. Considering the risk appetite of the organization, strategic decisions are deliberated at multiple levels before approval and subsequent implementation.

## Positioning in the Wider Market

FFC is positioned to offer wide variety of fertilizers to farmers which are tailored through its extensive agri-services support, experienced agri-scientists and data driven fertilizer application solutions. FFC is the only fertilizer manufacturer whose products are delivered to farmers all across the Country. We have established research functions for evaluation and development of varieties of fertilizers based on the market and global sustainability needs.

## Relation of Long Term Strategies with our Business Model

Pakistan's economic activities are directly or indirectly connected to its agriculture sector. As one of the world's populous country, agriculture and food security will remain important in this market as well as for policymakers. Sustainability of core business, i.e., manufacturing and marketing of fertilizers is one of the key components of FFC's long-term strategy, whether it is based on existing or new sources of raw material.

## Resource Allocation Plans to Implement Strategy

To achieve the strategic objectives of the organization, resource allocation plans

are prepared and resources are allocated to the strategic initiatives. These resource allocation plans include required financial and human resources to implement the strategy. In this way, business planning is aligned to strategic planning in the organization.

## Sustainable Competitive Advantage

Company's key resources and capabilities such as our enterprising human and intellectual capital, manufacturing and marketing process, the strength of our financial base and a robust governance system ensures provision of sustainable competitive advantage.

## Value Creation Business Model

Our value creating business model focuses on delivering value to our customers and stakeholders while generating revenues and adding values to the business. Our value creating business model is enumerated on page 186.

## Measurement of Achievements & Target Outcomes in Short, Medium and Long Term

Strategic Plans are made which cover the measurement of strategic objectives through Key Performance Indicators (KPIs), their benchmark and performance criteria. Real time measurement and reporting of KPIs is done for the Management to exercise control and support decision-making process. On the other hand, Strategic Initiatives in Strategic Plan help achieve desired outcome of the strategy. Like KPIs, these strategic initiatives / projects are also continuously monitored with respect to scope, cost and timeline for management information and control.



# COMPETITIVE LANDSCAPE AND MARKET POSITIONING

FFC Marketing Group has a large distribution network serving farmers throughout the Country. The vast network of fertilizer dealers provides logistical and working capital efficiencies, while providing products to the farmer in a timely manner.

The competitive landscape and market positioning is explained below:



## Potential of new Entrant into the Industry

The risk of new competitors in Pakistan's fertilizer market is low due to high capital requirements, raw material scarcity, and market saturation. New entrants need substantial investment in infrastructure, R&D, and marketing, while established players hold strong cost advantages and distribution networks, making entry difficult.

## Power of Suppliers

FFC's sustainable growth is driven by reliable suppliers for raw materials, equipment, and financial needs. The Company received uninterrupted feed and fuel gas supply from Mari Energies Limited at government-fixed rates, with procurements aligned to its budget. Its strong creditworthiness, reflected in AA+ long-term and A1+ short-term ratings, ensures favorable loan terms.



## Competition in the Industry

Pakistan's fertilizer sector has diverse competitors, with Urea led by local manufacturers and other fertilizers by importers. High fixed costs in land, equipment, and personnel drive aggressive market competition. Companies seek higher market share to spread costs and improve margins. In 2024, FFC combined share of 48% Urea and 62% DAP market (NFDC).

## Threat of Substitute Products

With a growing population, providing essential nutrients at the right time is crucial for higher crop yields. Technological advancements continue to impact agricultural productivity. FFC invests in R&D to develop efficient products, manufacturing Urea and DAP, importing DAP, and supplying secondary nutrients like sulphur, zinc, and boron to enhance land potential.



## Power of Customers

FFC prioritizes customer relationship management beyond credit facilities and discounts. Through Agri. Services, it promotes advanced knowledge transfer for farmers' sustainable growth. Customer loyalty, preference for the 'Sona' brand, and strong supply chain management drive its success.

# PROFILE OF THE BOARD

The Board comprises of members with extensive expertise in finance, economics and business management. Their strategic leadership drives FFC toward sustained growth and success.



**Lieutenant General Anwar Ali Hyder, Hilal-e-Imtiaz (Military) (Retired)**

Chairman

Joined the Board on April 06, 2024

With nearly four decades of distinguished military service, Lieutenant General Anwar Ali Hyder, HI(M) (Retired) brings consummate skill and experience in planning, organization and administration to his present assignment. Throughout his distinguished career he held prestigious positions in various command, staff and instructional roles, culminating in the position of Principal Staff Officer to the Chief of Army Staff as Adjutant General of Pakistan Army. A role in which he provided leadership and spearheaded several important welfare initiatives and large-scale commercial projects at the Army and national level, including strategizing the development and growth of Fauji Foundation Companies and serving as the Chairman of Army Welfare Trust.

His extensive experience in Pakistan Army includes noteworthy contributions in planning and development of Defence Housing Authorities (DHAs) all over the country and supervising development and management of countrywide mega housing projects such as Askari Housing Colonies.

He also had the distinctive opportunity of making contributions in the academic domain as President National Defence University and as member of the Board of Governors of NUST, NUMS and NUTECH.

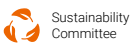
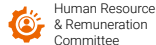
Transitioning seamlessly into civilian leadership role, Lieutenant General Anwar Ali Hyder (Retired) assumed the chairmanship of Naya Pakistan Housing and Development Authority (NAPHDA) and played an important role in the interim Federal Cabinet as the Caretaker Minister for Defence and Defence Production. He also served as a member of the Apex Committee of Special Investment Facilitation Council (SIFC), where he made multifaceted contributions to national economic growth initiatives and in the process remained engaged with several public and private sector entities and multinational organizations.

His strategic prowess and commitment to excellence is complimented by his professional and academic qualifications, which include Masters in Strategic Studies from United States Army War College, Carlisle, Pennsylvania and MSc in War Studies from National Defence University, Islamabad. His dedication to duty and meritorious services in Pakistan Army were duly recognized through conferment of the Chief of Army Staff Commendation Card and the prestigious Hilal-e-Imtiaz (Military) by the President of Pakistan.

Lieutenant General Anwar Ali Hyder, HI(M) (Retired) is Managing Director of Fauji Foundation. He holds the directorship on the boards of following companies along with FFCL:

|                                             |                                                     |
|---------------------------------------------|-----------------------------------------------------|
| • Askari Bank Limited                       | • Fauji Foods Limited                               |
| • FFBL Power Company Limited                | • Fauji Fresh n Freeze Limited                      |
| • Fauji Meat Limited                        | • FonGrow (Private) Limited                         |
| • Pakistan Maroc Phosphore SA               | • Fauji Cement Company Limited                      |
| • Mari Energies Limited                     | • Mari Mining Company (Private) Limited             |
| • Mari Technologies Limited                 | • Daharki Power Holding Limited                     |
| • Foundation Power Company Daharki Limited  | • Fauji Kabirwala Power Company Limited             |
| • Foundation Solar Energy (Private) Limited | • Fauji Oil Terminal & Distribution Company Limited |
| • Fauji Trans Terminal Limited              | • Fauji Akbar Portia Marine Terminal Limited        |
| • MedAsk (Private) Limited                  | • FonGreens (Private) Limited                       |
| • Foundation University Islamabad (FUI)     |                                                     |
| • President FUI                             |                                                     |
| • Vice Chairman Board of Governors FUI      |                                                     |
| • Chairman Executive Committee FUI          |                                                     |

#### Board Committees



**Mr. Jahangir Piracha**

Managing Director & Chief Executive Officer (MD&CEO)

Joined the Board on April 01, 2024

With over three decades of experience, Mr. Jahangir Piracha has built a career dedicated to leading and transforming some of Pakistan's most influential companies in chemicals, energy and agribusiness. Currently serving as the Managing Director and Chief Executive Officer of FFCL. Mr. Jahangir is focused on driving growth and innovation while supporting Pakistan's agricultural development and food security.

Mr. Jahangir's journey includes CEO roles at Engro Polymer & Chemicals Ltd., Engro Vopak & Elengy Terminal Ltd., and Engro Powergen Qadirpur Ltd., where he gained a deep understanding of commercial, manufacturing, human resources, finance and supply chain management. These diverse roles shaped his approach to leadership, emphasizing the importance of viewing challenges from multiple perspectives and balancing immediate needs with a long-term vision.

Beyond his executive roles, Mr. Jahangir has served on numerous boards, including Engro Foundation, REON Energy and Pakistan Oxygen Ltd., where he has played a key role in decisions impacting the future of energy, infrastructure and community support across Pakistan. His commitment to sustainability, inclusion and adaptive growth is evident in the initiatives he supports and the teams he builds.

A Chemical Engineering graduate from the University of Engineering and Technology, Lahore, Mr. Jahangir also completed the Advanced Management Program from INSEAD, Fontainebleau, France. His formal education laid a strong foundation, but his leadership style has been shaped by decades of hands-on experience and a dedication to creating positive, lasting change. Known for his commitment to diversity, equity and inclusion, as well as his advocacy for digital transformation.

Mr. Jahangir continues to lead with purpose, building organizations that are resilient, agile and prepared for the future. He also holds directorship on the boards of following companies along with FFCL:

|                                        |                                              |
|----------------------------------------|----------------------------------------------|
| • Askari Bank Limited                  | • Fauji Fresh n Freeze Limited               |
| • FFC Energy Limited                   | • OLIVE Technical Services (Private) Limited |
| • Foundation Wind Energy - I Limited   | • Foundation Wind Energy - II Limited        |
| • FFBL Power Company Limited           | • Fauji Meat Limited                         |
| • Thar Energy Limited                  | • Pakistan Maroc Phosphore SA                |
| • International Fertilizer Association | • Foundation University Islamabad            |



**Mr. Saad Amanullah Khan**

Independent Director

Joined the Board on September 29, 2018



Mr. Saad Amanullah Khan has three decades of experience with Procter & Gamble in Senior Management including seven years as Chief Executive Officer of Gillette Pakistan Limited. He was twice elected as President of American Business Council (ABC) and twice on the Board of Directors of Overseas Investors Chamber of Commerce and Industry (OICCI).

He has also served on the board of Pakistan Stock Exchange and State Life Insurance Corporation. Mr. Khan took early retirement in 2014 to follow his passion in social impact and driving governance in organizations such as:

|                                                                      |                                                           |
|----------------------------------------------------------------------|-----------------------------------------------------------|
| • Public Interest Law Association of Pakistan - <b>Chairman</b>      | • CTM360 (Cyber Threat Management) - <b>Director</b>      |
| • I AM KARACHI - <b>Co-Founder / President</b>                       | • Big Thick Burgerz Restaurants - <b>Joint Owner</b>      |
| • Pakistan Innovation Foundation - <b>Co-Founder / Chairman</b>      | • EcoEnergy Solutions (Private) Limited - <b>Director</b> |
| • Omni Motorsports (Private) Limited - <b>Co-Founder / Director</b>  | • Youth Impact – <b>Chairman of Advisory Committee</b>    |
| • South East Asia Leadership Academy <b>Co-Founder / Ex-Chairman</b> |                                                           |

He authored a business book "It's Business, It's Personal" published in 2014 in the US along with many research papers. He actively writes in newspapers on economic growth, democracy, entrepreneurship, social development and leadership. Mr. Khan holds two engineering degrees (Systems Engineering and Computer Science Engineering) and an MBA from The University of Michigan, USA. He is Chairman of Audit and Sustainability Committees and Member of Human Resource & Remuneration and System & Technology Committees.

Currently, he holds directorship on the boards of following companies along with FFCL:

|                             |                      |
|-----------------------------|----------------------|
| • Karachi Electric          | • NBP Funds          |
| • Jaffer Brothers           | • Burque Corporation |
| • International Packaging   | • ZIL Limited        |
| • Gillette Pakistan Limited |                      |



# PROFILE OF THE BOARD



**Ms. Maryam Aziz**

Independent Director

Joined the Board on July 05, 2019



S&T S&I

Ms. Maryam Aziz is a highly experienced finance and audit professional, with a career spanning over two decades in financial reporting, internal & external audit and risk management. Ms. Aziz is a Fellow Chartered Accountant from the Institute of Chartered Accountants of Pakistan and additionally holds professional certifications from Institute of Internal Auditors US, Association of Chartered Certified Accountants and Chartered Institute of Management Accountants UK. She is a certified director from the Pakistan Institute of Corporate Governance.

Ms. Aziz began her professional accounting career with KPMG Taseer Hadi Khalid Co. which covered external audits, internal control reviews, due diligence reviews and privatization assignments at major financial institutions including Deutsche Bank, Standard Chartered Bank, UBL, SBP, ANZ Grindlays and NDFC. She was associated with ORIX Group, a Japanese multinational financial group for twenty years in both local and international roles and served at various critical C-suite positions including Chief Financial Officer, Chief Internal Auditor, Group General Manager, Head of Enterprise Risk Management, Internal Control Advisor to ORIX Group and Finance Director at an IFC-led venture in Kazakhstan. She has also conducted and supervised multiple advisory and internal audit assignments for ORIX group companies in the MENA region.

She serves as an Independent Director on the Board of Engro Powergen Qadirpur Limited along with Fauji Fertilizer Company Limited and also served for 3 years as a director on the Board of ORIX Modaraba where she also held the position of Chairperson of the Risk Committee.

Ms. Aziz brings valuable experience in governance of financial reporting and risk management to the FFC Board. She is a Member of System & Technology and Strategy & Investment Committees.



**Syed Bakhtiyar Kazmi**

Non-Executive Director

Joined the Board on November 18, 2020



AC S&I

Mr. Kazmi is a fellow chartered accountant with over 35 years of experience in a diverse range of sectoral and functional strata within national and regional economies. The key areas of his specialization are fiscal policy and macroeconomic research, greenfield and brownfield projects, strategic collaborations, mergers and acquisitions, outliers in accounting and finance, strategic level audit and assurance, tax reforms and strategic level advisory.

Mr Kazmi served KPMG Pakistan for 35 years; interacted with the leadership in almost every industry, understanding their vision, their insights, business and strategies. His rigorous exposure to a diverse range of sectors and projects, enabled him to conceive and culminate strategic value additions for his clients. He successfully implemented a comprehensive service delivery framework that ensures quality assured service provision to KPMG's clients. As an auditor and an advisor, Mr Kazmi successfully delivered best-in-class and integrity driven services and branched into macroeconomic research with a focus on contributing towards fiscal and regulatory policies of Pakistan. He has served on a number of diverse forums / boards in the private sector, public sector & civil society organizations. As a thinker, he actively spreads his thoughts and ideas through his articles on national economics, business & taxation matters and issues, regularly published in reputable dailies. He is a Member of Audit Committee and Strategy & Investment Committees.

He holds the directorship on the boards of following companies along with FFCL:

|                                                                                     |                                                       |
|-------------------------------------------------------------------------------------|-------------------------------------------------------|
| • Fauji Cement Company Limited                                                      | • Askari Bank Limited                                 |
| • Fauji Foods Limited                                                               | • Mari Energies Limited                               |
| • The Hub Power Company Limited                                                     | • Fauji Akbar Portia Marine Terminals Limited         |
| • Fauji Trans Terminal Limited                                                      | • Fauji Oil Terminal and Distribution Company Limited |
| • Fauji Infraavest Foods Limited                                                    | • Foundation Power Company Daharki Limited            |
| • Fauji Kabirwala Power Company Limited                                             | • Foundation Solar Energy (Private) Limited           |
| • Daharki Power Holdings Limited                                                    | • Fauji Fresh N Freeze Limited                        |
| • Foundation Wind Energy-I Limited                                                  | • Foundation Wind Energy-II Limited                   |
| • Fauji Meat Limited                                                                | • FFC Energy Limited                                  |
| • Olive Technical Services Limited                                                  | • FFBL Power Company Limited                          |
| • FonGrow (Private) Limited                                                         | • Aether Technology (Private) Limited                 |
| • Mari Mining Company (Private) Limited                                             | • Mari Technologies Limited                           |
| • Sky47 Limited                                                                     | • FonGreens (Private) Limited                         |
| • HBL Zari Services Limited                                                         | • MedAsk (Private) Limited                            |
| • Foundation University Islamabad - Member Executive Committee & Board of Governors |                                                       |

#### Board Committees



Audit Committee



Human Resource & Remuneration Committee



System & Technology Committee



Strategy & Investment Committee



Sustainability Committee



Chairman / Chairperson



**Mr. Shoaib Javed Hussain**

Non-Executive Director

Joined the Board on March 26, 2021

Mr. Shoaib Javed Hussain is the CEO of State Life Insurance Corporation of Pakistan and is also the Chairman of Insurance Association of Pakistan. He has over 20 years of management experience at leading Global Insurance Groups & Consultancies in the United Kingdom and Asia. Through his global engagements across Europe, North America and Asia, Mr. Hussain brings on board his deep understanding and knowledge of finance, audit, risk and strategy matters with a proven track record of:

- Proactive, dynamic, driven leadership with effective delivery from the conceptual stage through to successful implementation
- Expert analysis and decision-making skills; utilizing technical acumen and strategic depth
- Leading and delivering strategic projects including M&A, due diligence and capital and liquidity management.
- In-depth experience of leading financial audits and risk management programs.
- Initiating policy and control improvements and driving programs that enhance transparency, governance and control.
- Strong experience of industry and regulatory engagement on global supervisory developments and lobbying with international regulators and supervisory authorities.

Before joining State Life, Mr. Hussain has held senior leadership and management positions with AIA Group Limited, Milliman, Prudential plc, EY and HSBC. He began his career at an Actuarial consultancy in Pakistan, holds an MSc in Actuarial Management from Cass Business School, City University, London and is a Fellow of the Institute of Actuaries (UK).

He holds the directorship on the boards of following companies along with FFCL:

• Sui Southern Gas Company Limited

• Pakistan Cables Limited



**Mr. Yassir Ghiyati Ibn Ziyad**

Non-Executive Director

Joined the Board on October 03, 2023



Mr Yassir Ghiyati is an accomplished executive who currently serves as the Vice President and Managing Director of Topsoe's EMEA region. Mr Ghiyati earned a Master of Science in Chemical Engineering from the Technical University of Denmark and has more than 15 years of professional experience in a range of engineering and commercial leadership roles. With a background in process engineering, catalysis, technology licensing and commercial leadership, Mr Ghiyati brings a broad expertise to the board. He is particularly experienced in the fields of hydrogen, powerto-x, syngas, ammonia, methanol, gas-to-liquid and refining. Mr Ghiyati's current focus is on deploying ultra-low carbon intensity hydrogen and ammonia solutions. He has authored several papers on this subject and is an active contributor to the energy transition debate. He is Chairman of System & Technology Committee and member of sustainability Committee.

# PROFILE OF THE BOARD



**Mr. Qamar Haris Manzoor**

Non-Executive Director

Joined the Board on October 26, 2023



Mr. Qamar Haris Manzoor has done his Masters in Chemical Engineering from USA and holds over 40 years of experience in plant and project management. He started his career with ICI and worked at its Soda Ash and Polyester Plants. He then moved to Exxon Chemical Pakistan Limited (now Engro) Fertilizer Plant and was involved in its operations. He then joined ICI's PTA Plant (now Lotte Chemicals) and managed various aspects of plant from Commissioning to Operation Management, Process and Project Engineering and HSE.

He has also been a technical advisor of Lotte for its growth strategies in Pakistan and contributed in setting up a 48 MW Cogen Plant at Lotte's PTA Plant. He also served as Chief Executive officer of El Paso Technology Pakistan Limited and Chief Operating Officer of Habibullah Coastal Power Company, Quetta. Mr. Manzoor took the additional responsibility of Chief Executive Officer of Hawa Energy Limited, a 50 MW wind project and successfully concluded the key contracts for the project and maintained liaison with regulators and relevant ministries/ government bodies to ensure financial close on time.

During his previous assignment, he worked as Chief Operating Officer of Naveena Group's Energy and Steel Projects and played a leadership role to develop a green field project under the name of Naveena Steel Mills (Private) Ltd for a 300,000 TPA steel rebar plant at port Qasim, Karachi. He also led the development of Lakeside Energy Private Limited, a 50 MW wind project at Jhampir, Sindh.

He took over as MD and CEO of Fauji Cement and Askari Cement in June 2020 and is responsible to spearhead cement portfolio of Fauji Foundation. In his role he successfully led the merger of Askari Cement into Fauji Cement as well as spearheaded two expansions of Fauji Cement of 2.0 Mn tons per year capacity each to grow the Company to become the 3rd largest player of cement sector in the Country. The green field expansion was completed in a record time of 13 months.

He is a member of System & Technology and Human Resources and Remuneration Committees.

He holds the directorship on the boards of following companies along with FFCL:

|                                |                                            |
|--------------------------------|--------------------------------------------|
| • Fauji Cement Company Limited | • Foundation Power Company Daharki Limited |
| • FFBL Power Company Limited   | • Fauji Kabirwala Power Company Limited    |



**Mr. Saif Anjum**

Non-Executive Director

Joined the Board on August 21, 2024

Mr. Saif Anjum is an officer of the Pakistan Administrative Service and is currently serving as the Secretary Ministry of Industries and Production. He has completed his Masters in Development Policy and Management from the University of Manchester, UK.

During career, he has served in various Senior Administrative positions at the Federal as well as Provincial Government. He has also served as Secretary Aviation Division, Special Secretary Interior Division, Secretary Environment Protection, Additional Charge for the post of Secretary Transport Department, Secretary Immigration, Special Secretary and Additional Secretary of Home Department Government of Punjab, District Coordination Officer Okara. He also served as Director General Sasti Roti Authority and PSO to Chief Minister Punjab.

He holds the directorship on the boards of following companies along with FFCL:

|                                                 |                                           |
|-------------------------------------------------|-------------------------------------------|
| • Utility Stores Corporation                    | • Trade Development Authority of Pakistan |
| • Small Medium Enterprise Development Authority | • Pakistan Institute of Management        |
| • Pakistan Procurement Regulatory Authority     |                                           |



## Board Committees



Audit Committee



Human Resource & Remuneration Committee



System & Technology Committee



Strategy & Investment Committee



Sustainability Committee



Chairman / Chairperson



**Mr. Mazhar Abbas Hasnani**

Non-Executive Director

Joined the Board on September 11, 2024



Mr. Mazhar is a seasoned finance and investment executive with nearly 25 years of cross-functional and cross-industry experience, distinguished by a consistent track record of driving value creation. He has demonstrated expertise in leading large, diverse teams and serving as a key member of Executive Committees and Boards of Directors for both listed and unlisted companies, including joint ventures with international partners. Mr. Mazhar's extensive network spans local and international capital providers, regulators, and thought leaders, enabling him to navigate complex business environments effectively.

Before joining the Fauji Foundation as Director Strategy and M&A, Mr. Mazhar spent 15 successful years at Engro, holding various leadership roles that shaped his ability to drive strategic initiatives, including Group CFO of Engro Corp and CEO of Terminals businesses. Prior to Engro, he spent over a decade in finance and advisory roles with globally renowned organizations, including Deloitte, PricewaterhouseCoopers and Nortel Networks in the USA and Canada.

Mr. Mazhar holds a Bachelor's degree in Economics and Accounting and is a Certified Public Accountant (CPA) licensed in the State of Colorado. He is also a member of Strategy & Investment and Audit Committees of FFCL.

He holds the directorship on the boards of following companies along with FFCL:

|                                               |                                            |
|-----------------------------------------------|--------------------------------------------|
| • Fauji Cement Company Limited                | • Askari Bank Limited                      |
| • Fauji Foods Limited                         | • Mari Energies Limited                    |
| • Fauji Akbar Portia Marine Terminals Limited | • Foundation Power Company Daharki Limited |
| • FFBL Power Company Limited                  | • Fauji Fresh N Freeze Limited             |
| • FonGrow (Private) Limited                   | • Foundation University Islamabad          |



**Major General Muhammad Aneeq Ur Rehman Malik, Hilal-e-Imtiaz (Military) (Retired)**

Non-Executive Director

Joined the Board on October 09, 2024



Major General Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired) brings approximately 37 years of distinguished military service, culminating in his retirement from the Field Army in March 2024. His career has been defined by strategic leadership, operational excellence and organizational transformation, with expertise spanning strategy formulation, operational planning, organizational development, human resource management and workforce training.

He holds an impressive academic portfolio, including Master of Philosophy in Public Policy & Strategic Security Management, Master of Science in the Art & Science of Warfare and Bachelor of Science (Honours) in War Studies.

Throughout his career, he has held pivotal leadership, staff and instructional roles. During international assignment as Military Observer and Advisor to the Force Commander and Chief Military Observer in UNAMSIL, he navigated complex multinational environment managing diverse stakeholders. His international engagements also include leading the Military Training Mission in Bahrain.

Domestically, he worked closely with the Federal Relief Commission during the 2005 Earthquake and led the Anti-COVID-19 response as a Field Formation Commander in a provincial capital, demonstrating exceptional crisis leadership. In his final military appointment as Director General Anti-Narcotics Force, he represented Pakistan on global and regional counter-narcotics platforms, strengthening international alliances and driving unprecedented drug supply seizures through the National Inter-Agency Task Force on Drugs.

Following his transition into the corporate sector, Major General Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired) currently serves as Director Human Resource at Fauji Foundation Head Office and forms part of Central Board of Directors. He is also serving on the Human Resource & Remuneration and Sustainability Committees at Fauji Fertilizer Company Limited.

He has further strengthened his corporate governance expertise by earning certifications from the Pakistan Institute of Corporate Governance in Director's Training, ESG and Sustainability.

A passionate sportsman, the officer continues to embody the values of discipline, teamwork, and resilience in all aspects of his professional and personal life.

He holds the directorship on the boards of following companies along with FFCL:

|                                   |                                              |
|-----------------------------------|----------------------------------------------|
| • FFC Energy Limited              | • Foundation Power Company (Daharki) Limited |
| • Foundation University Islamabad |                                              |

# PROFILE OF THE BOARD



**Dr. Shamshad Akhtar**

Independent Director

Joined the Board on October 09, 2024



Dr. Shamshad Akhtar has had a broad-based development career in leading national and multilateral organizations spanning over 40 years. She served as the first female Governor of State Bank of Pakistan from 2006 to 2009. Under Secretary General of the Economic and Social Commission of the Asia and Pacific (UNESCAP), Senior Special Advisor on Economics and Finance and Assistant Secretary General UN, the UN Secretary General's G20 Sherpa and Vice President, Middle East and North Africa (MENA) at World Bank. She was also Senior Special Advisor to the President of Asian Development Bank (ADB).

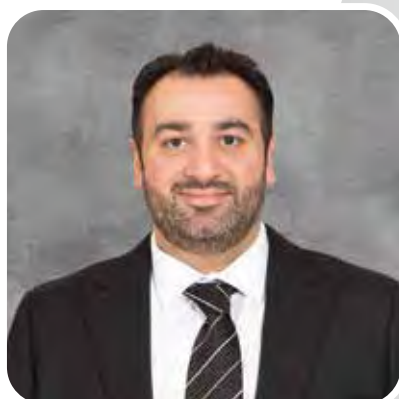
In 2023, she served as the first female caretaker Federal Minister for Finance. In 2018, Dr. Shamshad Akhtar served as Federal Minister of Finance, Revenue, Economic Affairs, Statistics Division, Planning and Development as well as industry and commerce areas in Pakistan's caretaker government. Dr. Shamshad has advised various governments and the private sector in specific areas of development, governance, poverty, privatization and public-private partnerships in numerous sectors. She is the first female chairperson of Sui Southern Gas Company Limited and Pakistan Stock Exchange Limited.

As Governor of State Bank of Pakistan, she was nominated Asia's Best Central Bank Governor by the Emerging Markets Group in 2005 and Bankers Trust in 2007. She was also amongst Asian Wall Street Journal's top ten Women Business Leaders in 2008. Dr Shamshad Akhtar also served as a Chairperson in Karandaaz, a not-for-profit Company that focuses on fostering economic growth and creating jobs through financial inclusion of unbanked individuals and unserved enterprises, with a special focus on women and youth.

She was a Postdoctoral Fellow and U.S Fullbright Scholar at Department of Economics, Harvard University. The Learned doctor is also a PhD Economics from University of Paisley, UK, Masters of Arts with Degree in Development Economics from the University of Sussex, UK and MSC (Economics) from the University of Islamabad and Bachelor of Arts (Economics) from the University of Punjab. She is also recipient of Pakistan's Highest Civil Award Nishan-e-Imtiaz in recognition of exceptional services in public sector. She is also Chairperson of Strategy & Investment Committee of FFCL.

Apart from FFCL Board, Directorship in other Companies include:

|                                   |                                    |
|-----------------------------------|------------------------------------|
| • Pakistan Stock Exchange Limited | • Sui Southern Gas Company Limited |
|-----------------------------------|------------------------------------|



**Mr. Farhad Shaikh Mohammad**

Independent Director

Joined the Board on October 09, 2024



Mr. Farhad Shaikh Mohammad is an Executive Director of Din Textile Mills Limited (Unit of Din Group of Companies). He is a finance graduate and has participated in various courses such as Corporate Governance Leadership and Corporate Finance Management. He has been invited as guest speaker at many universities and conferences. He is engaged in the matters of finance and accounts of the Din Group. He is also actively involved in philanthropy.

He acquired certificate under the Directors' Training Program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from PICG in 2011.

He is Chairman of Human Resources & Remuneration Committee and member of audit Committee.

He holds the directorship on the boards of following companies along with FFCL:

|                                      |                                   |
|--------------------------------------|-----------------------------------|
| • Din Leather (Private) Limited      | • Din Energy Limited.             |
| • Din Textile Mills Limited.         | • Din Power Limited               |
| • Din Corporation (Private) Limited  | • Din Sphere (Private) Limited    |
| • Din Developments (Private) Limited | • ACT2 Din Wind (Private) Limited |

#### Board Committees



Audit Committee



Human Resource & Remuneration Committee



System & Technology Committee



Strategy & Investment Committee



Sustainability Committee



Chairman / Chairperson



**Syed Atif Ali**

Chief Financial Officer

Syed Atif Ali joined Fauji Fertilizer Company Limited in April 2022 as Chief Financial Officer and holds Directorship on the Boards of:

|                                       |                                                       |
|---------------------------------------|-------------------------------------------------------|
| • Foundation Wind Energy - I Limited  | • Food Security and Agricultural Center of Excellence |
| • Foundation Wind Energy - II Limited | • Trustee on Sona Welfare Foundation                  |
| • Thar Energy Limited                 |                                                       |

A Chartered Accountant by profession, he started his career as a trainee from KPMG Lahore in 2003. He is a fellow member of both, The Institute of Chartered Accountants of Pakistan and Association of Chartered Certified Accountant (ACCA, UK). During his career span of over 20 years he has worked with multinational companies like Tetra Pak and ICI Pakistan in diverse local & regional roles. Mr Ali has vast experience in finance, cost transformation, supply chain management, administration, internal controls, budgeting & forward planning, formulating & implementing strategy and project appraisals. He has successfully achieved organizational transformation with a focus to improve organizational efficiency by realigning processes, creating synergies and optimizing resources and working capital improvement projects. Mr Ali has also undergone various professional trainings on leadership, leading & managing change, leading successful teams & employee engagement, Lean Six Sigma from LUMS, GEM learning and INSEAD.



**Brigadier Zulfiqar Ali Haider,  
Sitara-e-Imtiaz (Military)  
(Retired)**

GM Corporate Affairs / Company Secretary

Brigadier Zulfiqar Ali Haider, SI(M) (Retired) joined Fauji Fertilizer Company Limited as Company Secretary on February 01, 2024 and holds the appointment of Company Secretary in OLIVE Technical Services (Private) Limited also. He was commissioned in Pakistan Army in 1992, having graduated from Pakistan Military Academy Kakul. He had a distinguished career of 33 years and served on various command, staff and instructional appointments. The Brigadier is a graduate of Command and Staff College, Quetta and National Defence University, Islamabad. In recognition of his meritorious service, he was awarded Sitara-e-Imtiaz, (Military).

He acquired certification under the Directors' Training Program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from PICG in 2024.

# BOARD COMMITTEES

## Audit Committee

### Objective

Audit Committee is to oversee the financial reporting, disclosure requirements, hiring, performance & independence of the external auditors, the performance of the internal audit function, policies and principles, internal control process, risk management policies and practices and compliance with applicable laws/regulations.

### Composition



FFC's Audit Committee comprises of following four (04) non-executive members, two of whom are independent directors: Mr. Saad Amanullah Khan, Syed Bakhtiyar Kazmi, Mr. Mazhar Abbas Hasnani & Mr. Farhad Shaikh Mohammad. The chairman of the committee is an independent non-executive director. The members are a group of highly qualified individuals: a Fellow member of ICAP, a Doctorate in Economics, a Masters' in Business Administration and one with over 35 years of vast experience in financial sector. To ensure transparency and independence of the Internal Audit function, the Head of Internal Audit reports directly to the Audit Committee. FFC's annual internal audit plan is also approved by the Audit Committee and its progress reviewed on a quarterly basis.

### Attendance in the Audit Committee Meeting

The Committee met five times during the year. Separate meetings were also held with the Company's external and internal auditors in compliance with regulatory requirements.

| Directors                                      | 19 Jan                                                                                                           | 22 Apr                                                                              | 22 Jul                                                                              | 21 Oct                                                                               | 16 Dec                                                                                | Meetings Attended                                                             |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Mr. Saad Amanullah Khan<br><i>Chairman</i>     |                               |  |  |  |  | <div><div></div><div></div><div></div><div></div><div></div><div></div></div> |
| Syed Bakhtiyar Kazmi<br><i>Member</i>          |                               |  |  |  |  | <div><div></div><div></div><div></div><div></div><div></div><div></div></div> |
| Mr. Mazhar Abbas Hasnani<br><i>Member</i>      | Appointed on Sep 11, 2024                                                                                        |                                                                                     |                                                                                     |  |  | <div><div></div><div></div><div></div><div></div><div></div><div></div></div> |
| Mr. Farhad Shaikh<br>Mohammad<br><i>Member</i> | Appointed on Oct 09, 2024                                                                                        |                                                                                     |                                                                                     |  |  | <div><div></div><div></div><div></div><div></div><div></div><div></div></div> |
| Mr. Jehangir Shah                              |                               |  |  | Resigned on Oct 08, 2024                                                             |                                                                                       | <div><div></div><div></div><div></div><div></div><div></div><div></div></div> |
| Dr. Nadeem Inayat                              |                               | Resigned on Mar 31, 2024                                                            |                                                                                     |                                                                                      |                                                                                       | <div><div></div><div></div><div></div><div></div><div></div><div></div></div> |
| Maj Gen Zafar Ul Haq<br>(Retired)              | <br>Appointed on Apr 17, 2024 |                                                                                     |  | Resigned on Oct 08, 2024                                                             |                                                                                       | <div><div></div><div></div><div></div><div></div><div></div><div></div></div> |

### Quorum of the Meetings

The quorum of the Audit Committee meeting is to be comprised of either two members or two-thirds of the members of the Audit Committee, whichever is higher, where the presence of an independent director is

a must. The company secretary acts as the secretary of the Committee.

### Scope and Terms of Reference

The Board of Directors shall provide adequate resources and authority to

enable the committee to carry out its responsibilities effectively. The Committee shall be at the policy making level and may not infringe on the Management function. The terms of reference of the committee shall include:



- Determination of appropriate measures to safeguard the Company's assets.
- Jointly review with Investment Committee and recommend to the Board Business Strategy, any proposal of new investment, acquisition, JV and divestment(s) in line with Company's investment and diversification strategy.
- Review of annual and interim financial statements of the Company including Directors' Report, prior to their approval by the Board of Directors, focusing on:
  - o Major judgmental areas
  - o Significant adjustments resulting from the audit
  - o Going concern assumption
  - o Any changes in accounting policies and practices
  - o Compliance with applicable accounting standards
  - o Compliance with listing regulations as applicable and other statutory and regulatory requirements
  - o All related party transactions
- Review of preliminary announcements of results prior to external communication and publication.
- 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).
- Review of management letter issued by external auditors and management's response thereto.
- Ensuring coordination between the internal and external auditors of the Company.
- Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company. The performance appraisal of head of internal audit shall be done jointly by the Chairman of the Committee and the Chief Executive Officer.
- The head of internal audit may be removed only upon recommendation of the audit committee.
- The head of internal audit shall functionally report to the audit committee and administratively to the Chief Executive Officer.
- Consideration of major findings of internal investigations of activities characterized as fraud, corruption and abuse of power and management's response thereto.
- Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
- Review of the Company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports.
- 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.
- Determination of compliance with relevant statutory requirements.
- Monitoring compliance with Listed Companies CCG (where applicable) and identification of significant violations thereof.
- Review of arrangement for staff and management to report to committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures.
- Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the committee and where it acts otherwise, it shall record the reasons thereof.
- The Committee shall also review the annual business plan, including cash flows prior to its approval by the Board of Directors.
- The Committee shall also monitor briefings by management to the Board, of the Company's Key Performance Indicators (KPIs) in comparison with the Industry.
- To review the effectiveness of risk management procedures and to present a report to the Board in this respect, the committee shall:
  - o Monitor and review all material controls (financial, operational, compliance)
  - o Ensure that risk mitigation measures are robust along with integrity of financial information.

# BOARD COMMITTEES

- o Ensure appropriate extent of disclosure of Company's risk framework and internal control system in Directors' Report.
- The Committee shall review the vision and/or mission statement monitoring the effectiveness of the Company's governance practices and overall corporate strategy for the Company before adoption by the Board.
- Ensure, in consultation with MD&CEO and jointly review with HR&R Committee that succession plans are in place for key appointments i.e. Chief Financial Officer and Head of Internal Audit.
- Review Internal Audit personnel resource ensuring balanced representation of finance, business and technical experts in the department.
- Review and recommend administrative nature CAPEX Projects (Housing, Vehicles, Air-conditioning etc).
- Consideration of any other issue or matters may be assigned by the Board of Directors.

## Human Resource & Remuneration Committee

### Objective

Human Resource & Remuneration Committee is constituted to make recommendations to the Board on matters related to Human Capital within its scope and assist the Board in the effective discharge of its responsibilities to oversee the Human Resource policy matters of the Company.

### Composition



FFC's HR&R Committee comprises of following four (04) non-executive members, two of whom are independent directors, none of whom are involved in the Company's management nor are connected with any business or other relationships that could interfere materially with, or appear to affect, their judgment: Mr. Farhad Shaikh Mohammad, Mr. Saad Amanullah Khan, Mr. Qamar Haris Manzoor & Maj. Gen Muhammad Aneeq Ur Rehman Malik (Retired). The Chairman of the Committee is an independent non-executive director, and the MD&CEO do not hold membership of the Committee.

### Attendance in the HR&R Committee Meeting

The HR&R Committee met three times during the year, which surpasses the minimum regulatory requirement.

| Directors                                                          | 06 Mar                    | 29 Aug | 21 Oct   | Meetings Attended |
|--------------------------------------------------------------------|---------------------------|--------|----------|-------------------|
| Mr. Farhad Shaikh Mohammad<br><i>Chairman</i>                      | Appointed on Oct 09, 2024 |        |          |                   |
| Mr. Saad Amanullah Khan<br><i>Member</i>                           |                           |        |          |                   |
| Mr. Qamar Haris Manzoor<br><i>Member</i>                           |                           |        |          |                   |
| Maj. Gen Muhammad Aneeq Ur Rehman Malik (Retired)<br><i>Member</i> | Appointed on Oct 09, 2024 |        |          |                   |
| Dr. Ayesha Khan                                                    |                           |        | Resigned |                   |
| Lt Gen Waheed Arshad (Retired)                                     |                           | -      | Resigned |                   |
| Maj Gen Zafar Ul Haq (Retired)                                     | Appointed on Apr 17, 2024 |        | Resigned |                   |

## Quorum of the Meetings

The quorum of the HR&R Committee meeting is constituted by the presence of minimum two committee members (50%), where the presence of an independent director is a must. The company secretary acts as the secretary of the Committee.

## Scope and Terms of Reference

The Committee shall be at the policy making level and may not infringe on the Management function. It shall play an advisory role and it may make recommendations to the Board for approval, including but not limited to the following:

- Review/make modifications, if needed, in HR Policies after every three years and review Compensation Strategy and Code of Conduct as and when needed.
- Review/make modifications in Training Strategy as and when needed.
- Conduct periodic review of the Good Performance Awards, Long Term Service Award Policy and Safety Awards for safe plant operations.
- Review and recommend to the Board, in consultation

with the Company Secretary, the selection/appointment/re-appointment, evaluation, compensation/benefits, increments, performance bonuses, fringe benefits including retirement benefits and terms and conditions of service agreement of the MD&CEO.

- Ensure, in consultation with the MD&CEO, that succession plans are in place and review such plans at regular intervals for those executives whose appointment requires Board approval (under Code of Corporate Governance), namely, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their promotions, terms of appointment and remuneration package in accordance with market positioning. The succession plans for CFO and Head of Internal Audit be jointly reviewed with Audit Committee.
- Review function-based Management Structure/ Organogram of the Senior Management of the Company and where required, recommend to the Board for approval, any change thereto.
- Undertaking annually a formal process of evaluation of

performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors' Report disclosing name, qualifications and major terms of appointment.

- Conduct periodic reviews of the amount and form of Directors' compensation for Board and Committee services in relation to current norms. Recommend any adjustments for Board consideration and approval.
- Periodic review of the amount and form of reimbursement for terminal benefits in case of death of any employee in relation to current norms.
- Consider any changes to the Company's retirement benefit plans including gratuity and pension based on the actuarial reports, assumptions and funding recommendations.
- Recommend and obtain approval of financial package for Collective Bargaining Agents (CBA) agreement from the Board of Directors.
- Carryout annual review of grievances initiated in accordance with the Grievance Policy.

## System & Technology Committee

### Objective

System and Technology Committee recommends the consideration of the Board proposals of asset/plant upgradation, maintenance strategy, plant KPIs, technical risks and Research & Development projects to be undertaken by the Company.

### Composition



FFC's S&T Committee comprises of following four (04) non-executive members, two of whom are independent directors: Mr. Yassir Ghiyati Ibn Ziyad, Ms. Maryam Aziz, Mr. Qamar Haris Manzoor & Mr. Saad Amanullah Khan.

# BOARD COMMITTEES

## Attendance in the S&T Committee Meeting

The committee met five times during the year, which is beyond the minimum regulatory requirement of two meetings per annum.

| Directors                                | 22 Jan                                                                            | 23 Apr                                                                            | 18 Jul                                                                            | 22 Oct                                                                             | 10 & 11 Dec                                                                         | Meetings Attended |
|------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------|
| Mr. Yassir Ghiyati Ibn Ziyad<br>Chairman |  |  |  |  |  | ●●●●●●            |
| Ms. Maryam Aziz<br>Member                |  |  |  |  |  | ●●●●●●            |
| Mr. Qamar Haris Manzoor<br>Member        |  |  |  |  |  | ●●●●●●            |
| Mr. Saad Amanullah Khan<br>Member        |  |  |  |  |  | ●●●●●●            |

## Quorum of the Meetings

The quorum of S&T Committee meeting is constituted by the presence of minimum two committee members (50%). The company secretary acts as the secretary of the Committee.

## Scope and Terms of Reference

The Committee shall play an advisory role and make recommendations to the Board for approval, including but not limited to the following:

- Review the asset / plant upgradation and maintenance strategy set out by the Management.
- Review Capex budget relating to the plants / other locations in category of essential / mandatory equipment entailing reliability, replacements, upgradations, business continuity, HSE, digitalization and Information Technology.
- Review Capex related to Debottlenecking (DBN) / Balancing, Modernization & Revamp (BMR) and energy efficiency projects justified against cost benefit analysis. Committee shall also be apprised of the actual benefits realized from such projects after completion.
  - Review of the plant performance / KPI actual vs budgeted including:-
    - Production
    - Service Factor
    - Capacity Factor
    - Energy Index
    - Safety Performance of Plants [Total Recordable Incident Rate (TRIR)]
- Review the plants HSE performance on quarterly basis and assess needs to improve it.
- Annual benchmarking of above KPIs with local and foreign industry as per available reports issued by international / local consultants, if any.
- Review of technical risks (relevant portion of the overall Risk Register) and its mitigation strategy and monitor progress there against.
- Review the proposals suggested by the Management on the recent trends in use of Technology related to strategic replacements & operational innovation in production of fertilizers.
- Review of the R&D needs on annual basis and promote awareness of all stakeholders on needs for investment in plant nutrients for improvement in agricultural yields
- Review of ongoing IT projects ensuring alignment with the Company's policies and objectives.



# Strategy & Investment Committee

## Objective

Strategy and Investment Committee recommends the consideration of the Board proposals of new investment, acquisition and divestment to be undertaken by the Company.

## Composition



The committee comprises of following four (04) non-executive members, two of whom are independent directors: Dr. Shamshad Akhtar (Chairperson), Syed Bakhtiyar Kazmi, Ms. Maryam Aziz & Mr. Mazhar Abbas Hasnani.

## Attendance in the S&I Committee Meeting

Joint sessions of Strategy & Investment and Audit Committee were held during the year (Attendance on next page).

## Quorum of the Meetings

The quorum of meeting is constituted by presence of 50% of members and at least one of whom is to be an Independent Director.

## Scope and Terms of Reference

The Committee shall facilitate the Board in making decisions pertaining to new investments/divestments/diversifications by presenting its findings for Board's review and seeks approval for acquisition or expansion involving attractive returns, satisfactory growth and success potential.

To carry out its responsibilities the Committee will:

- Review external growth opportunities, potential diversification projects, acquisitions or divestment of existing projects /ventures, as proposed by the Management. The Committee is authorized by the Board to seek external independent professional advice at the Company's expense. The Committee may invite external parties with relevant professional experience to attend its meetings if it considered necessary.
- Review Management's proposals for strategic alliances with other entities /companies to achieve growth or diversification objectives of the Company.
- Review and approve financial model of investments including source of funding.
- Recommend to the Board approval or rejection of any proposed transaction, any related financing arrangements and post event review.
- Jointly review with Audit Committee and recommend to the Board any business strategy, proposal of new investment, acquisition, JV and divestment(s) in line with Company's investment and diversification strategy.
- Ensure that investments are made in accordance with the policy/strategy and related asset allocation limits (capitalization framework).
- Monitor whether the investment processes (including investment management systems) effectively support the chosen investment strategies.
- Monitor investment landscape to evaluate both short and long-term emerging market needs.
- The Committee shall review investment activities, portfolio performance and capital requirements and usage.
- Monitor progress of on-going diversification/expansion projects and evaluate their performance vs envisaged during construction and acquisition.
- Review the heat map prepared by the management of new investments with appropriate risk mitigation measures.
- Appraise the terms of the appointment of investment consultants or managers, including level of portfolio management, discretion, custody and dealing arrangements and fees.
- Periodically review the fees paid to consultants/advisors and appraise value for money.
- Set and review appropriate investment mandates ensuring consistency with the investment policy and long-term investment strategy.
- Monitor exposure to, or reliance on, particular revenue streams linked to market outcomes or events.
- Perform any other task/ responsibility assigned by the Board.

# BOARD COMMITTEES

## Sustainability Committee

### Objective

The primary purpose of the Committee is to review independently, on behalf of the Board, management's actions to run the Company as an environmentally and socially sustainable business. Managing its impacts on the economy, environment and people, including impacts on their human rights and capable of generating long-term value for its stakeholders. To perform his or her role effectively, each member of the Committee must be familiar with these Terms of Reference as well as the Company's business operations and risks.

### Composition



The committee is comprised of three members i.e. Mr. Saad Amanullah Khan, Mr. Yassir Ghyati Ibn Ziyad & Maj Gen Muhammad Aneeq Ur Rehman Malik (Retired). The members are expected to have the appropriate knowledge, skills and expertise to fully understand ESG management and strategy.

### Attendance in the Sustainability Committee Meetings

The Committee met two times during the year, as per requirement.

| Directors                                                  | 21 Oct | 23 Dec | Meetings Attended |
|------------------------------------------------------------|--------|--------|-------------------|
| Mr. Saad Amanullah Khan<br>Chairman                        |        |        |                   |
| Mr. Yassir Ghyati Ibn Ziyad<br>Member                      |        |        |                   |
| Maj Gen Muhammad Aneeq Ur Rehman Malik (Retired)<br>Member |        |        |                   |

### Quorum of the Meetings

The Committee shall meet at least twice a year and/or as deemed appropriate by the Committee Chair. The quorum necessary for the business transaction is 50% members of the Committee.

### Authorities

The Committee is authorized to:

- Investigate any matter within its Terms of Reference
- Have direct communication with the external party to discuss findings of the sustainability report.

- Retain, at its discretion outside legal or other advisors at the company's expense to obtain advice and assistance on any matters relating to its duties.

### Scope and Terms of Reference

The Sustainability Committee has following roles and responsibilities:

- Advise the Board on establishing a sustainability strategy and keeping it up to date as per regulatory requirements.
- Advise the Board on effectiveness of the Company's sustainability strategy, considering developments in the external environment.

- Advise the Board on measures to ensure Company's ability to create value in line with its sustainability strategy.
- Assist the Board in establishing and monitoring the sustainability policies and practices to identify and manage its impact on economy, environment and people.
- Review and recommend projects and communications developed in response to the sustainability strategy.
- Oversee that appropriate objectives and targets for crucial sustainability topics / activities / projects are in place and that key metrics are monitored and fairly reported.

- Review current and emerging sustainability and ESG trends, relevant national and international standards, changes in the Company's business environment and legislative requirements; identify how these are likely to impact the Company's strategy, operations and reputation and determine if and how these are incorporated into or reflected in the Company's sustainability policies and objectives.
  - Review the accuracy of Company's annual sustainability report and validate that the data reported complies with applicable sustainability and ESG reporting /
- ESG index requirements, codes and regulations.
  - Review and approve the external party assurance process and report.
  - Assists in defining measurable goals for each ESG category based on the Company's strategy and stakeholder expectations
- Other Matters**
- The Committee shall review its Terms of Reference annually to ensure that they remain adequate and relevant and incorporate any material changes in statutory
- and regulatory requirements and Company's business environment.
  - In setting the agenda for the meeting, the Chair shall encourage the Committee members, management and other members of the Board to provide input to address emerging issues.
  - The Committee shall ensure that its mandate does not come in conflict with the existing mandate of other FFC Board Committees and in case of any overlapping aspects, those will be resolved in order to synergize recommendations for the board and in case of any overlapping aspects, those will be mutually resolved.

## Joint Committee Meetings

Three sessions of Joint Strategy & Investment and Audit committees were held during the year to review the common agenda points.

### Attendance in Joint Sessions of Strategy & Investment and Audit Committees

| Directors                            | 02 Jul                                                                              | 29 Aug                                                                                | 01 Oct                                                                                | Meetings Attended                                                                                                                                                                                                                                                 |
|--------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr. Saad Amanullah Khan              |  |  |  |    |
| Syed Bakhtiyar Kazmi                 |  |  |  |    |
| Ms. Maryam Aziz                      |  |  |  |    |
| Dr. Ayesha Khan                      |  |  |  |    |
| Mr. Jehangir Shah                    |  |  |  |    |
| Mr. Mazhar Abbas Hasnani             |                                                                                     |                                                                                       |  |    |
| Lt Gen Waheed Arshad (Retired)       |  |  | Resigned                                                                              |    |
| Maj Gen Zafar Ul Haq, HI(M)(Retired) |  |  | Resigned                                                                              |    |

# MANAGEMENT COMMITTEES

## Management Committees



Executive Committee



Strategy Committee



CSR Committee



Chairman / Chairperson



**Mr. Jahangir Piracha**

MD&CEO



**Executive Committee**

### Members

**Mr. Wajid Ishaq Bhatti**

GGM M&O

**Syed Atif Ali**

CFO

**Syed Iftikhar Ahmad Kirmani**

GM-TEC

**Brig Zulfiqar Ali Haider SI(M)  
(Retired)**

GM-CA / Company Secretary

**Mr. Muhammad Ali Janjua\***

CCO

**Brig Khurram Shahzada, SI(M)  
(Retired)\*\***

Chief Coordination / Committee Secretary

**Mr. Muhammad Abdullah**

GM-M&O, MM

**Brig Muhammad Qamar UI Islam  
SI(M) (Retired)**

CHRO

**Mr. Aamer Fayyaz Ghuman**

GM-M&O, GM

**Mr. Muhammad Nouman Younas\*\***

COO-FPCL

**Mr. Javed Akhtar\*\***

IMO Lead



**Strategy Committee**

### Members

**Mr. Wajid Ishaq Bhatti**

GGM M&O

**Syed Atif Ali**

CFO

**Syed Iftikhar Ahmad Kirmani**

GM-TEC

**Brig Zulfiqar Ali Haider, SI(M)  
(Retired)**

GM-CA / Company Secretary / Committee Secretary

**Mr. Muhammad Ali Janjua\***

CCO

**Col Salar Malik (Retired)**

SM-S&I



**CSR Committee**

### Members

**Mr. Wajid Ishaq Bhatti**

GGM M&O

**Syed Atif Ali**

CFO

**Syed Iftikhar Ahmad Kirmani**

GM-TEC

**Brig Zulfiqar Ali Haider, SI(M)  
(Retired)**

GM-CA / Company Secretary

**Mr. Muhammad Ali Janjua\***

CCO

**Air Commodore Syed Farooq  
Ahmed Bokhari (Retired)**

SM-CSR/ Committee Secretary

### Inductions:

\* Upon retirement of Mr. Ather Javed

\*\* Post FFCL & FFBL Merger



# SWOT ANALYSIS

# S



## Strengths

- Robust financial health and stability
- Efficient and reliable production facilities
- Well-established brand presence
- Essential input to ensure national food security
- Strategic Amalgamation enhancing market penetration
- Technical prowess Development of new and ecofriendly formulations
- Competent & committed human resources
- Well diversified investment portfolio
- Strong competitive Moats

- Saturated Market with Limited Growth Potential
- Competitive Dealer Networks Restricting Market Expansion
- Limited Product Diversification
- Pricing Constraints Due to Product Homogenous products



## Weaknesses

# W

# O



## Opportunities

- Adoption of Energy-Efficient Technologies for Gas Conservation
- Horizontal as well as vertical diversification
- Increase/value addition in product line covering macro and micro nutrients
- Exploring Sustainable Raw Material Alternatives
- To enhance local production capacity, as 50% of DAP market demand is met through imports
- Exploration of alternative sources of raw material

- Inconsistent Government policies for fertilizer industry including pressures on fertilizer pricing
- Depleting natural gas reserves
- Poor farm economics
- Continuous increase in raw material/fuel prices and GIDC settlement
- Provision of gas to competitors at concessionary rates
- Imposition of additional taxes and levies/changes in tax regime for imported fertilizer
- Profit cuts due to continuous increase in operating cost
- High level of currency devaluation and current account deficit
- Inconsistent Government policies including allocation of gas, fertilizer price control, fertilizer subsidy mechanism, changes in tax regime etc.
- Volatile international raw material & fuel prices.



## Threats

# T





# 02

## DIRECTORS' REPORT

Review of the Company's performance by the Board of Directors

|                                 |     |
|---------------------------------|-----|
| Chairman's Review               | 50  |
| MD & CEO's Overview             | 52  |
| Financial Capital               | 54  |
| Corporate Awards                | 88  |
| Risk and Opportunity Report     | 90  |
| Corporate Governance            | 98  |
| FFC Embraces the ESG Journey    | 114 |
| Stakeholders' Engagement        | 116 |
| Manufactured Capital            | 120 |
| Intellectual Capital            | 130 |
| Human Capital                   | 134 |
| Health and Safety               | 140 |
| Statement of Value Added        | 141 |
| Social and Relationship Capital | 142 |
| Natural Capital                 | 151 |
| Forward Looking Statements      | 152 |



# CHAIRMAN's REVIEW

The Board prioritizes safeguarding the interests of stakeholders and exercises strong oversight....





## Dear Shareholders,

I feel privilege to be entrusted with the chairmanship of the Board of Fauji Fertilizer Company Limited, which comprises of dynamic and highly skilled professionals. Together, we aspire to achieve new milestones of success. I also extend my appreciation to the outgoing Chairman, Mr. Waqar Ahmed Malik, SI, for his contributions to FFC's enduring legacy.

The Board also welcomes Mr. Jahangir Piracha as the new Managing Director and Chief Executive Officer of the Company and expresses its gratitude to the outgoing MD&CEO, Mr. Sarfaraz Ahmad Rehman for his significant contributions during his tenure.

The incumbent Board was elected in October 2024 following the expiry of the term of previous Board. The Board continues to have twelve members, including two females and four independent directors. The MD&CEO is also deemed to be a director under applicable regulations. The Board extends its sincere acknowledgment to the outgoing directors for their invaluable contributions and welcomes the new directors who bring diverse business and governance expertise.

This year Company took a major step forward in expansion through merger of Fauji Fertilizer Bin Qasim Limited (FFBL) with and into Fauji Fertilizer Company Limited (FFC), which was undertaken under the approval of respective shareholders and creditors, by way of a Scheme of Arrangement as sanctioned by the Lahore High Court, Rawalpindi Bench.

The amalgamation was completed in a very short time period and is effective from July 1, 2024. This remarkable achievement underscores the visionary leadership of the Boards of both the Companies and the unwavering dedication of the management teams.

FFBL stands dissolved without winding up and the FFC's Board has thus continued as the Board of the merged entity. The Boards of both the Companies carried out their fiduciary duties in the most professional manner. The oversight by the two Boards continued with exemplary transparency and enhanced information sharing.

The Boards of the two Companies convened an aggregate of seventeen meetings during the year to review the annual business plan, evaluate merger and investments and oversee financial statements and other key matters. Additionally, the respective Board's committees also held meetings to fulfill their mandates effectively.

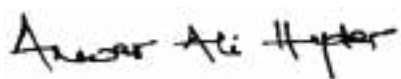
The combined net profitability of the merged entity stood at Rs 64.7 billion, and includes FFBL's results for the second half of 2024. The Board is thus pleased to announce a final cash dividend of Rs 21 per share, with aggregate payout of Rs 34.86 per share for 2024. With this distribution, the aggregate payout stands at Rs 49.61 billion, compared to previous year's distribution of Rs 19.71 billion.

The Company took an initiative to improve farm economics by selling its fertilizer products directly to the farmers at Company-specified rates. The Company has opened 75 retail outlets across the Country by the end of the year and our initiatives have received very encouraging results across the Country.

The Board integrates ESG considerations into its strategy and is also geared up to adopt sustainability related financial reporting standards. Focus areas include reducing emissions, promoting sustainable agriculture, enhancing community engagement, and strengthening governance. These sustainable practices drive operational efficiency, boost employee retention and attract long-term investors, thereby enhancing financial performance and delivering sustainable growth and value for all stakeholders.

The Board prioritizes safeguarding the interests of stakeholders and exercises strong oversight of FFC's robust enterprise risk management system, ensuring the effectiveness of internal controls to uphold transparency, accountability and good governance.

I would like to express my gratitude to our valued customers, suppliers, bankers, employees, shareholders and fellow Board members for their unwavering trust and commitment over the years. The Board continues to focus on National food security besides ensuring sustained returns to its stakeholders.



**Lieutenant General Anwar Ali Hyder,**  
**Hilal-e-Imtiaz (Military) (Retired)**

Chairman

Rawalpindi  
January 29, 2025

# MD & CEO's OVERVIEW

We are confident that our dedicated management and employees shall continue to add new chapters to the Company's successful history.



## Dear Members,

We stand at an important juncture, where your Company has achieved historic landmarks by way of merger of FFBL with and into FFC and is gearing up to propel itself toward new horizons and explore new possibilities.

Merger of FFBL, strong financial performance and acquisition of Agritech Limited were the major contributors towards the enhanced shareholders' wealth. This merger has enabled a larger asset base, enhanced borrowing capacity, higher revenues due to broader product portfolio, in addition to operational synergies. FFBL was the sole producer of DAP in the Country, with a capacity of 650 thousand tonnes, in addition to granular Urea production capacity of 551 thousand tonnes.

The amalgamation has further brought Fauji Foods Limited and FFBL Power Company Limited (FPCL) as new subsidiaries of FFC, while the shareholding in FFC's associated companies, including Askari Bank Limited and Pak Maroc Phosphore (PMP) has increased to 64.72% and 37.5% respectively.

The Company has also acquired equity of around 123 million shares of Agritech Limited (AGL), which demonstrated potential for increased fertilizer production in 2024, on the back of improved gas supply. AGL operates a 433 thousand tonnes Urea plant and an 81 thousand tonnes Single Super Phosphate (SSP) plant. The Company intends to further enhance its shareholding in AGL to acquire control of AGL.

Operating results for the year comprise of the merged entity, with FFBL's performance for six months period, starting from July 1, 2024. The combined profitability stood at Rs 64.7 billion, based on highest ever all fertilizer off-take of 3.6 million tonnes compared to 2.6 million tonnes last year, which resulted in total revenues of Rs 374 billion, record dividend income of Rs 10.8 billion, and benchmark investment income of Rs 22.9 billion. The profitability translated into an earning per share of Rs 45.49.

Combined Urea production stood at 2,841 thousand tonnes, which included record aggregate output by FFC plant sites Goth Machhi and Mirpur Mathelo, which further includes 286 thousand tonnes by FFC Port Qasim during the second half of the year.

Aggregate Urea off-take reached 2,942 thousand tonnes, which also included 95 thousand tonnes urea imported by the Government. Total DAP sales, including 131 thousand tonnes DAP imported by FFC, stood at 654 thousand tonnes. Sona Urea was marketed at a significant discount compared to the International urea prices.

In our efforts to provide fertilizer directly to the farmers, we have registered more than 72,000 farmers with our retail outlets which covers around 1,000,000 acres of land. In addition to sales, the centers educate farmers on optimal fertilizer use, modern farming techniques, and technical knowledge to boost productivity. The Company plans to expand this network in year 2025.

The Company contributed a substantial Rs 94.1 billion towards the Government treasury through taxes and levies in 2024, compared to Rs 36.3 billion in the preceding year by FFC alone. The combined import substitution saved the Country precious foreign exchange worth USD 1.4 billion for the year 2024.

The Company received several prestigious awards in 2024, underscoring its strong performance and commitment to excellence. It was adjudged as the "Overall Winner" of the SAFA Best Presented Annual Report Award 2023, with individual recognitions in manufacturing, integrated reporting, and corporate governance. Additionally, the Company secured first place in both the Chemical and Fertilizer Sector and the Sustainability Report Award in the ICAP/ICMAP Best Corporate and Sustainability Report 2023 competition. The company was also ranked amongst the top entities on the Pakistan Stock Exchange. These accolades reflect the Company's dedication to good governance, transparency and best practices.

Corporate Social Responsibility (CSR) is a core focus area for FFC, with initiatives spanning environmental preservation, education, healthcare, energy conservation, sports promotion and community support. FFC Goth Machhi plant received the 21st Annual Environment Excellence Award from the National Forum for Environment and Health for its significant contributions to environmental protection and sustainable development.

Our wind energy companies, Askari Bank, and PMP contributed significantly towards the Company's profitability. Performance of the new subsidiaries, FFL and FPCL also remained satisfactory.

## Future Outlook

The year 2024 is viewed as a period of economic stabilization for the Country, which is also supported by international agencies. Indicators of recovery include a reduced interest rate, stable foreign exchange parity, lower inflation, and positive activity at the PSX.

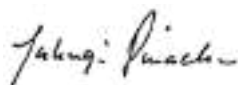
Despite signs of recovery, Pakistan's economy continues to navigate through challenges, including gradual reduction in inflation, alongside rising public debt, unemployment concerns and unfavorable climate conditions. Sustained progress will require effective measures to stabilize inflation, implement structural reforms and maintain fiscal discipline.

Going forward, we are confident that the improving economic environment would enable the Company to continue offering its fertilizer products to the farmers at most economical rates in the Country.

With amalgamation of FFBL and investment in Agritech Limited, the Company is now able to offer a larger fertilizer portfolio for agricultural growth and ensuring food security in the Country.

We are confident that our dedicated management and employees shall continue to add new chapters to the Company's successful history. We are committed to further strengthening the Shareholder's wealth and enhance a relationship with all our stakeholders, while also contributing significantly to the National Exchequer.

On behalf of the Board,



**Jahangir Piracha**

Managing Director & Chief Executive Officer

Rawalpindi  
January 29, 2025

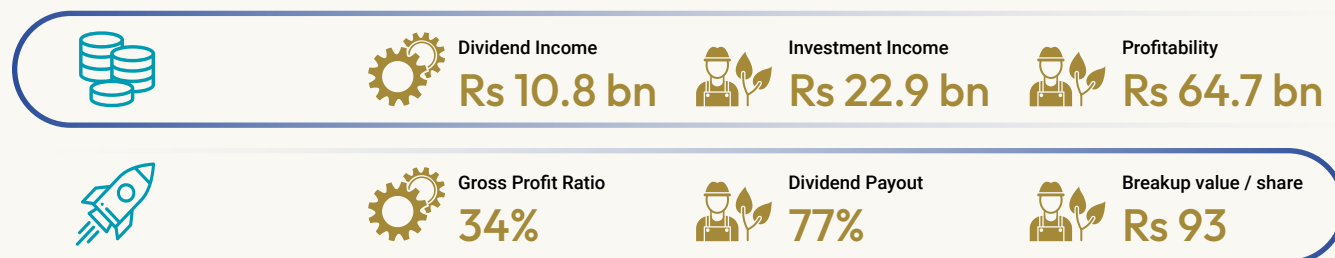
# FINANCIAL CAPITAL

| Contributing to SDGs |                                                                                   |                                      |  |  |  |  |
|----------------------|-----------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Inputs               | Equity & Reserves Rs 131,880 Million                                              | Long-term Finances Rs 38,200 Million | Total Assets Rs 416,952 Million                                                     |                                                                                     |                                                                                     |                                                                                     |
| Outputs              | Return on Capital Employed - 72%                                                  | Return on Equity - 49%               | Net Profit Margin - 17%                                                             |                                                                                     |                                                                                     |                                                                                     |
|                      | Earning per Share - Rs 45.49                                                      | Dividend per Share - Rs 34.86        |                                                                                     |                                                                                     |                                                                                     |                                                                                     |
| Value Creation       |  | Value Preservation                   |  |                                                                                     |                                                                                     |                                                                                     |

Value Creating Business Model – page 186

Value Creating Business Model – page 186

## Snapshot of Financial Capital



## Macro – Economic Overview

The economy has witnessed a moderate recovery in 2024 due to the Government's effective policy measures despite challenges of fiscal consolidation, monetary tightening, geopolitical tensions and persistently high inflation. Positive developments include increase in GDP growth and downward trend in inflation, owing to policy management by the Government and renewed support from both multilateral and bilateral partners. Further, despite the challenges, the Government successfully completed the IMF Stand-By Arrangement (SBA) program. Amid these positive developments, GDP growth reached 2.38% in FY 2024 as compared to 0.29% in 2023.

While the global economy has stabilized with signs of moderate recovery, it's crucial to remain vigilant about potential risks. Geopolitical tensions arising from conflicts in Ukraine and Gaza, and differing inflation rates among major economies are factors that could impact global prices, leading to currency depreciation, commodity prices, and increased production costs in Pakistan. However, the Government's proactive measures and strategic planning are aimed to mitigate these risks and boost economic stability in future.

Pakistan's economic growth for 2025 is estimated around 3% as Pakistan's economy faces a slow recovery with inflation remaining high compare to previous years, rising public debt and unemployment challenges, while gradual improvements hinge on structural reforms and fiscal discipline.

### Agriculture Sector

Pakistan has a diversified economic base with the agriculture sector contributing 24 percent in GDP and 37 percent in employment. The predominance of agriculture in the economy indicates that agricultural growth is a critical driver of economic growth, employment, and poverty reduction, given its linkages with the other sectors. The key factors for better yields of crop were credit facilitation, certified seeds, fertilizer use, and on-farm management techniques. Improving yield through mechanizing farming and ensuring food security are priorities of the Government. However, changing climatic patterns and natural disasters will remain threats, highlighting the importance of mitigation and adaptation measures.

### Fiscal Development

Pakistan faced a tight budgetary condition further impacted by the adversities caused due to floods of late 2022, that affected major crop cultivating areas of Country.

These tough economic challenges added to the already existing economic woes of Country.

There was some progress during the year due to a successful Stand-By Arrangement (SBA) agreement with the IMF. Additionally, Government prioritized imports to tackle macroeconomic imbalances and exercised a tight monetary policy. This along with strict import controls and tight monetary policy helped slow down the worsening of key economic indicator. However, significant hurdles remain. Tax revenues grew on the back of a significant rise in FBR tax collection despite various economic challenges at the domestic and global levels.

### Money and Credit

The State Bank of Pakistan maintained a tight monetary policy at the start of the year with policy rate at 22% maintained by MPC, from July 2023 to May 2024, aiming to control inflationary pressures as a tool of demand management and economic stabilization policy. However, towards the end of the year, SBP reduced policy rate to 13%. This deceleration was mainly driven by continued decline in food inflation, favorable global oil prices and absence of expected adjustments in gas tariffs and Petroleum Development Levy (PDL) rates in recent months.



## Inflation

The CPI inflation decreased to 4.9% from 28.3% at the start of the year. The decline in inflation is broad-based, reflecting fiscal consolidation, smooth supplies of food items, favorable global commodity prices, and the base effect. At the same time, the inflation outlook is susceptible to multiple risks, including additional measures to meet revenue shortfall, resurgence in food inflation and an increase in global commodity prices.

## FFC Performance

### Merger of FFBL with and into FFC

During the year, a Scheme of Arrangement (the Scheme) for merger/ amalgamation of FFBL with and into the Company was approved through resolutions passed by Board of Directors of both the companies during their meetings held on September 20, 2024. The Scheme was also approved by the members of both companies in their Extra Ordinary General Meetings held on November 4, 2024. The Scheme was sanctioned by the Honourable Lahore High Court, Rawalpindi Bench (the Court) in its court hearing dated November 18, 2024 and through its certified order dated December 11, 2024. The Scheme complies with the provisions of sections 279 to 283 and 285(8) of the Companies Act, 2017 (the Act). The effective date of merger / amalgamation is July 1, 2024 i.e the date at which all assets and liabilities of FFBL are vested with the Company. Consequently, FFBL stands dissolved without winding up.

The consideration transferred is 150.87 million fully paid ordinary shares of Rs 10 each issued to the shareholders of FFBL (other than the Company) in accordance with the approved swap ratio (i.e. 1 share of the Company issued for 4.29 shares of FFBL). The swap ratio was determined based on values and calculations set forth in the Swap Computation Letter dated September 20, 2024, issued by M/s KPMG Taseer Hadi & Co., Chartered Accountants, and was approved by the Board of Directors of both companies.

In the financial statements, the amalgamation has been accounted for using predecessor method of accounting in accordance with "Accounting for Common Control Transactions" Standard as notified by SECP under SRO 53 (I)/2022 dated January 12, 2022. The details have been explained in note 1.2 of financial statements.

This merger is one of a swift and seamless transaction in the corporate history of Pakistan. FFBL Board stands dissolved and the Board of FFC continues its oversight role as the Board of the merged entity.

The amalgamation has also expanded FFC's investment portfolio through addition of two subsidiaries including FFBL Power Company Limited (FPCL) and Fauji Foods Limited (FFL). FFC's stake in Askari bank Limited and PAK Maroc Phosphore (PMP) has also increased to 64.72% and 37.5% respectively.

The financial figures for the current year in this report comprise of combined results of FFC's for the full Year of 2024 and FFBL's performance for the second half of 2024. Comparatives in this report reflect FFC's results for 2023 only, as per requirement of IFRS.

Combined profitability of the merged entity stood at Rs 64.7 bn during the year which included FFBL's profitability for the second half of the Year. Other factors contributing to the excellent performance included favorable fertilizer market conditions, stable foreign exchange rates, higher sales volume, exceptional returns on investments and other income streams. The Company's continued focus on cost optimization as part of its operational strategy, further improving profitability.

During the year, the Company's product portfolio expanded with the addition of Port Qasim plant, increasing the total number of FFC's plants to four. Investment in Agritech, has further boosted the product portfolio with addition of 433 thousand tonnes of urea capacity and addition of a Single Super Phosphate (SSP) Plant, with a capacity of 81 thousand tonnes. Looking ahead, with the anticipated inclusion of Agritech,

the Company's production capacity and market share are expected to grow further and providing premium fertilizer product at affordable rates.

## Production

FFC achieved total Urea production of 2,841KT including 286KT produced by FFC Port Qasim Plant during the second half of 2024.

DAP production by FFC Port Qasim, during the second half of last year was recorded at 452 KT including 32 KT of Boron DAP. Additionally, 157 KT DAP was also imported by FFC. Total fertilizer production reached 3,293 KT including the output by FFC Port Qasim compared to standalone FFC urea production of 2,521 KT last year.

This notable performance was supported by optimized maintenance schedules, avoiding unplanned shutdowns and improved gas supply to the Port Qasim plant. No turnaround was carried out by Goth Machhi and Mirpur Mathelo Plants, compared to two maintenance shutdowns last year.

## Sales

The Company recorded prilled urea sales of 2,550 KT during the year which is an all-time record. Granular urea sales from July to December 2024 stood at 298 KT. The Company also marketed 95KT of Urea imported by the Government, bringing FFC's total urea sales to 2,942KT compared with marketing of 2,505 KT by FFC alone during 2023.

DAP sales were recorded at 654 KT including 45 KT of Boron DAP, supplemented by 139 KT of imported DAP.

Combined all fertilizer sales stood at 3,611 KT, compared to 2,629 KT by FFC alone during 2023.

The background of the entire slide is an abstract image of blue ink splashing and swirling on a white background. The ink creates intricate, organic patterns that fill the frame. In the lower right corner, there is a faint, stylized blue logo that appears to be a combination of the letters 'F' and 'B' intertwined.

# A STRATEGIC MASTERSTROKE

## MERGER STORY OF FFC & FFBL

**Synergizing Strengths  
and Enhancing Value**

In the dynamic and competitive landscape of fertilizer industry, growth and innovation drive success. The merger of FFBL into FFC marks a strategic milestone, strengthening its foundation and unlocking new opportunities. Rooted in shared values and a unified vision, this integration enhances efficiency, sustainability, and market leadership. Together, the combined entity is positioned for long-term excellence.



# MERGER SYNERGIES



**Larger Asset Base**



**Supply chain/Industrial relations synergies**



**Larger Product Portfolio**



**Operational/Technical Synergies**



**Increased Risk  
Absorption Capacity**



**Reduction in  
Administrative Costs**



**Leveraging Against the  
Assets of FFBL**



**Cost Savings and  
Rationalization**



**Enhanced value, efficiency  
& growth for Shareholders**

# FINANCIAL CAPITAL

## Financial Position Analysis

The statement of financial position comprises of Combined Assets, liabilities and equity of merged entity as at Dec 31, 2024. The comparative figures for 2023 represent the Assets, Liabilities and Equity of FFC on standalone basis, in line with the requirement of IFRS.

### Equity and Reserves

2024 | 131.88 bn | 2023 | 61.85 bn

Consequent to the merger of FFBL with and into FFC, FFBL's reserves as at Jun 2024 were transferred into FFC's equity in the shape of merger reserves amounting to Rs 27.8 bn. In pursuance of the scheme of arrangement FFC issued 150.87 million shares to the shareholders of FFBL other than FFC at par value which combined with higher retained earnings due to increased combined profitability of the merged entity resulted in increased FFC equity of Rs 132 bn, compared to Rs 62 bn last year.

The significant increase in net worth has resulted in a substantial rise in break-up value per share to Rs 92.67, representing a 91% increase from Rs 48.62 in 2023

### Borrowings

2024 | 38.20 bn | 2023 | 24.30 bn

As of year-end, FFC's aggregate long-term borrowings (including current maturity) increased to Rs 38bn from Rs 24 bn last year due to financial requirements. No long-term loans were transferred from FFBL, as FFBL has paid off its entire long-term loans during the year. The overall long-term liabilities increased by Rs 14 bn at the close of 2024.

### Short term borrowings

2024 | 31.28 bn | 2023 | 13.74 bn

Combined short-term borrowings aggregated to Rs 31 bn which included borrowings taken over from FFBL. Short term borrowing at the close of previous year stood at Rs 14 bn.

### Trade and Other Payables

2024 | 186.05 bn | 2023 | 108.26 bn

As of year-end, the Company's trade and other payables totaled Rs 186 bn compared to Rs 108 bn last year. This increase is attributable to liabilities taken over from FFBL which included increased GIDC liability by Rs 22 bn, payable to PMP on account of raw material purchases of Rs 22 bn and accrued liabilities of Rs 13 bn as a result of the merger.

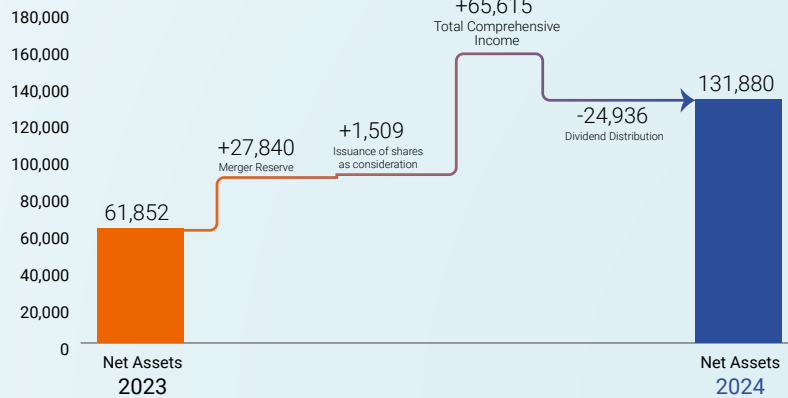
### Contingencies and Commitments

2024 | 96.23 bn | 2023 | 39.84 bn

The Company faces a Rs 5.5 billion penalty from the Competition Commission of Pakistan (CCP), which has been remanded for review, with hearings yet to commence. Bank guarantees issued on behalf of the Company total Rs 13.4 billion. It has provided Rs 7.3 billion in financial guarantees to the Excise and Taxation Department of Sindh under the Sindh Cess Act, 2017, with the case pending in the Supreme Court. Since June 2011, the Company has deposited 50% of the levy in cash monthly. A Rs 9.7 billion ECA loan was repaid, but one ECA has yet to release HBL from its guarantor role, keeping a charge on the Company's assets. The Company is actively working to resolve this issue. Financial commitments for capex and fertilizer purchases amount to Rs 56.3 billion.

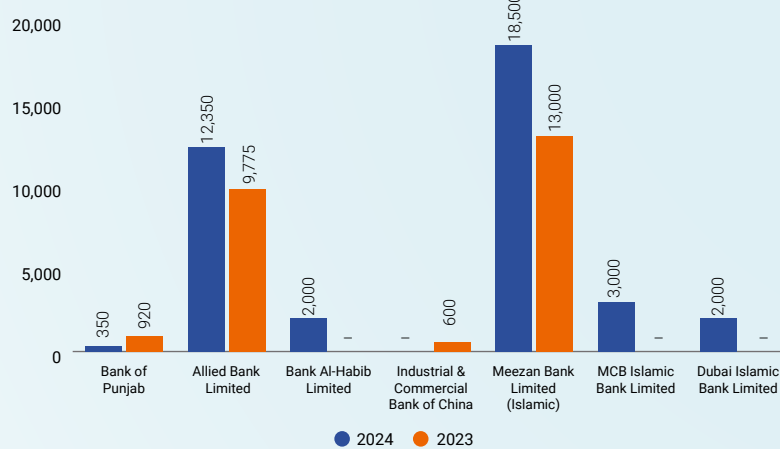
### Growth in Net Assets

(Rs million)



### Long Term Borrowings

(Rs million)



## Profit Distribution and Equity / Reserve Analysis

The Company's equity and reserves at the beginning of the year stood at Rs 62 bn. Shareholders approved a final dividend of Rs 5.2 bn for 2023.

In 2024, the Company earned comprehensive income of Rs 65.6 bn and declared two interim dividends totaling Rs 19.7 bn. The Company issued ordinary shares valuing Rs 1.5 bn to the shareholders of FFBL other than FFC.

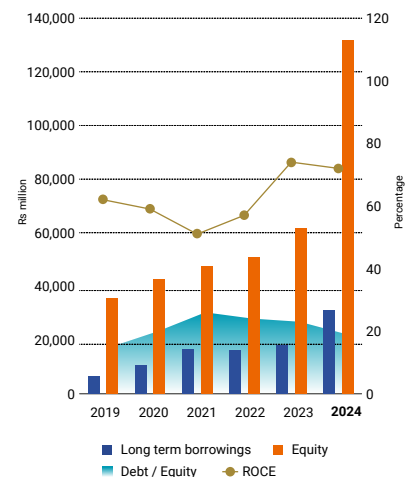
No transfers were made to general reserves during the year.

The aggregate equity and reserves at the close of the year therefore stood at Rs 132 bn, as detailed below:

|                                     | Rs in million | Rs per share |
|-------------------------------------|---------------|--------------|
| Opening equity and reserves         | 61,852        |              |
| Final dividend, 2023                | (5,216)       | 4.10         |
| Net profit, 2024                    | 64,731        |              |
| OCI                                 | 884           |              |
| Issuance of shares as consideration | 1,508         |              |
| Merger Reserves                     | 27,840        |              |
| Available for appropriation         | 151,599       |              |
| First interim dividend 2024         | (6,997)       | *5.50        |
| Second interim dividend 2024        | (12,722)      | *10.00       |
| Closing December 2024               | 131,880       |              |

\*Rs 15.50 per share revised to Rs 13.86 post merger for annualized appropriation.

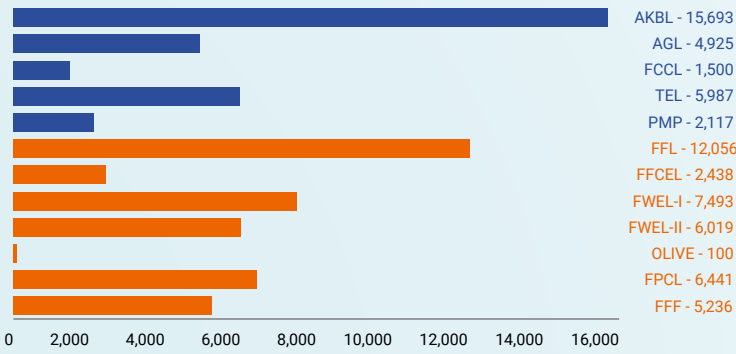
### Equity & Debt





## Equity Investments

(Rs million)



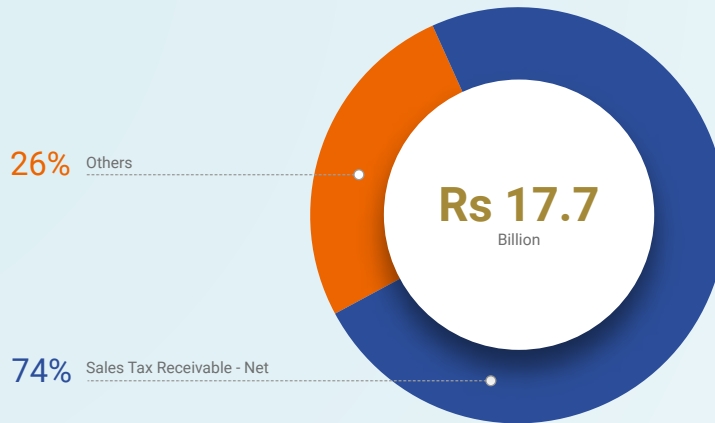
### Associate Companies

Askari Bank Ltd. (AKBL)  
Agritech Ltd. (AGL)  
Fauji Cement Company Ltd. (FCCL)  
Thar Energy Ltd. (TEL)  
Pakistan Maroc Phosphore S.A, Morocco (PMP)

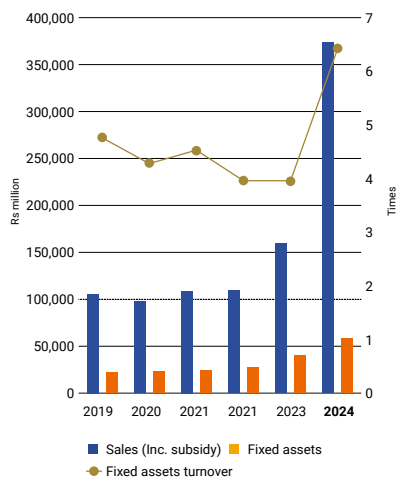
### Subsidiary Companies

Fauji Foods Ltd. (FFL)  
FFC Energy Ltd. (FFCEL)  
Foundation Wind Energy I Ltd. (FWEL-I)  
Foundation Wind Energy II Ltd. (FWEL-II)  
Olive Technical Services (Pvt.) Ltd. (OLIVE)  
FFBL Power Company Ltd. (FPCL)  
Fauji Fresh n Freeze Ltd. (FFF)

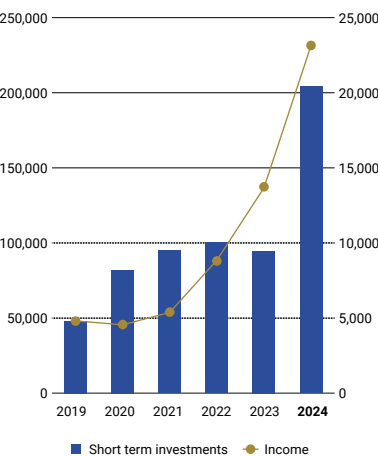
## Other Receivables



## Turnover, Fixed Assets and Fixed Assets Turnover



## Short Term Investments and Income



## Property, Plant and Equipment

2024 | 58.21 bn | 2023 | 40.22 bn

The combined property Plant and Equipment increased from Rs 40 bn last year to Rs 58 bn at the close of 2024, which included Assets taken over from FFBL comprising of plant site Port Qasim, Head office building and other Assets. The addition also included investment towards sustained plant operations and other Assets.

## Long Term Investments

2024 | 76.78 bn | 2023 | 48.72 bn

The Company's long-term investments also increased from 49 bn at the close of 2023 to Rs 77 bn during 2024, which included Rs. 25.1 bn from FFBL which comprise of FFBL Power Company Limited (FPCL), Fauji Food limited (FFL) and increased investment in Askari Bank Limited and Pak Maroc Phosphore.

The Company acquired 123 million shares of AGL at a total cost of Rs 4.9 bn representing 28.86% of ordinary share capital Market value of ordinary shares as at December 31, 2024 was Rs 4.7 bn

In addition, the Company also acquired listed convertible preference shares valuing Rs 1.7bn and non-convertible unlisted preference shares valuing Rs 3.3 billion as at December 31, 2024.

Subsequent to the balance sheet date, the FFC received acceptances from the market for sale of 7.8 million ordinary shares against the public offer and the Company's total equity stake in AGL increased to 31.12%.

Further equity injection in Fauji Fresh and Freeze stood at a net balance of Rs 1 bn after adjusting additional impairment loss of Rs 4 bn during the Year.

## Stores, Spares and Loose Tools

2024 | 14.03 bn | 2023 | 7.78 bn

Aggregate stores, spares and loose tools stood at Rs 8 bn last year which increased to Rs 14 bn in 2024 due to store, spare and loose tools taken over from FFBL. The increase is also attributable to escalation in international prices besides devaluation of the Pak Rupee.

## Stock in Trade

2024 | 23.74 bn | 2023 | 2.07 bn

The company's stock-in-trade totaled Rs 23.7 bn at the close of 2024 compared to Rs 2.1 bn last year, the increase is attributable to Rs 17 bn representing Sona DAP, granular Urea stock taken over from FFBL along with in-transit inventory of phosphoric acid.

## Trade Debts

2024 | 943.63 mn | 2023 | 48.50 mn

The Company's trade debts aggregated to Rs. 944 Mn, including the credit sales of Sona DAP and granular Urea. The trade debts at the close of last year stood at Rs 49 Mn.

## Other Receivables

2024 | 17.75 bn | 2023 | 20.50 bn

Other receivable stood at Rs 17.7 billion, which decreased from Rs 20.5 billion last year due to additional provision against sales tax receivable during the year.

## Short Term Investments

2024 | 203.98 bn | 2023 | 94.74 bn

The combined Short-term investments increased to Rs 204 bn which included investment transferred to FFC from FFBL. The increase is also attributable to higher placement of funds due to better cash generation. Short term investments stood at Rs 95 bn at the close of 2023.

## Total Assets

2024 | 416.95 bn | 2023 | 223.28 bn

As a result of the merger, the Company's total asset base surged by 87% to Rs 417 bn. This significant growth is primarily attributable to a substantial increase in property, plant and equipment, long-term investments in associates and subsidiaries, alongside higher short-term investments, reflecting a strengthened financial position of the merged Company.

# FINANCIAL CAPITAL

## Profit or Loss Analysis

### Turnover

2024 | 373.54 bn | 2023 | 159.47 bn

The Company achieved total urea turnover of Rs 224 bn including the revenues from sale of Sona G and urea imported by the Government resulting in 68% increase from last year. Sona DAP revenue amounted to Rs 108 bn, contributing to the Company's combined highest-ever aggregate turnover of Rs 374 bn, an overall increase of 134% from last year, which comprised of FFC's turnover only. This significant growth was driven by higher sales on the back of increased production by Plant sites Goth Machhi, Mirpur Mathelo and additional production by Port Qasim plants.

Despite rising costs, FFC sold its Urea products at the lowest rates in the local market and these prices also remained significantly below the international urea prices underscoring the Company's commitment to affordability for local farmers.

### Cost of Sales

2024 | 246.36 bn | 2023 | 95.22 bn

The combined cost of sales stood at Rs 246 bn, which included the cost of production of Port Qasim Plants from July to December 2024, cost of urea imported by the Government, the rise in cost of gas and imported raw material and the effect of inflation. As a result, the cost of sales increased by 159% from 2023.

### Distribution Cost

2024 | 29.36 bn | 2023 | 12.68 bn

Distribution costs aggregated to Rs 29 bn, including the cost of Sona DAP, Granular Urea and Urea imported by the Govt, in addition to the increase in transportation costs and inflationary impacts. These costs increased by 132% compared to standalone FFC's distribution cost for the previous year.

### Finance Cost

2024 | 6.52 bn | 2023 | 5.62 bn

The aggregate finance cost including Port Qasim plant's interest expenditure for the second half of 2024, stood at Rs 6.5 bn, which increased by 16% only, due to lower working capital requirements and the drop-in interest rates.

### Other Losses

2024 | 5.42 bn | 2023 | 4.06 bn

Other losses in aggregate amounted to Rs 5.4 bn, which included loss allowance on subsidy receivables from the Government of Pakistan and unwinding charge on GIDC liability, which completed during the year in line with the Sindh High Court orders. Other losses also include impairment of Rs 4 bn on Company's investment in Fauji Fresh n Freeze (FFF) because of persistent pressure on FFF's operations.

### Other Expenses

2024 | 9.99 bn | 2023 | 5.43 bn

Aggregate other expenses increased to Rs 10 bn mainly due to higher charge of WPPF and WWF on increased combined profitability of the merged entity.

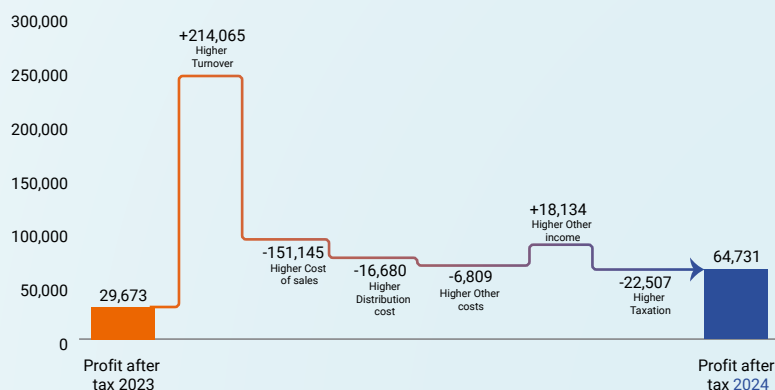
### Other Income

2024 | 35.23 bn | 2023 | 17.10 bn

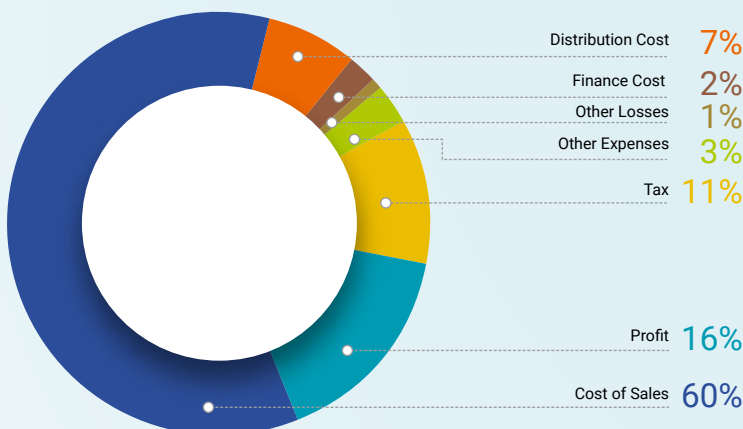
Combined other income stood at a record level of Rs 35 bn, which increased by 106% over last year, mainly due to highest ever dividend income of Rs 10.8 bn, in addition to benchmark investment income of around Rs 23 bn, which is attributable to higher placement of investments due to better cash availability, besides increased interest rates.

### Profit or Loss Waterfall

(Rs million)



### Income Utilization



### Provision for Taxation

2024 | 46.38 bn | 2023 | 23.87 bn

Aggregate provision for taxation increased to Rs 46.4 bn, due to higher combined profitability, including the levy of super tax.

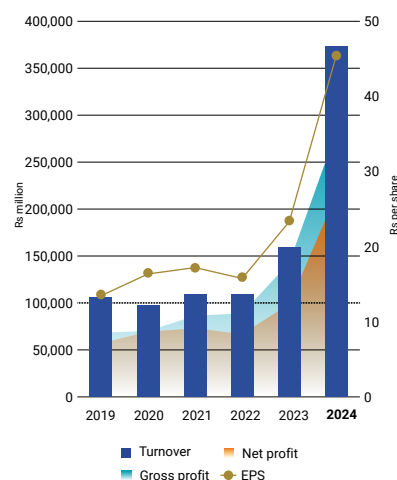
### Profit for The Year

2024 | 64.73 bn | 2023 | 29.67 bn

The Company achieved combined profitability of Rs 64.7 bn, compared to FFC's standalone profitability of Rs 29.7 bn last year. This increase is attributable to higher sale volumes and revenues including the contribution by Plant site Port Qasim, record dividend and investment income, in addition to effective cost controls by FFC. As a result, earnings per share (EPS) climbed to Rs 45.49, up from Rs 23.32 per share in the previous year.

Dollar-denominated earnings increased to USD 232 million compared to USD 106 million in the prior year.

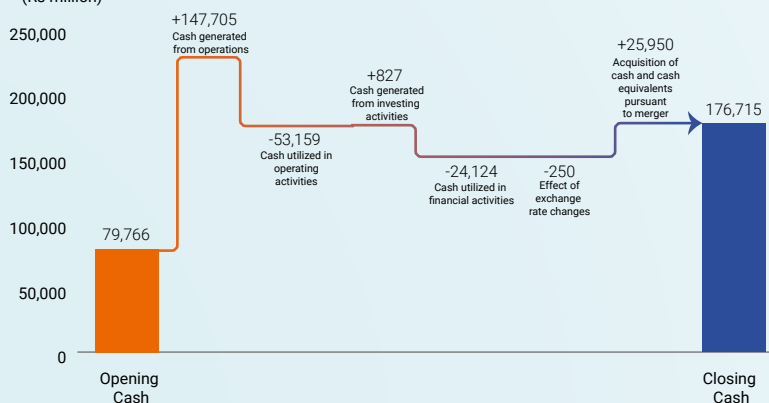
### Profitability



## Cash Flow Analysis

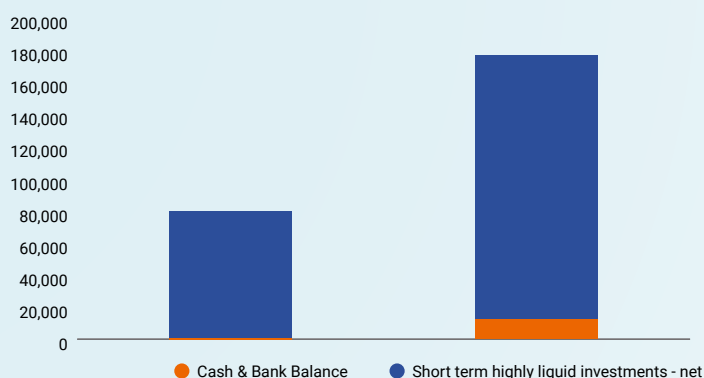
### Cash Movement

(Rs million)



### Cash & Cash Equivalents

(Rs million)



### Cash Flows from Operating Activities

2024 | 94.55 bn | 2023 | 60.88 bn

Cash flows from operations was recorded at Rs 94.5 billion, 34 billion higher than last year mainly attributable to improved cash generation from merged operations driven by improved fertilizer sales and efficient working capital management.

### Cash Flows from Investing Activities

2024 | 0.83 bn | 2023 | (5.86) bn

To ensure sustained business operations, Company invested in capex projects with an outlay of Rs 12 billion during the year.

The Company also enhanced its investment in strategic assets by acquiring a stake in AGL of Rs 10.9 billion and equity injection in FFF by Rs 5 billion. The existing portfolio yielded positive inflows in the form of dividends and investment income of Rs 28.11 billion. As a result, net cash generated from investing activities stood at Rs 827 million, compared to cash used in operations of Rs 5.9 billion in 2023.

### Cash Flows from Financing Activities

2024 | (24.12) bn | 2023 | (15.92) bn

To finance the business sustenance and expansion projects, Company borrowed finance of Rs 20 billion, however stronger liquidity backed by improved cash inflows, company managed to retire its debt obligations of Rs 19.2 billion. To ensure a regular income stream for its shareholders, FFC paid healthier dividends valuing Rs 24.9 billion due to enhanced performance against Rs 18.5 billion payment last year.

Net cash used in financing activities was thus recorded at Rs 24.12 billion compared to utilization of Rs 15.9 billion last year.

### Cash and Cash Equivalents

2024 | 176.72 bn | 2023 | 79.77 bn

Cash and cash equivalents of merged entity stood at Rs 176.7 billion which include an amount of Rs 25.9 billion taken over from FFBL as a result of merger. Last year balance of Rs 79.8 billion pertains to FFC alone.

## Adequacy of Internal Controls

The Board of Directors has implemented a comprehensive system of operational and financial internal controls, promoting a culture of integrity, transparency and ethical responsibility throughout the organization. This robust framework ensures the accuracy, reliability and compliance of the Company's financial reporting and operational processes.

The Audit Committee played a strong role in overseeing the internal controls framework, conducting regular reviews to assess its adequacy and effectiveness.

Additionally, the independent Internal Audit function provided ongoing monitoring and assurance, ensuring the implementation and enforcement of these controls across the organization.

## Subsequent Events

The Board of Directors in its meeting held on January 29, 2024 is pleased to recommend a final cash dividend of Rs 21 per share i.e. 210% for the year ended 2024, for shareholders' approval, taking the total payout for the year to Rs 34.86 per share i.e. a payout of 76.63%.

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

# FINANCIAL CAPITAL

## Financial Key Performance Indicators

### Turnover

Rs million

#### Why is this a KPI?

Turnover refers to the complete amount of products that have been sold, and their combined value. This gives a view into the progress of sales and the total value of inventory sold by the Company during the year.

#### 2024 Performance

Record turnover of merged entity on account of higher offtake of Urea and DAP.

Change  
**134%**

|      |         |
|------|---------|
| 2024 | 373,537 |
| 2023 | 159,472 |

### Earnings per Share

Rs

#### Why is this a KPI?

Earnings per share (EPS) measures the portion of the Company's profit allocated to each outstanding share.

#### 2024 Performance

The Company recorded EPS of Rs 45.49 during 2024 compared to Rs 23.32 last year.

Change  
**95%**

|      |       |
|------|-------|
| 2024 | 45.49 |
| 2023 | 23.32 |

### Investment income

Rs million

#### Why is this a KPI?

The Company derives investment income from deposit in different banks and financial institutions, investment in Government securities and mutual funds. It is dependent on prevalent interest rates and effective fund utilization.

#### 2024 Performance

Benchmark investment income due to efficient funds management and higher interest rates

Change  
**57%**

|      |        |
|------|--------|
| 2024 | 22,899 |
| 2023 | 14,556 |

### Dividend per Share

Rs

#### Why is this a KPI?

Dividend per share (DPS) is the sum of dividends, including both interim and final, declared by the Company for every outstanding share.

#### 2024 Performance

The Merged entity announced Dividend per Share of the Company was Rs 34.86 per share in 2024 compared to Rs 15.49 last year of FFC only.

Change  
**125%**

|      |       |
|------|-------|
| 2024 | 34.86 |
| 2023 | 15.49 |

### Dividend Income

Rs million

#### Why is this a KPI?

Dividend income is derived from a diversified investment portfolio which includes banking, cement, energy and food sectors.

#### 2024 Performance

Healthy payout by subsidiary / associated companies resulted in dividend income of Rs 10.8 billion.

Change  
**502%**

|      |        |
|------|--------|
| 2024 | 10,829 |
| 2023 | 1,800  |

### Gross Profit Margin

%

#### Why is this a KPI?

GP Margin compares the gross margin of a company to its revenue. GP Margin shows how much profit the Company is making after paying off cost of sales.

#### 2024 Performance

Gross profit margin recorded at 34%

Change  
**-6%**

|      |       |
|------|-------|
| 2024 | 34.05 |
| 2023 | 40.29 |

### Import Substitution

USD million

#### Why is this a KPI?

Import substitution gives a view of the value addition created in terms of foreign exchange savings for the Country through domestic production of urea fertilizer.

#### 2024 Performance

Contribution to National Exchequer through import substitution clocked in at USD 1.4 billion in 2024

Change  
**43%**

|      |       |
|------|-------|
| 2024 | 1,435 |
| 2023 | 1,001 |

### Net Profit Margin

%

#### Why is this a KPI?

NP Margin is used to calculate the percentage of profit a company produces from its total revenue. It measures the amount of net profit the Company obtained per rupee of revenue earned.

#### 2024 Performance

Net Margins stood at 17.33%

Change  
**-1.28%**

|      |       |
|------|-------|
| 2024 | 17.33 |
| 2023 | 18.61 |

### Market Price per Share

Rs

#### Why is this a KPI?

The market price of Company's share on the Pakistan Stock Exchange as at December 31, 2024.

#### 2024 Performance

FFC share price experienced a remarkable gain of approximately 224%, attained the status of the top constituent of KSE-100 Index.

Change  
**224%**

|      |       |
|------|-------|
| 2024 | 366.3 |
| 2023 | 113.2 |

### Return on Capital Employed

%

#### Why is this a KPI?

Returned on Capital Employed provides a measure of the efficient and effective use of capital in operations of the Company.

#### 2024 Performance

Stable earnings before interest and tax, despite increase in capital employed led to ROCE of 72.09%.

Change  
**-1.82%**

|      |       |
|------|-------|
| 2024 | 72.09 |
| 2023 | 73.91 |

### Break-Up Value

Rs

#### Why is this a KPI?

The value per share is based only on the value of Company's assets.

#### 2024 Performance

The break-up value per share was recorded at Rs 92.67, 91% higher than last year.

Change  
**91%**

|      |       |
|------|-------|
| 2024 | 92.67 |
| 2023 | 48.62 |

### Return on Equity

%

#### Why is this a KPI?

Return on Equity is a measure of the Company's annual return (profit after tax) divided by the value of its total shareholders' equity, expressed as a percentage.

#### 2024 Performance

Increased profitability lead to ROE of 49.08%, higher than the last year figure of 47.97%.

Change  
**1.11%**

|      |       |
|------|-------|
| 2024 | 49.08 |
| 2023 | 47.97 |



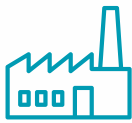
# S1 & S2

## Adoption of IFRS Sustainability Disclosure Standards

This year, we voluntarily opted to report on IFRS sustainability disclosure standards (SDS), including IFRS S1 and S2, to prepare for mandatory adoption in Pakistan for reporting periods starting from July 01, 2025. The information from the previous year in this report was not compiled in accordance with IFRS SDS; however, the requirements in GRI 305 and IFRS S2 show a high degree of alignment concerning GHG emissions disclosure, as outlined in the interoperability guide published by GRI and IFRS Foundation. However, information previously reported following the GRI Standards in the prior year continues to be presented for comparability purposes.

## NON-FINANCIAL KPIs

### Manufactured Capital



Production Efficiency  
**124%**



Farmers Engagement

**182,748**

Farmers reached through our Agri. Services



Warehouses

**127**

### Intellectual Capital



ISO - Info sys  
ISO 27001: 2022



Green Data Centre



SAP Rise

### Natural Capital



Spent on Energy efficiency  
Rs **286** million



Clean Energy Produced

**11,342** GJ



CO<sub>2</sub> emission averted

**271.46** MT

### Human Capital



Workforce  
**4,118**



Total Training Hours

**71,942**



Culture & Employees  
Engagement Score

**69%**

### Social and Relationship Capital



Contribution to National  
Exchequer  
Rs **94.11** billion



Donations

Rs **765** million

Creating livelihood opportunities through **2,174** interest-free loans worth Rs. **78.5** Million in collaboration with Akhuwat

# FINANCIAL CAPITAL

## Analysis of Non-Financial Key Performance Indicators

Evaluation of non-financial key performance indicators (KPIs) has been provided for significant non-financial KPIs pertaining to the business and stakeholders across various capital forms, as outlined in the International Integrated Reporting Framework.



### Manufactured Capital

(Page No. 120-129 & 193-204)

Our engagement in the importation, manufacturing, marketing, and distribution of high-quality fertilizers is designed to generate value for our stakeholders – the People – and, ultimately, for the broader economy.

#### Producing Quality Fertilizer

Our mission revolves around safeguarding and improving the productive potential of both farms and the earnings of our end consumers. Committed to meeting customer expectations and aligned with our strategic vision, we are dedicated to producing high-quality products that adhere to international environmental and safety standards, contributing to the well-being of both local farms and the broader planet.

#### Investing in Better Farm Productivity

Over the last four decades, FFC has significantly bolstered farm productivity through consistent commitment and investment in farm advisory. This includes building a loyal customer base, promoting the **Sona** brand in the marketplace, and creating substantial value for both FFC and farmers.



### Intellectual Capital

(Page No. 130-133 & 219-233)

While intellectual capital lacks the visibility associated with monetized forms of capital in value creation, the company is steadfast in allocating resources to its development. This commitment is grounded in the belief that intellectual capital significantly enhances operational efficiency and fosters a competitive advantage in the contemporary technological era.



### Human Capital

(Page No. 134-139 & 205-218)

The Company has fostered a culture of operational excellence through mentoring, delegation, and succession planning, cultivating a skilled workforce. Our well-defined policy outlines strategies for succession planning, recognition, talent acquisition, and leadership development. FFC is committed to managing HR priorities, attracting and nurturing talent in a conducive environment.

#### Providing Employment

FFC, has a workforce of 4,118 professionals as of December 31, 2024, spread across manufacturing sites, country-wide marketing networks, and the head office. To ensure the retention of this skilled workforce, the Company offers competitive and market-based remuneration, job security, attractive retirement benefits, and opportunities for skill enhancement and career development. This comprehensive approach aims to attract and retain competent individuals in various operations, including plants, marketing offices, and the head office.

#### Investing in Our Workforce

In 2024, FFC disbursed salaries and benefits amounting to Rs 13.8 billion, compared to Rs 10.5 billion in previous year. Additionally, the company upholds

funded pension and gratuity schemes for its employees.

#### Providing Equal Opportunity

FFC, as an equal opportunity employer, ensures non-discrimination based on gender, class, or demography, aligning benefits with the specifics of each employment contract.

#### Developing Skills and Talent

Ensuring the retention and development of skilled manpower is essential for maintaining our competitiveness and value creation capability. FFC recognizes the importance of playing an active role in supporting the existing workforce through continuous reskilling and upskilling efforts, acknowledging that learning occurs daily through experiential, social, or formal avenues.

#### Investing in Health and Safety of Workforce

FFC is dedicated to ensuring the wellbeing of its employees by prioritizing a safe working environment. As part of its overall commitments, the Company consistently focuses on improving safety systems and adheres to state-of-the-art industrial safety standards to minimize potential harm from risks and hazards.



### Social and Relationship Capital

(Page No. 142-150 & 159)

FFC recognizes its ethical responsibility towards both People and the Planet by engaging in environmentally friendly and fair business transactions. The Company ensures that its employees are educated and trained to assume responsibility in alignment with their roles, authority, and qualifications, contributing to our corporate commitment to ethical business practices.

### Create and Share Value as a Trusted Business Partner

At FFC, we prioritize sharing value with our local partners through efficient local procurement practices, contributing to the overall economic development of the country. Our commitment to sustainability extends to the supply chain, where we actively engage with trusted partners to promote responsible practices and foster a sustainable business ecosystem.

### Create and Share Value in Local Communities We Operate

The Company actively supports local communities by contributing through taxes and voluntary financial aid in crucial areas like education, health, sports, and infrastructure development. This commitment extends particularly to neighboring communities, positively impacting the overall country. Additionally, our local presence and engagement with regional suppliers significantly contribute to economic activity, fostering growth and prosperity in the local communities we serve.

### Create and Share Value as a Socially Responsible Company

Safeguarding the planet and the environment remains the foremost priority at FFC, as evidenced by our ongoing investments in eco-friendly technologies and production processes.



### Natural Capital

(Page No. 151 & 193-204)

The backbone of Pakistan's economy is its agricultural sector, which ensures food security by relying on the country's natural capital. In the face of an evolving environmental landscape marked by climate variations, natural resource scarcity, and ecosystem changes, the Company is well aware of the need to invest in relevant capital expenditures and adopt climate-resilient agricultural practices. This commitment reflects the Company's proactive approach to

managing its environmental footprint while contributing to sustainable and resilient agriculture.

## Prospects of the Entity Including Targets for Financial and Non-financial Measures

Throughout 2024, the socio-economic challenges from the previous year persisted and even intensified. Ongoing geopolitical instability continued to disrupt international supply chains, leading to a surge in commodity prices, including oil and fertilizer products. The country faced elevated inflation and interest rates, compounded by a shortage of foreign exchange and a sharp devaluation of the PKR, resulting in delays in procuring essential spares and machinery and increased costs for these items. Despite these hurdles, the Company achieved outstanding results, surpassing key operating and financial benchmarks set for the year. Regardless of challenges such as depleting gas reserves, inflationary pressures, and limited fiscal space, the Company's effective treasury management and strategic diversification projects provided crucial support, aligning with management's expectations of sustained earnings and returns to shareholders.

## Methods and Assumptions Used in Compiling the Indicators

Key performance indicators serve as an accurate reflection of the Company's performance. The management consistently analyzes these indicators to assess the Company's achievements in comparison to predefined benchmarks. Below are some fundamental indicators that provide insights into the Company's performance and profitability:

**Turnover** represents the total amount of revenue generated by the business during the mentioned periods. It aids in tracking sales level trends in order to spot meaningful changes in activity levels.

**Investment income** includes income on deposits and returns earned on investments made by the Company. Whereas, dividend income is income earned on the Company's equity investments.

**Import substitution** represents the foreign currency savings due to indigenous production of fertilizer by the Company.

**Market price per share** is the measure of perception of the Company in the market. The difference between Book Value and Market Value shows investors' confidence in scrip.

**Earnings per share** measures the net earnings of the Company against the total outstanding shares, whereas dividend per share represents dividend declared by the Company for every outstanding ordinary share.

**Profitability ratios** analyze the Company's financial health.

## Changes in Financial and Non-Financial Indicators

'Financial Capital' Section explains in detail about the changes in financial indicators compared to previous years. Changes in the non-financial indicators have been explained in the relevant Capital as well as the Sustainability Report section.



# SIX YEAR ANALYSIS

## Horizontal Analysis of Statement of Financial Position

The fertilizer sector showcased resilience and growth throughout 2024, navigating through economic uncertainties, fiscal tightening, and geopolitical strains effectively. Our company distinguished itself with remarkable adaptability and strategic acumen, achieving consistent and superior performance against a backdrop of stabilization in Pakistan's economy. This stability was supported by deliberate government policy measures and support from international agencies, with significant improvements noted in reduced discount rates, stable foreign exchange rates, lower inflation, and heightened activity on the Pakistan Stock Exchange (PSX).

Despite these positive changes, Pakistan's economy still confronts persistent structural challenges like rising public debt, ongoing unemployment issues, and threats from climate change. A key accomplishment was the strategic merger of Fauji Fertilizer Bin Qasim Limited (FFBL) with and into FFC. This merger expanded our asset base and borrowing capacity, and created significant operational synergies. It significantly widened our fertilizer portfolio, driving us to record profitability and strengthening our path towards sustained growth and enhanced market leadership. Additionally, our efforts to support the agricultural community were bolstered by the establishment of new Sona Centers. These centers allow farmers to directly access our products at competitive prices and offer advice on efficient fertilizer use and advanced farming techniques, enhancing national food security and farmer support.

### Horizontal Analysis Shareholders' Equity

Shareholders' equity, comprising of share capital and reserves, has increased by an impressive 271% since 2019. This significant growth was primarily driven by the merger, which resulted in the issuance of new shares, enhancing the share capital and leading to the creation of merger reserves. Additionally, the company's revenue reserves experienced an average annual growth of 32% over the past six years, due to higher earnings and profit retention.

### Non-Current Liabilities

Long term borrowings depicted an average annual increase (CAGR) of 37% over the last six years, driven by the need for funds for equity investments and capital expenditures. Deferred liabilities recorded at Rs 10.07 billion, registered an increase of 128% compared to 2019, primarily due to increases in deferred taxation, while compensated leave absences remained relatively stable. Additionally, over this six-year period, the long-term portion

of the Gas Infrastructure Development Cess (GIDC) payable was reclassified to current liabilities in accordance with IFRS guidelines. Consequently, total non-current liabilities reached Rs 41.37 billion, up from Rs 10.95 billion in 2019.

### Current Liabilities

Current liabilities have seen an average annual increase of 18% from 2019 to 2024 mainly due to liabilities taken over from FFBL and to support the company's working capital requirements.

The company's trade and other payables amounted to Rs 186.05 billion, included significant components such as GIDC at Rs 84.98 billion, accrued liabilities at Rs 33.21 billion, along with other balances. Notably, these payables also encompass liabilities assumed from FFBL as part of the merger, including additional GIDC, payables to PMP for raw material purchases, and other accrued liabilities resulting from the merger.

Accordingly, current liabilities increased from Rs 106.88 billion in 2019 to Rs 243.71 billion at the end of 2024.

### Non-Current Assets

Non-current assets, mainly comprising of property, plant, equipment, and long-term investments, have grown from Rs 56.09 billion in 2019 to Rs 138.44 billion in 2024, significantly strengthening the Company's asset base.

Property, plant, and equipment (PPE) experienced an average annual growth of 21% from 2019 to 2024. PPE rose from Rs 40.22 billion last year to Rs 58.21 billion at the end of 2024. This increase includes assets acquired from FFBL, such as the Port Qasim plant site, the head office building, and other assets. The addition also included capital expenditure towards sustained plant operations and other assets.

As part of its diversification strategy, FFC has significantly expanded its portfolio since 2019. The company has acquired 100% equity stakes in Olive Technical Services (Pvt) Limited and Foundation

Wind Energy – I Limited (FWEL-I), as well as an 80% stake in Foundation Wind Energy – II Limited (FWEL-II). Following the merger, the company's long-term investments have grown to include FFBL Power Company Limited (FPCL), Fauji Foods Limited (FFL), and increased stakes in Askari Bank Limited and Pak Maroc Phosphate. Additionally, the company has invested in ordinary shares, listed convertible preference shares, and non-convertible unlisted preference shares of AGL.

As a result of these strategic initiatives, long-term investments, including investments in PIBs, escalated to Rs 76.78 billion by the end of 2024, marking an impressive increase of approximately 147% since 2019.

### Current Assets

Stores, spares, and loose tools have seen an annual average increase of 30% since 2019. While the balance remained relatively stable until 2021, a significant increase occurred thereafter, driven primarily by rising inflation, the devaluation of the local currency, and the inclusion of FFBL balances.

In 2024, the stock in trade was elevated primarily due to a larger closing inventory of Sona DAP to meet anticipated demand for the following year, granular Urea stock taken over from FFBL along with in-transit inventory of phosphoric acid.

Over the six-year period, the company managed to keep trade debts at a reasonable level, with the exception of 2019, when a substantial portion of sales was made on credit due to unfavorable market conditions. By the end of 2024, the company's trade debts totaled Rs. 0.94 billion, which included credit sales of Sona DAP and granular Urea.

Short-term investments surged to Rs 203.98 billion, an increase of over four times since 2019, due to improved cash generation from operations. As a result, total current assets increased significantly from Rs 97.30 billion in 2019 to Rs 278.51 billion in 2024.



|                                                                        | 2024           | 24 Vs 23  | 2023           | 23 Vs 22   | 2022           | 22 Vs 21  | 2021           | 21 Vs 20  | 2020           | 20 Vs 19  | 2019           | 19 Vs 18 |
|------------------------------------------------------------------------|----------------|-----------|----------------|------------|----------------|-----------|----------------|-----------|----------------|-----------|----------------|----------|
|                                                                        | Rs M           | %         | Rs M           | %          | Rs M           | %         | Rs M           | %         | Rs M           | %         | Rs M           | %        |
| <b>Equity and Liabilities</b>                                          |                |           |                |            |                |           |                |           |                |           |                |          |
| <b>Equity and Reserves</b>                                             |                |           |                |            |                |           |                |           |                |           |                |          |
| Share capital                                                          | 14,231         | 12        | 12,722         | -          | 12,722         | -         | 12,722         | -         | 12,722         | -         | 12,722         | -        |
| Capital reserves                                                       | 28,000         | 17,400    | 160            | -          | 160            | -         | 160            | -         | 160            | -         | 160            | -        |
| Revenue reserves                                                       | 89,552         | 82        | 49,075         | 29         | 37,953         | 10        | 34,632         | 17        | 29,654         | 31        | 22,685         | 11       |
| Surplus/ (deficit) on remeasurement of investments to fair value - net | 97             | -         | (104)          | -          | -              | -         | -              | -         | -              | -         | -              | -        |
|                                                                        | 131,880        | 113       | 61,853         | 22         | 50,835         | 7         | 47,514         | 12        | 42,536         | 20        | 35,567         | 7        |
| <b>Non - Current Liabilities</b>                                       |                |           |                |            |                |           |                |           |                |           |                |          |
| Long term borrowings - secured                                         | 31,300         | 72        | 18,200         | 12         | 16,295         | (3)       | 16,740         | 58        | 10,627         | 64        | 6,473          | (25)     |
| Lease liabilities                                                      | -              | -         | -              | (100)      | 17             | (29)      | 24             | (59)      | 59             | (5)       | 62             | -        |
| Deferred government grant                                              | -              | -         | -              | -          | -              | -         | -              | (100)     | 25             | -         | -              | -        |
| Gas Infrastructure Development Cess (GIDC) payable                     | -              | -         | -              | (100)      | 7,941          | (62)      | 20,802         | (37)      | 32,772         | -         | -              | -        |
| Deferred liabilities                                                   | 10,067         | 151       | 4,012          | 23         | 3,272          | (13)      | 3,758          | (29)      | 5,259          | 19        | 4,412          | (4)      |
|                                                                        | 41,367         | 86        | 22,212         | (19)       | 27,525         | (33)      | 41,324         | (15)      | 48,742         | 345       | 10,947         | (17)     |
| <b>Current Liabilities</b>                                             |                |           |                |            |                |           |                |           |                |           |                |          |
| Current portion of long term borrowings - secured                      | 6,900          | 13        | 6,095          | 12         | 5,445          | 21        | 4,504          | 4         | 4,335          | (8)       | 4,711          | (35)     |
| Current portion of lease liabilities                                   | -              | (100)     | 17             | 6          | 16             | (58)      | 38             | 65        | 23             | (47)      | 43             | -        |
| Current portion of deferred government grant                           | -              | -         | -              | -          | -              | (100)     | 41             | (53)      | 87             | -         | -              | -        |
| Trade and other payables                                               | 186,052        | 74        | 108,256        | 19         | 89,836         | 44        | 62,481         | 34        | 46,621         | (39)      | 76,009         | 25       |
| Mark-up and profit accrued                                             | 923            | (29)      | 1,304          | (13)       | 1,506          | 108       | 723            | 163       | 275            | (59)      | 676            | 125      |
| Short term borrowings - secured                                        | 31,279         | 128       | 13,738         | (76)       | 57,994         | 49        | 38,954         | 54        | 25,258         | 16        | 21,803         | (24)     |
| Unclaimed dividend                                                     | 663            | 28        | 517            | 8          | 479            | 1         | 472            | 1         | 468            | (14)      | 542            | (15)     |
| Provision for taxation                                                 | 17,888         | 68        | 9,289          | 65         | 6,486          | 31        | 4,956          | 8         | 4,604          | 49        | 3,092          | 17       |
|                                                                        | 243,705        | 75        | 139,216        | (14)       | 161,762        | 44        | 112,169        | 37        | 81,671         | (24)      | 106,876        | 7        |
| <b>Total Equity And Liabilities</b>                                    | <b>416,952</b> | <b>87</b> | <b>223,281</b> | <b>(7)</b> | <b>240,122</b> | <b>19</b> | <b>201,007</b> | <b>16</b> | <b>172,949</b> | <b>13</b> | <b>153,390</b> | <b>5</b> |
| <b>Assets</b>                                                          |                |           |                |            |                |           |                |           |                |           |                |          |
| <b>Non - Current Assets</b>                                            |                |           |                |            |                |           |                |           |                |           |                |          |
| Property, plant and equipment                                          | 58,211         | 45        | 40,223         | 46         | 27,631         | 15        | 23,987         | 5         | 22,841         | 3         | 22,212         | 3        |
| Intangible assets                                                      | 1,572          | -         | 1,572          | -          | 1,573          | -         | 1,576          | -         | 1,572          | -         | 1,577          | -        |
| Log term investments                                                   | 76,780         | 58        | 48,721         | (4)        | 50,525         | 10        | 46,115         | 33        | 34,675         | 12        | 31,088         | 16       |
| Long term loans and advances - secured                                 | 1,785          | (32)      | 2,630          | (42)       | 4,556          | 50        | 3,044          | 57        | 1,945          | 62        | 1,200          | 8        |
| Long term deposits and prepayments                                     | 92             | 667       | 12             | -          | 12             | (20)      | 15             | 7         | 14             | 17        | 12             | (14)     |
|                                                                        | 138,440        | 49        | 93,158         | 11         | 84,297         | 13        | 74,737         | 22        | 61,047         | 9         | 56,089         | 10       |
| <b>Current Assets</b>                                                  |                |           |                |            |                |           |                |           |                |           |                |          |
| Stores, spares and loose tools                                         | 14,028         | 80        | 7,784          | 24         | 6,301          | 38        | 4,558          | 3         | 4,434          | 16        | 3,811          | 10       |
| Stock in trade                                                         | 23,744         | 1,048     | 2,068          | (89)       | 19,488         | 1,760     | 1,048          | 228       | 320            | (95)      | 6,795          | (47)     |
| Trade debts                                                            | 944            | 1,827     | 49             | (87)       | 372            | (55)      | 833            | (64)      | 2,287          | (83)      | 13,460         | 266      |
| Loans and advances - secured                                           | 4,617          | 35        | 3,415          | 258        | 953            | 26        | 759            | (4)       | 789            | (56)      | 1,795          | 69       |
| Deposits and prepayments                                               | 1,059          | 49        | 711            | 136        | 301            | 349       | 67             | 31        | 51             | -         | 51             | (38)     |
| Other receivables                                                      | 17,746         | (13)      | 20,501         | (23)       | 26,621         | 18        | 22,619         | 8         | 20,965         | 19        | 17,653         | 12       |
| Short term investments                                                 | 203,982        | 115       | 94,737         | (6)        | 100,269        | 5         | 95,196         | 16        | 81,902         | 70        | 48,041         | (12)     |
| Cash and bank balances                                                 | 12,392         | 1,344     | 858            | (44)       | 1,520          | 28        | 1,190          | 3         | 1,154          | (80)      | 5,695          | 49       |
|                                                                        | 278,512        | 114       | 130,123        | (16)       | 155,825        | 23        | 126,270        | 13        | 111,902        | 15        | 97,301         | 2        |
| <b>Total Assets</b>                                                    | <b>416,952</b> | <b>87</b> | <b>223,281</b> | <b>(7)</b> | <b>240,122</b> | <b>19</b> | <b>201,007</b> | <b>16</b> | <b>172,949</b> | <b>13</b> | <b>153,390</b> | <b>5</b> |

# SIX YEAR ANALYSIS

## Vertical Analysis of Statement of Financial Position

|                                                                        | 2024           |            | 2023           |            | 2022           |            | 2021           |            | 2020           |            | 2019           |            |
|------------------------------------------------------------------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
|                                                                        | Rs M           | %          | Rs M           | %          | Rs M           | %          | Rs M           | %          | Rs M           | %          | Rs M           | %          |
| <b>Equity and Liabilities</b>                                          |                |            |                |            |                |            |                |            |                |            |                |            |
| <b>Equity and Reserves</b>                                             |                |            |                |            |                |            |                |            |                |            |                |            |
| Share capital                                                          | 14,231         | 3          | 12,722         | 6          | 12,722         | 5          | 12,722         | 6          | 12,722         | 7          | 12,722         | 8          |
| Capital reserves                                                       | 28,000         | 7          | 160            | -          | 160            | -          | 160            | -          | 160            | -          | 160            | -          |
| Revenue reserves                                                       | 89,552         | 21         | 49,075         | 22         | 37,953         | 16         | 34,632         | 17         | 29,654         | 17         | 22,685         | 15         |
| Surplus/ (deficit) on remeasurement of investments to fair value - net | 97             | -          | (104)          |            |                |            |                |            |                |            |                |            |
|                                                                        | 131,880        | 31         | 61,853         | 28         | 50,835         | 21         | 47,514         | 24         | 42,536         | 24         | 35,567         | 23         |
| <b>Non - Current Liabilities</b>                                       |                |            |                |            |                |            |                |            |                |            |                |            |
| Long term borrowings - secured                                         | 31,300         | 8          | 18,200         | 8          | 16,295         | 7          | 16,740         | 8          | 10,627         | 6          | 6,473          | 4          |
| Lease liabilities                                                      | -              | -          | -              | -          | 17             | -          | 24             | -          | 59             | -          | 62             | -          |
| Deferred government grant                                              | -              | -          | -              | -          | -              | -          | -              | -          | 25             | -          | -              | -          |
| Gas Infrastructure Development Cess (GIDC) payable                     | -              | -          | -              | -          | 7,941          | 3          | 20,802         | 10         | 32,772         | 19         | -              | -          |
| Deferred liabilities                                                   | 10,067         | 2          | 4,012          | 2          | 3,272          | 1          | 3,758          | 2          | 5,259          | 3          | 4,412          | 3          |
|                                                                        | 41,367         | 10         | 22,212         | 10         | 27,525         | 11         | 41,324         | 21         | 48,742         | 28         | 10,947         | 7          |
| <b>Current Liabilities</b>                                             |                |            |                |            |                |            |                |            |                |            |                |            |
| Current portion of long term borrowings - secured                      | 6,900          | 2          | 6,095          | 3          | 5,445          | 2          | 4,504          | 2          | 4,335          | 3          | 4,711          | 3          |
| Current portion of lease liabilities                                   | -              | -          | 17             | -          | 16             | -          | 38             | 1          | 23             | -          | 43             | -          |
| Current portion of deferred government grant                           | -              | -          | -              | -          | -              | -          | 41             | -          | 87             | -          | -              | -          |
| Trade and other payables                                               | 186,052        | 45         | 108,256        | 48         | 89,836         | 37         | 62,481         | 31         | 46,621         | 27         | 76,009         | 50         |
| Mark-up and profit accrued                                             | 923            | -          | 1,304          | 1          | 1,506          | 1          | 723            | -          | 275            | -          | 676            | -          |
| Short term borrowings - secured                                        | 31,279         | 8          | 13,738         | 6          | 57,994         | 24         | 38,954         | 19         | 25,258         | 15         | 21,803         | 14         |
| Unclaimed dividend                                                     | 663            | -          | 517            | -          | 479            | -          | 472            | 1          | 468            | -          | 542            | -          |
| Provision for taxation                                                 | 17,888         | 4          | 9,289          | 5          | 6,486          | 3          | 4,956          | 2          | 4,604          | 3          | 3,092          | 2          |
|                                                                        | 243,705        | 59         | 139,216        | 62         | 161,762        | 67         | 112,169        | 56         | 81,671         | 48         | 106,876        | 70         |
| <b>Total Equity And Liabilities</b>                                    | <b>416,952</b> | <b>100</b> | <b>223,281</b> | <b>100</b> | <b>240,122</b> | <b>100</b> | <b>201,007</b> | <b>100</b> | <b>172,949</b> | <b>100</b> | <b>153,390</b> | <b>100</b> |
| <b>Assets</b>                                                          |                |            |                |            |                |            |                |            |                |            |                |            |
| <b>Non - Current Assets</b>                                            |                |            |                |            |                |            |                |            |                |            |                |            |
| Property, plant and equipment                                          | 58,211         | 14         | 40,223         | 18         | 27,631         | 12         | 23,987         | 12         | 22,841         | 13         | 22,212         | 14         |
| Intangible assets                                                      | 1,572          | -          | 1,572          | 1          | 1,573          | 1          | 1,576          | 1          | 1,572          | 1          | 1,577          | 1          |
| Log term investments                                                   | 76,780         | 19         | 48,721         | 22         | 50,525         | 21         | 46,115         | 23         | 34,675         | 20         | 31,088         | 20         |
| Long term loans and advances - secured                                 | 1,785          | -          | 2,630          | 1          | 4,556          | 2          | 3,044          | 2          | 1,945          | 1          | 1,200          | 1          |
| Long term deposits and prepayments                                     | 92             | -          | 12             | -          | 12             | -          | 15             | -          | 14             | -          | 12             | -          |
|                                                                        | 138,440        | 33         | 93,158         | 42         | 84,297         | 35         | 74,737         | 37         | 61,047         | 35         | 56,089         | 37         |
| <b>Current Assets</b>                                                  |                |            |                |            |                |            |                |            |                |            |                |            |
| Stores, spares and loose tools                                         | 14,028         | 3          | 7,784          | 3          | 6,301          | 3          | 4,558          | 2          | 4,434          | 3          | 3,811          | 2          |
| Stock in trade                                                         | 23,744         | 6          | 2,068          | 1          | 19,488         | 8          | 1,048          | 1          | 320            | -          | 6,795          | 4          |
| Trade debts                                                            | 944            | -          | 49             | -          | 372            | -          | 833            | -          | 2,287          | 1          | 13,460         | 9          |
| Loans and advances - secured                                           | 4,617          | 2          | 3,415          | 2          | 953            | -          | 759            | -          | 789            | -          | 1,795          | 1          |
| Deposits and prepayments                                               | 1,059          | -          | 711            | -          | 301            | -          | 67             | -          | 51             | -          | 51             | -          |
| Other receivables                                                      | 17,746         | 4          | 20,501         | 9          | 26,621         | 11         | 22,619         | 11         | 20,965         | 12         | 17,653         | 12         |
| Short term investments                                                 | 203,982        | 49         | 94,737         | 42         | 100,269        | 42         | 95,196         | 47         | 81,902         | 47         | 48,041         | 31         |
| Cash and bank balances                                                 | 12,392         | 3          | 858            | -          | 1,520          | 1          | 1,190          | 1          | 1,154          | 1          | 5,695          | 4          |
|                                                                        | 278,512        | 67         | 130,123        | 58         | 155,825        | 65         | 126,270        | 63         | 111,902        | 65         | 97,301         | 63         |
| <b>Total Assets</b>                                                    | <b>416,952</b> | <b>100</b> | <b>223,281</b> | <b>100</b> | <b>240,122</b> | <b>100</b> | <b>201,007</b> | <b>100</b> | <b>172,949</b> | <b>100</b> | <b>153,390</b> | <b>100</b> |

## Vertical Analysis

### Shareholders' Equity

Share capital, despite the issuance of new shares, decreased as a percentage of total equity from 36% in 2019 to 11% in 2024. This reduction was primarily due to the creation of merger reserves and an increase in revenue reserves, bolstered by historically high profits and the strategic retention of profits to support future initiatives.

### Non-Current Liabilities

The company experienced a significant shift in the composition of its non-current liabilities, with long-term borrowing as a percentage of total non-current liabilities increasing by 17%, from 59% in 2019 to 76% in 2024. This shift was largely driven by the draw downs to fund the company's capital expenditures.

### Current Liabilities

The proportion of trade and other payables relative to current liabilities increased from 71% in 2019 to 76% in 2024, mainly attributable to the liabilities taken over from FFBL.

The proportion of short-term borrowing relative to current liabilities experienced a 7% decrease, falling from 20% in 2019 to 13% by 2024. This decline can be attributed to the healthy cashflows which contributed to enhancing the company's overall liquidity position.

### Non-Current Assets

The proportion of property, plant, and equipment, as well as long-term investments relative to total non-current assets, remained relatively stable in 2024 compared to 2019. This stability underscores the company's strategic capital expenditures and investments, aimed at ensuring long-term viability and adaptability. Furthermore, the inclusion of FFBL's assets from the merger and adjustments to investments during this period also helped maintain this balance.

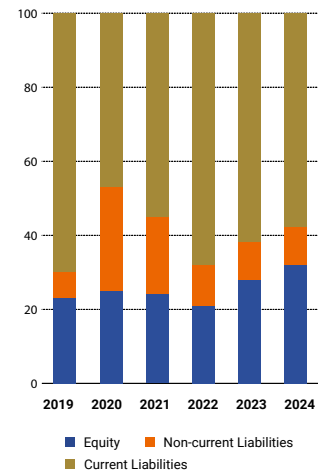
## Current Assets

Stores, spares, and loose tools as a percentage of current assets saw a 1% increase in 2024 compared to 2019, driven by a surge in inflation and currency devaluation. Meanwhile, stock in trade as a percentage of current assets rose from 7% in 2019 to 9% in 2024, due to larger closing inventory of Sona DAP to meet anticipated demand for the following year, along with granular Urea stock acquired from FFBL and in-transit inventory of phosphoric acid.

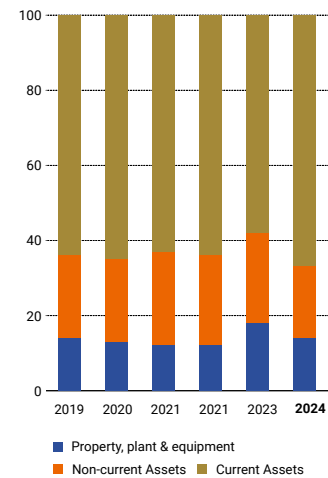
Trade debts as a percentage of current assets remained negligible at 0.34% by the end of 2024, significantly lower than the 14% recorded in 2019 due to significant portion of sales which was made on credit due to depressed market conditions. Meanwhile, other receivables forming 6% of total current assets in 2024, dropped as compared the six-year average of 16% due to additional provision against sales tax receivable during the year. Short-term investments as a percentage of current assets witnessed a steady increase from 49% in 2019 to 73% in 2024, reflecting the Company's gradual improvement in liquidity and inclusion of FFBL's balances.

The trends in the statement of financial position are in line with general trends of the Company and fertilizer industry, except for the variations described above.

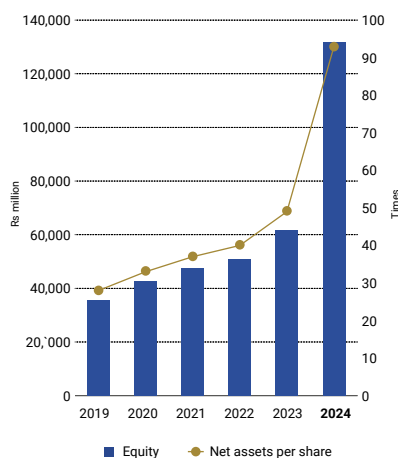
## Financial Position Analysis - Equity & Liabilities (Percentage)



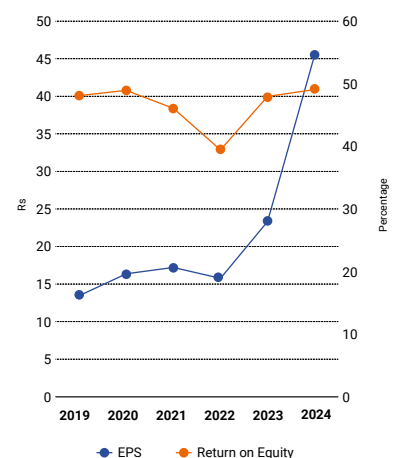
## Financial Position Analysis - Assets (Percentage)



## Equity & Net Assets per Share



## EPS and Return on Equity



# SIX YEAR ANALYSIS

## Horizontal Analysis of Statement of Profit or Loss

|                               | 2024           | 2024       | 2023     | 2023 | 2022     | 2022 | 2021     | 2021  | 2020     | 2020  | 2019     | 2019  |
|-------------------------------|----------------|------------|----------|------|----------|------|----------|-------|----------|-------|----------|-------|
|                               | Rs M           | %          | Rs M     | %    | Rs M     | %    | Rs M     | %     | Rs M     | %     | Rs M     | %     |
| Turnover - net                | 373,537        | 134        | 159,472  | 46   | 109,364  | 1    | 108,651  | 11    | 97,655   | (8)   | 105,783  | (0.2) |
| Cost of sales                 | (246,364)      | 159        | (95,220) | 37   | (69,317) | (1)  | (69,772) | 6     | (66,072) | (12)  | (75,046) | (4)   |
| <b>Gross profit</b>           | <b>127,173</b> | <b>98</b>  | 64,252   | 60   | 40,047   | 3    | 38,879   | 23    | 31,583   | 3     | 30,737   | 10    |
| Distribution cost             | (29,364)       | 132        | (12,684) | 25   | (10,108) | 20   | (8,409)  | 7     | (7,848)  | (5)   | (8,288)  | (6)   |
|                               | 97,809         | 90         | 51,568   | 72   | 29,939   | (2)  | 30,470   | 28    | 23,735   | 6     | 22,449   | 17    |
| Finance costs                 | (6,524)        | 16         | (5,624)  | 16   | (4,868)  | 112  | (2,292)  | 22    | (1,874)  | (24)  | (2,477)  | 51    |
| Other gains / (losses)        | (5,415)        | 33         | (4,060)  | 46   | (2,789)  | (1)  | (2,811)  | (171) | 3,940    | (458) | (1,100)  | -     |
| Other expenses                | (9,989)        | 84         | (5,434)  | 79   | (3,037)  | 3    | (2,947)  | 12    | (2,639)  | 14    | (2,310)  | 10    |
|                               | 75,881         | 108        | 36,450   | 89   | 19,245   | (14) | 22,420   | (3)   | 23,162   | 40    | 16,562   | 8     |
| Other income                  | 35,231         | 106        | 17,097   | 18   | 14,442   | 82   | 7,919    | 23    | 6,429    | (11)  | 7,191    | 14    |
| <b>Profit before taxation</b> | <b>111,112</b> | <b>108</b> | 53,547   | 59   | 33,687   | 11   | 30,339   | 3     | 29,591   | 25    | 23,753   | 10    |
| Provision for taxation        | (46,381)       | 94         | (23,874) | 75   | (13,637) | 62   | (8,443)  | (4)   | (8,772)  | 32    | (6,643)  | (8)   |
| <b>Profit for the year</b>    | <b>64,731</b>  | <b>118</b> | 29,673   | 48   | 20,050   | (8)  | 21,896   | 5     | 20,819   | 22    | 17,110   | 18    |
| EPS                           | 45.49          | 95         | 23.32    | 48   | 15.76    | (8)  | 17.21    | 5     | 16.36    | 22    | 13.45    | 19    |

## Horizontal Analysis

### Turnover and Cost of Sales

The company achieved its highest-ever turnover of Rs 373.54 billion in 2024. This milestone represents an annual average growth of 29% since 2019, primarily attributed to increased sales volume due to higher production at the Got Machhi and Mirpur Mathelo plants, additional production at the Port Qasim plants, and the absorption of inflationary and cost-related impacts. Despite increasing costs, FFC offered its Urea products at the lowest prices in the local market, which were also substantially below international urea prices, highlighting the company's dedication to keeping costs affordable for local farmers.

Correspondingly, the Cost of Sales, which included the cost of production of Port Qasim Plants from July to December 2024 and the cost of urea imported by the government, has also experienced an average annual escalation of 27% since 2019, largely driven by higher costs of gas and imported raw material prices.

### Gross Profit

FFC has consistently demonstrated a strong commitment to enhancing its gross profitability over the past six years, achieving a remarkable compound annual growth rate of 33%. This growth surged from Rs 30.74 billion in 2019 to an impressive Rs 127.17 billion in 2024. This substantial increase in gross profit is primarily due to strategic process optimizations across production operations and a favorable pricing environment in the fertilizer market during this period.

## Distribution Cost & Operating Profit

Prudent cost control measures have effectively restrained the escalation of distribution costs, maintaining a compound annual growth rate of 9% until 2023. These costs increased by 132% during 2024 compared to standalone FFC's distribution cost for the previous year, due to the cost of Sona DAP, Granular Urea, and Urea imported by the Govt, in addition to the increase in transportation costs and inflationary impacts. Operating profit increased from Rs 22.45 billion in 2019 to an impressive Rs 97.81 billion in 2024.

### Finance Costs

Till 2021, finance costs have shown minimal variation, consistently hovering around the Rs 2.00 billion mark and remained well below the average of past six years. However, a notable escalation became evident since 2022, largely attributable to the prevailing high-interest rate environment in the country. As a result, finance cost surged by 2.6 times to Rs 6.52 billion in 2024 compared to Rs 2.48 billion in 2019.

### Other Gains / (Losses)

Other gains / (losses) includes re-measurement of GIDC liability, Expected Credit Loss in compliance with the requirements of IFRSs and impairment on Company's investment in Fauji Fresh n Freeze (FFF). In the current fiscal period, other losses amounted to Rs 5.42 billion, marking a notable 33% increase from Rs 4.06 billion in 2023. This escalation is primarily attributed to the impairment on Company's investment in Fauji Fresh n Freeze (FFF), totaling PKR 4.00 billion because of persistent pressure on FFF's operations.

## Other Expenses

Other expenses broadly consist of profit based levies, in addition to research and development expenditures. Over the years, these oscillated in line with the Company's profitability.

### Other Income

Other income surged significantly, increasing by 4.9 times to reach Rs 35.23 billion in 2024, compared to Rs 7.19 billion in 2019, owing to effective utilization of funds and prevailing high rate of return enabled the Company to earn highest ever income on deposits of Rs 22.90 billion along with highest ever dividend income of Rs 10.83 billion from subsidiaries, associates and joint venture companies.

### Taxation

The fluctuation in tax charges over the years has generally mirrored the company's profitability trends. However, the effective tax rate for the current year was notably at 42%, higher than the average effective rate of 34% since 2019. This increase is attributed to the higher earnings and impact of super tax.

### Profit for the Year

The Company has demonstrated steadfast and robust growth in net profitability, maintaining an impressive average annual increase of 30% since 2019. In the fiscal year 2024, FFC, including the contribution by Plant site Port Qasim, reached a remarkable milestone, achieving a net profit of Rs 64.73 billion, a new benchmark for the company. This notable achievement can be predominantly attributed to the highest-ever turnover and record investment and dividend income. Overall, the Company's profitability experienced an outstanding growth of 118% in 2024 compared to 2019.



## Vertical Analysis of Statement of Profit or Loss

|                               | 2024           |           | 2023          |           | 2022          |           | 2021          |           | 2020          |           | 2019          |           |
|-------------------------------|----------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|
|                               | Rs M           | %         | Rs M          | %         | Rs M          | %         | Rs M          | %         | Rs M          | %         | Rs M          | %         |
| Turnover - net                | 373,537        | 100       | 159,472       | 100       | 109,364       | 100       | 108,651       | 100       | 97,655        | 100       | 105,783       | 100       |
| Cost of sales                 | (246,364)      | (66)      | (95,220)      | (60)      | (69,317)      | (63)      | (69,772)      | (64)      | (66,072)      | (68)      | (75,046)      | (71)      |
| <b>Gross profit</b>           | <b>127,173</b> | <b>34</b> | <b>64,252</b> | <b>40</b> | <b>40,047</b> | <b>37</b> | <b>38,879</b> | <b>36</b> | <b>31,583</b> | <b>32</b> | <b>30,737</b> | <b>29</b> |
| Distribution cost             | (29,364)       | (8)       | (12,684)      | (8)       | (10,108)      | (9)       | (8,409)       | (8)       | (7,848)       | (8)       | (8,288)       | (8)       |
|                               | <b>97,809</b>  | <b>26</b> | <b>51,568</b> | <b>32</b> | <b>29,939</b> | <b>27</b> | <b>30,470</b> | <b>28</b> | <b>23,735</b> | <b>24</b> | <b>22,449</b> | <b>21</b> |
| Finance costs                 | (6,524)        | (2)       | (5,624)       | (4)       | (4,868)       | (4)       | (2,292)       | (2)       | (1,874)       | (2)       | (2,477)       | (2)       |
| Other gains / (losses)        | (5,415)        | (1)       | (4,060)       | (3)       | (2,789)       | (3)       | (2,811)       | (3)       | 3,940         | 4         | (1,100)       | (1)       |
| Other expenses                | (9,989)        | (3)       | (5,434)       | (3)       | (3,037)       | (3)       | (2,947)       | (3)       | (2,639)       | (3)       | (2,310)       | (2)       |
|                               | <b>75,881</b>  | <b>20</b> | <b>36,450</b> | <b>23</b> | <b>19,245</b> | <b>18</b> | <b>22,420</b> | <b>21</b> | <b>23,162</b> | <b>24</b> | <b>16,562</b> | <b>16</b> |
| Other income                  | 35,231         | 9         | 17,097        | 11        | 14,442        | 13        | 7,919         | 7         | 6,429         | 7         | 7,191         | 7         |
| <b>Profit before taxation</b> | <b>111,112</b> | <b>30</b> | <b>53,547</b> | <b>34</b> | <b>33,687</b> | <b>31</b> | <b>30,339</b> | <b>28</b> | <b>29,591</b> | <b>30</b> | <b>23,753</b> | <b>22</b> |
| Provision for taxation        | (46,381)       | (12)      | (23,874)      | (15)      | (13,637)      | (12)      | (8,443)       | (8)       | (8,772)       | (9)       | (6,643)       | (6)       |
| <b>Profit for the year</b>    | <b>64,731</b>  | <b>17</b> | <b>29,673</b> | <b>19</b> | <b>20,050</b> | <b>18</b> | <b>21,896</b> | <b>20</b> | <b>20,819</b> | <b>21</b> | <b>17,110</b> | <b>16</b> |
| EPS                           | 45.49          |           | 23.32         |           | 15.76         |           | 17.21         |           | 16.36         |           | 13.45         |           |

## Vertical Analysis

### Gross Profit

The gross profit margin has increased from 29% in 2019 to 34% in 2024 which is in line with the six-year average of 35% but lower than 40% of previous year. This decrease is mainly due to inclusion of Plant site Port Qasim. During the current year, the Company's Got Machhi and Mirpur Mathelo plants operations earned a gross profit margin of 44% higher than previous year which can be attributed primarily to robust cost control measures implemented amidst consistently benefited from improved fertilizer prices.

### Operating Profit

The operating profit margin rose from 21% in 2019 to 26% in 2024, aligning with the six-year average of 27% but falling short of the previous year's 32%.

This decline primarily resulted from the inclusion of costs for Sona DAP, Granular Urea, alongside rising transportation costs and inflationary effects. In the current year, operations at the Company's Got Machhi and Mirpur Mathelo plants achieved a gross profit margin of 34%, an improvement over the previous year.

### Other Expenses

Other expenses encompass WPPF and WWF related costs, in addition to research and development expenditures. These expenses have consistently mirrored the Company's profitability trends over the past several years.

### Other Income

Other income as a percentage of turnover witnessed significant increase to 9% in 2024 as compared to 7% in 2019, on account of highest ever investment & dividend income.

### Provision for Taxation

Tax charge as a percentage of turnover generally stayed consistent with fluctuations in topline, but in 2024, it decreased compared to 2023 due to the retrospective imposition of a super tax in previous year.

### Profit for the Year

Ongoing governmental pressures constrained the Company's ability to counter rising operating costs, which limited net profit margins in 2018 and 2019. Nevertheless, consistent growth in subsequent years led to strong margins, reaching 17% in 2024, compared to an average of 19% since 2019, primarily due to the addition of the Port Qasim plant site.



# SIX YEAR ANALYSIS

## of Cash Flows

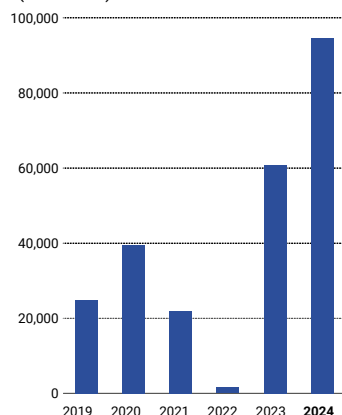
### Summary of Cash Flows

| Rs million                                                                              | 2024            | 2023            | 2022            | 2021            | 2020            | 2019            |
|-----------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Net cash flow from Operating activities</b>                                          |                 |                 |                 |                 |                 |                 |
| Profit before taxation                                                                  | 109,084         | 50,690          | 33,687          | 30,339          | 29,591          | 23,753          |
| Adjustments for non cash & other items                                                  | 5,237           | 9,730           | (1,624)         | 4,026           | (2,614)         | 1,814           |
| Changes in working capital                                                              | 33,796          | 23,303          | (12,385)        | 179             | 22,078          | 7,917           |
| Changes in long term loans and advances, deposits, prepayments and deferred liabilities | (412)           | 2,130           | (1,350)         | (1,403)         | (925)           | 157             |
| <b>Net cash generated from / (used in) from operations</b>                              | <b>33,384</b>   | <b>25,433</b>   | <b>(13,735)</b> | <b>(1,224)</b>  | <b>21,153</b>   | <b>8,074</b>    |
| Finance cost paid                                                                       | (7,441)         | (5,823)         | (4,081)         | (1,838)         | (2,266)         | (2,101)         |
| Income tax paid                                                                         | (44,509)        | (17,444)        | (12,670)        | (9,283)         | (6,320)         | (6,604)         |
| Levies Paid                                                                             | (1,209)         | (1,708)         | —               | —               | —               | —               |
| <b>Net cash generated from operating activities</b>                                     | <b>94,546</b>   | <b>60,878</b>   | <b>1,577</b>    | <b>22,020</b>   | <b>39,544</b>   | <b>24,936</b>   |
| <b>Net cash flow from Investing activities</b>                                          |                 |                 |                 |                 |                 |                 |
| Fixed capital expenditure                                                               | (12,136)        | (15,120)        | (6,069)         | (3,591)         | (2,942)         | (3,138)         |
| Interest and profit received                                                            | 3,284           | 1,337           | 893             | 719             | 891             | 1,805           |
| (Increase) / decrease in investments - net                                              | (2,068)         | 6,033           | (238)           | (13,484)        | (2,740)         | (719)           |
| Dividend received                                                                       | 10,829          | 1,800           | 4,499           | 2,150           | 1,151           | 1,971           |
| Others                                                                                  | 918             | 90              | 50              | 22              | 40              | 459             |
| <b>Net cash generated from / (used in) investing activities</b>                         | <b>827</b>      | <b>(5,860)</b>  | <b>(865)</b>    | <b>(14,184)</b> | <b>(3,600)</b>  | <b>378</b>      |
| <b>Net cash flow from Financing activities</b>                                          |                 |                 |                 |                 |                 |                 |
| Long term financing - disbursements                                                     | 20,000          | 8,000           | 5,000           | 10,470          | 8,409           | 2,600           |
| - repayments                                                                            | (19,178)        | (5,445)         | (4,504)         | (4,188)         | (4,631)         | (7,238)         |
| Repayment of lease liabilities                                                          | (18)            | (18)            | (33)            | (31)            | (31)            | (33)            |
| Grant received during the year                                                          | —               | —               | —               | —               | 190             | —               |
| Dividends paid                                                                          | (24,928)        | (18,460)        | (17,335)        | (16,853)        | (14,131)        | (14,665)        |
| <b>Net cash generated from / (used in) financing activities</b>                         | <b>(24,124)</b> | <b>(15,923)</b> | <b>(16,872)</b> | <b>(10,602)</b> | <b>(10,194)</b> | <b>(19,336)</b> |
| Net (decrease) / increase in cash and cash equivalents                                  | 71,249          | 39,095          | (16,160)        | (2,766)         | 25,750          | 5,978           |
| <b>Cash and cash equivalents at beginning of the year</b>                               | <b>79,766</b>   | <b>39,784</b>   | <b>55,178</b>   | <b>57,709</b>   | <b>31,886</b>   | <b>25,672</b>   |
| Effect of exchange rate changes                                                         | (250)           | 887             | 766             | 235             | 73              | 236             |
| Acquisition of cash and cash equivalents pursuant to merger                             | 25,950          | —               | —               | —               | —               | —               |
| <b>Cash and cash equivalents at end of the year</b>                                     | <b>176,715</b>  | <b>79,766</b>   | <b>39,784</b>   | <b>55,178</b>   | <b>57,709</b>   | <b>31,886</b>   |

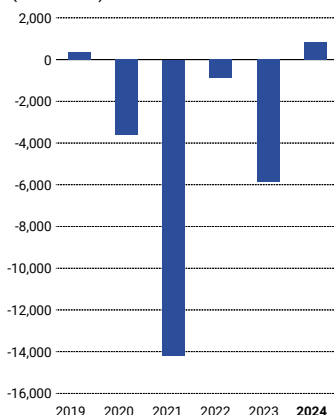
### Free Cash Flows

| Rs million                              | 2024           | 2023          | 2022          | 2021          | 2020          | 2019          |
|-----------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Profit before taxation                  | 109,084        | 50,690        | 33,687        | 30,339        | 29,591        | 23,753        |
| Adjustment for non-cash and other items | 5,237          | 9,730         | (1,624)       | 4,026         | (2,614)       | 1,814         |
| Changes in working capital              | 33,796         | 23,303        | (12,385)      | 179           | 22,078        | 7,917         |
|                                         | 148,117        | 83,723        | 19,678        | 34,544        | 49,055        | 33,484        |
| Less: Fixed capital expenditure         | (12,136)       | (15,120)      | (6,069)       | (3,591)       | (2,942)       | (3,138)       |
| <b>Free cash flows</b>                  | <b>135,981</b> | <b>68,603</b> | <b>13,609</b> | <b>30,953</b> | <b>46,113</b> | <b>30,346</b> |

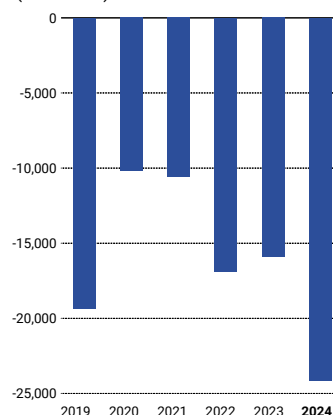
**Cash Flows from Operating Activities**  
(Rs million)



**Cash Flows from Investing Activities**  
(Rs million)



**Cash Flows from Financing Activities**  
(Rs million)



## Cash Flows Analysis

### Cash Flows from Operating Activities

Cash flows from operations were recorded at Rs 147.71 billion, Rs 114.06 billion higher compared to 2019, mainly attributable to increased profitability and working capital management due to merged operations. The net cash generated from operating activities was further impacted by the payment of finance costs, which surged by 254% owing to higher average interest rates on higher borrowing of the merged company. Additionally, income tax expenses rose by around 6 times primarily due to higher combined profitability, including the levy of super tax. Consequently, the net cash generated from operations was recorded at Rs 94.55 billion, compared to Rs 24.94 billion in 2019.

### Cash Flows from Investing Activities

To ensure business continuity and sustained operations, the Company continued its strategic investment in capital projects, with a capital expenditure of Rs 12.14 billion compared to Rs 3.14 billion in 2019. Further, Investment in FFF and AGL netted off by highest ever dividend earnings, redemption of investments and interest on deposits yielded Rs 12.96 billion. Consequently, net cash used in investing activities stood at Rs 0.83 billion, compared to cash generation of Rs 0.38 billion in 2019.

### Cash Flows from Financing Activities

In response to its capital expenditure requirements specifically for Pressure Enhancement Facilities (PEF) Project, the Company secured financing of Rs 20.00 billion while also repaying debt amounting to Rs 19.18 billion over the course of the year. Additionally, in its commitment to providing consistent returns to shareholders, FFC disbursed

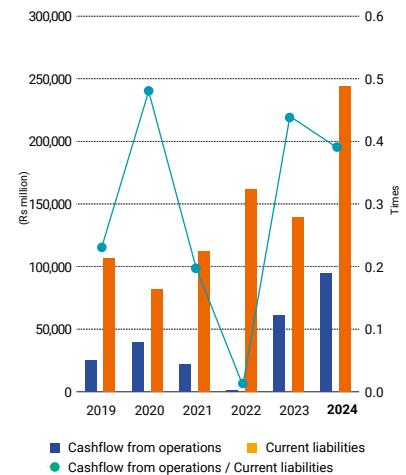
dividends totaling Rs 24.93 billion. The net cash utilized in financing activities amounted to Rs 24.12 billion, higher than the Rs 19.34 billion utilized in 2019.

### Cash and Cash Equivalent

Cash and cash equivalents at the end of year 2024, which also included cash and cash equivalents pursuant to merger amounting to Rs. 25.95 billion stood at Rs 176.72 billion at year-end of 2024, a substantial increase compared to closing balance of 2019 amounting Rs 31.89 billion.

## Direct Method Cash Flow

### Cashflow from Operations / Current Liabilities



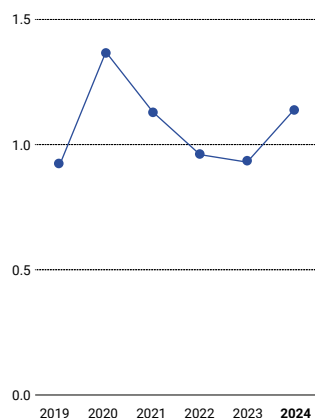
| Rs million                                                     | 2024            | 2023            |
|----------------------------------------------------------------|-----------------|-----------------|
| <b>Cash Flows from Operating Activities</b>                    |                 |                 |
| Cash receipts from customers - net                             | 385,564         | 156,904         |
| Cash paid to suppliers / service providers and employees - net | (228,832)       | (67,266)        |
| Payment to gratuity fund                                       | (385)           | (266)           |
| Payment to Pension fund                                        | (43)            | -               |
| Payment to WWF                                                 | (899)           | (519)           |
| Payment to WPPF                                                | (7,700)         | (3,000)         |
| Finance cost paid                                              | (7,441)         | (5,823)         |
| Income tax paid                                                | (44,509)        | (17,444)        |
| Levies paid                                                    | (1,209)         | (1,708)         |
| <b>Net cash generated from operating activities</b>            | <b>94,546</b>   | <b>60,878</b>   |
| <b>Cash Flows from Investing Activities</b>                    |                 |                 |
| Fixed capital expenditure                                      | (12,136)        | (15,120)        |
| Proceeds from disposal of property, plant and equipment        | 62              | 90              |
| Proceeds from disposal of investment property                  | 856             | -               |
| Investment in Fauji Fresh n Freeze Limited                     | (5,000)         | -               |
| Investment in Agritech Limited                                 | (10,992)        | -               |
| Investment in Thar Energy Limited                              | -               | (227)           |
| Investment in OLIVE Technical Services (Private) Limited       | (80)            | -               |
| Other investments - net                                        | 14,004          | 6,260           |
| Interest and profit received                                   | 3,284           | 1,337           |
| Dividend received                                              | 10,829          | 1,800           |
| <b>Net cash generated from/ (used in) investing activities</b> | <b>827</b>      | <b>(5,860)</b>  |
| <b>Cash Flows from Financing Activities</b>                    |                 |                 |
| Long term financing:                                           |                 |                 |
| Draw-downs                                                     | 20,000          | 8,000           |
| Repayments                                                     | (19,178)        | (5,445)         |
| Repayment of lease liabilities                                 | (18)            | (18)            |
| Dividends paid                                                 | (24,928)        | (18,460)        |
| <b>Net cash (used in) financing activities</b>                 | <b>(24,124)</b> | <b>(15,923)</b> |
| <b>Net increase in cash and cash equivalents</b>               | <b>71,249</b>   | <b>39,095</b>   |
| <b>Cash and cash equivalents at beginning of the year</b>      | <b>79,766</b>   | <b>39,784</b>   |
| Effect of exchange rate changes                                | (250)           | 887             |
| Acquisition of cash and cash equivalents pursuant to merger    | 25,950          | -               |
| <b>Cash and cash equivalents at end of the year</b>            | <b>176,715</b>  | <b>79,766</b>   |

# SIX YEAR ANALYSIS

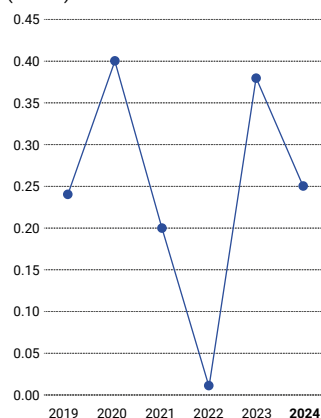
## of Financial Ratios

|                                                           |               | 2024    | 2023   | 2022   | 2021   | 2020   | 2019    |
|-----------------------------------------------------------|---------------|---------|--------|--------|--------|--------|---------|
| <b>Profitability Ratios</b>                               |               |         |        |        |        |        |         |
| Gross profit ratio                                        | %             | 34.05   | 40.29  | 36.62  | 35.78  | 32.34  | 29.06   |
| Gross profit ratio (Including Subsidy)                    | %             | 34.05   | 40.29  | 36.62  | 35.78  | 32.34  | 29.06   |
| Operating Margin                                          | %             | 26.18   | 32.34  | 27.38  | 28.04  | 24.30  | 21.22   |
| Net profit ratio                                          | %             | 17.33   | 18.61  | 18.33  | 20.15  | 21.32  | 16.17   |
| Net profit ratio (Including Subsidy)                      | %             | 17.33   | 18.61  | 18.33  | 20.15  | 21.32  | 16.17   |
| EBITDA margin to turnover                                 | %             | 32.45   | 38.68  | 37.46  | 32.27  | 34.58  | 26.96   |
| EBITDA margin to turnover (Including Subsidy)             | %             | 32.45   | 38.68  | 37.46  | 32.27  | 34.58  | 26.96   |
| Operating leverage ratio                                  | Times         | 0.74    | 1.17   | 27.50  | 0.33   | (2.60) | (73.41) |
| Return on equity (Profit after tax)                       | %             | 49.08   | 47.97  | 39.44  | 46.08  | 48.94  | 48.11   |
| Return on equity (Profit before tax)                      | %             | 84.25   | 86.57  | 66.27  | 63.85  | 69.57  | 66.78   |
| Return on capital employed                                | %             | 72.09   | 73.91  | 57.43  | 50.78  | 59.19  | 62.39   |
| Pre tax margin                                            | %             | 29.75   | 33.58  | 30.80  | 27.92  | 30.30  | 22.45   |
| Pre tax margin (Including Subsidy)                        | %             | 29.75   | 33.58  | 30.80  | 27.92  | 30.30  | 22.45   |
| Return on assets                                          | %             | 15.52   | 13.29  | 8.35   | 10.89  | 12.04  | 11.15   |
| Growth in EBITDA                                          | %             | 96.52   | 50.56  | 16.84  | 3.82   | 18.44  | 11.86   |
| Earning before interest, depreciation and tax             | Rs in million | 121,220 | 61,682 | 40,968 | 35,064 | 33,773 | 28,514  |
| Earnings growth                                           | %             | 118.15  | 48.00  | (8.43) | 5.17   | 21.68  | 18.50   |
| Growth in turnover                                        | %             | 134.23  | 45.82  | 0.66   | 11.26  | (7.68) | (0.17)  |
| Growth in turnover (Including Subsidy)                    | %             | 134.23  | 45.82  | 0.66   | 11.26  | (7.68) | (2.38)  |
| Capital Expenditure to total Assets                       | %             | 2.91    | 6.77   | 2.53   | 1.79   | 1.70   | 2.05    |
| <b>Liquidity Ratios</b>                                   |               |         |        |        |        |        |         |
| Current ratio                                             | Times         | 1.14    | 0.93   | 0.96   | 1.13   | 1.37   | 0.91    |
| Quick / Acid test ratio                                   | Times         | 0.99    | 0.86   | 0.80   | 1.08   | 1.31   | 0.81    |
| Cash to current liabilities                               | Times         | 0.73    | 0.57   | 0.25   | 0.49   | 0.71   | 0.30    |
| Cash flow from operations to turnover                     | Times         | 0.25    | 0.38   | 0.01   | 0.20   | 0.40   | 0.24    |
| Cash flow from operations to turnover (Including Subsidy) | Times         | 0.25    | 0.38   | 0.01   | 0.20   | 0.40   | 0.24    |
| Long term liabilities / current liabilities               | %             | 16.97   | 15.95  | 17.02  | 36.84  | 59.68  | 10.24   |
| Cash flow to capital expenditures                         | Times         | 7.79    | 4.03   | 0.26   | 6.13   | 13.44  | 7.95    |
| Cash flow coverage ratio                                  | Times         | 2.48    | 2.51   | 0.07   | 1.04   | 2.64   | 2.23    |
| <b>Activity / Turnover Ratios</b>                         |               |         |        |        |        |        |         |
| Inventory turnover ratio                                  | Times         | 19      | 9      | 7      | 102    | 18.57  | 7.61    |
| No. of days in inventory                                  | Days          | 19      | 41     | 52     | 4      | 20     | 48      |
| Debtors turnover ratio                                    | Times         | 752     | 758    | 182    | 70     | 12.40  | 12.34   |
| Debtors turnover ratio (Including Subsidy)                | Times         | 329     | 55     | 22     | 17     | 7.21   | 6.99    |
| No. of days in receivables                                | Days          | 1       | 1      | 2      | 5      | 29     | 30      |
| No. of days in receivables (Including Subsidy)            | Days          | 1       | 7      | 17     | 22     | 51     | 52      |
| Creditors turnover ratio - GIDC                           | Times         | 3       | 1      | 1      | 2      | 1.46   | 1.42    |
| - without GIDC                                            | Times         | 19      | 12     | 12     | 21     | 24.64  | 51.93   |
| No. of days in payables - GIDC                            | Days          | 128     | 253    | 271    | 180    | 250    | 258     |
| - without GIDC                                            | Days          | 19      | 31     | 30     | 17     | 15     | 7       |
| Total assets turnover ratio                               | Times         | 0.90    | 0.71   | 0.46   | 0.54   | 0.56   | 0.69    |
| Total assets turnover ratio (Including Subsidy)           | Times         | 0.90    | 0.71   | 0.46   | 0.54   | 0.56   | 0.69    |
| Fixed assets turnover ratio                               | Times         | 6.42    | 3.96   | 3.96   | 4.53   | 4.28   | 4.76    |
| Fixed assets turnover ratio (Including Subsidy)           | Times         | 6.42    | 3.96   | 3.96   | 4.53   | 4.28   | 4.76    |
| Operating cycle - GIDC                                    | Days          | (127)   | (252)  | (269)  | (175)  | (221)  | (227)   |
| - without GIDC                                            | Days          | (18)    | (30)   | (28)   | (12)   | 14     | 24      |

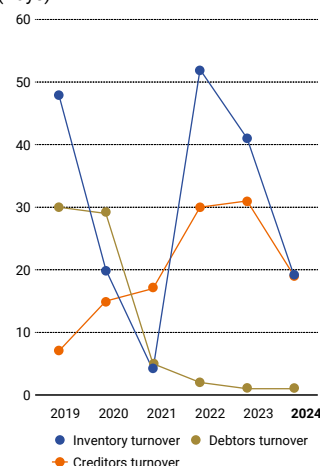
**Current Ratio**  
(Times)



**Cash Flow from Operations to Turnover**  
(Times)



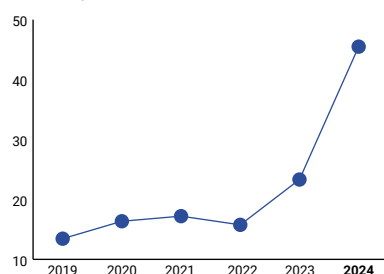
**Inventory, Debtors and Creditors Turnover**  
(Days)



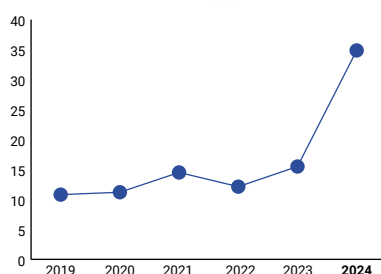


|                                                      |       | 2024   | 2023   | 2022   | 2021    | 2020   | 2019   |
|------------------------------------------------------|-------|--------|--------|--------|---------|--------|--------|
| <b>Investment / Market Ratios</b>                    |       |        |        |        |         |        |        |
| Earnings per share (EPS) and Diluted EPS             | Rs    | 45.49  | 23.32  | 15.76  | 17.21   | 16.36  | 13.45  |
| Price earning ratio                                  | Times | 8.05   | 4.85   | 6.26   | 5.83    | 6.63   | 7.54   |
| Dividend yield ratio                                 | %     | 18.52  | 15.26  | 11.32  | 13.74   | 10.62  | 10.94  |
| Dividend payout ratio                                |       |        |        |        |         |        |        |
| - Cash (interim & proposed final)                    | %     | 76.63  | 66.41  | 76.97  | 84.25   | 68.44  | 80.30  |
| - Cash & stock (interim & proposed final)            | %     | 76.63  | 66.41  | 76.97  | 84.25   | 68.44  | 80.30  |
| Dividend cover ratio                                 | Times | 1.30   | 1.51   | 1.30   | 1.19    | 1.46   | 1.25   |
| Cash dividend per share (interim & proposed final)   | Rs    | 34.86  | 15.49  | 12.13  | 14.50   | 11.20  | 10.80  |
| Stock dividend per share (interim & proposed final)  | %     | -      | -      | -      | -       | -      | -      |
| Market value per share                               |       |        |        |        |         |        |        |
| - Year end                                           | Rs    | 366.32 | 113.19 | 98.71  | 100.26  | 108.50 | 101.47 |
| - High during the year                               | Rs    | 420.11 | 120.77 | 126.89 | 113.68  | 114.54 | 109.12 |
| - Low during the year                                | Rs    | 109.06 | 90.97  | 98.35  | 96.09   | 82.71  | 84.88  |
| Breakup value (net assets per share)                 |       |        |        |        |         |        |        |
| - Without revaluation reserves                       | Rs    | 92.67  | 48.62  | 39.96  | 37.35   | 33.43  | 27.96  |
| - Investment in Related Party at fair / market value | Rs    | 146.85 | 78.48  | 57.31  | 60.70   | 54.30  | 44.17  |
| Retention (after interim & proposed cash)            | %     | 23.37  | 33.59  | 23.03  | 15.75   | 31.56  | 19.70  |
| Change in market value added                         | %     | 374.04 | 9.91   | (6.61) | (16.19) | 2.11   | 10.36  |
| Price to book ratio                                  | Times | 36.63  | 11.32  | 9.87   | 10.03   | 10.85  | 10.15  |
| Market price to breakup value                        | Times | 2.03   | 2.09   | 2.68   | 2.83    | 3.15   | 3.53   |
| Sustainable Growth Rate                              | %     | 11.47  | 16.11  | 9.08   | 7.26    | 15.45  | 9.48   |
| Total Shareholder Return (TSR)                       | %     | 241.27 | 24.52  | 9.72   | 4.47    | 17.20  | 17.37  |

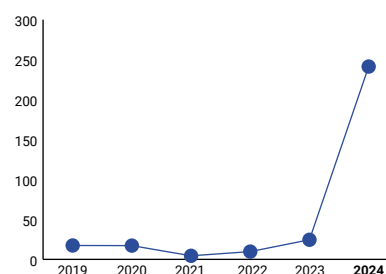
Earning Per Share (Rs)



Cash Dividend Per Share (Rs)



Total Share Holder Return (%)

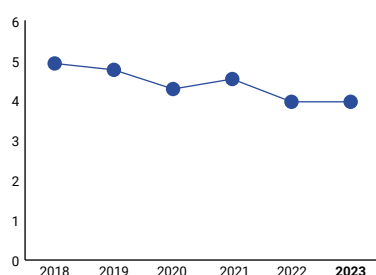


|                                                                  |       | 2024  | 2023  | 2022  | 2021  | 2020  | 2019  |
|------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| <b>Capital Structure Ratios</b>                                  |       |       |       |       |       |       |       |
| Financial leverage ratio                                         | Times | 0.53  | 0.61  | 1.57  | 1.27  | 0.95  | 0.93  |
| Weighted average cost of debt                                    | %     | 11.60 | 21.55 | 17.29 | 10.91 | 6.44  | 13.71 |
| Net Assets per share                                             | Rs    | 92.67 | 48.62 | 39.96 | 37.35 | 33.43 | 27.96 |
| Debt to equity ratio                                             |       |       |       |       |       |       |       |
| As per book value                                                | Ratio | 19.81 | 23.77 | 24.76 | 26.74 | 20.80 | 15.85 |
| Interest cover ratio / Time Interest earned ratio                | Times | 18.03 | 10.52 | 7.92  | 14.24 | 16.79 | 10.59 |
| Free-Float of shares as a percentage of total shares outstanding | %     | 60.00 | 54.72 | 54.72 | 54.58 | 54.06 | 54.04 |

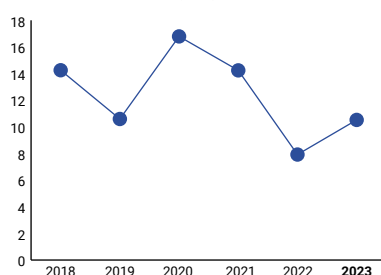
**Others**

|                                      |             |       |       |       |       |       |       |
|--------------------------------------|-------------|-------|-------|-------|-------|-------|-------|
| Production per employee              | MT/Employee | 711   | 786   | 748   | 766   | 708   | 721   |
| Revenue per employee                 | Rs M        | 93.48 | 49.70 | 34.01 | 33.21 | 27.81 | 30.60 |
| Staff turnover ratio                 | %           | 3     | 10.90 | 8.40  | 15.95 | 7.58  | 4.88  |
| Customer satisfaction index          | %           | 94    | 89    | 89    | 97    | 96    | 96    |
| Spare inventory as % of assets costs | %           | 3.36  | 3.49  | 2.62  | 2.27  | 2.56  | 2.48  |
| Maintenance as % of assets costs     | %           | 4.40  | 4.40  | 4.40  | 3.40  | 2.55  | 2.16  |

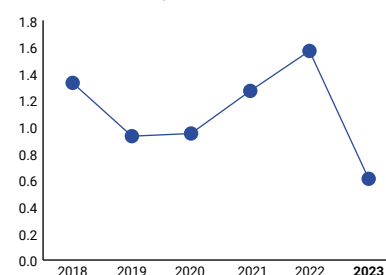
Fixed Asset Turnover Ratio (Time)



Interest Cover Ratio (Time)



Financial Leverage Ratio (Time)



# SIX YEAR ANALYSIS

## of Financial Ratios

### Ratio Analysis

#### Profitability Ratios

Gross profit, operating profit, and net profit ratios aligned with the six-year average but experienced a decrease compared to previous year due to the inclusion of the FFC Port Qasim plant from July to December 2024. However, when focusing solely on the Goth Machhi and Mirpur Mathelo plants, these ratios showed improvement from previous years. Both the return on equity (pre-tax profit) and return on capital employed have notably improved compared to the six-year average. Additionally, the return on assets saw significant enhancement, primarily driven by the highest ever profitability.

Additionally, the ratio of capital expenditure to total assets aligns with the six-year average since 2019 but decreased compared to last year. This reduction is due to lower capital expenditures, as significant investments were made in the previous year, particularly in pressure enhancement facilities, to maintain infrastructure and ensure a steady supply of crucial raw materials. The decrease is also due to a larger asset base, primarily resulting from the merger.

#### Liquidity Ratios

In 2024, the Company's current ratio was 1.14 times, slightly above the six-year average of 1.06 times since 2019 and significantly higher than the 0.93 times observed in previous year. This increase can primarily be attributed to a rise in short-term investments, cash position, and closing inventory. Quick ratio remained in line with six-year average. However, the long-term liabilities to current liabilities ratio remained at 17%, which is lower than the six-year average of 26%. This is primarily because the inclusion of FFBL's current liabilities increased the denominator, while FFBL's balance sheet was debt-free and therefore had no impact on long-term liabilities.

The cash flow coverage ratio was notably higher than average, driven

by enhanced liquidity generation from operations and the highest ever profitability.

#### Activity / Turnover Ratios

The inventory turnover days were 19 as compared to average of 27 since 2019. However, increase from previous year is due to Sona DAP inventory imported towards year end reflecting the company's commitment to ensuring DAP availability for farmers. Moreover, the debtor turnover remained at just 1 day, compared to the average of 11 days since 2019, indicating a significant reduction in the company's reliance on credit sales.

The Company's operating cycle clocked at negative 127 days compared to average negative of 212 days since 2019.

#### Investment / Market Ratios

Earnings per share surged to Rs 45.49 for the fiscal year 2024, marking a remarkable increase of 95% compared to the previous year. This substantial growth is attributable to highest ever net profitability. Further, Breakup value per share for 2024 reached Rs 92.67, representing a significant improvement of Rs 44.05 compared to 2023 and surpassing the historic average of Rs 46.67 since 2019.

Company declared cash dividend for 2024 amounted to Rs 34.86 per share, resulting in a cash payout ratio of 77%,

with no issuance of stock dividends. Dividend payout is slightly higher than the average of 76% since the 2019.

#### Capital Structure Ratios

In 2024, the Company's financial leverage showed improvement compared to the past six-year average of 0.98. This improvement was driven by increased equity due to creation of merger reserves, enhancement in share capital and improved reserves. Moreover, the debt-to-equity ratio improved consistently to 19:81 from the previous year's ratio of 23:77.

The Company maintains robust financial stability, ensuring its capacity to repay commercial loans. Despite multiple strategic investments, the interest cover ratio remains strong at 18.03 times, compared to an average of 13.02 times since 2019, and marks a notable increase from the previous year's ratio of 10.52 times.

#### Explanation of Negative Changes in Performance

Negative changes in performance over the past six years, including the vertical and horizontal analysis of the statement of profit or loss, statements of financial position, statement of cash flows, and ratios, have been explained in the relevant sections of this report.



## Summary of Financial Statements

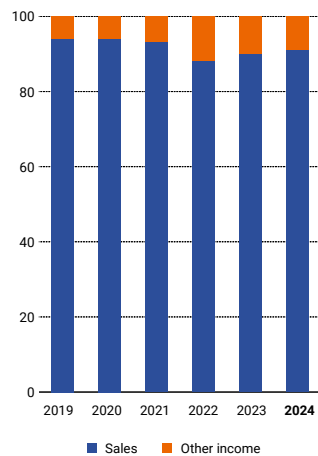
| Rs million                                         | 2024           | 2023          | 2022          | 2021          | 2020          | 2019          |
|----------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Summary of Balance Sheet</b>                    |                |               |               |               |               |               |
| Share capital                                      | 14,231         | 12,722        | 12,722        | 12,722        | 12,722        | 12,722        |
| Reserves                                           | 117,552        | 49,235        | 38,113        | 34,792        | 29,814        | 22,845        |
| Shareholders' funds / Equity                       | 131,783        | 61,957        | 50,835        | 47,514        | 42,536        | 35,567        |
| Long term borrowings                               | 31,300         | 18,200        | 16,295        | 16,740        | 10,627        | 6,473         |
| Capital employed                                   | 163,083        | 80,157        | 67,130        | 64,254        | 53,163        | 42,040        |
| Gas Infrastructure Development Cess (GIDC) payable | -              | -             | 7,941         | 20,802        | 32,772        | -             |
| Deferred liabilities                               | 10,067         | 4,012         | 3,272         | 3,758         | 5,259         | 4,412         |
| Property, plant & equipment                        | 58,211         | 40,223        | 27,631        | 23,987        | 22,841        | 22,212        |
| Long term assets                                   | 138,440        | 93,158        | 84,297        | 74,737        | 61,047        | 56,089        |
| Net current assets / Working capital               | 34,807         | (9,094)       | (5,937)       | 14,101        | 30,231        | (9,575)       |
| Liquid funds (net)                                 | 215,279        | 88,471        | 52,213        | 61,440        | 63,878        | 38,420        |
| <b>Summary of Profit &amp; Loss</b>                |                |               |               |               |               |               |
| Turnover - net                                     | 373,537        | 159,472       | 109,364       | 108,651       | 97,655        | 105,783       |
| Turnover - net (including Subsidy)                 | 373,537        | 159,472       | 109,364       | 108,651       | 97,655        | 105,783       |
| Cost of sales                                      | (246,364)      | (95,220)      | (69,317)      | (69,772)      | (66,072)      | (75,046)      |
| <b>Gross profit</b>                                | <b>127,173</b> | <b>64,252</b> | <b>40,047</b> | <b>38,879</b> | <b>31,583</b> | <b>30,737</b> |
| Gross profit (including Subsidy)                   | 127,173        | 64,252        | 40,047        | 38,879        | 31,583        | 30,737        |
| Distribution cost                                  | (29,364)       | (12,684)      | (10,108)      | (8,409)       | (7,848)       | (8,288)       |
| <b>Operating profit</b>                            | <b>97,809</b>  | <b>51,568</b> | <b>29,939</b> | <b>30,470</b> | <b>23,735</b> | <b>22,449</b> |
| Operating profit (including Subsidy)               | 97,809         | 51,568        | 29,939        | 30,470        | 23,735        | 22,449        |
| Finance cost                                       | (6,524)        | (5,624)       | (4,868)       | (2,292)       | (1,874)       | (2,477)       |
| Other gains / (losses)                             | (5,415)        | (4,060)       | (2,789)       | (2,811)       | 3,940         | (1,100)       |
| Other expenses                                     | (9,989)        | (5,434)       | (3,037)       | (2,947)       | (2,639)       | (2,310)       |
| Other income                                       | 35,231         | 17,097        | 14,442        | 7,919         | 6,429         | 7,191         |
| Other income (excluding Subsidy)                   | 35,231         | 17,097        | 14,442        | 7,919         | 6,429         | 7,191         |
| <b>Profit before tax</b>                           | <b>111,112</b> | <b>53,547</b> | <b>33,687</b> | <b>30,339</b> | <b>29,591</b> | <b>23,753</b> |
| Provision for taxation                             | (46,381)       | (23,874)      | (13,637)      | (8,443)       | (8,772)       | (6,643)       |
| <b>Profit after tax</b>                            | <b>64,731</b>  | <b>29,673</b> | <b>20,050</b> | <b>21,896</b> | <b>20,819</b> | <b>17,110</b> |
| EPS - Basic & Diluted (restated) - Rs              | 45.49          | 23.32         | 15.76         | 17.21         | 16.36         | 13.45         |

## Quantitative Data

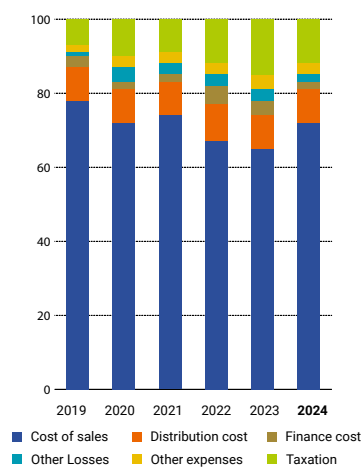
|                                          |               | 2024         | 2023         | 2022         | 2021         | 2020         | 2019         |
|------------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Designed Capacity</b>                 |               |              |              |              |              |              |              |
| Plant I - Goth Machhi                    | KT            | 695          | 695          | 695          | 695          | 695          | 695          |
| Plant II - Goth Machhi                   | KT            | 635          | 635          | 635          | 635          | 635          | 635          |
| Plant III - Mirpur Mathelo               | KT            | 718          | 718          | 718          | 718          | 718          | 718          |
| Plant IV - Port Qasim (Urea)             | KT            | 276          |              |              |              |              |              |
| Plant IV - Port Qasim (DAP)              | KT            | 325          |              |              |              |              |              |
| <b>Total designed capacity</b>           | <b>KT</b>     | <b>2,649</b> | <b>2,048</b> | <b>2,048</b> | <b>2,048</b> | <b>2,048</b> | <b>2,048</b> |
| <b>Plant wise Production - Sona Urea</b> |               |              |              |              |              |              |              |
| Plant I - Goth Machhi                    | KT            | 867          | 882          | 787          | 864          | 878          | 830          |
| Plant II - Goth Machhi                   | KT            | 830          | 828          | 767          | 753          | 810          | 821          |
| Plant III - Mirpur Mathelo               | KT            | 858          | 811          | 850          | 890          | 799          | 841          |
| Plant IV - Port Qasim                    | KT            | 286          |              |              |              |              |              |
| <b>Total production</b>                  | <b>KT</b>     | <b>2,841</b> | <b>2,521</b> | <b>2,404</b> | <b>2,507</b> | <b>2,487</b> | <b>2,492</b> |
| <b>Plant wise Production - DAP</b>       |               |              |              |              |              |              |              |
| Plant IV - Port Qasim (DAP)              | KT            | 452          |              |              |              |              |              |
| <b>Capacity Utilization</b>              |               |              |              |              |              |              |              |
| Plant I - Goth Machhi                    | %             | 125%         | 127%         | 113%         | 124%         | 126%         | 119%         |
| Plant II - Goth Machhi                   | %             | 131%         | 130%         | 121%         | 119%         | 128%         | 129%         |
| Plant III - Mirpur Mathelo               | %             | 119%         | 113%         | 118%         | 124%         | 111%         | 117%         |
| Plant IV - Port Qasim (Urea)             | %             | 104%         |              |              |              |              |              |
| Plant IV - Port Qasim (DAP)              | %             | 139%         |              |              |              |              |              |
| <b>Total capacity utilization</b>        | <b>%</b>      | <b>124%</b>  | <b>123%</b>  | <b>117%</b>  | <b>122%</b>  | <b>121%</b>  | <b>122%</b>  |
| Urea Sales (Incl. 95KT imported Urea)    | KT            | 2,942        | 2,505        | 2,423        | 2,477        | 2,512        | 2,467        |
| DAP Sales                                | KT            | 523          |              |              |              |              |              |
| Imported Fertilizer - Sales              | KT            | 147          | 124          | 72           | 226          | 253          | 253          |
| <b>Others</b>                            |               |              |              |              |              |              |              |
| Market capitalization                    | Rs in million | 521,313      | 144,005      | 125,583      | 127,555      | 138,038      | 129,094      |
| Numbers of shares issued                 | Million       | 1,423        | 1,272        | 1,272        | 1,272        | 1,272        | 1,272        |
| Contribution to National Exchequer       | Rs in million | 94,111       | 36,278       | 29,955       | 30,402       | 27,118       | 41,863       |
| Savings through Import Substitution      | Million US \$ | 1,435        | 1,001        | 1,293        | 1,293        | 623          | 674          |

# GRAPHICAL PRESENTATION

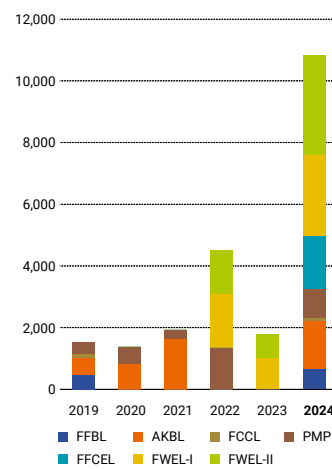
**Profit or Loss Analysis - Income**  
(Percentage)



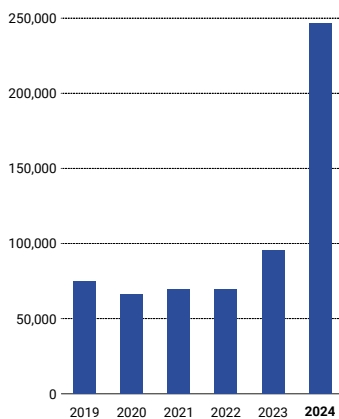
**Profit or Loss Analysis - Expenses**  
(Percentage)



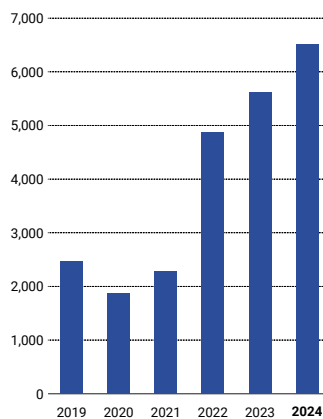
**Dividend Income**  
(Rs million)



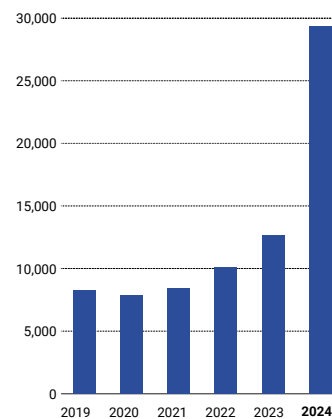
**Cost of Sales**  
(Rs million)



**Finance Cost**  
(Rs million)



**Distribution Cost**  
(Rs million)





# QUARTERLY ANALYSIS

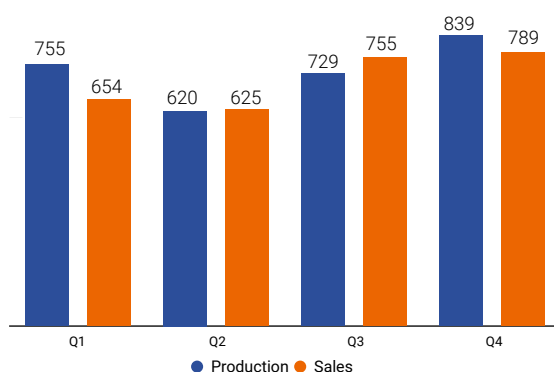
Analysis vs last year Six years analysis Quarterly analysis

| Rs million                    | 1 <sup>st</sup> Quarter | 2 <sup>nd</sup> Quarter | 3 <sup>rd</sup> Quarter | 4 <sup>th</sup> Quarter | Annual    |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-----------|
| Turnover                      | 58,407                  | 57,167                  | 107,950                 | 150,013                 | 373,537   |
| Cost of Sales                 | (41,120)                | (26,034)                | (68,051)                | (111,159)               | (246,364) |
| <b>Gross Profit</b>           | 17,287                  | 31,133                  | 39,899                  | 38,854                  | 127,173   |
| Distribution Cost             | (5,193)                 | (5,543)                 | (8,214)                 | (10,414)                | (29,364)  |
| <b>Operating profit</b>       | 12,094                  | 25,590                  | 31,685                  | 28,440                  | 97,809    |
| Finance cost                  | (1,505)                 | (1,380)                 | (2,071)                 | (1,568)                 | (6,524)   |
| Other losses                  |                         |                         |                         |                         |           |
| ECL/GIDC/Impairment           | (1,162)                 | 8                       | (661)                   | (3,600)                 | (5,415)   |
|                               | (1,162)                 | 8                       | (661)                   | (3,600)                 | (5,415)   |
| <b>Other income</b>           |                         |                         |                         |                         |           |
| Investment Income             | 4,491                   | 4,664                   | 8,566                   | 6,680                   | 24,401    |
| Dividend Income               | 5,785                   | 830                     | 4,110                   | 105                     | 10,830    |
|                               | 10,276                  | 5,494                   | 12,676                  | 6,785                   | 35,231    |
| Other expenses                | (1,676)                 | (2,558)                 | (3,061)                 | (2,694)                 | (9,989)   |
| <b>Profit before taxation</b> | 18,027                  | 27,154                  | 38,568                  | 27,363                  | 111,112   |
| Provision for taxation        | (7,505)                 | (11,605)                | (14,084)                | (13,187)                | (46,381)  |
| Profit after taxation         | 10,522                  | 15,549                  | 24,484                  | 14,176                  | 64,731    |
| <b>Earnings per share</b>     | 7.39                    | 10.93                   | 17.20                   | 9.96                    | 45.49     |

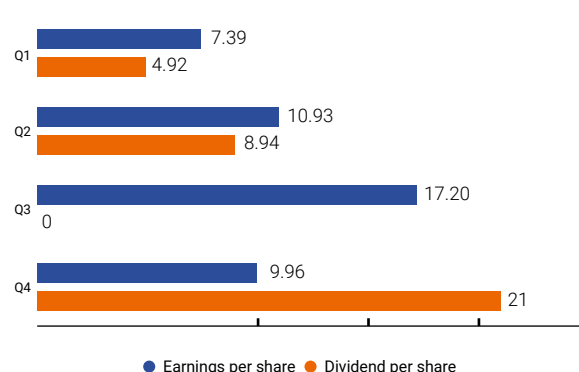
## Analysis of Variation in Interim Results and Final Accounts

Net profit margin decreased from 18.0% in first quarter to 9.5% in final quarter mainly due to impairment loss on investment in a subsidiary in the final quarter and due to higher liquidation of DAP inventory despite a substantial growth in turnover. A slight decrease in net profit margin was registered vs 2023 at 17% mainly due to inclusion of FFC Port Qasim operations, increased raw material and inflationary costs, despite record other income.

**Urea - Production & Sales**  
(Thousand tonnes)



**EPS & DPS**  
(Rs per share)



# QUARTERLY ANALYSIS



## Production

Sona Urea production of 654 thousand tonnes was achieved, with manufacturing facilities operating at a combined efficiency of 128%, which was in line with the corresponding quarter of last year.

18 thousand tonnes of DAP were imported compared to no DAP imports in Q1 of last year.



## Sales

Sona Urea sales of 661 thousand tonnes in the first quarter were 5% higher than in the corresponding quarter of last year.

DAP offtake for the first quarter was 18 thousand tonnes, 25% lower than in the corresponding quarter last year.



## Turnover & Other Income

Sona Urea turnover improved significantly by 51% to Rs 44.94 billion due to increased selling prices.

Imported fertilizer turnover of Rs 6.66 billion was in line with last year.

Aggregate product revenue of Rs 58.41 billion during the first quarter was 60% higher than corresponding period.

Interest rate increase resulted in the Company earning Rs 4.5 billion in income on deposits, 27% higher than corresponding quarter last year.

Dividend income amounting to Rs 5.79 billion was received on equity investments, compared to no dividend income in first quarter of 2023.

Sona Urea production of 625 thousand tonnes during the second quarter of 2024 was in line with the corresponding quarter of 2023.

38 thousand tonnes of DAP were imported in the second quarter, compared to no DAP imports in the corresponding quarter of 2023.

Sona Urea offtake of 619 thousand tonnes was in line with the corresponding quarter of last year, bringing total sales for the first two quarters to 1,280 thousand tonnes, 3% higher than the same period last year.

Aggregate DAP offtake for the two quarters stood at 45 thousand tonnes, in line with last year.

Turnover of Rs 57.17 billion was 61% higher than last year, mainly due to better selling prices.

The highest-ever investment income of Rs 9.2 billion, 45% higher than the corresponding period, resulted from efficient treasury operations.

The Company's manufacturing facilities delivered 775 thousand tonnes of Sona Urea during the third quarter of 2024, 20% higher than the same quarter last year, mainly due to urea production from Port Qasim plant following the merger with FFBL.

226 thousand tonnes of DAP were produced and 74 thousand tonnes of DAP were imported in the third quarter of 2024, compared to no DAP production or imports in the corresponding quarter of last year.

Production of Sona Urea from Port Qasim plant following the merger with FFBL resulted in offtake of 729 thousand tonnes, 10% higher than the corresponding quarter last year.

Production of DAP from the Port Qasim plant during the third quarter led to DAP offtake of 229 thousand tonnes, 722% higher than the same quarter in 2023.

Increased selling prices and higher product availability resulted in significantly higher Sona Urea turnover of Rs 59.92 billion, 63% higher than the corresponding period.

The aggregate turnover for the nine-month period was Rs 223.52 billion, 93% higher than the corresponding period.

FFC achieved its highest-ever nine-month aggregate other income of Rs 28.45 billion, 127% higher than the corresponding period, mainly due to dividend income amounting to Rs 10.83 billion on equity investments during the nine months ended September 30, 2024, compared to dividend income of only Rs 1.8 billion in the same period last year.

The Company produced 789 thousand tonnes of Sona Urea in the last quarter, 2% higher than the previous quarter and 33% higher than in the same quarter last year, mainly due to production from the Port Qasim plant following the merger.

Aggregate annual urea production stood at 2,841 thousand tonnes, 13% higher than last year, with a capacity utilization of 109%.

225 thousand tonnes of DAP were produced in the last quarter of 2024, compared to no DAP production in the corresponding quarter of last year.

The Company recorded urea sales of 839 thousand tonnes during the fourth quarter of 2024, 41% higher than the same quarter last year, bringing total offtake for the year to 2,848 thousand tonnes, 14% higher than last year, owing to higher production.

Aggregate DAP offtake for the year was 654 thousand tonnes, 523% higher than last year.

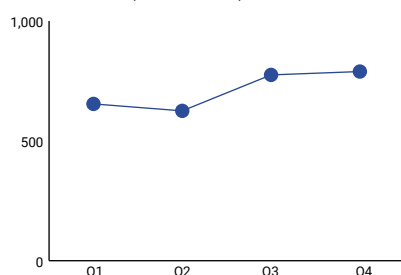
The Company achieved a turnover of Rs 150 billion in last quarter, 246% higher than the corresponding quarter last year.

A new benchmark of the highest-ever aggregate revenue of Rs 373.54 billion was set during the year, 134% higher than last year, due to increased selling prices and higher quantity sold from the Port Qasim plant.

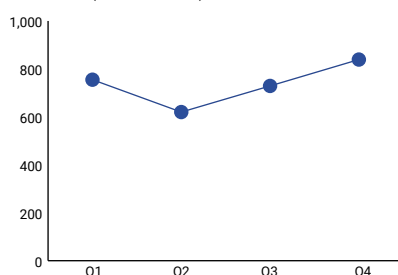
The Company delivered benchmark annual investment income of Rs 24.4 billion, 59% above last year.

Dividend income of Rs 105 million was received during the fourth quarter, compared to no dividend on equity investments in the last quarter of 2023.

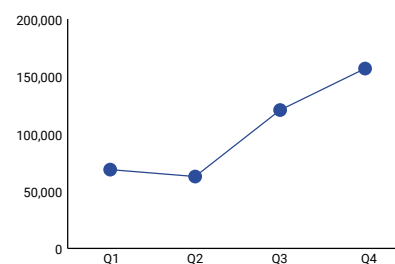
Production (Thousand tonnes)



Sales (Thousand tonnes)



Total Income (Rs million)





## Operating Costs

Cost of sales for the first quarter stood at Rs 41.12 billion, 88% higher than corresponding period, mainly due to higher production costs of Sona Urea during the period.

Distribution costs escalated to Rs 5.19 billion, a 70% increase compared to the corresponding period, primarily due to the fuel price hike.

Cost of sales at Rs 26 billion was 38% higher compared to the corresponding quarter of 2023, while distribution costs of Rs 5.54 billion were 107% higher compared to corresponding period, mainly due to increased fuel prices.

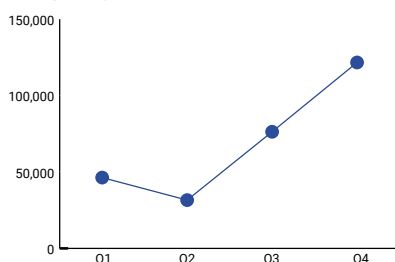
Higher sales volume of urea, DAP, and imported products resulted in a cost of sales of Rs 68.05 billion, a 123% increase compared to the corresponding period.

There was a 90% increase in cost of sales to Rs 135.21 billion, and distribution costs escalated by 117%, reaching Rs 18.95 billion for the nine-month period.

Cost of sales for the fourth quarter amounted to Rs 111.16 billion, 561% higher than the corresponding period due to significantly higher DAP offtake and inflationary factors.

Distribution costs of Rs 10.41 billion were 163% higher than the corresponding period, owing to high transportation rates resulting from significantly increased sales volumes.

Operating Cost (Rs million)



## Profit

The Company recorded a gross profit of Rs 17.29 billion for the first quarter, marking an increase of Rs 2.71 billion compared to the corresponding period last year. This growth was primarily attributed to heightened revenue driven by improved urea prices.

Additionally, a favorable interest rate environment and dividend income on equity investments also contributed to the Company's success, culminating in a first-quarter net profit of Rs 10.52 billion, a remarkable 36% increase over the corresponding quarter.

As a result of this performance, the Company announced an interim dividend of Rs 5.5 per share.

The quarter under review witnessed a notable surge in gross profit, reaching Rs 31.13 billion, an 87% increase compared to the same period last year. This translated into a 191% increase in the Company's net profitability.

The Board announced the second interim dividend of Rs 10 per share.

Gross profit soared by an impressive 192% compared to the corresponding period, reaching Rs 39.90 billion, while operating profit surged to Rs 31.69 billion, marking a 197% increase over the same period.

This notable achievement is primarily attributed to the Company's highest-ever turnover, mainly due to the merger with FFBL. Moreover, increased profitability was further

bolstered by strategic cost economization and efficiency optimization measures, implemented in response to persistent challenges such as high inflation rates, escalating financial costs, and a weakened rupee.

Another outstanding quarter, FFC attained remarkable financial results, with a gross profit of Rs 38.85 billion, a 101% increase from the fourth quarter of the previous year, mainly due to enhanced cost savings and better pricing.

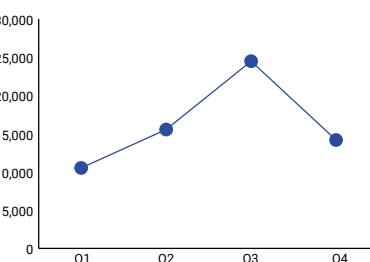
Operating profit surged to Rs 28.44 billion, an outstanding 85% growth compared to the same period last year.

Despite a 163% increase in distribution costs attributed to higher POL prices, the Company effectively mitigated this impact through a substantial rise in other income.

As a result, FFC achieved a net profitability of Rs 14.18 billion, a noteworthy 90% increase over the corresponding period's performance.

The Board announced the final dividend of Rs 21 per share, underscoring the Company's commitment to rewarding its shareholders while maintaining a strong financial performance.

Profit after Tax (Rs million)



## Net Assets

Total assets at the end of the first quarter were in line with those at the end of the last quarter of 2023.

Net assets at the end of the first quarter increased by 8% compared to December 2023.

Total assets of the Company increased by 9% compared to the previous quarter, reaching Rs 243 billion.

Net assets increased by 13% in the second quarter of 2024 compared to the first quarter of 2024 due to higher profitability during the quarter.

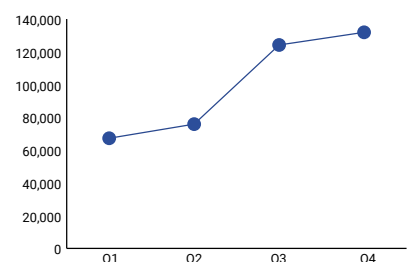
Acquisition of assets from FFBL as a result of the merger led to a 51% increase in the asset base to Rs 367 billion.

Net assets at the end of the third quarter improved by Rs 48.30 billion, reaching Rs 124.15 billion, owing to the merger with FFBL.

Further investments during the last quarter, due to better returns, increased total assets by 82% compared to the third quarter of 2024.

However, this increase was partially offset by an increase in borrowings, leading to a 6% increase in net assets.

Net Assets (Rs million)



# FINANCIAL CAPITAL

## Legislative and Regulatory Environment and Impact of Government's Policies

The legislative and regulatory environment encompasses the laws, regulations, and policies governing the fertilizer business, establishing a fair and ethical framework to safeguard the interests of stakeholders. Below is a non-exhaustive list of pertinent government policies related to our business:

- Fertilizer Policy 2001
- National Food Security Policy
- Natural Gas Allocation and Management Policy
- National Water Policy
- Agriculture Policy of each Province

For more detailed information, please refer to the "About our integrated report" on page 04.

## Liquidity and Cash Flow Management

### Strategy to Overcome Liquidity Problems

The Company's financing requirements are effectively addressed through a strong treasury management system, ensuring efficient cash flow management and mitigating associated risks. This involves accurate forecasting and regular assessment of anticipated inflows from turnover and investment income. Additionally, the maturity profiles of assets and liabilities are consistently monitored and evaluated to optimize cash inflows and outflows in alignment with anticipated business operational needs.

## Liquidity Generation

The Company primarily meets its liquidity requirements through internal cash generation derived from turnover, dividend receipts, and income on deposits. Emphasizing minimal dependence on external sources, in turn, ensures a lower cost of borrowing.

## Investments and Placement of Funds

The Company maintains a well-diversified investment portfolio, aiming to optimize returns while adhering to prudent levels of risk and exposure. Investments are directed towards institutions with high credit ratings to minimize liquidity and credit risks. Regular evaluations are conducted to ensure the selection of the best possible options.

## Significant Plans and Decisions

In response to the challenge posed by the depletion of gas reservoirs and the resultant decline in gas pressure, the Company, alongside major fertilizer manufacturers, has strategically invested in gas compression infrastructure to ensure the continuous production of fertilizers. Collaborating with Mari Energies Limited, the Company is part of an industry-wide initiative to maintain the required delivery pressure from MPCL's Habib Rahi Limestone (HRL) Reservoir, crucial for fertilizer supplies. Additionally, to diversify its raw material sources, the Company is actively engaged in establishing a Regasified Liquefied Natural Gas (RLNG) pipeline, in partnership with Sui Northern Gas Pipeline (SNGPL). This strategic move enhances the Company's resilience and supports sustainable production in the face of evolving gas supply dynamics.

## Capital Structure

The Company's equity structure comprises share capital totalling Rs 14.23 billion, represented by 1,423 million ordinary shares of Rs 10 each. Fauji Foundation maintains its position as the principal shareholder, holding a substantial equity stake of 43.51%. Unappropriated profit registered a notable increase of 101%, reaching Rs 89.55 billion, primarily due to creation of merger reserve and improved profitability. The borrowings of the Company amounted to Rs 38.2 billion by year-end. With future plans and projections considered, the Company foresees the capital structure as adequate for the foreseeable future.

## Repayment of Debt and Recovery of Losses

Despite increased borrowing rates, the Company maintains a substantial untapped borrowing capacity, ensuring readiness to fulfill future funding needs, particularly for diversification projects. All debt repayments due this year were met promptly, with no instances of default in the repayment of any debt during the year.

## Credit Rating

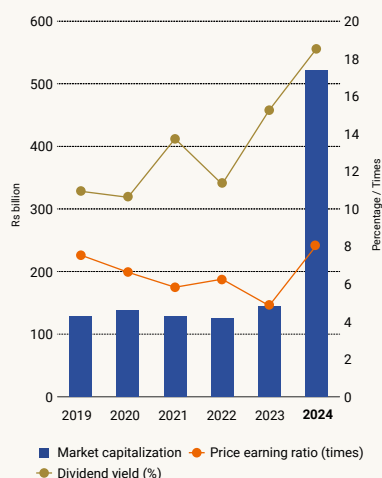
FFC's strong debt raising capacity and ability to timely settle all liabilities is also evidenced by our long term credit rating of AA+ and short term rating of A1+ by Pakistan Credit Rating Agency (PACRA) after annual review.

## Market Price Sensitivity Analysis

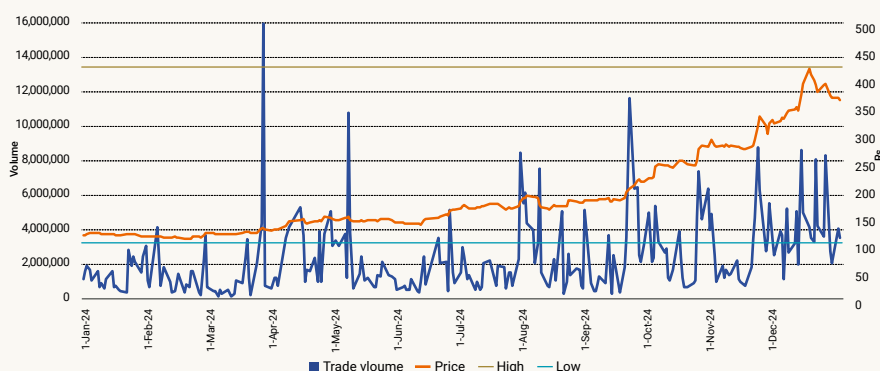
The share price of FFC is influenced by the Company's financial and operational results, as well as external factors such as the economic and political landscape, government policies, stakeholder sentiments, and macroeconomic indicators.



### Market Capitalization, Price Earning ratio & Dividend Yield



### Share Price Sensitivity



### Sensitivities

|                                   | NPAT (Rs M) | EPS (Rs) |
|-----------------------------------|-------------|----------|
| Selling Price (% +/- 1)           | 2,031       | 1.43     |
| Sales Volume (% +/- 1)            | 1,053       | 0.74     |
| Downtime (Days +/- 2)             | 437         | 0.31     |
| Gas consumption / Price (% +/- 1) | 676         | 0.47     |
| Dividend Income (% +/- 5)         | 440         | 0.31     |
| Income on Deposits (% +/- 5)      | 622         | 0.44     |
| Finance Cost (% +/- 5)            | 177         | 0.12     |
| Exchange valuation (% +/- 5)      | 143         | 0.10     |

### Urea Production and Cost of Sales

The Company's fertilizer production is significantly affected by the government's gas availability policy and can also be influenced by both scheduled and unscheduled plant shutdowns and maintenance activities.

### Sales Volume

Sales volume is influenced by several factors, including the capacity of production plants, the demand and supply of fertilizers, farm economics, natural disasters, government policies such as price regulations and imports, as well as environmental conditions.

### Sales Price

The Company's selling prices are established internally but are influenced by factors such as competitor pricing, market conditions, international trends, and government interventions, including subsidies.

### Dividend Income

The dividend income from our equity investments is contingent on the performance of these investments and the decisions of their respective Boards of Directors and therefore, is beyond our direct control.

### Investment Income

Investment income primarily consists of returns on deposits in various banks and financial institutions, as well as investments in government securities and various investment schemes. This income is influenced by prevailing interest rates and the Company's capacity to generate and allocate surplus funds.

### Finance Cost

Finance costs are influenced by the Company's borrowing needs. While the management efficiently negotiates loans, the interest rates are subject to market conditions beyond the Company's control.

# FINANCIAL CAPITAL

## Profitability

The Company's market share price is directly affected by its profitability and earnings per share (EPS).

## Currency Risk

Fluctuations in exchange rates can influence the Company's market share price, as exports or imports may impact its margins. Financial assets and liabilities denominated in foreign currency, as well as foreign business transactions, are exposed to foreign exchange risks.

## Interest Rate Risk

Higher interest rates can lead to increased debt costs, which in turn may reduce margins and have a negative impact on the Company's market share price.

## Market Risk

The market share price is susceptible to all risks inherent in the stock exchange where the Company's shares are listed.

## Regulations and Government Policies

Changes in government policies or regulations, whether related to the fertilizer sector or broader business operations, can significantly impact the share price. Depending on whether these policies are favorable or unfavorable to the industry, they can either positively or negatively influence investor sentiment and, consequently, the share price.

## Economic Outlook

The market share price is intricately tied to the broader economic outlook. A robust economic forecast typically leads to an uptick in market prices, while an uncertain outlook tends to result in weaker market prices.

## Inflation

Inflation, characterized by increased consumer prices, can hinder sales and diminish profits. Similarly, higher interest rates aimed at curbing inflation can also negatively affect margins.

## Investors' Sentiment

Investor sentiment plays a significant role in driving market movements, leading to fluctuations in stock prices. The overall trajectory of the stock market can impact the market share price accordingly.

## Performance

Market prices of different companies within the same industry often move together since market conditions typically affect companies in the same industry, similarly.

## Goodwill

The market share price can also fluctuate based on investor sentiments toward the company, which can change in response to news and events.

## Market Share Information

For over four decades, FFC has been meeting the diverse fertilizer needs of the local farming community by marketing an extensive product portfolio of both indigenous and imported products. The company has consistently outperformed its competitors in terms of sales and brand preference, as demonstrated by FFC / FFBL's combined market share over the years.

## Combined Market Share FFC (Ex-FFBL)

| Year | Urea | DAP |
|------|------|-----|
| 2024 | 48%  | 62% |
| 2023 | 43%  | 60% |
| 2022 | 45%  | 62% |
| 2021 | 47%  | 53% |
| 2020 | 51%  | 53% |
| 2019 | 48%  | 46% |
| 2018 | 53%  | 52% |

(Source: NFDC)

## Significant Plans, Decisions and Business Rationale of Major Capital Expenditure and Projects

The company recognizes the importance of continuous investments, innovation, and diversification to remain competitive and deliver sustainable value to stakeholders. Detailed policies and procedures are in place to ensure the proper planning and execution of significant plans, decisions, expansion/investment plans, capital expenditure, and diversification projects aligned with the Company's long-term strategies and objectives.

During the year, the Company incurred a capital expenditure of Rs 12.14 billion, all of which is planned and executed under the strict oversight of the Board. To ensure business continuity and safe operations, the Company invests significantly in balancing, modernization, and replacement of its manufacturing facilities. These projects undergo thorough evaluation procedures, including business rationale, payback period, cash flow requirements, and other financial analysis.

## Dividend Declaration and Future Prospects

In view of exceptional results achieved by the Company, the Board has proposed final dividend of Rs 21 per share for approval by the members at Annual General Meeting bringing the total dividend for the year to Rs 34.86 per share, aggregating to an annual payout of around 77%.

Going forward, the Board remains committed to enriching the returns of the shareholders through efficiency enhancement, continued cost controls, and business diversification of the Company.

## GIDC Status

The Company filed a suit with the Sindh High Court in September 2020 against collection of GIDC installments, before a factual determination of GIDC pass on is carried out. The Court granted a stay against recovery of GIDC payable from the Company till the finalization of matter. The matter is currently pending in the Sindh High Court.

During the period, no payments were made by the Company on account of GIDC. Further, the Company has also

contested late payment surcharge on GIDC payments against recovery stay granted by Sindh High Court.

In accordance with the financial reporting requirements, GIDC liability is being carried in the financial statements at amortized cost.

## Contribution to National Exchequer

In 2024, FFC contributed approximately Rs 94.11 billion to the National Exchequer through taxes and levies, a 159% increase from the previous year.

Additionally, the Company achieved a value addition of USD 1.4 billion in terms of foreign exchange savings through the import substitution of

2,841 thousand tonnes of Urea sold during the year. In comparison to USD 1.01 billion achieved in 2023 through the import substitution of 2,505 thousand tonnes of urea sold.

## MD&CEO Presentation Video

MD&CEO's presentation regarding FFC's performance, business overview, strategy and outlook is placed on the Company's corporate website and can be accessed through the following link:

<https://www.ffc.com.pk/>



# FINANCIAL CAPITAL

## Responsibility Towards the Financial Statements

The Company's management is responsible for the preparation and fair presentation of its financial statements in accordance with the applicable accounting and reporting standards and the requirements of Companies Act, 2017; and for such internal controls as the management determines necessary, to enable the preparation of financial statements, free from material misstatement, whether due to fraud or error. The Board acknowledges its responsibility of compliance with financial accounting and reporting standards as applicable in Pakistan.

## Statement of Unreserved Compliance of IFRS issued by IASB

The Company's separate and consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan; comprising:

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

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

Note 4.13 of FFC's financial statements and 4.14 of consolidated financial statements specify the

standards and interpretations which are yet to be effective in Pakistan. The Company believes that the impact of these standards and interpretations does not have any material impact on the said financial statements.

## Adoption of International Integrated Reporting Framework

This report has been prepared in accordance with the International Integrated Reporting Framework of the International Integrated Reporting Council. The Board recognizes its responsibility to ensure the integrity of this report, which, in its opinion, addresses the material matters relevant to the long-term sustainability of the Company and fairly presents the integrated performance of FFC and its impacts. All these details have been adequately covered throughout the report and are also detailed in the "About our Report" section, located on page 04.

## Quarterly and Annual Financial Statements

FFC's separate and consolidated financial statements undergo endorsement by both the MD&CEO and CFO before being circulated for consideration and approval by the Board. The annual and half-yearly financial statements are also signed by external auditors before circulation. These statements are then published and distributed, along with the directors' review, within one month of the reporting date for quarterly statements, and within the permitted limit of two months for half-yearly statements.

The company's annual separate and consolidated financial statements are audited by external auditors and recommended by the Board for approval at the upcoming Annual General Meeting (AGM). Additionally,

all other regulatory reporting requirements to governing bodies and stakeholders have been fulfilled accurately and in a timely manner.

## Auditor's Report on the Financial Statements

FFC's separate and consolidated financial statements have been audited by the company's external auditors, A. F. Ferguson & Co., Chartered Accountants, who have issued an unqualified audit opinion stating that the financial statements provide a true and fair view of the state of affairs as at December 31, 2024. The Independent Auditors' Reports on the audit of FFC's separate and consolidated financial statements can be found on pages 265 and 383 of the Annual Report respectively.

The auditors will retire at the conclusion of the upcoming AGM and, being eligible, have offered themselves for reappointment as external auditors for the year ending December 31, 2025. The Board of Directors has recommended the reappointment of A. F. Ferguson & Co., Chartered Accountants, as external auditors of the Company for the financial year 2025, with remuneration upto Rs 10 million.

## Cost Audit

BDO Ebrahim & Co., Chartered Accountants, served as the cost auditors of the Company for the financial year ended December 31, 2024, in accordance with the requirements of the Companies (Maintenance and Audit of Cost Accounts) Regulations 2020.



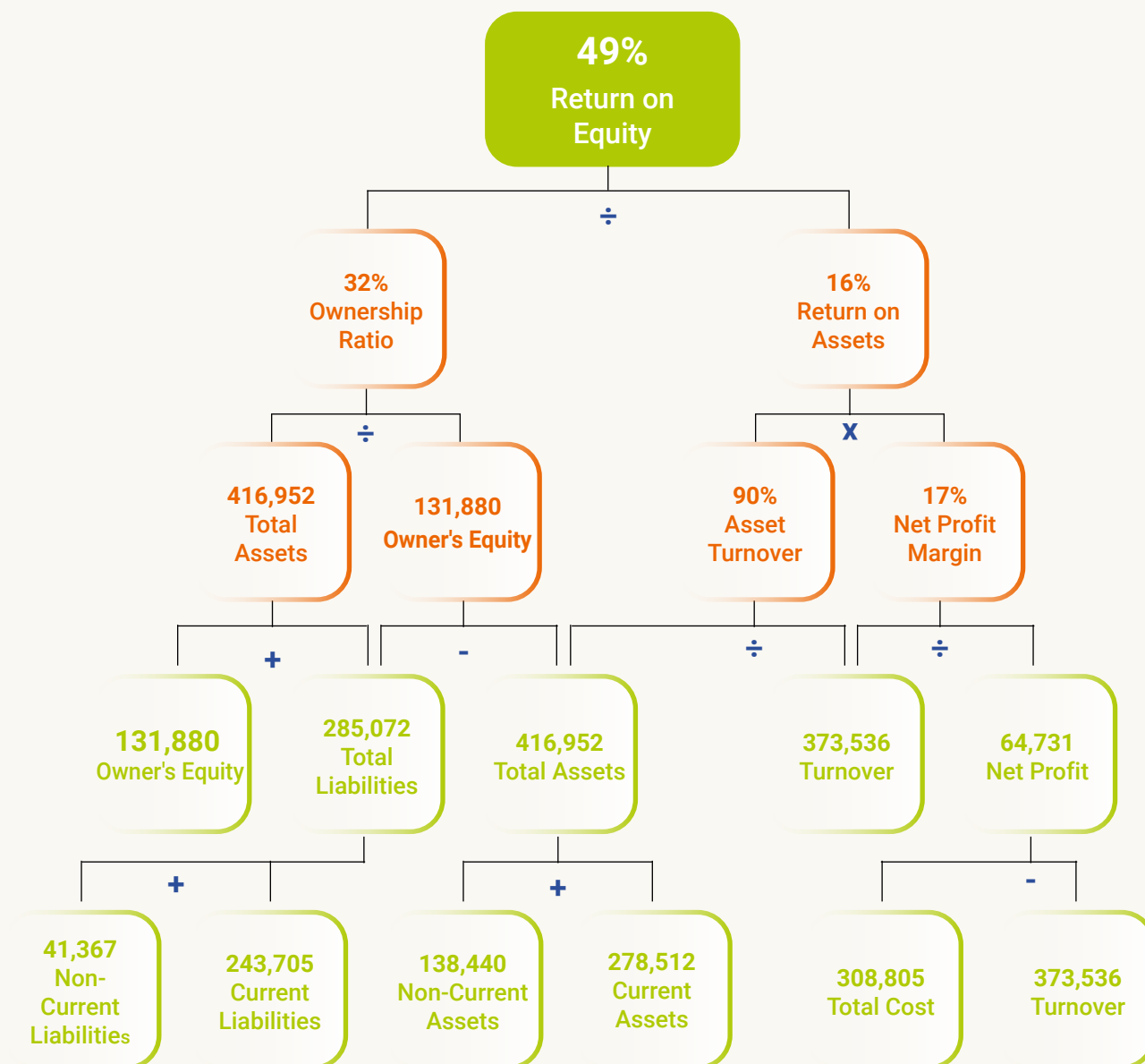
# DUPONT ANALYSIS

## DuPont Analysis

|                  | 2024 | 2023 |
|------------------|------|------|
| Tax burden       | 41%  | 45%  |
| Interest burden  | 6%   | 10%  |
| EBIT margin      | 31%  | 37%  |
| Asset turnover   | 90%  | 71%  |
| Leverage         | 68%  | 72%  |
| Return on Equity | 49%  | 48%  |

## Analysis

Total Assets increased by 87% primarily due to addition of assets of FFBL following the merger and increase in short term investments. The Company achieved highest ever turnover leading to improved Assets Turnover. However, due to high inflation and increased cost of raw material, the Net Margin slightly decreased to 17% compared to 19% in last year. Ownership Ratio favorably moved to 32% compared to 28%. Resultantly, Return on Equity slightly improved to 49% vs 48% of previous year.



# CORPORATE AWARDS AND ACHIEVEMENTS



## ICAP / ICMAP Best Corporate Report Award

FFC has been awarded:

- Best Corporate Report 2023 for Chemical & Fertilizer Sector
- Best Sustainability Report 2023 (1st Position)
- Overall Best Corporate Report 2023 (2nd Position)

The Awards are conferred by the joint committee of Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan.



## SDPI's Sustainability Awards 2024

Award category: AgriTech and Food Security. Case Study Titled: "Geo Kashtkaar". Fauji Fertilizer Company Limited has secured 1st Position. Evaluation was based on the social, economic, and environmental impact indicators. FFC's valuable contributions toward promoting sustainability and innovation and efforts in addressing critical global challenges were commanded.

## IFA Green Leaf Award 2024

With great pride we announce that FFC Goth Machhi has been honored as the 1st runner-up in the Nitrogen Producer category for its exceptional case study, recognized during the IFA Annual Conference held in Singapore. This prestigious IFA Green Leaf Award is a testament to the hard work and dedication of the entire FFC team. The rigorous evaluation process, conducted by an independent panel of experts, underscores the significance of this achievement. This accolade is not just an honor but also a recognition of FFC's continuous commitment to excellence and sustainability in the fertilizer industry.

## PSX Top 25 Listed Companies

FFC has been listed for 14th consecutive time amongst the TOP 25 Listed Companies in a ceremony held at Karachi. This award is the recognition of FFC's excellence in Corporate and Financial performance that speaks of highest standards of professionalism and dedication of all stakeholders particularly the unwavering trust and confidence of shareholders in FFC's leadership and management.

## IFA's Industry Stewardship Champions 2024

FFC recognized amongst IFA's Industry Stewardship Champions (top 30) for participation in IFA's benchmarks [Safety, Health, and Environment].

## CFA Society Annual Excellence Award

FFC received the Best ESG Reporting Award from the CFA Society, recognizing the company's adherence to international ESG disclosure frameworks and its ongoing commitment to the global ESG implementation mission.



In 2024, FFC has been honoured with a series of prestigious awards that stand as a testament to our unwavering commitment to professional excellence and the highest standards of best practices. These accolades not only highlight our dedication and commitment but also reinforce our position as a leader in the industry.

### Amir S Chinoy Corporate Excellence Award In Industrial Category

"FFC has been honored with Amir S Chinoy Corporate Excellence Award in Industrial Category as adjudged by Management Association of Pakistan (MAP). This is the highest award in all the industrial categories. This award is an acknowledgement of unprecedented guidance of our board of directors, best Management Practices, distinguished Corporate Governance, Industrial Laurels and Shareholders' Value that FFC has been maintaining since its inception.



### SAFA Best Presented Annual Report Award

South Asian Federation of Accountants (SAFA) awarded FFC with:

- Gold Award (Overall Winner)
- Gold Award in the Best Presented Annual Report in the Manufacturing Sector
- Certificate of Merit for Good Corporate Governance in SAARC Anniversary Award category
- Certificate of Merit for the Integrated Reporting category

These awards acknowledge FFC's competence, excellent financial performance, governance practices and integrated & transparent reporting.



# RISK AND OPPORTUNITY REPORT

The Board of Directors has approved FFC's Risk Management Framework. This framework is designed to enhance the organization's ability to identify, assess, and manage risks effectively.

## Assessment of Principle Risks

The Board of Directors plays a critical role in overseeing the risk management practices of the Company. Conducting a robust assessment of the principle risks is essential for maintaining the integrity and sustainability of the organization.

## Risk Governance Structure

FFC's independent Risk Governance Structure is a vital component of its overall risk management strategy, designed to facilitate effective risk governance and promote measured risk-taking across the organization.

### Board of Directors

The Board of Directors plays a vital role in the governance and risk management framework of a company by setting the risk appetite, reviewing principle risks, assessing and monitoring risks, reporting & accountability and fosters a culture of risk awareness.

### Board Committees

The Audit Committee and the System & Technology Committee are integral to the governance structure of a company, providing the Board of Directors with essential support in managing risks, evaluating opportunities, and implementing effective mitigating strategies.

### Strategy Committee

The Strategy Committee, as a management committee, plays a pivotal role in ensuring that an organization's strategic planning is closely intertwined with risk management and performance metrics. This alignment is critical for setting realistic and achievable goals.

## Risk Management Champions

Risk aware business professionals nominated by their respective functions to communicate function specific risks to the Company Risk Office. They are also responsible to conduct sound risk management within their functions.

### Company Risk Office

The Company Risk Office serves as a central and crucial entity within an organization, responsible for maintaining and managing the Company's Risk Register. This register is a comprehensive tool that helps the organization identify, assess, and manage risks that could impact its strategic objectives

### Internal Audit

The Independent Internal Audit function plays a crucial role in ensuring that an organization adheres to its established risk management framework. By conducting regular and ongoing reviews, the Internal Audit function verifies that operations are in compliance with the company's Risk Methodology—which includes the practices, policies, and procedures designed to identify, assess, manage, and mitigate risks. These audits help ensure that risks are being properly controlled and mitigated, while also identifying areas where improvements can be made.

## Enterprise Risk Management (ERM)

The Board of Directors plays a pivotal role in overseeing the Company's Risk Management strategy. Their responsibilities encompass establishing a Robust Risk Management Policy, Determining and Assessing Risk Tolerance, Minimizing Negative Impact and provides comprehensive risk management guidelines that cover key risk areas across the entire organization.

Key elements of the Risk Management Process can be summarized as below:

### Risk Identification

Identification of risks that the business is exposed to in its internal and external environment. This exercise is carried out by all major functions throughout the Company.

### Risk Assessment and Evaluation

The assessment and evaluation of risks is a critical part of the risk management process, where identified risks are analyzed based on their likelihood (the probability of the risk occurring) and magnitude (the potential impact if the risk occurs).

### Risk Implementation and Monitoring

The implementation of mitigating strategies and the monitoring of results are two critical components of an effective risk management process. Once risks have been identified, assessed, and evaluated, the company moves

forward by executing strategies to mitigate those risks. The Risk Office plays a vital role in ensuring these strategies are carried out effectively and that their outcomes are continuously monitored.

### Risk Review

The review of risks is a crucial part of maintaining an effective risk management framework. It involves the periodic reassessment of the risks the company faces, ensuring that mitigation strategies remain effective, and identifying new or emerging risks. In this context, the review process is typically carried out in stages, involving both management and the Board.

### Risk Reporting

High-level risks are those that have the potential to significantly affect the organization's strategic goals, financial stability, reputation, or long-term viability. These risks typically require urgent attention from senior leadership, such as the Board of Directors, due to their potential impact.

The process of reporting high-level risks to the Board of Directors involves a structured approach to ensure that the Board is aware of these risks and can take appropriate action.

### Risk Updating

The Corporate Risk Register is a comprehensive document that records and tracks the company's risks, their potential impact, likelihood, and the mitigation measures in place to manage them. It serves as a central tool for risk management, ensuring that the organization remains aware of its risk exposure and can take appropriate actions to mitigate those risks.

## Broad Types of Risks

FFC has implemented a robust risk management framework that enables it to effectively identify, assess, and mitigate various risks and uncertainties it faces in its day-to-day operations. This proactive system helps FFC manage risks in a way that minimizes potential disruptions and maximizes opportunities for growth and stability.

### Strategic Risk

Strategic risks are a critical aspect of an organization's overall risk management framework. These risks are typically external in nature, arising from the environment in which the company operates, and are closely tied to the company's strategic objectives and business strategy decisions. Strategic risks can have a significant impact on the execution of the company's strategy and its long-term success.



## Commercial risk

The risks described here are often referred to as strategic commercial risks, which are closely tied to the core business operations and commercial substance of an organization. These risks can significantly impact the company's market position, profitability, and long-term viability. They arise due to changes in the external environment that directly affect how the company operates and competes in its industry.

## Operational risk

Operational risks are risks that can negatively affect an organization's value and are typically caused by internal factors. These risks arise from the day-to-day functioning of the organization and can include issues related to various operational and administrative processes. Some examples of operational risks include Manufacturing Facility Shutdowns, Workforce Turnover and Supply-Chain Disruptions & IT System Failures.

## Financial risk

Financial risks are commonly classified into three main categories: Credit Risk, Liquidity Risk, and Market Risk. These types of risks can significantly affect an organization's financial health, and they are often detailed in the company's financial statements, typically in notes such as Note 39, where the company explains how it manages these risks.

## Compliance Risk

Compliance risk refers to the risk an organization faces due to failing to adhere to applicable laws, regulations, internal policies, or industry standards. Non-compliance can have serious consequences for the company, ranging from financial penalties to reputational damage or legal actions. These risks arise from the organization's inability or failure to meet legal, regulatory, or procedural obligations, which can lead to various negative outcomes.

## Reputational Risk

Reputational risk refers to the potential threat to a company's reputation, image, and brand value due to negative perceptions, incidents, or actions that may arise from various sources. Such risks can have far-reaching consequences, affecting stakeholder trust, customer loyalty, and market position.

## Plans and Strategies for Mitigating These Risks and Potential Opportunities

## Risk Governance

In any effective risk management program, having a clear risk governance structure is crucial to ensuring that risks are properly identified, assessed, managed, and mitigated at all levels of the organization. The roles and responsibilities within this structure define how risk management is integrated into daily operations and decision-making processes. Typically, a risk governance structure includes various layers of responsibility, from the board level down to operational teams, with each level playing a distinct role in risk oversight.

## Board and Its Committees

The Audit Committee plays a critical role in overseeing the company's risk management processes, ensuring that the organization effectively identifies, monitors, and mitigates risks that could potentially impact its operations. While the committee typically focuses on financial and regulatory compliance risks, it also ensures that the risk management framework aligns with the company's objectives and is robust enough to address both anticipated and unexpected risks.

The Human Resources & Remuneration Committee plays a crucial role in managing risks related to the company's human capital. Its oversight focuses on ensuring that the organization's compensation structures, talent management, and succession planning do not introduce risks that could negatively impact the business or escalate corporate risk. Here's how this committee addresses and mitigates human resources-related risks.

The System & Technology Committee plays a vital role in managing technological risks and ensuring that the company's plant operations remain competitive, efficient, and up-to-date with evolving technological advancements. By overseeing technological upgrades and capital expenditure, this committee helps mitigate the risks associated with obsolescence, inefficiency, and inadequate resource allocation, which can negatively impact the company's productivity and profitability.

The Investment Committee plays a crucial role in ensuring that the company makes informed, strategic decisions regarding new investment opportunities, expansion plans, and diversification initiatives. By conducting thorough due diligence and considering the associated risks, the committee helps safeguard the organization from potentially harmful or unsound investments while maximizing growth and value creation.

## Policies and Procedures

Policies and procedures are key to a company's risk governance framework, managing financial, operational, and compliance risks for sustainable operations.

The Board of Directors oversees their adoption to align with company goals and industry best practices. These policies guide decision-making, risk mitigation, and responsible governance. A clear delegation of authority to senior management ensures proper implementation, maintaining ethical values, accountability, and compliance.

## Control Activities

Senior management plays a crucial role in assessing the risks faced by the company and ensuring that appropriate controls are in place to effectively mitigate and respond to these risks. This process involves a comprehensive evaluation of potential financial, operational, and compliance risks that could impact the organization's objectives.

## Performance Management

To mitigate risks related to performance, the company adopts a continuous cycle of monitoring that is essential to ensure the effectiveness of implemented controls. This ongoing process involves regularly evaluating and analyzing the performance of risk management strategies and operational controls to assess their adequacy in addressing potential risks.

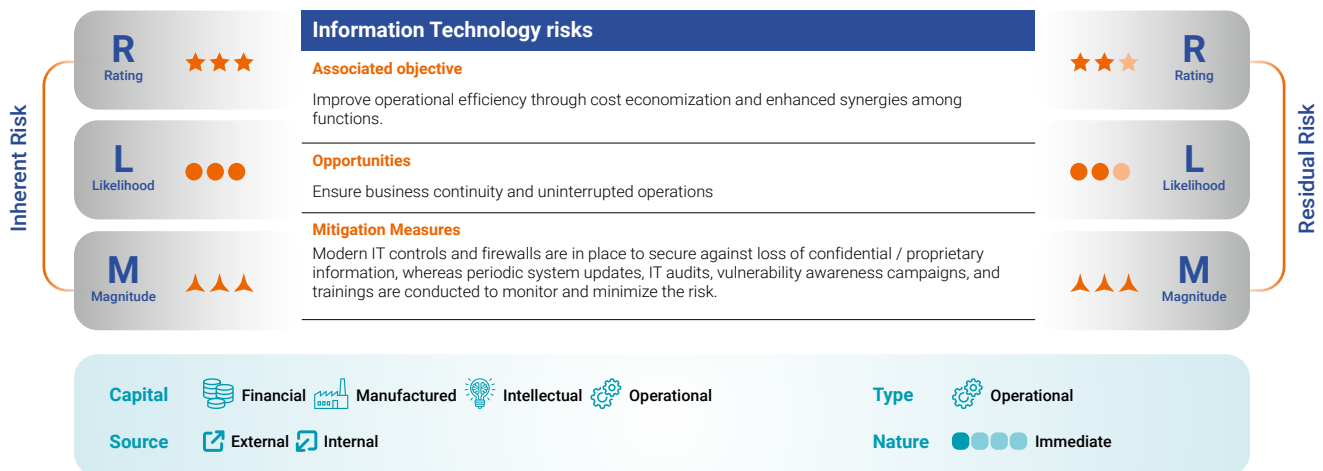
## Internal Audit

The Internal Audit function plays a critical role in the company's risk management and governance framework by providing independent and objective evaluations. Its primary responsibility is to assess the effectiveness of the company's governance, risk management, and internal control processes, ensuring that these systems are operating as intended to protect the organization's assets, ensure compliance, and support business objectives.

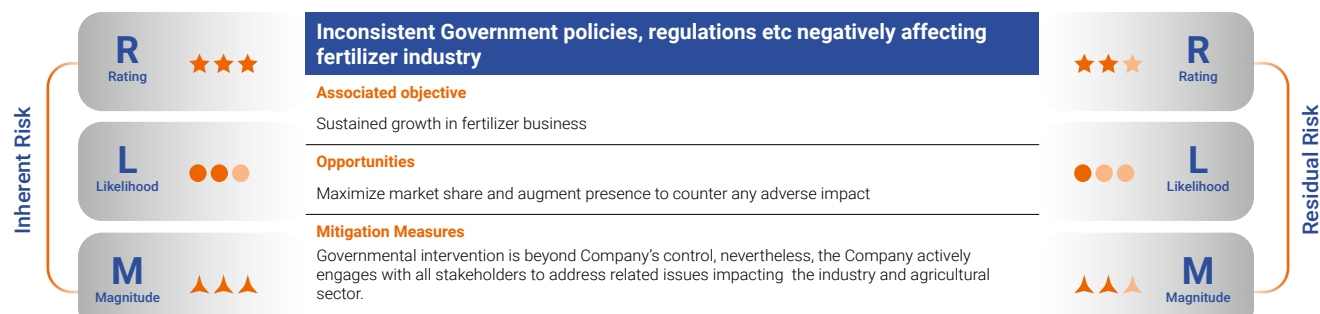
## Key Sources of Uncertainty

The preparation of financial statements under IFRS involves judgment, estimates, and assumptions that impact how accounting policies are applied. Judgments are needed when selecting among accounting treatments, while estimates determine asset and liability values based on assumptions that may change over time. Since actual results may differ, adjustments are made in future statements, sometimes requiring restatements if errors are material. Accounting estimates are continuously reviewed, and any revisions are applied prospectively. Significant judgments and estimates are detailed in Note 2.4 of the Company's financial statements.

# KEY RISKS AND OPPORTUNITIES

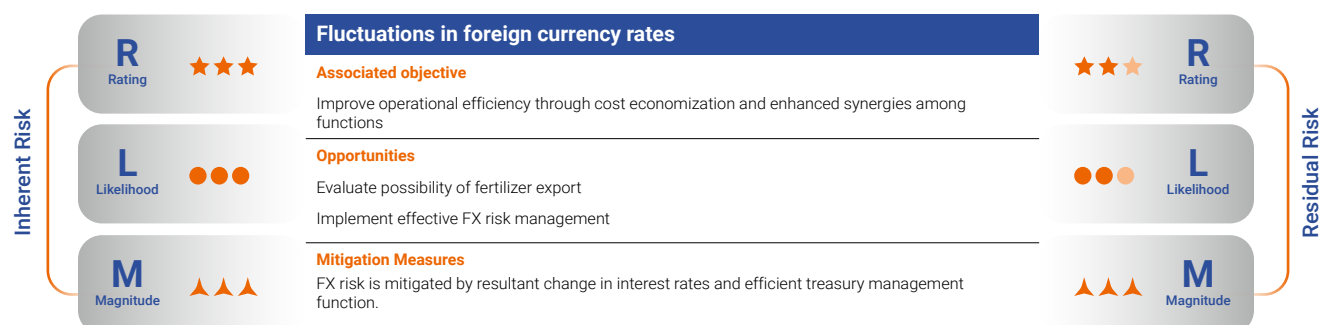


## Legend



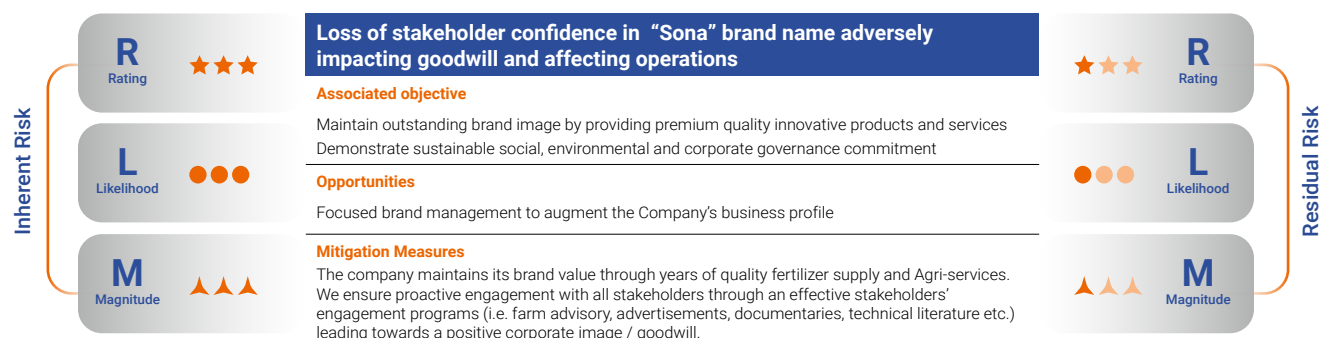
Capital Financial  
Source External

Type Strategic  
Nature Immediate



Capital Financial  
Source External

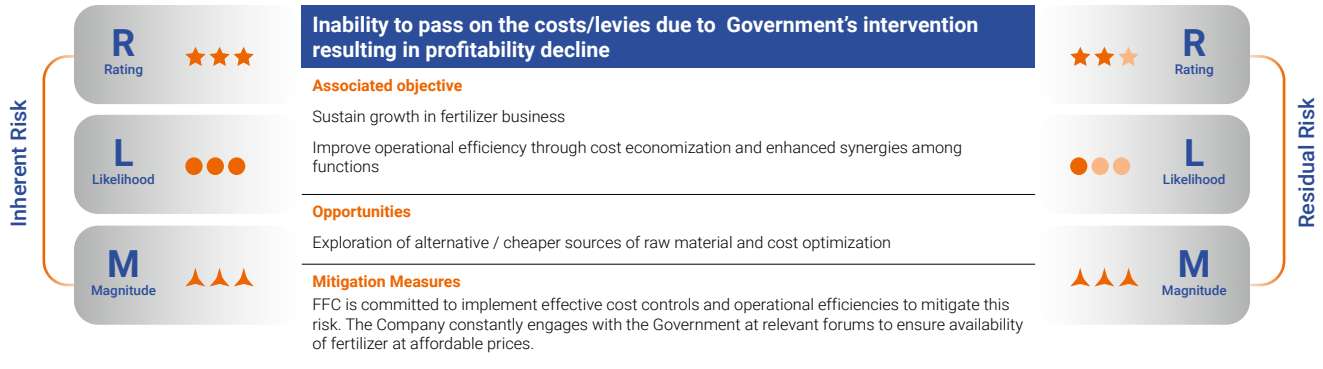
Type Financial  
Nature Short term



Capital Relationship Social Nature Human  
Source External Internal

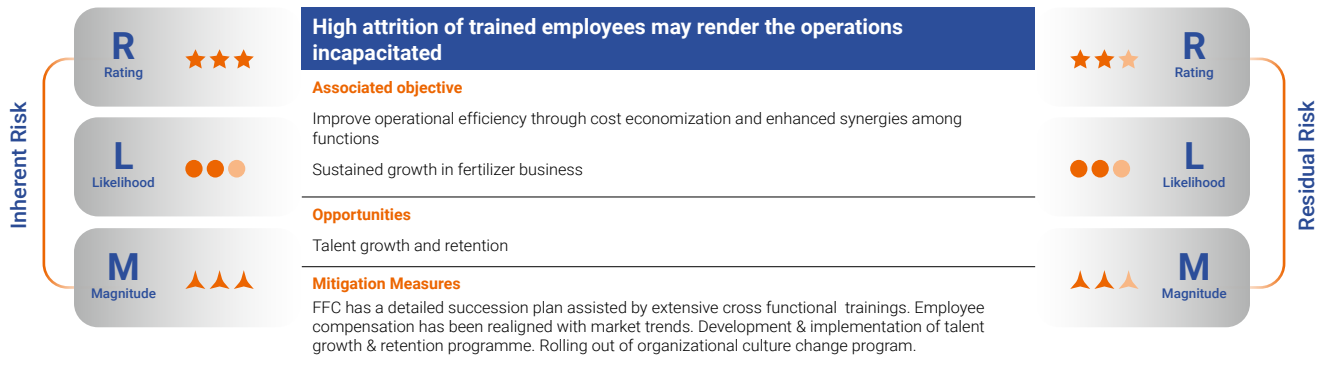
Type Reputational Compliance  
Nature Long term

# KEY RISKS AND OPPORTUNITIES



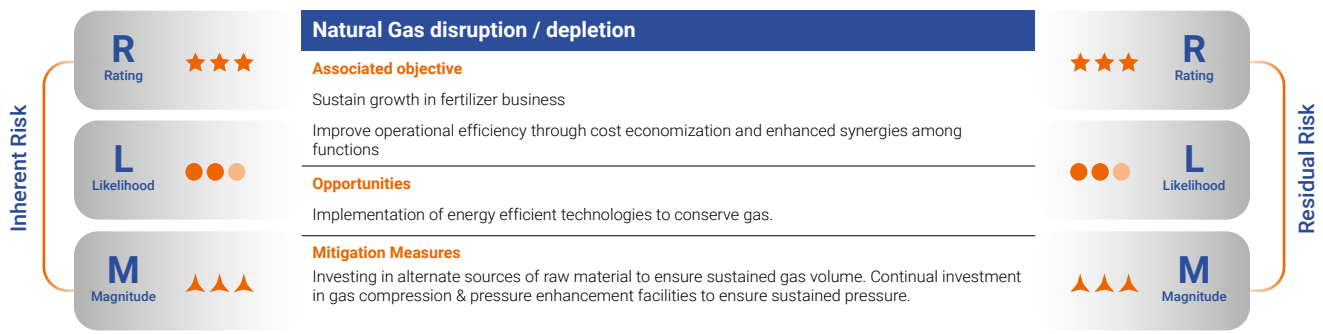
**Capital** Financial Nature  
**Source** External

**Type** Commercial Financial Strategic  
**Nature** Immediate to Short-term



**Capital** Social Human  
**Source** External Internal

**Type** Financial Operational  
**Nature** Immediate to Short-term

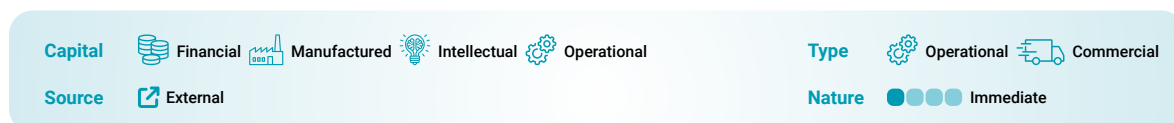
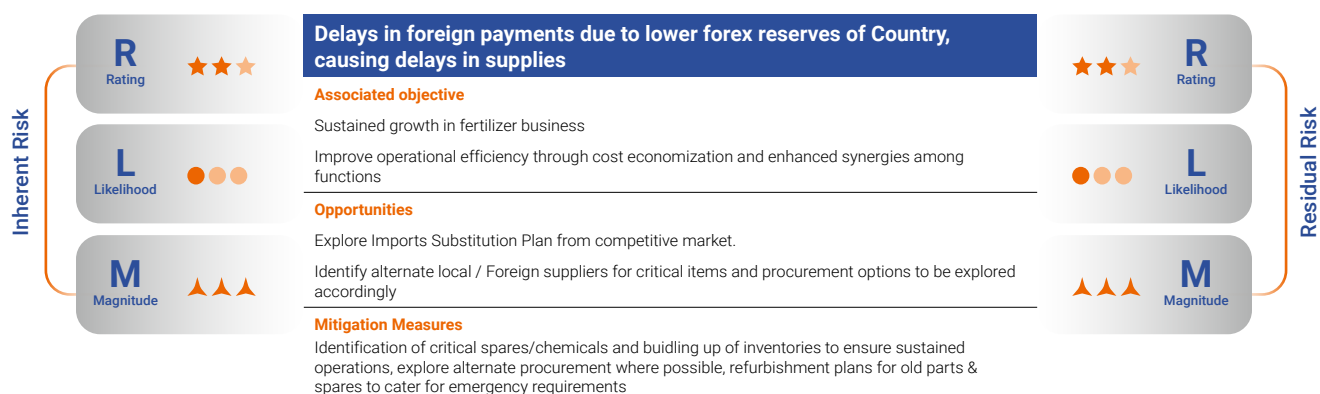
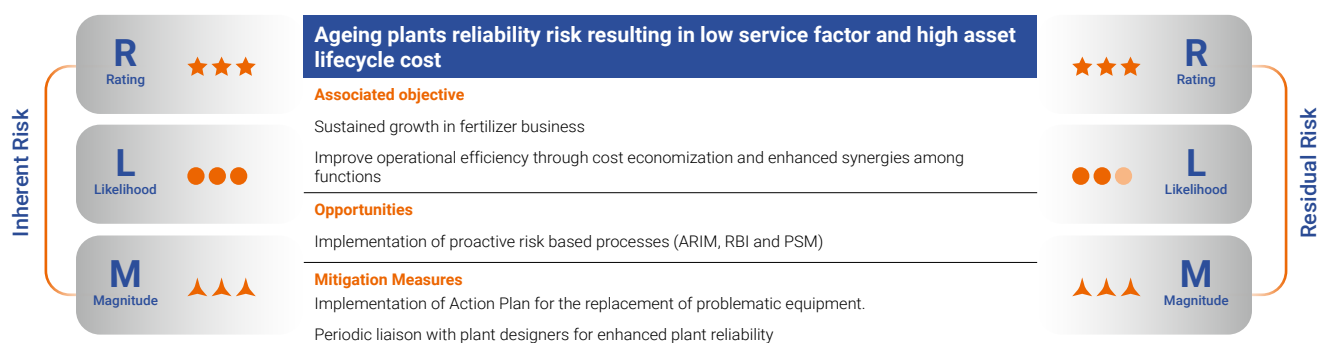
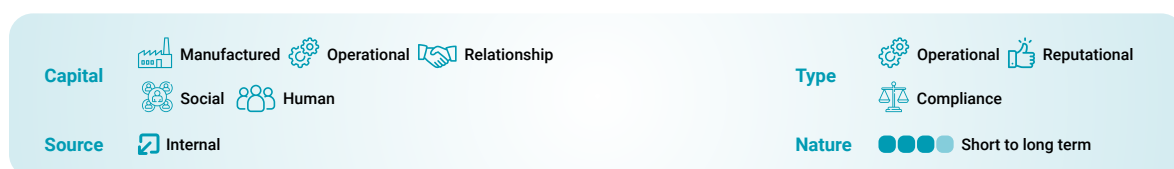
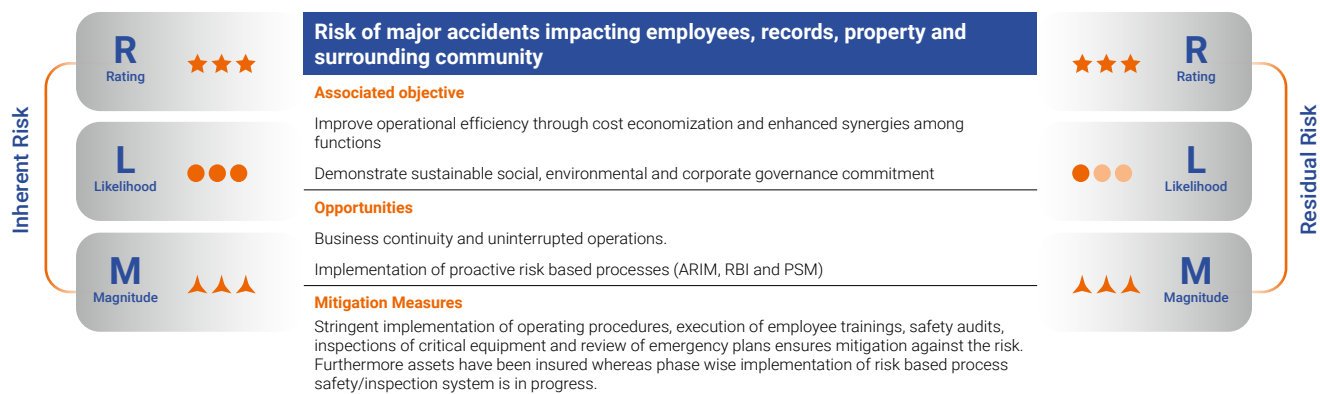


**Capital** Financial Nature Manufactured  
**Source** External Internal

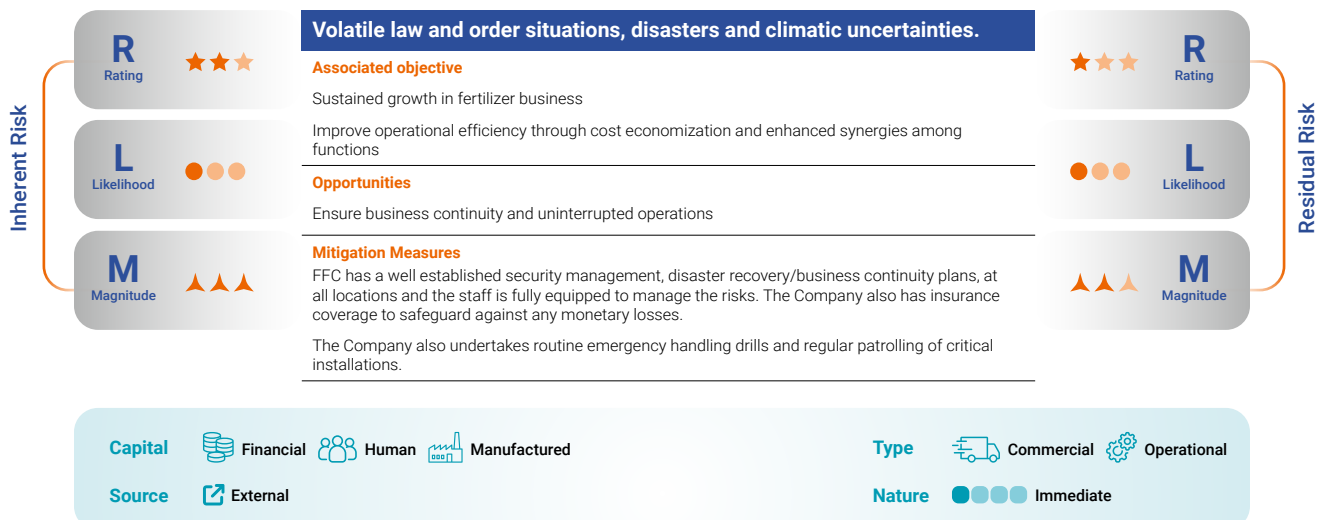
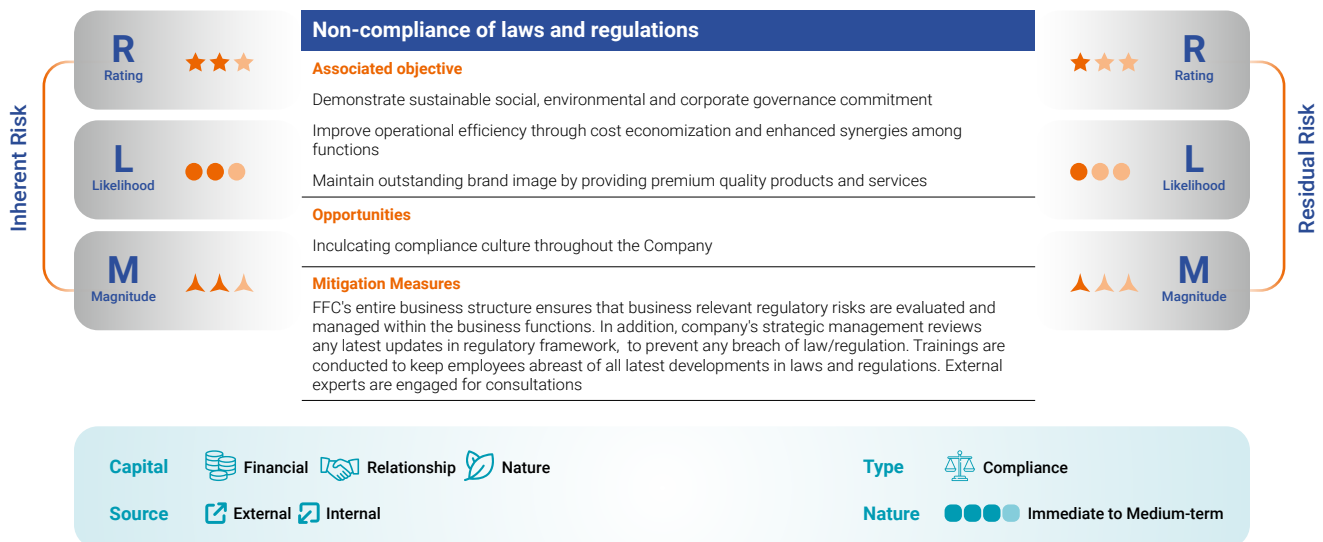
**Type** Operational Strategic  
**Nature** Short term



## Legend



# KEY RISKS AND OPPORTUNITIES



## Legend

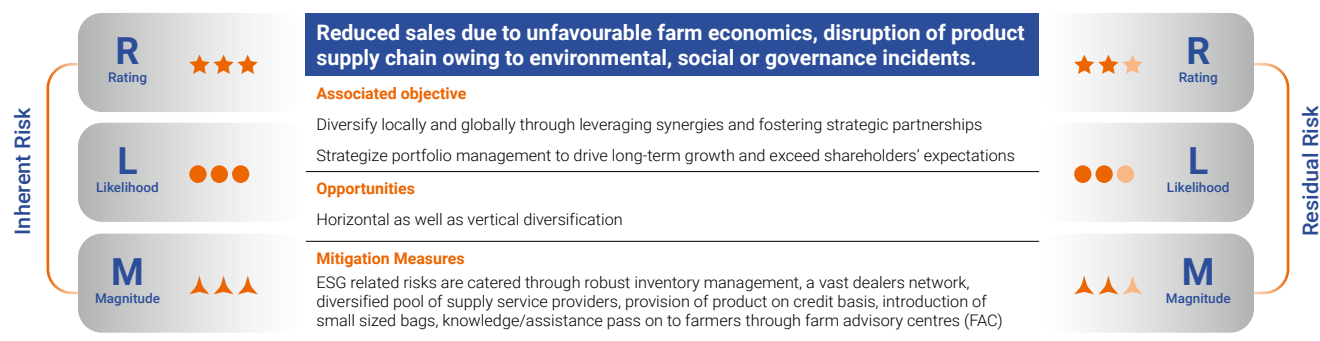
### Rating



### Likelihood



### Magnitude



Capital



Financial



Manufactured

Type



Commercial



Operational

Source

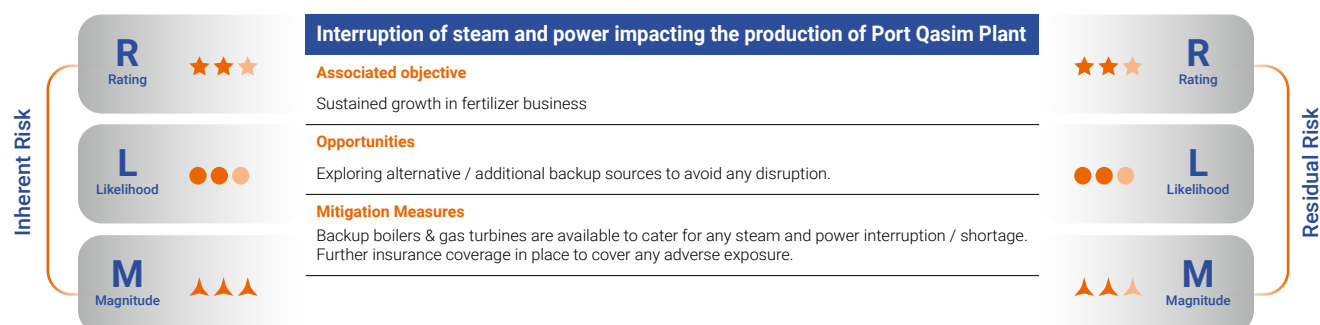


External

Nature



Immediate to Short-term



Capital



Financial



Manufactured



Human



Nature

Type



Operational

Source



Internal

Nature



Immediate to Short-term



Capital



Financial



Human

Type



Operational



Compliance



Strategic

Source



External



Internal

Nature



Immediate

# CORPORATE GOVERNANCE

This year marks the amalgamation of FFBL with and into FFC. During the year, the Board and committees of both the companies performed their oversight duties and responsibilities in most professional and effective manner. As a result of merger, Board of FFC has continued its oversight role as the Board of the merged entity.

## Function of the Board

A strong governance framework has been implemented by the Board to uphold investor trust, achieve objectives and nurture a culture of long-term value creation, reflecting its commitment to shareholders and the Company's national and international reputation.

Key components of this governance framework include a formal Code of Conduct, a Code of Business Ethics, an Internal Control Framework, a Risk Management Framework and a Whistleblowing Policy, among others. This framework is founded on global best practices and surpasses the compliance and disclosure requirements of applicable legal and regulatory standards while addressing the informational needs of all stakeholders.





## Composition of Board

The composition and qualifications of the company's Board of Directors align with the requirements of the Companies Act 2017, the Code of Corporate Governance and the best practices specified in the Articles of Association.

## Diversity in the Board

Efficient and independent decision-making, free from undue influence, is supported by diverse composition of Board. With extensive expertise across various disciplines, these seasoned professionals possess a well-balanced blend of skills to address challenges in managing company affairs. Their unique combination of knowledge and experience provides valuable perspectives, enabling them to operate the business effectively and strategically.

The FFC's Board comprises of 13 directors who adeptly advocate for the interests of shareholders, both majority and minority.

| Category                       | Name                                                    |
|--------------------------------|---------------------------------------------------------|
| Non-Executive Directors        | Lt. Gen Anwar Ali Hyder, HI(M) (Retired) Chairman       |
|                                | Mr. Mazhar Abbas Hasnani                                |
|                                | Syed Bakhtiyar Kazmi                                    |
|                                | Mr. Saif Anjum                                          |
|                                | Mr. Yassir Ghiyati Ibn Ziyad                            |
|                                | Mr. Qamar Haris Manzoor                                 |
|                                | Mr. Shoaib Javed Hussain                                |
|                                | Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired) |
| Executive Director/ MD&CEO     | Mr. Jahangir Piracha                                    |
| Independent Directors (Male)   | Mr. Saad Amanullah Khan                                 |
|                                | Mr. Farhad Shaikh Mohammad                              |
| Independent Directors (Female) | Ms. Maryam Aziz                                         |
|                                | Dr. Shamshad Akhtar                                     |

None of the directors hold directorship of more than seven listed companies.

## Profile of the Board

The Company Overview section of this report offers detailed information about the Directors including their names, roles (independent, non-executive or executive), academic qualifications, industry expertise and associations with other organizations.

## Independent Directors

The Company's Board includes four independent directors representing non-controlling interests. These directors are selected with careful consideration from a database maintained by the Pakistan Institute of Corporate Governance (PICG). They have formally consented to serve as Board members and have submitted a "Declaration to the Company," confirming their compliance with the independence criteria specified under the Companies Act 2017.



# CORPORATE GOVERNANCE

## Executive & Non-Executive Directors

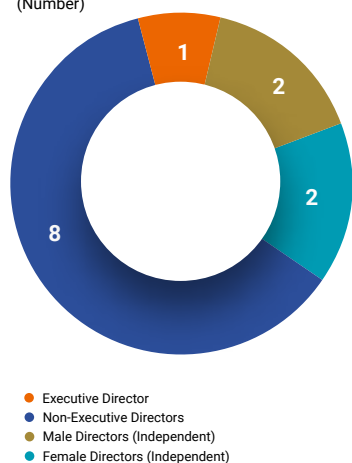
The Board consists of one executive director and twelve non-executive directors, exceeding the regulatory requirement of having at least two-thirds of the members as non-executive directors.

## Female Directors

The FFC governance framework strives to promote gender diversity on its Board of Directors. Presently, the Board includes two female directors, exceeding the regulatory requirement of having at least one female director on the board of a listed company.

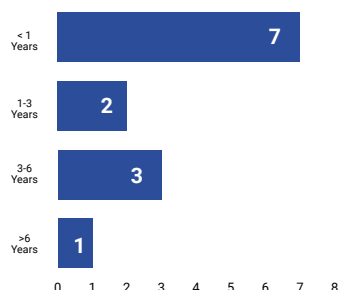
## Composition of the Board

(Number)



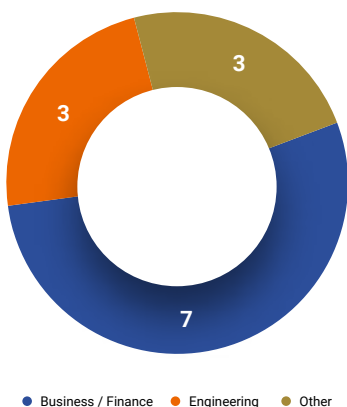
## Directors' Tenure

(Number)



## Directors' Qualification

(Number)



## Changes to the Board

The current Board was constituted in October 2024 and will serve its term until October 2027. During the year, several directors resigned, including Mr. Waqar Ahmed Malik SI, Dr. Nadeem Inayat, Mr. Rashid Mahmood Langrial, Lt Gen Waheed Arshad TBt, HI(M) (Retired), Mr Sarfaraz Ahmed Rehman, Mr. Asad Rehman Gilani, Mr. Waseem Ajmal Chaudhry, Mr. Jehangir Shah, Maj Gen Zafar ul Haq HI(M) (Retired) and Dr. Ayesha Khan.

In their place, Lt. Gen Anwar Ali Hyder, HI(M) (Retired), Mr. Farhad Shaikh Mohammad, Mr. Jahangir Piracha, Dr. Shamshad Akhtar, Mr. Mazhar Abbas Hasnani, Mr. Saif Anjum and Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired) joined the Board.

The Board extends its heartfelt gratitude to the outgoing directors for their valuable contributions and warmly welcomes the new members. It remains confident that the team will continue to work efficiently towards achieving the Company's objectives and enhancing financial returns for shareholders.

## Meetings of the Board

In compliance with regulations, the Board is required to meet at least once every quarter to effectively monitor the Company's performance. Additionally, special meetings may be convened during the year to address other critical matters as needed.

Throughout the year, FFC's Board of Directors held nine separate meetings to address both routine and special matters. These meetings provided guidance to management on how to best achieve the Company's objectives. In accordance with relevant laws, notifications regarding upcoming meeting dates and agendas were distributed in a timely manner.

All Board meetings were conducted in compliance with the Companies Act 2017 and related regulations, with attendance surpassing the minimum quorum requirements. The Chief Financial Officer and the Company Secretary also participated in all of the meetings.

The Company Secretary recorded the minutes of the meetings and promptly circulated them among all directors for approval. These minutes were then formally authorized in subsequent Board meetings.

## Board Meetings Held Outside Pakistan

All Board meetings were held in Pakistan as part of a cost-saving initiative, despite the SECP provisions and business requirements that may have called for potential offshore meetings.

## Attendance at Board Meetings

| NAME OF DIRECTOR                                        | 222 <sup>nd</sup><br>BOD<br>Jan 26 | 223 <sup>rd</sup><br>BOD<br>Apr 29 | 224 <sup>th</sup><br>BOD<br>Jul 04 | 225 <sup>th</sup><br>BOD<br>Jul 19 | 226 <sup>th</sup><br>BOD<br>Jul 30 | 227 <sup>th</sup><br>BOD<br>Sep 10 | 228 <sup>th</sup><br>BOD<br>Sep 20 | 229 <sup>th</sup><br>BOD<br>Oct 28 | 230 <sup>th</sup><br>BOD<br>24 Dec | Total<br>Attendance |
|---------------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------|
| Mr. Waqar Ahmed Malik                                   |                                    | Resigned                           |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 1                   |
| Mr. Sarfaraz Ahmed Rehman                               |                                    | Resigned                           |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 1                   |
| Lt Gen Anwar Ali Hyder, HI(M) (Retired)                 | -                                  |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 8                   |
| Mr. Jahangir Piracha                                    | -                                  |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 8                   |
| Dr. Nadeem Inayat                                       |                                    | Resigned                           |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 1                   |
| Mr. Saad Amanullah Khan                                 |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 9                   |
| Ms. Maryam Aziz                                         |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 9                   |
| Syed Bakhtiyar Kazmi                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 9                   |
| Mr. Shoaib Javed Hussain                                |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 7                   |
| Mr. Jehangir Shah                                       |                                    |                                    |                                    |                                    |                                    |                                    |                                    | Resigned                           |                                    | 7                   |
| Dr. Ayesha Khan                                         |                                    |                                    |                                    |                                    |                                    |                                    |                                    | Resigned                           |                                    | 7                   |
| Mr. Yassir Ghiyati Ibn Ziyad                            |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 7                   |
| Maj Gen Zafar Ul Haq, HI(M) (Retired)                   |                                    |                                    |                                    |                                    |                                    |                                    |                                    | Resigned                           |                                    | 7                   |
| Mr. Qamar Haris Manzoor                                 |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 6                   |
| Mr. Rashid Mahmood Langrial                             |                                    | -                                  | Resigned                           |                                    |                                    |                                    |                                    |                                    |                                    | 1                   |
| Lt Gen Waheed Arshad Chaudhry, HI(M) (Retired)          | -                                  |                                    |                                    |                                    |                                    |                                    |                                    | Resigned                           |                                    | 1                   |
| Mr. Waseem Ajmal Chaudhary                              | -                                  |                                    | Resigned                           |                                    |                                    |                                    |                                    |                                    |                                    | 1                   |
| Mr. Saif Anjum                                          |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 4                   |
| Mr. Mazhar Abbas Hasnani                                |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 3                   |
| Mr. Farhad Shaikh Mohammad                              |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 2                   |
| Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired) |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 2                   |
| Dr. Shamshad Akhtar                                     |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    |                                    | 2                   |

## Casual Vacancies / Election of Directors

| NEW APPOINTMENT                                         | Date of appointment | Resignation                                    | Date of Resignation |
|---------------------------------------------------------|---------------------|------------------------------------------------|---------------------|
| <b>CASUAL VACANCIES</b>                                 |                     |                                                |                     |
| Mr. Rashid Mahmood Langrial                             | Jan 02, 2024        | Mr. Asad Rehman Gilani                         | Jan 02, 2024        |
| Lt Gen Waheed Arshad Chaudhry, HI(M) (Retired)          | Feb 01, 2024        | Maj Gen Zafar ul Haq, HI(M) (Retired)          | Feb 01, 2024        |
| Lt Gen Anwar Ali Hyder, HI(M) (Retired)                 | Apr 06, 2024        | Mr. Waqar Ahmed Malik, SI                      | Apr 05, 2024        |
| Mr. Jahangir Piracha                                    | Apr 01, 2024        | Mr. Sarfaraz Ahmed Rehman                      | Mar 31, 2024        |
| Maj Gen Zafar Ul Haq, HI(M) (Retired)                   | Apr 17, 2024        | Dr. Nadeem Inayat                              | Mar 31, 2024        |
| Mr. Waseem Ajmal Chaudhry                               | Apr 18, 2024        | Mr. Rashid Mahmood Langrial                    | Apr 18, 2024        |
| Mr. Saif Anjum                                          | Aug 21, 2024        | Mr. Waseem Ajmal Chaudhry                      | Jun 06, 2024        |
| Mr. Mazhar Abbas Hasnani                                | Sep 11, 2024        | Lt Gen Waheed Arshad Chaudhry, HI(M) (Retired) | Sep 10, 2024        |
| <b>ELECTION OF DIRECTORS</b>                            |                     |                                                |                     |
| Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired) | Oct 09, 2024        | Maj Gen Zafar Ul Haq, HI(M) (Retired)          | Oct 08, 2024        |
| Dr. Shamshad Akhtar                                     | Oct 09, 2024        | Dr. Ayesha Khan                                | Oct 08, 2024        |
| Mr. Farhad Shaikh Mohammad                              | Oct 09, 2024        | Mr. Jehangir Shah                              | Oct 08, 2024        |

## Roles and Responsibilities of the Board

The Board of Directors recognizes the critical role they play in upholding

the trust placed in them by members, ensuring ongoing success, safeguarding their interests and delivering consistent value. The Board exceeds regulatory requirements by conscientiously fulfilling their responsibilities within the Company's governance framework.

## Matters Reserved for the Board

The Board is responsible for exercising its powers with care and accountability, ensuring thorough deliberation in accordance with the Companies Act 2017, the Listed Companies (Code of

# CORPORATE GOVERNANCE

Corporate Governance) 2019 and the Company's Articles of Association.

The Board's responsibilities are not limited to, but include the following tasks:

- Overseeing and evaluating governance practices
- Guiding and supervising the Company's strategic direction
- Deciding on appointments, dismissals, salaries and contract renewals for key management positions
- Reviewing recommendations made by Board committees
- Addressing issues raised by the Chief Executive Officer, which may be brought before the Board or its sub-committees
- Making investments in new ventures
- Establishing internal control frameworks to promote effective risk management strategies and addressing ethical matters
- Approving business plans, including cash flow forecasts and strategic plans
- Managing related-party transactions
- Assessing internal audit reports along with reviews of external auditors' letters
- Approving financial statements including dividends, based on audit observations regarding the overall control environment

The Company's key policies along with their corresponding approval and revision dates are carefully documented with the Board.

## Board Committees

The Board has delegated responsibilities to the Committees, which function in line with their approved Terms of Reference. These Committees are tasked with reviewing key issues and providing

suitable recommendations. Detailed information on each committee's operations as a Board Committee is available in the Company Overview section of this report.

## Governance of Risk and Internal Control

The Company's Risk Identification and Management Policy establishes a framework for all functions and departments to identify key risk areas including strategic, commercial, operational, financial and reputational risks. The policy also mandates the creation of strategies to mitigate these identified risks. The Board is provided with updates on the progress of actions taken under this policy every six months.

Additionally, the Board has developed an Internal Control Framework that ensures the effective conduct of business, safeguards the Company's assets and promotes ethical behavior among employees. This framework is supported by various entities including members of the Audit Committee and External Auditors who serve as reviewers and evaluators, ensuring that resources are utilized to create strong internal control systems that protect stakeholder interests.

In our various Capitals, including the Risk and Opportunity Section, there is a thorough discussion on the responsibilities of reviewers and evaluators in line with their respective functions.

## Internal Audit

The Board appoints the Head of Internal Audit, who reports functionally to the Audit Committee and administratively to the Chief Executive Officer. The Chairman of the Audit Committee and the Chief Executive Officer jointly conduct performance evaluations.

The Board ensures that the Head of Internal Audit possesses the necessary qualifications, experience and knowledge of both global best

practices and the Company's policies and procedures. The Internal Audit team is made up of experts from various disciplines tasked with identifying major risk areas, assessing the mitigation strategies for these risks and ensuring that they are reduced to acceptable levels.

The Head of Internal Audit is responsible for overseeing the formal policies and regularly assessing the effectiveness of the internal control framework established and maintained by the Board.

## Matters Delegated to the Management

The Board and Management have clearly defined roles. The Managing Director & Chief Executive Officer (MD&CEO) is responsible for overseeing the routine business operations, ensuring they are conducted in a compliant and ethical manner, in accordance with the Company's Articles of Association.

The Board has approved a set of objectives and plans, including annual targets for production, revenue generation, expense management and financial performance. Additionally, the Board seeks to explore new investment opportunities while ensuring compliance with legal and regulatory requirements.

Management is responsible for identifying and managing key risks, leveraging opportunities, maintaining internal controls and preparing financial statements in accordance with approved accounting standards. These activities must comply with applicable regulations, such as the Companies Act 2017 and the rules established by the Securities and Exchange Commission of Pakistan.

## Announcement of Financial Results

The Company has announced its Quarterly, Half-Yearly and Annual Financial Results in a timely manner. The timeline for the Board of Directors'



approval of financial statements is as follows:

| Financial Statements | Announced Results on | Authorized Duration |
|----------------------|----------------------|---------------------|
| First Quarterly      | 29th April, 2024     | Within 30 Days      |
| Half-Yearly          | 30th July, 2024      | Within 60 Days      |
| Third Quarterly      | 28th Oct, 2024       | Within 30 Days      |
| Annual               | 29th Jan, 2025       | Within 90 Days      |

All results were declared within a period of 30 days, a unique benchmark since many years.

## Directors' Orientation Plan

All new directors undergo comprehensive induction training designed to enhance their understanding of the Board's operations and their responsibilities in managing the Company's interests on behalf of shareholders. During these sessions, directors are introduced to the Company's business operations, environment, long-term strategy and the applicable laws and regulations.

The training also familiarizes directors with their roles, authority, tenure and compensation as outlined in the Companies Act 2017, the Code of Corporate Governance and the Company's Articles of Association.

## Directors' Training Program

Board members regularly attend training sessions to stay updated on the latest developments and trends in governance, management and leadership.

These trainings aim to deepen Directors' understanding of the Company and its industry while equipping them with the knowledge and resources needed to make informed decisions.

In line with regulatory requirements, Securities and Exchange Commission of Pakistan (SECP)-approved Director

Training Programs are attended not only by Directors but also by Heads of Departments and Female Executives.

## Board of Directors

All Board members, except for One Director have successfully completed their certification requirements for the directors training program at SECP-approved institutions ahead of the stipulated timeframe. The remaining one member is scheduled to complete his certification within this year.

## Heads of Departments

Exceeding the requirements of the Code of Corporate Governance, Brig Zulfikar Ali Haider, Sitara-e-Imtiaz (Military) (Retired) and Lt Col Muhammad Kashif Nazir (Retired) successfully obtained certification for the Directors' Training Program during the year.

## Policy for Security Clearance of Foreign Directors

Foreign directors on the Board submit the required documents to the SECP within the designated timeframe to obtain clearance from the Federal Ministry of Interior. The Company provides the necessary support to facilitate the completion of this process.

The appointment of a foreign director is conditional upon obtaining an official security clearance certificate from the Ministry of Interior. If the clearance is not granted, the Company will take appropriate measures to replace the director as necessary.

## Directors' Remuneration

The Board has established a formal and transparent policy for Directors' remuneration, in compliance with relevant laws and regulations. The policy includes the following guidelines:

- Directors are compensated based on their level of responsibility and expertise. Remuneration is designed to attract and retain highly qualified directors who can create value for the organization.
- The policy ensures that remuneration does not compromise the independence of board members in any way.
- The process for determining remuneration does not involve self-determination by the directors.
- Executive directors do not receive compensation for attending Board and/or Committee meetings.

Note 35 of the financial statements provides detailed information on the remuneration paid to both executive and non-executive directors throughout the year.

## Policy on Non-Executive and Independent Directors' Remuneration

In accordance with the regulations set forth in the Company's Articles of Association, each non-executive director, including independent directors, is entitled to compensation based on their attendance at both Board and Committee meetings as well as for providing their expertise. The Board determines this remuneration.

At the Company's 227th Board of Directors Meeting on 10th September, 2024, following remuneration packages were approved by the Board.

| Chairman                                                    |
|-------------------------------------------------------------|
| Rs. 400,000 for attending each Board meeting                |
| Directors                                                   |
| Rs. 300,000 for attending each Board and Committee meeting. |

The only compensation provided to Directors is the meeting fee and reimbursement for expenses incurred while attending Board and/or Committee meetings. They do not receive any other form of remuneration.

# CORPORATE GOVERNANCE

## External Search Consultancy and its Connection with the Company

### Selection of Chairman and Non-Executive Directors

An external search consultancy was not used in the selection or appointment of the Chairman or any other non-executive directors on the Company's Board.

### Selection of Independent Directors

The process of selecting an independent director involves choosing candidates from a pool in the database managed by the Pakistan Institute of Corporate Governance (PICG), in accordance with the Companies (Manner and Selection of Independent Directors) Regulations 2018.

Apart from providing access to the databank of independent directors, facilitating training courses for Board members and assisting in the appraisal of their individual or collective performance, there are no other affiliations between PICG and the Company.

## Evaluation of the Board's Performance by Consultant

To ensure impartiality in evaluating the performance of the Board, its Committees and Members, a third-party assessment has been assigned to the Pakistan Institute of Corporate Governance (PICG). The objective is to identify any shortcomings that may hinder effective Board functioning and propose corrective measures based on best practices.

The assessment process consists of two stages and covers the three

key elements outlined in the Listed Companies (Code of Corporate Governance) Regulations 2019.

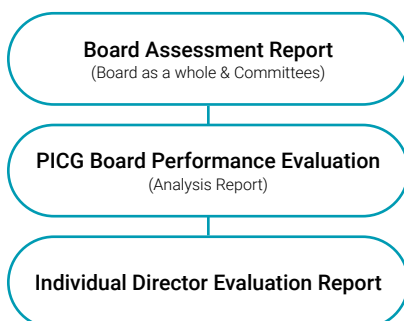
### PHASE 1

- Board as a complete entity
- Committees of the Board

### PHASE 2

- Individual members of the Board

The deliverables outlined will be presented at the upcoming meeting, which aims to design a plan for enhancing the Board's performance.



According to the strategic performance index, both the Board and its committees, as well as individual members, demonstrated exceptional overall performance.

## Roles and Responsibilities of the Chairman and MD&CEO

The Chairman of the Board and the Chief Executive Officer of the Company have distinct, yet interdependent responsibilities that are in line with legal and regulatory requirements.

### Chairman of the Board

The Chairman's role is to serve as a representative for the non-executive directors and provide strong leadership and direction to the Board. Their responsibilities include creating

an environment that encourages productivity among directors while ensuring strict adherence to statutory compliance requirements.

The Chairman is also responsible for setting the agenda and determining the topics to be covered in Board meetings. Furthermore, they ensure that adequate time is allocated for relevant discussions and that accurate minutes, in compliance with the Companies Act 2017, are maintained.

## Significant Commitments of the Chairman

On April 06 2024, Lt Gen Anwar Ali Hyder HI (M), (Retired) was appointed as the Chairman of the Board in place of Mr. Waqar Ahmed Malik, SI. He currently serves as the Managing Director of Fauji Foundation and is the Chairman of several boards associated with it, including its subsidiary companies.

Lt Gen Anwar Hyder HI (M), (Retired) also holds the position of Chairman and Director at Fauji Akbar Portia Marine Terminals Limited, Fauji Trans Terminal Limited, Fauji Oil Terminal and Distribution Company Limited, Foundation Power Company Daharki Limited, Fauji Kabirwala Power Company Limited, Foundation Solar Energy (Private) Limited, Daharki Power Holdings Limited, Fauji Fresh N Freeze Limited, Fauji Meat Limited, FFBL Power Company Limited, FonGrow (Private) Limited, MedAsk (Private) Limited, Mari Mining Company (Private) Limited, Daharki Power Holding Limited, Pakistan Maroc Phosphore SA, Mari Technologies Limited, FonGreens (Private) Limited, Askari Bank Limited, Mari Energies Limited, Foundation University Islamabad, FFBL Power Company Limited.

In addition to the commitments highlighted in his profile in the Board Profile section of the Company Overview, he has no other significant obligations.

## Chairman's Review on the Performance of the Board

In accordance with the regulations of the Companies Act 2017, the Chairman's Review outlines how effectively the Board has performed and whether it has successfully achieved its objectives for the Company as a whole.

The Annual Report 2024 provides detailed explanations on this matter across various sections.

## Managing Director and Chief Executive Officer

On April 01, 2024 Mr. Jahangir Piracha was appointed as MD&CEO of FFCL in place of Mr. Sarfraz Ahmed Rehman. As an executive director, the MD&CEO offers exceptional guidance and direction to the management team. His responsibilities encompass managing daily operations while also overseeing the Company's activities in accordance with the parameters set by the Board of Directors' policies.

## MD&CEO's Performance Review by the Board

The performance of the MD&CEO is evaluated by the Board based on assigned Key Performance Indicators (KPIs) and the fulfillment of duties, as well as responsibilities mandated by regulatory frameworks.

Throughout the year, the MD&CEO's achievements are evident in the successful attainment of objectives related to production, sales, turnover, profitability and market share. Additionally, he ensures that employee health and safety standards remain consistently high.

The Board is pleased with the progress of diversification initiatives and the ongoing evaluation of new investment opportunities. The Company's transparency in governance has also been recognized both locally and internationally, further attesting

to the MD&CEO's outstanding accomplishments.

## Policy of Retention of Board Fee by the Executive Director on other Companies' Boards

According to the Directors' Remuneration Policy, executive directors do not receive payment for attending board, committee or general meetings. However, they are permitted to retain any meeting fees earned as non-executive directors of other companies, without limitation by this policy.

The MD&CEO serves as an executive Director on FFC's Board and holds the position of non-executive director on several other company Boards. The compensation he receives from these companies follows their individual policies, which have been approved by their respective Boards of Directors.

## List of Companies in which the Executive Director is Serving as Non-Executive Director

As MD&CEO of FFC and its subsidiary companies, Mr. Jahangir Piracha holds a non-executive directorship on the board of the following Companies:

### Listed Companies

- Askari Bank limited.

### Unlisted Companies

- FFC Energy Limited
- OLIVE Technical Services (Private) Limited
- Foundation Wind Energy -I&II Limited
- FFBL Power Company Limited
- Fauji Meat Limited
- Pakistan Maroc Phosphore SA
- International Fertilizer Association
- Foundation University Islamabad
- Thar Energy Limited
- Fauji Fresh and Freeze Limited

## Directors' Compliance Statement

The Board is pleased to confirm the following:

- The financial statements accurately represent the Company's financial position, performance, cash flows and changes in equity as prepared by management.
- Proper books of account have been maintained for the Company.
- Consistent accounting policies have been applied in the preparation of these statements, with all estimates based on sound judgment and reasonable approaches.
- The financial statements are compiled in accordance with applicable International Financial Reporting Standards (IFRS) in Pakistan, with any deviations properly disclosed.
- The internal control system is well-designed, effectively implemented and monitored.
- There are no significant indications of an inability to maintain business operations.
- The Company adheres to exemplary corporate governance practices as outlined in the Listing Regulations, strictly following best practices without any materially significant deviations.
- A comprehensive disclosure of taxation details, in compliance with listing regulations, is provided in the related notes attached to the Financial Statements.

Note 9.4 to the Financial Statements offers detailed information on the value of investments related to retirement plans for employees.

# CORPORATE GOVERNANCE

## Compliances with Best Corporate Practices

For over forty years, FFC has consistently demonstrated its commitment to upholding Global Best Practices and Standards of Corporate Governance. The CCG Report includes:

- The findings of the Audit Committee regarding adherence to the Code of Corporate Governance.
- Declarations from both the Chairman and Managing Director & Chief Executive Officer affirming compliance with the Code.
- Auditor's Report.

## Ethics and Compliance

The Company has established a comprehensive ethics and compliance framework to ensure that exemplary ethical conduct is embedded in all business operations, decision-making processes, and adherence to laws and regulations.

- All Board members and employees are required to read, understand, and commit to the Principles of the Framework and the Code of Conduct, which is readily available on the Corporate Website.
- This commitment begins during their induction into the company and is expected to be maintained throughout their employment.

To support sustainable business growth and foster confidence among stakeholders, the company's ethics and compliance framework is regularly updated to ensure alignment with relevant laws and regulations.

- Any unethical behavior or grievances are promptly identified and addressed, with corrective

measures implemented to prevent recurrence.

- Additionally, the company maintains a register of insider information at the Corporate Office, which is regularly reviewed to ensure compliance with applicable regulatory standards.

## Governance Practices Exceeding Legal Requirements

FFC is steadfast in upholding the highest standards of ethics and governance by incorporating voluntary measures that surpass legal requirements. Following initiatives reflect its commitment to sustainable growth, transparency and corporate responsibility:

- Adhering to Pakistan Stock Exchange criteria for selecting top companies, ensuring recognition for outstanding corporate governance.
- Implementing best reporting practices recommended by ICAP/ICMAP and SAFA, improving transparency in policies and business operations.
- Exceeding requirements for non-executive and female directors as outlined in the Code of Corporate Governance, fostering inclusivity and balanced governance.
- Executing the Directors' Training Program ahead of schedule, building the Board's capacity for effective decision-making.
- Developing advanced Health, Safety, and Environment (HSE) strategies, ensuring safety within the organization and surrounding communities.
- Undertaking impactful Corporate Social Responsibility (CSR) projects, addressing community welfare and sustainable development.

- Ensuring compliance with the UN Global Compact's Ten Principles Framework.
- Adopting International Integrated Reporting Council (IIRC) guidelines.
- Applying Global Reporting Initiative (GRI) Standards.
- Providing comprehensive financial analysis in the Annual Report, including ratios, risk matrices and visual data presentations, ensuring public access for scrutiny and informed decision-making.
- Earlier adoption of SECP SRO dated Dec 31, 2024 about publishing of sustainability report.

These efforts position FFC as a leader in ethical governance, sustainability and transparency, contributing to long-term stakeholder trust and value creation.

Furthermore, FFC has ensured compliance with the ICAP/ICMAP Best Corporate Report (BCR) 2024 stipulations, demonstrating its commitment to excellence in financial and non-financial reporting. This adherence reflects the Company's focus on transparency, accountability and the adoption of best practices in corporate.

## Trading in Shares by Directors and Executives

Throughout the year, a total of 68,717 FFC shares were traded exclusively by the Company's executives. There were no reported instances of share trading involving directors, their spouses or minor children beyond this activity. All trading conducted by managerial personnel is consistently monitored and disclosed to the Stock Exchange in adherence to regulatory requirements, ensuring full transparency and compliance with corporate governance standards.



## Shares Held by Sponsors, Directors and Executives

As of December 31, 2024, the quantity of shares possessed by the sponsors, executives and directors affiliated with the Company is outlined below:

- Numbers of Sponsor's Shares 619,253,529,
- Directors 2,390,300
- Executives 227,287

The Board diligently ensures compliance with the annual review of the Code of Corporate Governance. As part of its commitment to maintaining exemplary governance standards, the Board sets additional thresholds for the identification of Executives, beyond those outlined by the Code. This proactive approach strengthens the governance framework and ensures greater transparency, accountability and alignment with best practices.

## Report of the Audit Committee

Details regarding the Audit Committee's performance and execution of its responsibilities are comprehensively covered on page 258 of the report. This section outlines the Committee's critical role in overseeing financial reporting, internal controls, risk management and compliance with regulatory requirements.

## Related Parties

The Policy for Related Party Transactions governs all dealings between FFC and its affiliated parties. This framework provides clear guidelines to ensure that these transactions are conducted fairly and transparently. It also emphasizes compliance with all relevant legal and regulatory requirements, including proper reporting and disclosures to uphold accountability and integrity in corporate dealings.

## Transaction other than Ordinary Course of Business

The Company ensures that transactions with affiliated entities are conducted impartially and equitably, adhering to arm's length principles and customary market practices.

In compliance with regulations, all related party transactions are submitted quarterly for scrutiny and endorsement by the Audit Committee. The Audit Committee's recommendations are subsequently presented to the Board of Directors, which incorporates them into the decision-making process for final approvals. This approach reinforces transparency and ensures regulatory compliance in all dealings with related parties.



# CORPORATE GOVERNANCE

## Disclosure of Directors' Interest

The Board requires its members to disclose any personal interests related to transactions involving the Company. In cases where a majority of FFC directors are involved in related party transactions, these matters must be presented to shareholders at a general meeting for approval and ratification, ensuring transparency and adherence to governance principles.

Note 40 in the Financial Statements provides a detailed list of all related parties that engaged in transactions during the year, along with information on their relationship and ownership percentage. Additionally, the Financial Statements include comprehensive disclosures on related party transactions, as required by the Fourth Schedule of the Companies Act 2017, ensuring compliance with regulatory standards.

## Policy for Disclosure of Conflict of Interest

FFC has established a comprehensive Code of Business Ethics to foster a culture of integrity and prevent any potential conflicts of interest from arising among all stakeholders with a direct or indirect interest in the Company, including its Board of Directors. In accordance with the Code, all members of the Board of Directors are required to disclose any personal interests they may hold prior to engaging in any business activities. The Company Secretary is responsible for reviewing this information and preparing the agenda for Board meetings. Furthermore, directors are prohibited from participating in decisions or transactions where they have a personal stake and if a majority of directors are affected by such circumstances, the matter must be presented to a general meeting for approval.

## Board's Policy on Diversity

FFC is a forward-thinking company that strongly believes in equal access to opportunities in work, education, personal development and achievement for all individuals. The Board of Directors is dedicated to fostering an inclusive environment by encouraging a diverse cultural blend that encompasses factors such as age, gender, ethnicity, mental or physical abilities, among others.

In line with its commitment to gender equality, FFC has taken a proactive stance in advocating for the reduction of gender discrimination within the country. This value is deeply embedded in the Company's approach to managing personnel.

FFC also follows SECP guidelines and ensures transparency by publicly sharing its Gender Diversity Policy on the Company's website, making it accessible to all stakeholders.

FFC is committed to recruiting, developing and retaining differently-abled individuals as part of its broader commitment to social responsibility and diversity. This approach not only strengthens the Company's inclusive culture but also reflects its dedication to providing equal opportunities for all.

By offering one of the most fulfilling career pathways in the nation, FFC cultivates a culture that inspires motivation and excellence. This results in attracting top-tier talent who have the potential to become future global leaders, driving both innovation and success within the organization.

## Dividend Distribution Policy

FFC ensures full compliance with the Companies Act 2017 and the Companies (Distribution of Dividend) Regulations, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP). The Company's dividend policy reflects its commitment to share earnings with shareholders while retaining sufficient funds for future growth and business development.

In line with SECP and Pakistan Stock Exchange (PSX) guidelines, FFC disburses final dividends within ten working days from the date of declaration at the Annual General Meeting (AGM). For interim dividends, the company announces the book closure and confirms dividend entitlements within fifteen days from the Board of Directors' approval, with payment completed within ten working days from start of the book closure.

## Investors' Grievance Policy

FFC highly values the relationship it maintains with its stakeholders, including shareholders and investors. The Company is dedicated to safeguarding their interests and ensuring that all decisions made are in the best interest of its stakeholders. Timely and fair disclosure of important information is prioritized to support informed decision-making.

FFC's Investor Communication/ Relations and Grievance Policy

## Dividend Distributed During The Year

| Dividend            | Declared On  | Book Closure          | Distributed On |
|---------------------|--------------|-----------------------|----------------|
| Final For Year 2023 | Mar 26, 2024 | Mar 24 – Mar 26, 2024 | Apr 03, 2024   |
| First Interim 2024  | Apr 29, 2024 | May 12 - May 14, 2024 | May 21, 2024   |
| Second Interim 2024 | Jul 30, 2024 | Aug 12 – Aug 14, 2024 | Aug 21, 2024   |

establishes a clear process for handling shareholder grievances and inquiries. Shareholders can reach out via a designated email address (shares@ffc.com.pk), phone, fax or traditional mail. The policy ensures that any complaints are addressed promptly, with a detailed record kept of all actions taken to resolve the issues.

Further contact details can be found on the Company's corporate website under the Investor Relations section, as well as in the Company Information section of this report.

### Redressal of Complaints

Throughout the year, shareholders and investors typically raise various grievances, such as:

- Unclaimed dividends
- Undelivered dividends
- Transmission cases inquiries
- Concerns regarding loss/ revalidation cases
- Address & IBAN updation
- Requests for simple clarifications

**Calls Resolved: 204**

In Process: 9

**Email Resolved: 75**

In Process: 4

**Mail Resolved: 130**

In Process: 7

FFC ensures that these grievances are handled efficiently and transparently, providing timely resolutions to maintain shareholder trust and uphold the company's commitment to strong stakeholder relations.

FFC ensures that every shareholder's grievance is addressed individually. The Company works closely with the paying agent and registrar to resolve issues in a cordial and efficient manner, ensuring shareholder satisfaction. This approach demonstrates FFC's commitment to providing excellent service and maintaining positive relationships with its stakeholders.

## Human Resource Management and Succession Planning

FFC is committed to recruiting highly skilled, qualified and experienced professionals. The Company invests in its workforce through comprehensive training and development programs, ensuring employees are continuously motivated and equipped with the necessary skills. Additionally, FFC offers competitive compensation packages aligned with market standards. With a progressive Succession Planning strategy, the Company focuses on nurturing existing talent and preparing them for future strategic roles within the organization. This approach ensures long-term sustainability and leadership continuity at FFC.

## Diversity, Equity and Inclusion (DE&I)

We are committed to foster a diverse, equitable and inclusive workplace. Our DE&I initiatives are designed to create an environment where all employees feel valued and respected. We have implemented policies that promote gender equality and ensure the participation of women at various levels of organization, including targeted recruitment, mentorship programs and leadership development initiatives. We are committed to providing equal opportunities for all employees, regardless of gender, race or ethnicity, ensuring fair treatment in hiring, promotions and compensation. Additionally, we strive to create an inclusive culture by promoting diversity in our workforce through initiatives such as diversity training, employee resource groups and inclusive workplace policies.

## Disclosure on Enterprise Resource Planning (ERP) System

FFC achieved a significant milestone by becoming one of Pakistan's few companies to successfully implement a state-of-the-art SAP ERP system a decade ago. This comprehensive project was approved by the Board of Directors, who assigned a dedicated management team to oversee its documentation, evaluation, negotiation and implementation across all company functions. Key aspects of the project include:

- **Comprehensive Implementation:** The SAP ERP system was integrated across all business operations, including manufacturing, engineering & technology, marketing, finance, human resources and procurement, both at the Head Office and other locations. Team leads ensured seamless execution.
- **Training:** The Information Technology division ensures that all employees, including new hires, receive appropriate training tailored to their specific roles and functions within the system.
- **Approval Process:** Any major changes or new projects require approval from Senior Management, with CAPEX proposals necessitating endorsement from the Audit Committee and final approval by the Board of Directors.
- **Information Security:** The Information Security unit implements stringent system security measures, including the segregation of duties, to safeguard company data and processes.

Further details about this initiative and its role in enhancing intellectual capital are covered under the Intellectual Capital section of the report.

# CORPORATE GOVERNANCE

## Business Continuity and Disaster Recovery Plan

The Board of Directors ensures seamless business operations in the face of unforeseen circumstances by maintaining an updated Business Continuity and Disaster Recovery (BCDR) Plan. This plan is widely communicated across the Company and employs a comprehensive approach to safeguard assets and ensure consistent performance. Key measures include:

- **Data Protection and Archival:** Reliable archival techniques and remote system backups ensure the protection of critical company data.
- **IT Security and Backup Systems:** Real-time data backup systems are implemented and complemented by secure off-site storage facilities for these backups.
- **Disaster Recovery Facility:** An alternate site is available to function as a disaster recovery center in emergencies, with key personnel identified for critical roles during this period.
- **Preparedness Testing:** Mock trials and frequent testing are conducted to ensure readiness and effectiveness of the plan in mitigating potential disasters.

This robust framework underscores FFC's commitment to maintaining uninterrupted business operations and safeguarding its resources against any potential disruptions

## Policy of Safeguarding of Records

The Record Retention Policy at FFC plays a critical role in the Company's

Business Continuity Plan (BCP) by ensuring the secure, efficient and organized preservation of essential records. Key highlights of the policy include:

- **Extended Retention:** Records with significant or permanent value are preserved beyond legal requirements to support long-term business needs.
- **Organized and Secure Archives:** Documentation, including books of account and records related to secretarial, legal, contractual and taxation matters, is systematically stored in secure facilities for easy and swift retrieval.
- **Real-Time Backup:** Data is backed up continuously at on-site and off-site locations to protect against data loss and ensure operational continuity.
- **State-of-the-Art Protections:** Physical and digital records are safeguarded against risks like fire, natural disasters and physical deterioration using advanced security measures.
- **Access Control:** Access is regulated through a hierarchy-based system with password-protected authorization, integrated with the Company's SAP-ERP System.
- **Whistleblowing Mechanism:** Procedures are in place to promptly report any breaches of security or damage to records, ensuring timely action.
- **Disaster Recovery Site:** A remote site is operational to serve as a backup for primary data, ensuring business continuity during emergencies.
- **Delegation of Responsibility:** Individual departments are tasked with safeguarding their respective record systems, promoting accountability.

- **Digital Backup for Printed Data:** Printed documents are electronically backed up, enabling secure and efficient retrieval with proper authorization controls.

This comprehensive policy underscores FFC's commitment to robust record management, operational resilience and adherence to best practices in governance and risk mitigation.

## Disclosure of Beneficial Ownership

No shareholder, other than Fauji Foundation, holds more than 10% of FFC's shares, either directly or indirectly. A comprehensive analysis of the shareholders associated with the Company, along with details of their respective shareholding percentages are provided in the Pattern of Shareholding section of the report. This transparency reflects FFC's commitment to clear disclosure and corporate governance.

## Whistleblowing Policy

FFC places immense importance on maintaining transparent and ethical business practices, supported by a comprehensive Whistleblowing Policy embedded within its governance framework. This policy enables all stakeholders to report potential issues confidently and promptly, reinforcing a culture of accountability and integrity throughout the Company.

Key Features of the Whistleblowing Policy:

- **Open Reporting Mechanism:** Stakeholders can raise concerns or report unethical practices openly while ensuring confidentiality.
- **Stakeholder Empowerment:** The policy allows stakeholders to track the progress of reported issues,



provide feedback, and register objections regarding investigations or outcomes if necessary.

- **Safeguards Against Misuse:** Strict protocols are in place to minimize misuse of the whistleblowing mechanism. Individuals making false allegations leading to unjust outcomes are subject to defined consequences.
- **Public Accessibility:** The Whistleblowing Policy is publicly available on FFC's Corporate Website for ease of access and consultation.

By fostering such an inclusive and transparent reporting structure, FFC demonstrates its unwavering commitment to ethical governance and stakeholder trust.

## Instances during the Year

Throughout the year, FFC's management efficiently addressed all minor incidents requiring attention. The Audit Committee confirmed that there were no significant instances of impropriety in financial, operational, or legal matters related to the Company except for one which has been adequately resolved. This reflects the organization's commitment to maintaining robust governance and operational integrity.

## Other Policies

The report comprehensively outlines the following key policies, which are detailed in their respective sections:

- Disaster Recovery and Business Continuity Policy – Covered under the Intellectual Capital section.
- IT Governance Policy – Also discussed within the Intellectual Capital section.
- Human Resource Management Policy – Highlighted in the Human Capital section.

- Social and Environmental Responsibility Policy – Addressed under the Social and Relationship Capital section.

These policies demonstrate FFC's commitment to sustainable operations, robust governance and social accountability.

## Disclosures Beyond Best Corporate Reporting Criteria

FFC strives to go beyond the basic reporting requirements, aiming to assist stakeholders in gaining a more thorough understanding of the Company's operational and financial performance. In addition to complying with the ICAP/ICMAP Best Corporate Report criteria, the following key disclosures are included:

- About this Report
- Navigating the Report
- Highlights 2024
- Management Committees
- Chairman's Review
- MD&CEO's Overview
- Macro-Economic Overview
- Contribution to the National Exchequer
- Credit Rating
- Corporate Awards & Recognitions
- Operational Performance
- Marketing Overview
- Human Capital
- Health and Safety
- Directors' Report on the Consolidated Financial Statements
- Directors' Report in Urdu
- Sustainability Report:
  - o Global Reporting Initiative (GRI) Standards: Comprehensive Option

- o Sustainability Accounting Standards Board (SASB) Chemical Industry Standard
- o United Nations Global Compact (UNGC) "Ten Principles"

Additionally, our commitment to the ICAP/ICMAP BCR 2024 criteria regarding IT Governance, Cybersecurity and Enterprise Resource Planning highlights the Company's exemplary performance.

## Oversight by External Specialists

It is essential for FFC to uphold ethical standards and comply with all applicable laws and regulations to ensure success. As such, our core business functions engage with external auditors both on a statutory and voluntary basis, ensuring strict adherence to established practices. The governance section includes oversight and evaluations by external experts in areas such as the production of goods or services, intellectual property rights management, and financial capital management.

# CORPORATE GOVERNANCE

## COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

### COMPLIANCE OF REGULATIONS

#### Regulation 3 Number of Directorships

An individual to simultaneously not hold the position of director in more than seven listed companies, whether through election or nomination

#### Regulation 4 Diversity in the Board

The board members must possess a suitable blend of essential abilities, diversity, necessary expertise and understanding deemed pertinent to the company's functioning

#### Regulation 5 Minority Shareholder

The Board shall aid minority members in order for them to participate in director elections through proxy solicitation and access necessary information from candidates seeking election

#### Regulation 6 Independent Director

A listed company must have independent directors comprising of at least two members or one third of the Board, whichever number is greater

#### Regulation 7 Female Director

When the Board is reconstituted, it must include a minimum of one female director

#### Regulation 8 Executive Director

The Board shall consist of no more than one third of executive directors, including the chief executive officer.

#### Regulation 9 Chairman of the Board

It is not permissible for one individual to hold the positions of both Chairman and CEO within a company

#### Regulation 11 Agenda and Discussion in Meetings

The Chairman will determine the Board Agenda and ensure adequate time for discussion. Any pertinent written notices or materials must be distributed no later than seven days prior to the meeting

#### Regulation 12 Minutes of Meeting

The Act mandates that the minutes of Board meetings are maintained appropriately. The Company Secretary serves as the Board Secretary and is responsible for ensuring satisfactory documentation of minutes.

#### Regulation 13 Attendance at Meeting

All Board meetings shall be attended by either the CFO and Company Secretary, or a nominee designated by the Board in their absence.

#### Regulation 15 Related Party Transactions

Periodically, all transactions must be presented before the audit committee and reviewed based on their recommendations. Afterwards, they will undergo further review by the Board for final approval.

#### Regulation 16 Formal Remuneration Policy

The Board must establish a clear and open process for determining the compensation plans of individual directors who participate in meetings of both the Board and its committees

#### Regulation 17 Determination of Remuneration

It is not permitted for a director to decide their own compensation, and the amount of compensation should align with their level of responsibility and expertise

#### Regulation 18 Directors' Orientation Program

Directors must attend an orientation to become familiar with these Regulations, relevant laws, and their obligations and accountabilities. This will equip them to competently oversee the operations of the public company on behalf of its shareholders.

## COMPLIANCE OF REGULATIONS

### Regulation 19 Directors' Training

Every director must be certified through a director training program, and newly appointed directors have one year from their appointment date to obtain certification

Additionally, at least one female executive and department head receives annual training as recommended

### Regulation 25 Financial Statements

Before the Board considers and approves them, it is required that both the CFO and CEO endorse all quarterly, half-yearly, and annual financial statements

### Regulation 26 Financial Statements

Before presenting to the audit committee for board approval, external auditors will initiate both standalone and consolidated annual and interim financial statements for review by the CFO and CEO.

### Regulation 27 Audit Committee

According to the necessary stipulations and scope of responsibilities, an Audit Committee has been formulated

### Regulation 28 Human Resource & Remuneration Committee

The HR&R Committee's constitution shall adhere to the necessary requirements and terms of reference

### Regulation 31 Composition of Internal Audit Function

Internal Audit: Structure and Operations

### Regulation 32 External Auditor

The prerequisites and regulations for appointing an external auditor.

### Regulation 33 Rotation of Auditors

According to the regulations, all companies except those in the financial sector are required to switch their engagement partner every five years.

### Regulation 35 Disclosure of Significant Policies on Website

The company to upload relevant details regarding its important policies, synopsis of board committees and other related information on its website.

### Regulation 36 Compliance Statement & Auditor Review

The Compliance statement, which has been audited and certified by statutory auditors (with any instances of non-compliance brought to attention), is made available in the Company's annual report



# FFC EMBRACES THE ESG JOURNEY

Significant challenges, such as climate change, diminishing water resources, insufficient waste management practices, and the loss of biodiversity, are threatening the sustainability of our planet. These ecological issues not only have profound environmental consequences but also affect economic stability and social structures, while influencing global political dynamics.

Sustainable growth underscores the importance of addressing current needs while simultaneously preserving the capacity of future generations to fulfill their own requirements.

Throughout the year, FFC has consistently demonstrated a steadfast commitment to endorsing international standards and practices within the Environmental, Social and Governance (ESG) domains. The primary aim of this initiative was to enhance the proficiency and expertise of both management and Board members through capacity-building efforts, representing a significant step toward achieving our objectives.

At FFC, we are dedicated to implementing exemplary practices in Environmental, Social, and Governance (ESG) with the aim of advancing sustainability and fostering a more accountable organizational culture. We firmly believe that by adhering to ESG principles, we can create mutually beneficial outcomes for both our company

and stakeholders. Our commitment to this endeavor is essential, as it constitutes a core element of FFC's long-term business vision.

To this end, we have made intentional efforts to incorporate ESG considerations into critical decision-making processes, while simultaneously exploring new opportunities through research and development initiatives designed to foster organic growth and strengthen confidence among key stakeholders, including shareholders, regulators, employees, subsidiaries, joint-venture partners and investors.

FFC has established a multi-functional taskforce to actively engage in a series of interactive workshops focused on ESG, as part of FFC's strategic roadmap. These informative sessions have equipped the team with essential knowledge and reinvigorated their commitment to achieving measurable outcomes for our sustainability objectives. We are dedicated to integrating ESG considerations into our business strategies and operations, recognizing its critical importance in light of recent global developments.

In partnership with the Pakistan Institute of Corporate Governance (PICG), FFC organized a comprehensive, full-day training on ESG for Senior Management, alongside a targeted session on "Driving ESG from the Boardroom" for FFC's Board members. These initiatives were designed to establish a robust foundation for addressing the escalating environmental protection challenges, while also considering the crucial aspects of social





welfare and governance that are integral to contemporary business practices. In the early months of 2024, a Board Committee focused on addressing ESG concerns was established. The committee is composed of three non-executive directors, including an independent non-executive director as Chairman.

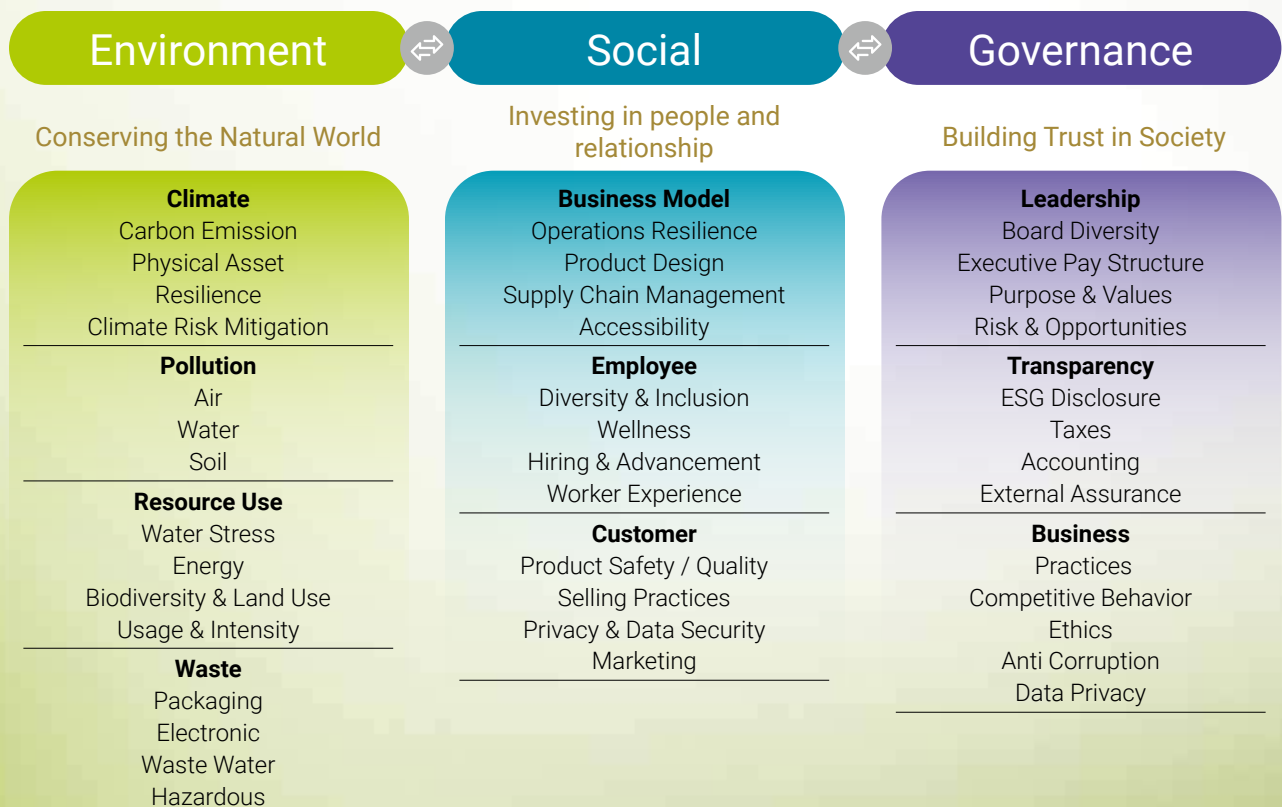
Efforts are underway to develop a comprehensive ESG policy.

Furthermore, management is conducting an analysis on the development of a SAP-

integrated module designed to facilitate seamless ESG reporting.

As a responsible organization, FFC is strongly committed to restoring prosperity to communities. It implements every possible measure to not only minimize its impact but also to ensure meaningful contributions to the improvement of its operational environment, ultimately fostering sustainability and safeguarding the planet's resources.

The importance of ESG has transcended being a mere consideration, as the integration of values and ethics with finance and business continues to gain momentum. Embracing sustainability, accountability, and prosperity has become essential for companies globally, as this transformative movement holds significant potential to positively impact their fortunes. Consequently, ESG has emerged as a powerful influence among investors, signaling the onset of a promising future.



# STAKEHOLDERS' ENGAGEMENT

## Stakeholders' Engagement

### Analysts' Briefing

FFC upholds transparency in its relationships with stakeholders by organizing regular interactive sessions and sharing relevant information, including financial and operational projections, regulatory updates, economic changes and other pertinent details. To support investors in making informed investment decisions, the company conducts bi-annual briefings for analysts, during which it presents its business outlook.

Throughout the year, FFC held three analysts' briefings, during which the Chief Financial Officer provided stakeholders with updates on the company's current performance and future plans.

| Period                    | Date         | Place                                             | Agenda                                                                                                                                                                                                                                                                      |
|---------------------------|--------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Year ended Dec 31, 2023   | Jan 31, 2024 | Head Office,<br>PSX Karachi and<br>Virtual Access | <ul style="list-style-type: none"><li>Review of the business environment and FFC's performance</li><li>FFC's achievements during the period</li><li>Progress on ongoing FFC &amp; FFBL Amalgamation</li><li>Future challenges and outlook</li><li>Q&amp;A Session</li></ul> |
| Period ended Jun 30, 2024 | Aug 12, 2024 |                                                   |                                                                                                                                                                                                                                                                             |
| Period ended Sep 30, 2024 | Nov 06, 2024 |                                                   |                                                                                                                                                                                                                                                                             |

The Analysts' Briefings were attended by investment analysts and representatives from various stakeholders, including banks from across the country, as well as the Pakistan Stock Exchange. Comprehensive presentations were delivered, followed by extensive question-and-answer sessions, during which the queries of attendees were addressed in detail. This process underscored FFC's unwavering commitment to maintaining transparency while engaging with its diverse stakeholders. The detailed presentations from the briefings can be accessed below.

<https://ffc.com.pk/first-corporate-briefing-for-the-year-2024/>

<https://ffc.com.pk/presentation-for-ffc-second-corporate-briefing-for-the-year-2024/>

<https://ffc.com.pk/wp-content/uploads/Corporate-Briefing-9M24-Final-Nov-2024.pdf>

### Shareholders Encouraged to Attend General Meetings

At least 21 days prior to the Annual General Meeting, all shareholders receive an email containing both the

Notice of the Annual General Meeting and the Company's Annual Report. Notice is also simultaneously published in leading national newspapers in both Urdu and English. Additionally, it is made available on the Pakistan Stock Exchange's website as well as FFC's corporate website.

Regardless of the number of shares held, every shareholder is entitled to designate a proxy, participate via video conference (VC) and cast their votes through e-voting. During the meetings, shareholders have the opportunity to offer suggestions, make proposals and voice any concerns, with the full right to initiate or support an agenda item.

Shareholders are also entitled to request the minutes of the meeting within a specified period following the General Meeting and may raise issues related to significant investments, potential acquisitions or mergers and any corporate or capital restructuring plans.

At least 21 days prior to the Annual General Meeting, all shareholders are provided with an email containing both the Notice of the Annual General Meeting and the Company's Annual Report. These documents are

simultaneously published in prominent national newspapers, available in both Urdu and English. Furthermore, they can be accessed on the Pakistan Stock Exchange's website as well as FFC's corporate website.

During the meeting, shareholders are afforded the opportunity to propose suggestions, raise issues and express any concerns, retaining the full right to initiate or support an agenda item.

Shareholders also possess the right to request the minutes of the meeting within a designated period following the General Meeting and may raise inquiries regarding significant investments, potential acquisitions or mergers, as well as any plans for corporate or capital restructuring.

At FFC, we hold our shareholders' contributions in high regard and deeply appreciate their involvement. We prioritize the meticulous documentation of their concerns, proposals and recommendations during meetings through comprehensive minutes. Rest assured, FFC ensures that all stakeholders are kept informed about the progress on any matter raised, as well as the actions taken thereafter.

## Encouraging Minority Shareholders To Attend General Meetings

The Company extends an invitation to minority shareholders to attend the analyst briefing sessions, which are announced through the Stock Exchange, and their participation is strongly encouraged. The requests of minority shareholders are given due attention, and their queries are addressed thoroughly and satisfactorily, ensuring that their needs are adequately met.

## Investor Relations Section on FFC website

The Corporate Website serves as a key platform for providing comprehensive information to FFC's investors, shareholders and other stakeholders. In adherence to the applicable regulatory requirements, the website is maintained in both English and Urdu.

The website is regularly updated to offer detailed information, including the company's business strategy, governance structure, product and service offerings, financial summaries, investor relations information, dividend records and more.

To conveniently access all relevant information about the Company, including financial reports and additional details, please scan the QR code below.

## QR CODE

The most up-to-date version of the Annual Report can be found online in PDF format, and supersedes any previously printed copies. Access to current version is available at: <https://www.ffc.com.pk/investorsrelations/annual-reports/>

## General Meetings

The shareholders of FFC gathered for their forty-sixth Annual General Meeting on March 26, 2024 and subsequently for Extraordinary General Meetings on October 08, 2024 and November 04, 2024.

## Presence of Board Members

In accordance with the guidelines set forth in the Code of Corporate Governance, it is compulsory for every director to attend all general meetings, unless they are exempted due to a valid reason.

## Presence of the Chairman Audit Committee

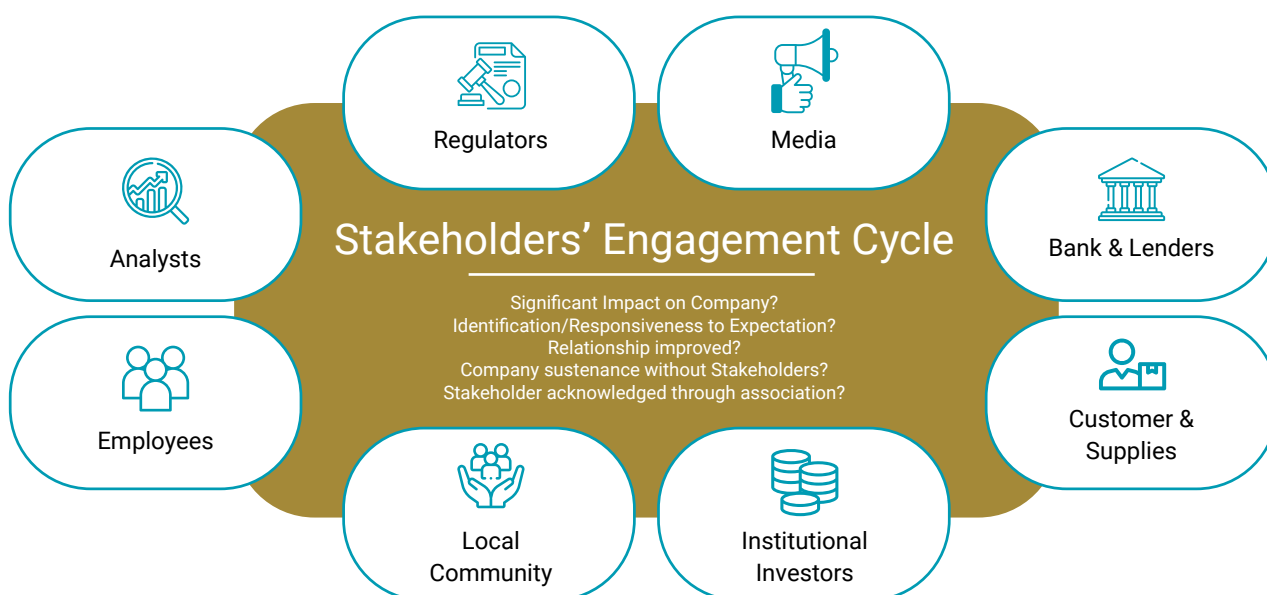
The Board Members, together with the Chairman of the Audit Committee, the Chief Executive Officer, and other Senior Management personnel, attended the general meetings held throughout the year to address any questions or concerns raised by the shareholders.

## Issues Raised at Last General Meeting

The shareholders posed questions and sought clarifications on the agenda items, all of which were addressed to their satisfaction. No significant issues or concerns were raised during the meetings.

## Identification of Key Stakeholders

The Company holds the authority to allocate its capital equitably towards essential relationships and activities, carefully identifying key stakeholders. Stakeholder engagement involves the management of these specific relationships, including the frequency and detailed consideration of how they may influence the entity's performance and value throughout the year, as part of an ongoing process.



# STAKEHOLDERS' ENGAGEMENT

## Institutional Investors / Shareholders



At FFC, the trust and confidence of investors are upheld through consistent returns on investment. A transparent relationship is diligently maintained with all stakeholders.



Regular



- General Meetings • Analyst's / Corporate Briefings



- The providers of capital, allow FFC the means to achieve its vision

FFC has made substantial investments in customer relationship management, extending beyond the provision of credit facilities and trade discounts. FFC has been driving changes in agricultural production by imparting evolving knowledge to farmers, fostering their sustainable economic growth. Additionally, FFC collaborates with reputable and reliable suppliers as business partners through its Agri. Services.



Regular/Periodic



- Formal & Informal Meetings / Conferences
- Technical Support Services



Our success and performance depend on:

- Customer's Loyalty
- Preference to the brand SONA
- Company's supply chain management

## Customers and Suppliers



## Regulators



FFC takes pride in being a responsible corporate citizen, adhering to the laws and regulations of Pakistan. The company is also diligent in ensuring compliance with the legal requirements of other countries while conducting business internationally. This year, FFC has contributed a total of Rs 94.11 billion in taxes and duties and continues to be one of the largest taxpayers in Pakistan.



Regular



- Meetings with Officials
- Data submission for Review & Compliance



- Laws and regulations
- Determination of prices
- Factors controlled by the Government

FFC consistently engages with analysts and shares details of projects that have already been disclosed to regulators, while carefully adhering to regulatory restrictions on insider information and trading. This approach is designed to prevent any adverse impact on the company's reputation or share price. Throughout the year, the Company conducted three Analysts' Briefings, during which attendees were informed about FFC's operational and financial performance.



Bi-Annual



- Analysts' / Corporate Briefing



- Briefing helps in clarifying any misconception / rumour in the market and creates a positive investor perception.

## Analysts





### Banks and Other Lenders



The company continually negotiates rates, lending terms, short-term financing, deposits, and investments. Additionally, it regularly consults with banks on matters related to letters of credit, supplier payments and any operational disbursements.



Regular



- Meetings on negotiation of rates on various financing matters.



- Key to performance in terms of better access to interest rates, loan terms, minimal fees, higher level of customer service and effective planning for the future.

Various communication channels are utilized as needed to inform the general public about FFC's new developments, activities and philanthropic initiatives.



Occasional



Mediums used are:

- Press Releases in Newspapers
- News Section on Corporate Website



- Effective awareness is created regarding the Company and offered products and services, that indirectly have a positive impact

### Media



### Employees



FFC's human resource strategy is based on commitment to its most valued resource - a dedicated and competent workforce and provides a nurturing and employee friendly environment while investing considerably in local and foreign employee trainings. FFC also invests in health and fitness activities for its employees, along with the monetary compensations.



Regular



- In-house Newsletters
- Televised Broadcasts
- Employee Portals
- Electronic Bulletin Boards



- Company's biggest asset; implementing every strategic and operational decision and representing the Company in the industry and community.

In addition to local communities near plant sites, FFC engages with general public at large through its CSR Department. It helps to identify needed interventions in the field of education, health and general economic uplift of the society. FFC has also aligned its interventions with the UN's Sustainable Development Goals.



Regular



- Meetings
- One-on-one Engagements



- People of Pakistan provide the grounds for FFC to build its future on.

### Local Community and General Public



# MANUFACTURED CAPITAL

| Contributing to SDGs |                                                |                                           |                                      |
|----------------------|------------------------------------------------|-------------------------------------------|--------------------------------------|
| Inputs               | Manufacturing Plants: 04                       | 3 Zones, 13 Regions, 63 Districts         | 127 Warehouses                       |
|                      | Agri. Services Territories: 25                 | Research Center 01                        | Sona Centres: 75                     |
|                      | Integrated work system (IWS)                   | Zero loss mentality                       | Lean Process Evaluations             |
|                      | Hands-on-training for workers                  | Dealers/Warehouse trainings               | HSEQ meetings/talks                  |
| Outputs              | Produced 2,841 KT of Urea and 452 KT DAP       | Urea Sold FFC 3,158 KT (48% market share) | DAP sold 1,005 KT (62% market share) |
|                      | 182,748 farmers outreach through Agri-services | Farmers increased productivity            | Rs. 12.1 billion invested            |
| Value Creation       | Value Preservation                             |                                           |                                      |

Value Creating Business Model – page 186

## Capital Snapshot



Production Efficiency  
**124%**



Safe Man Hours  
at GM Plant  
**27.54 mn**



National Safety  
Council Award  
**PQ Plant**



Zinc Coated Urea  
**100** KT per annum



Boron DAP Production  
**32** KT



PEF Project  
**On Track**

As a consequence of merger, FFC's fertilizer production capacity has increased by taking over FFBL plant site Port Qasim which includes urea production facility of 551 thousand tonnes and the DAP plant of 650 thousand tonnes. Total urea production capacity of the merged entity now stands at 2,599 thousand tonnes. While aggregate all fertilizer production capacity including DAP stands at 3,249 thousand tonnes.

Aggregate urea production by the merged entity stood at 2,841 thousand tonnes during the year, while DAP output was recorded at 452 thousand tonnes, resulting in combined all fertilizer production of 3,294 thousand tonnes compare to total urea output of 2,521 thousand tonnes only during 2023 by FFC on standalone basis.

FFC's Manufactured Capital comprises of its plant-sites, IT systems, Head Office infrastructure

and extensive marketing, distribution and agri-services network. This capital plays a pivotal role in implementation of strategic objectives of the company. Keeping abreast with latest developments in technology, FFC keeps on investing in new technologies, systems and other assets to create and maintain its competitive advantage.

## Operational Performance

Committing to its fundamental strategic objective of operational excellence, FFC yet again exceeded its prilled urea production target for the year by achieving a production of over 2.55 million tonnes [124.77% of design].

The company is implementing various projects focused on sustenance, HSE (Health, Safety, and Environment), energy efficiency, and

reliability to ensure profitability and uphold its status as the country's leading fertilizer manufacturer.

### Plant Site – Goth Machhi I & II

Operational performance of both the plants at Goth Machhi remained satisfactory during the year 2024 and "Sona" Urea production of 1,697 thousand tonnes [127.6% of design] was achieved, as compared to the budgeted production of 1,640 thousand tonnes.

### Continuous Operation

By the Grace of Almighty Allah, following records were achieved during the year;

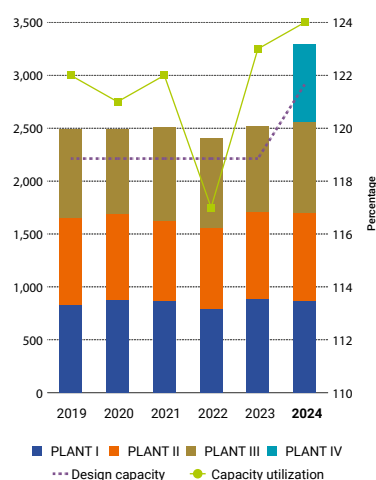
- Urea Plant-I on-stream operation of 566 days; previous best was 388 days in 2002-03
- Ammonia Plant-I front-end on-stream operation of 439 days; previous best was 325 days in 2014-15



# MANUFACTURED CAPITAL

- Ammonia Plant-II front-end on-stream operation of 872 days; previous best was 696 days in 2006-08
- Ammonia Plant-II back-end on-stream operation of 805 days; previous best was 323 days in 2014-15

## Plant wise Production



## Neem Coated Urea

To tackle urea related environmental pollution and increase product efficiency in terms of crop productivity and Nitrogen uptake, development of slow-release urea fertilizer is a need of an hour. A total of 440 thousand tonnes of Neem oil coated Urea was produced & shipped.

## Plantsite Mirpur Mathelo

The Mirpur Mathelo plant overcame significant challenges to surpass its annual urea production target, producing 858 thousand tonnes (119.56% of design capacity) compared to the goal of 840 thousand tonnes, demonstrating dedication and operational excellence.

## Plantsite Port Qasim

The Company received 10,052 MMSCF of natural gas supply during the year which is 81% of the allocated level. This is a significant improvement as compared to last year where the Company received only 58% of the allocation. As a result, the plant efficiency improved significantly, reducing production costs. Urea production during second half of 2024 increased by 87% to 286 thousand tonnes and DAP production increased by 7% to 452 thousand tonnes including Boron DAP production of 32 thousand tonnes. The entire volume of Boron DAP was successfully sold, marking a significant achievement.

## Major Projects at Plant sites

Numerous new projects were initiated or completed this year, focusing on sustainability, cost and energy efficiency, safety, reliability, and health. These initiatives aim to sustain the company's profitability and reinforce its stature as the leading fertilizer producer in the country.

## Asset Reliability & Integrity Management

In pursuance of operational excellence and managing ageing plants reliability risks resulting in low service factor and high asset lifecycle cost, FFC has established the Asset Reliability & Integrity Management (ARIM) department at Plant site Goth Machhi & Mirpur Mathelo. This initiative aims to enhance plant asset management, addressing challenges tied to aging infrastructure. ARIM transforms the Plant Asset Management Framework from time and condition-based to Risk and Reliability-based methodologies.

## Digitization of Steam & Power Systems

The Company is embracing Industry 4.0 to drive digital transformation and optimize operations. FFC is collaborating with ABB to integrate advanced digital solutions into its steam and power units, aiming to enhance energy efficiency and reduce production costs. The feasibility report, currently awaited, will confirm the project's technical and economic viability.

## Data Historian, IP-21

The current capacity to retrieve data from the DCS system is limited to a maximum of three months due to the absence of a Data Historian. To address the inherent shortcomings of existing setup, purchase orders for Data Historian have been placed for supply of hardware while for Software, order is being placed to M/s Aspen Tech, USA.

## Recovery of Ammonia Compressor Seals & Coupling Vents Ammonia Vapors

Ammonia Refrigeration compressor K-305B, seals and coupling vents ammonia vapors were recovered through in-house build ammonia vapor scrubber at Port Qasim plant. It helped in controlling environmental ammonia emissions and significantly reduced chemicals consumption in cooling tower for water treatment. Recovered ammoniacal water is being utilized at DAP plant.

## Manufacture and Refurbish Foreign Spare Parts

Under strategic management guidance, the Port Qasim plant overcame import restrictions and payment challenges by leveraging in-house and local resources to manufacture and refurbish foreign spare parts. This initiative achieved substantial cost savings and



significant foreign exchange savings throughout the year.

### Process Safety Management System

In October 2024, the Port Qasim plant achieved a major milestone by implementing the OSHA-based Process Safety Management (PSM) system in a record 30 months. The project completed all 22 PSM modules through 660 training sessions and validations, involving plant and contractor employees. Additionally, 32 employees earned the international NEBOSH HSE PSM certification, enhancing the company's safety capabilities.

### Fertilizer Industry Technical Forum

FFC has launched Fertilizer Industry Technical Forum to foster knowledge exchange, collaboration, and address technical challenges in Pakistan's fertilizer sector. Key industry players, including Engro, Fatima, Pak Arab

Fertilizers, Agritech Limited, and FFC, are active participants. To sustain collaboration, an online portal with over 200 registered professionals has been introduced, enabling members to share insights, discuss challenges, and build a robust knowledge base. This initiative represents a significant step toward unity and innovation in the fertilizer sector.

### Elevating Safety Performance of Contractor Employees

With the addition of 40 contractor employees this year, the total count has risen to 333, all of whom are now included in the Safe Man Hour count. To facilitate this integration, specialized training sessions were conducted to enhance skills and safety awareness among contractor employees. These sessions included:

- Behavior-based safety training
- Awareness on HIRADC (Hazard Identification, Risk Assessment and Determining Controls)
- Defensive driving and traffic safety training

These efforts underline a strong commitment to workforce safety and development.

### Reliability Improvement

Here are some key projects aimed at improving the reliability of the plants:

#### PLANT I – Goth Machhi

- Additional Lube Oil Cooler, E-423C for Air Compressor
- Replacement of E-4424 Tube Bundle
- Replacement of Tube Bundle of LP Boiler, E-301B [Phase-II]
- Replacement of MP Condenser, E-107
- Installation of Ammonia After Cooler, E-511
- Urea Reactor, R-101 Leak Detection Arrangement
- Replacement of 03-LIC-6V1
- AC Plant Chiller-5.2 Replacement



# MANUFACTURED CAPITAL

## Plant II - Goth Machhi

- Replacement of E-4434 Tube Bundle
- Replacement of E-4110B Tube Bundle
- Replacement of MDEA Reboiler, E-4215
- BFW Cooler, E-4124 Tube Bundle Replacement
- Replacement of Regeneration Gas Heater, E-4551 Tube Bundle
- LS Header PSV-42023 (New)
- Replacement of Knock out Vessel, V-4123

## PLANT III – Mirpur Mathelo

- Gas Turbine Rotor Replacement
- Overhauling of Cooling Water Pump Motor
- Turbo-generator TG-701 Excitation System Replacement and Generator Overhauling
- Urea Cooling Tower Rehabilitation
- Upgradation of feed gas purification section

## Plant IV – Port Qasim

- Upgradation of old Siemens CUVC type VFD to new Siemens S120 at DAP Scraper - PH&S
- Reliability improvement and Overhauling of Air Compressor Steam Turbine KT-101A
- Replacement of 16 pair of wedges of Dryer DAP Plant
- Complete Replacement of DAP Dryer Retainer Ring
- Upgrading of Carbon Steel Structure at New Ammonia Storage Tank Top with FRP

## Sustainability

The following projects relate to sustainability of Company's production process:

- Pressure Enhancement Facilities (PEF) Project
- Alternate gas connection with national network.
- Well Water Project of new tube wells for availability of better-quality water at Goth Maachi and Mirpur Mathelo plants
- Sludge recovery project at Port Qasim DAP plant

## Energy Conservation

### Ammonia Pre-Heater

Installation of Ammonia Preheater at Plant-III has been principally approved, detailed engineering has been complete and accordingly purchase order for the Ammonia Preheater, E-106 was placed with M/s Himile. Review of technical transmittals is in progress, and fabrication will begin after approval of documents.

### Dmw Preheater, E-351d

Realizing the potential heat loss in the ammonia process condensate at Plant-III and subsequent opportunity for heat recovery, installation of an additional demineralized water preheater at ammonia plant was proposed. The project has been approved in BP-2025 after detailed techno-economic evaluations. This initiative will result in significant annual energy savings.

## Health, Safety & Environment

Achieving Ever Highest Million Man-Hour Record Plant-site Goth Machhi recorded 27.54 & 15.04 million man-hours of safe operation for its own employees and contractor employees during the year.

Our Mirpur Mathelo plant completed another injury free year, completing 15.65 million man-hours for its employees and 21.82 million man-hours for contractual workforce.

The Port Qasim production facilities attained a significant milestone of 27.10 million safe man hours of plant operation without any Lost Time Incidents (LTI).

The achievements signify FFC's resolve to employee safety and a testament of employee dedication and commitment to safe working environment.

## Awards and Recognitions

### Runner-up Position in IFA Green Leaf Award-2024

FFC-Goth Machhi participated in the 2024 International Fertilizer Association (IFA) Green Leaf Award, presenting a paper on the environmental initiatives implemented at the plant site. The paper earned the 1st Runner-up position at the IFA annual conference held in May 2024 in Singapore.

## 25 Million Safe Work Hours Award from NSC (USA)

The National Safety Council (USA) awarded FFC-Goth Machhi the Safe Work Hours Award, in recognition of achieving the extraordinary milestone of 25 million man-hours (June 13, 2014 -March 27, 2024) without a lost work injury.

## Superior Safety Award from NSC (USA)

The National Safety Council (USA) awarded FFC-Goth Machhi the Superior Safety Award, recognizing the achievement of an extraordinary milestone of 10 consecutive years without a Lost Time Injury (LTI), as of June 12, 2024.

## 21st Annual Environment Excellence Award

FFC-Goth Machhi, Mirpur Mathelo and Port Qasim plants were honoured with the 21st Annual Environmental Excellence Award (AEEA) 2024 by the National Forum for Environment and Health (NFEH). This recognition highlights their strong commitment to environmental sustainability and eco-friendly practices focused on reducing environmental impacts.

## CAER Program

Phase-I: FFC-GM conducted a voluntary 'Community Awareness and Emergency Response' (CAER) Program, overseen by the HSE&Q Department, to enhance community outreach and emergency response planning. This initiative aimed to educate local communities on first aid for excessive bleeding, managing electrocution incidents, and handling hazardous material exposures like ammonia gas.

Phase-II: Rescue Scout training was organized by HSE&Q at FFC-GM for Volunteers from nearby local communities. Professional rescuers from Rescue-1122 delivered training and awarded Certifications for "Rescue Scout."

## CSR Award 2024

The Port Qasim plant received accolades at the 13th Corporate Social Responsibility (CSR) Summit & Awards 2024, organized by The Professionals Network. The plant was awarded the "Systems to Prevent Loss of Containment" award in recognition of its initiatives to enhance safety and environmental responsibility.

## National Safety Council Award 2024 – USA

The Port Qasim plant has also been awarded with the "Hazard Recognition Award" by National Safety Council – USA.

## Initiatives for Promoting And Enabling Innovation

### Zinc Coated Urea

The Zinc Coated Urea (ZCU) manufacturing line at Goth Machhi plant with a nominal capacity of 100 thousand tonnes per annum, has been completed and successfully commissioned in December 2024. The desired Zinc content (>1%) in the final product has been achieved and shipment of ZCU has started. The in-house developed product has been tested for agronomic effectiveness in paddy & wheat fields and results are promising.

## Urea Briquettes

As part of its initiative of development of enhanced efficiency fertilizers, the Company initiated the Urea Briquetting Technology project. The briquettes, renowned for their slow-release nitrogen properties, significantly enhance urea efficiency and are primarily utilized in rice cultivation. The process for acquiring machinery and equipment is underway while the commissioning of the plant is expected in the second quarter of 2025.

## Neem Oil Coated Urea

To tackle urea related environmental pollution and increase product efficiency in terms of crop productivity and Nitrogen uptake, development of slow-release urea fertilizer is a need of an hour. A total of 440 thousand tonnes of Neem oil coated Urea was produced & shipped.

## Boron DAP Manufacturing at Port Qasim Plant

Following a successful trial in 2023, commercial production of Boron DAP began on April 2, 2024. Designed to address soil micronutrient deficiencies and boost productivity, the plant achieved production of 32 thousand tonnes, with the entire output sold. This milestone was achieved without significant capital investment.

## Marketing Overview

### Merger of FFBL with and into FFC

FFBL has merged with and into FFC, effective July 1, 2024, consolidating all functions and operations. Given that FFC's Marketing Division was already managing and marketing FFBL's products, thus pre-existing synergies enabled the smooth transition. The merger is expected to generate enhanced synergies and cost efficiencies, further reinforcing FFC's market leadership position.

Fauji Fertilizer Company Ltd (FFC) is a key player in Pakistan's agricultural sector, driving economic growth through high-quality fertilizers and sustainable farming initiatives. With annual sales of 4 million tonnes and a network of 3,136 dealers and 127 field warehouses, FFC enhances food production and farm productivity. Its commitment to innovation, environmental sustainability, and technological advancements underpins its leadership in supporting Pakistan's agricultural and economic development.

### International Fertilizer Market

The global fertilizer market in 2024 experienced significant fluctuations influenced by regional demand shifts, pricing variations, and supply disruptions.

#### Urea

Urea prices were shaped by a range of interconnected factors, including energy prices, global agricultural demand, and geopolitical dynamics. Middle east Urea FOB fluctuated in the range of \$ 271-390 in the year 2024. China Urea prices witnessed a downward trend throughout the year, which started with \$340/ton and closed the year at \$250/ton. Urea prices are set to come under further pressure in the immediate term. India is expected to tender again for January cargoes but elsewhere there is little demand pull. The landed cost of imported urea in December was approximately Rs 6,500, which is Rs 2,225 higher than the price of domestic urea

#### DAP

Global DAP prices experienced a downward trend from January to May 2024. However, following May, the market saw stabilization in prices. The continued demand from countries such as India, Bangladesh, and Pakistan have contributed to maintaining stability in the global DAP market throughout 2024. Overall, the market remains balanced, with prices largely stable to soft. Given the relatively comfortable position of producers, further significant price declines are unlikely. Notably, Pakistan imported a total of 850 KT of DAP in 2024. Demand in key markets, such as India, remains strong, as sustained offtake is expected to deplete available stocks. The most recent suspension of Chinese DAP/MAP exports took effect on December 1, 2024, and is expected to last until March 2025.

### Domestic Fertilizer Market

Farm economics in Pakistan faced a downturn in 2024, with major crops like wheat, rice, maize, cotton, and sugarcane suffering declining profitability. Key factors included low market prices, insufficient procurement support, and adverse weather conditions. These challenges resulted in reduced economic returns and cash flow constraints, limiting farmers' ability to invest in optimal input application for crops.

#### Urea

The year began with an opening inventory of 104 Kt of Urea and witnessed a record-high production of 6.686 million tonnes, driven by uninterrupted gas supply to all fertilizer plants. Additionally, the Government of Pakistan imported 173 thousand tonnes of Urea in January 2024, bringing total Urea availability to an unprecedented 6.963 million tonnes. While sales momentum remained strong in Q1, the wheat crisis severely impacted the Kharif season. By October 2024, urea inventories exceeded 800 thousand tonnes, prompting companies like Engro and Fatima Fertilizer to introduce discounts and sales schemes to stimulate demand. Thereafter, urea sales saw recovery, resulting in total sales of 6.577 million tonnes for the year, with a closing inventory of 359 thousand tonnes.



Sales of Urea were largely consumption-driven, constrained by farmers' limited financial resources, which reduced their capacity for forward purchasing. The Kissan Card scheme provided a temporary uplift in fertilizer sales during November; however, its impact diminished in December as farmers exhausted their allocated balances.

Enhanced Efficiency Fertilizers experienced sluggish sales and minimal demand in the market. Market prices consistently fell below dealer transfer prices, resulting in financial losses for dealers. Engro produced Zincated Urea for approximately five months due to limited market demand. Similarly, Sona Urea Neem Coated encountered slow sales, with achieving sales targets proving to be a challenging endeavor.

## DAP

The domestic DAP market experienced a sluggish start in 2024, with market prices remaining below dealer transfer prices, mirroring the trends observed in international DAP prices. At the beginning of the year, opening inventories were low. However, imports saw a significant increase starting from the first quarter and continued through to the third quarter. By the end of September, the closing inventory had reached 380 KT. DAP industry expanded to 1,630 KT in 2024, compared to 1,569 KT in 2023, reflecting a steady increase in demand and imports during the year.

## FFC Marketing

In 2024, FFC made innovative and strategic advancements, expanding its domestic presence and introducing new balanced products tailored to specific soil needs. Despite challenges and market fluctuations, the company exceeded its targets and retained its dominant market position. By effectively managing price and demand shifts, FFC maintained profit margins while ensuring an uninterrupted nationwide supply of its products. Domestically, Urea industry hit a historic production peak of 6.7 million tonnes, fueled by continuous gas supply from the GOP to SNGPL-connected plants

## Urea

The combined urea sales by FFC/ FFBL during FY 2024 amounted to 3,158 thousand tonnes, which included 513 thousand tonnes of Sona Granular produced by Port Qasim facility and 95 thousand tonnes Urea imported by Government.

## Urea Market Share

The combined market share of urea increased to 48% from 43% in the previous year.

## DAP

FFC recorded combined DAP sales of 1,005 thousand tonnes, including 874 thousand tonnes produced by FFBL during financial year 2024.

## DAP Market Share

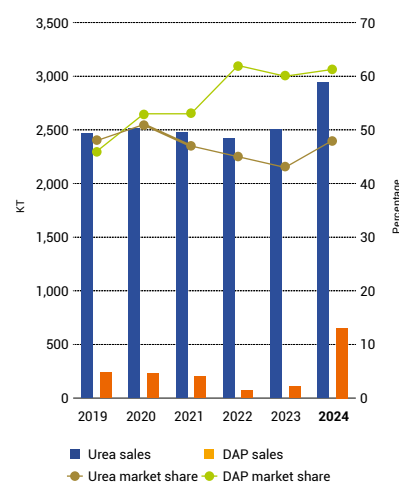
FFC maintained its dominant position in DAP market with a combined share of 62% for the year 2024.

Offtake of other imported fertilizer stood at 16 thousand tonnes and combined all fertilizer sales thus stood at 4,178 thousand tonnes compare to marketing of 2,629 thousand tonnes by FFC on a standalone basis during 2023.

## Effect of Seasonality on Business

FFC effectively manages the seasonal impacts of Pakistan's two primary crop seasons, "Kharif" and "Rabi," through strategic approaches like advance sales, efficient inventory management, and precise production and import planning. These measures ensure a consistent supply of products, meeting the fluctuating demands of its customers seamlessly. Government of Punjab launched Kissan Card Scheme to facilitates small farmers having land below 12.5 acres (small farmer). A farmer can receive a maximum interest free loan of Rs.150,000 for 5 acres, @ Rs. 30,000 per acre/season. GoP allocated Rs.300 billion for the two-year scheme, with Rs.75 billion for each crop season.

Urea and DAP Performance & Market Share



## Subsidy Schemes

For the promotion of agricultural financing, in collaboration with federal and provincial governments, SBP has taken certain initiatives such as Adoption of Agriculture Credit Scoring Model for banks performance, Introduction of Champion Bank Concept for underserved areas, Implementation of risk mitigation and incentive schemes: Crop Loan Insurance Scheme (CLIS) & Livestock Insurance Scheme for Borrowers (LISB), Credit Guarantee Scheme for Small & Marginalized Farmers (CGSMF), and Implementation of Electronic Warehouse Receipt Financing (EWRF) uptake strategy.

To facilitate farmers and revive the economic activities in flood-affected areas, SBP has been implementing various agriculture financing related components of the PM's Kissan Package, 2022. These include:

- **Markup Waiver Scheme (MWS)**

For subsistence farmers against agriculture loans with outstanding balances (including markup) of up to Rs 500,000 per loan that were

regular as of June 30, 2022. Under the scheme, banks provided mark-up waiver of Rs 2.96 billion to eligible farmers, where 50 percent of the waived amount (Rs1.48 billion) was borne by GoP.

- **Markup Subsidy and Risk Sharing Scheme for Farm Mechanization (MSRSSFM)**

For loans up to Rs 30 million for the purchase of tractors, threshers, combined harvesters, planters etc. As of April 15, 2024, Rs 31.6 billion has been disbursed to 14,240 borrowers. The scheme has been extended by GoP till June 30, 2024.

- **PM's Youth Business and Agriculture Loan Scheme (PMYB&ALS)**

The first phase of PMYB&ALS was completed successfully whereby banks achieved their assigned targets of Rs15 billion for agriculture financing by the end of June 2023. For FY 2024, the target of Rs 40 billion has been assigned to 16 banks for agriculture financing. As of March 31, 2024, Rs 26.8 billion have been disbursed under this scheme.

Besides the above-dedicated schemes for agriculture, agro-based SMEs have also been allowed to avail financing under SBP's ongoing scheme for SME Modernization, in line with the Kissan Package.

- **Kissan Card Scheme**

Government of Punjab launched Kissan Card Scheme to facilitates small farmers having land below 12.5 acres (small farmer). A farmer can receive a maximum interest free loan of Rs.150,000 for 5 acres, @ Rs. 30,000 per acre/season. GoP allocated Rs.300 billion for the two-year scheme, with Rs.75 billion for each crop season.

- **Farmer Finances**

Overall, market sentiments and farmers' financial condition during 2024 remained pessimistic due to less market rates of wheat, paddy and maize. In case of cotton, market rate improved but yield was the main limiting factor. Further, high prices of DAP/Potassic fertilizers, seed, diesel, electricity and other inputs is a point of concern for the farmers, as these are increasing the overall cost of production of crops.





# MARKETING FOOTPRINT

## Punjab

|                          |       |
|--------------------------|-------|
| Sales (Thousand Tonnes)  | 2,912 |
| Zones                    | 2     |
| Regions                  | 9     |
| Sales Districts          | 40    |
| Dealers                  | 2,236 |
| Warehouses               | 84    |
| Agri Service Territories | 15    |
| Sona Centres             | 47    |

## Khyber Pakhtunkhwa

|                          |     |
|--------------------------|-----|
| Sales (Thousand Tonnes)  | 241 |
| Regions                  | 1   |
| Sales Districts          | 5   |
| Dealers                  | 240 |
| Warehouses               | 9   |
| Agri Service Territories | 2   |
| Sona Centres             | 6   |

## Balochistan

|                          |     |
|--------------------------|-----|
| Sales (Thousand Tonnes)  | 161 |
| Sales Districts          | 2   |
| Dealers                  | 111 |
| Warehouses               | 2   |
| Agri Service Territories | 1   |
| Sona Centres             | 3   |

## Azad Kashmir

|                         |   |
|-------------------------|---|
| Sales (Thousand Tonnes) | 1 |
| Dealers                 | 4 |
| Sona Centres            | 1 |

## Sindh

|                          |     |
|--------------------------|-----|
| Sales (Thousand Tonnes)  | 864 |
| Zones                    | 1   |
| Regions                  | 3   |
| Sales Districts          | 16  |
| Dealers                  | 545 |
| Warehouses               | 32  |
| Agri Service Territories | 7   |
| Sona Centres             | 18  |



# INTELLECTUAL CAPITAL

| Contributing to SDGs |                                                            |                                                                             |                                                                            |
|----------------------|------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| Inputs               | Brand & corporate reputation                               | State of Art IS Infrastructure                                              | Knowledge of our People                                                    |
|                      | Techniques & technologies through farmer advisory services | Market leadership                                                           | Trainings & knowledge sharing                                              |
| Outputs              | Efficient and automated work environment                   | R&D to offer products for the benefit of farmers and national food security | 37% farmers witnessed increased productivity after balanced fertilizer use |
| Value Creation       | Value Preservation                                         |                                                                             |                                                                            |

Value Creating Business Model – page 186

## Capital Snapshot



**SAP Project Implementation**  
**RISE**



**Green Data Centre**



**Network Security**  
**ENS**



**Application of**  
**Weighbridge**



**IT Infrastructure at Lahore**  
**Sona Tower**



**SAP Enhancement**  
**PM Module**

## IT Infrastructure Development & Operations

Consequent of merger of FFBL with and into FFC, integration of IT services is continuing on fast track basis, to streamline and ensure uninterrupted information sharing and data security.

### Green Data Center

Data Centers allow businesses to securely and efficiently store and access data remotely via LAN or the Internet, while also providing the necessary processing power to support complex applications and services. FFC operates a cutting-edge Corporate Data Center, managed by the IS Division. Following directives from Senior IS Management, the IT Department's Data Center team has introduced various measures to reduce energy consumption. As a result, the Power Usage Effectiveness (PUE) – a key metric for assessing data center energy efficiency – has been reduced to 1.38 this year, down from 1.50 last year, marking a significant milestone in our Green Data Center initiative.

### Revolutionizing Private Cloud with VMware vSAN

This year, the IS Division successfully integrated VMware vSAN, a software-

defined storage solution, into our private cloud infrastructure to improve the performance, scalability, and reliability of our SAP and other critical in-house applications. By utilizing software-defined storage, vSAN enhances resource efficiency, lowers capital expenditures, and creates a high-performance environment designed to meet the demanding needs of business-critical applications, while reducing latency and minimizing downtime.

With built-in high availability and fault tolerance, vSAN ensures business continuity by protecting against data loss and reducing the risk of outages. Its scalability allows for seamless storage growth as our business expands, providing a cost-effective and flexible infrastructure to support future requirements.

### Cybersecurity Posture Enhancement:

#### Enhancing Email Security with Trend Micro Protection

Advanced Email Protection incorporated in corporate email system using world leading vendor Trend Micro to enhance cybersecurity framework. Trend Micro's cutting-edge email security solutions significantly improved our defense against phishing, malware, and other email-based threats. The solution leverages machine

learning and cloud-based analysis to identify and block malicious emails in real time, protecting our organization from potential data breaches and cyber attacks.

The integration of Trend Micro's Advanced Email Protection reinforces our commitment to maintaining a secure IT environment and safeguarding the integrity of our communications. This added layer of defense secures both internal and external exchanges and aligns with our broader risk management strategy, helping us maintain the trust of our partners, clients, and stakeholders.

#### Enterprise Network Security & Patch Management System

The FFC Corporate Network is enhanced with Ivanti security controls for OS and third-party application patch management at both the Head Office and site offices for end-user systems. This automation ensures the timely delivery of the latest security patches, keeping all devices up-to-date, reducing vulnerabilities, and maintaining compliance with security standards.

Additionally, the Trend Micro Vision One XDR platform offers advanced protection against malware and cyber threats. This layered security approach strengthens endpoint protection and minimizes the risk of breaches across the organization.



## Driving Engagement with MS Teams & Viva Engage

MS Teams along with MS Viva Engage platform rolled out to all management employees' organization-wide, consolidating communication and collaboration into a single platform. MS Teams have become the central hub for messaging, audio / video meetings, real-time collaboration, and file sharing, significantly boosting team coordination and productivity. Viva Engage, empowering employees to connect, share ideas, and engage with the company culture more effectively. It helped foster a stronger sense of community and collaboration by providing a platform for employees to share insights, feedback, and resources. Together, these tools have revolutionized communication across the Company, enhancing engagement and creating a more collaborative, agile work environment.

## SAP RISE & FFC as the 1st Hub Site

SAP RISE is an initiative implemented at the FF Group level to deploy the SAP system organization-wide, with the FFC IS Division taking the lead in establishing the first Hub Site for the project. The IS team at the Head Office successfully set up high-availability connectivity with AWS, enabling seamless access for the project office and remote end users. This reliable and secure connection has laid the foundation for a streamlined, future-proof SAP environment. Moving forward, the IS Department will continue to support and optimize the connectivity, ensuring that the hybrid SAP environment remains secure, reliable, and scalable.

## Information Security

### FFC IS Division achieves ISO 27001:2022 Certification

The IS Division, along with its four remote sites (IT Goth Machhi, IT Mirpur Mathelo, IT Lahore, IT Karachi), successfully achieved the Information Security

Management System (ISMS) ISO/IEC 27001:2022 certification following an externally conducted certification audit, which is a mandatory requirement for ISMS certifications. This upgrade to the ISMS certification, the first since 2013, involved a recertification audit with the scope extended to include IS branch sites at GM, MM, Marketing Lahore, and the RM Office in Karachi. With this certification, the entire IS Division has demonstrated the implementation of necessary information security controls that align with ISO standards and has proven its ability to meet compliance requirements.

### ISO 27017:2015 Certification Audit

IS Division successfully achieved Information Security Management System (ISMS) ISO/IEC 27017:2015 Certification for Cloud Services hosted at Corporate Data Center. With this certification, IS Division has demonstrated to have the necessary information security controls in place to protect and handle sensitive data in cloud computing environment.

### Security Assessment of Web & Mobile Applications

During the year, FFC InfoSec team has conducted detailed security assessment of the web applications like Club Ordering Application, Transmitter Maintenance History System, IMS Objectives & KPI Application, Sona Dost App updated Version and Farmer Registration Mobile App to identify critical flaws and loopholes and fix them before an outsider malicious threat actor is able to take advantage of these gaps. The assessments were carried out using latest tools and guidance as per world wide website Security standards.

### Handling of NFML Urea

Handling of NFML Urea was a major activity as the import was done by Government after almost 10 years. End to end process design was conducted with relevant stakeholders, especially Sales and Distribution Offices. Being a time bound activity of 45 days, priority handholding was extended to Distribution

and nominated Sales Officers. Activity completed successfully in allocated time.

## Technical Support for Sona Centers

IT Marketing (IT MKT) team has provided technical support to the end users of SONA Centers throughout the year. The designated personnel have been instrumental in ensuring the smooth operation of both hardware and software systems, helping and troubleshooting services as needed. Their expertise and commitment to delivering exceptional service have played a key role in maintaining the operational efficiency of the SONA Centers.

## Integrate DR Link with FBR

FBR DR link and Token has been integrated into SPPA DR Applications at plant site Goth Machhi and Mirpur Mathelo and Port Qasim. This will avoid any delays in shipment.

## Imported DAP Vessels Handling

Five DAP vessels were managed with exceptional professionalism and efficiency, earned money and excess product was also received in most of the cases. This success was facilitated using effective collaboration with stakeholders across various domains. Seamless port operations exemplify the importance of mobilizing cross-functional teams to achieve overarching organizational goals. Coordination with departments such as Finance and Marketing, and external entities like the FBR for implementing the DR solution, played a crucial role in this achievement.

### Weighbridge Application

Implemented a Weighbridge Application at the FAP Port Qasim to enhance monitoring and control of truck movements beyond FAP boundaries. Strategic decisions were made in the company's best interests. Proactively addressed technical and operational challenges to mitigate risks and ensure the continued effectiveness and efficiency of company operations.

# INTELLECTUAL CAPITAL

## Initiative # 300 – GST savings on trucking fuel

Implemented Initiative # 300 at Distribution-Goth Machhi through working in close coordination with EBO, DSR-GM and FIN DSR-GM. Invoice splitting provision has been provided in SAP (Fuel cost (45%) and Freight cost (55%)) to save GST on trucking fuel. Relevant SAP reports are also updated accordingly.

## Marketing New Building Project– SONA TOWER LHR

To provide state-of-the-art IT facilities in the under-construction Sona Tower Lahore building, Data Center has been designed and contract is being signed for Data Center development. Similarly, contracts have already been signed for other IT related facilities like networking, Building Management System, CCTV and Access Control System. The purpose is to make IT infrastructure ready when the building is to be made operational to facilitate business users.

## Implementation of Fiber to the Home (FTTH) facility in Township Areas

Fiber-to-the-Home (FTTH) is a cutting-edge telecommunications technology that provides high-speed internet connectivity by delivering optical fiber directly to individual homes. Implementing FTTH in FFC Goth Machhi township areas A&B respectively will result in significant operational and economic benefits, particularly in reducing long-term infrastructure costs and enhancing service delivery.

The Fiber-to-the-Home (FTTH) project spearheaded by the IT-GM achieved a significant cost saving by successfully transferring the entire project cost to an ISP after strategic negotiations with multiple ISPs operating in the region.

## Infrastructure upgrade through Fiber Connectivity- For Guest Houses and FES Schools

IT-GM has successfully upgraded the old DSL-based internet facility at FFC official residences/guest houses (OBOQ,

NBOQ, LBOQ), Sports Complex, and FES School community to a state-of-the-art fiber-based solution. On the directive of GM M&O-GM, this project was initiated and aimed to ensure reliable, high-speed connectivity. Within a month's time IT-GM extended existing fiber infrastructure (End-to-End) and deployed advanced wireless controllers and CISCO Access Points (APs), sourced from IT-HO. Additional bandwidth was procured at competitive rates from ISP M/s Multinet without adding overheads to corporate operational costs.

## Deployment of Condemnation Board Proceedings (CBP) at HO

After successful implementation of Condemnation Board Proceeding (CBP) application at GM and MM, same has been launched at HO after necessary configurational changes. This has fully automated the condemnation process for Non-Operational Fixed Assets. This enhancement brings several key features to streamline and improve the process:

- Automatic Updating in SAP: Finance dashboard has been developed which facilitates Finance user to update asset record in SAP and mark assets as condemned on single click.

To ensure a smooth transition, our IT-GM team conducted training sessions and post-implementation support services.

## SAP PM Module Enhancements

SAP Plant Maintenance (PM) Module improvements were made Go-Live after detailed testing on QAS Server and comprehensive training of approx. 100 working engineers has been undertaken to use new system.

The main objective of SAP Phase-I was to create a standardized and user-centric SAP PM basic configuration, enabling seamless adoption and maximizing its benefits.

- Re-classification of Notification Types / Sub Maint.
- Standardization of Reliability and Maintenance Data Collection
- Maintenance Workflows Simplification

- SAP PM Catalogues Development (Failure Modes, Maintainable Items, Failure Mechanism, Cause Code & Activity Codes).

The Notification management system of PM module shall improve reliability of our plants. By capturing maintenance history and analyzing reliability and maintenance data, Company can closely monitor and improve key performance indicators (KPIs) such as Mean Time Between Failures (MTBF) and Mean Time to Repair (MTTR). These enhancements will lead to better maintenance practices and overall operational efficiency of our plants.

## IT Governance and Cybersecurity

### Board's Role in Evaluating and Enforcing Legal and Regulatory Implications of Cyber Risks

Evaluation of legal and regulatory framework by Information Security unit is performed regularly. International best practices framework is being followed to aim that cyber risks are adequately mitigated/monitored. Information Security Unit regularly monitors changes in various laws/regulations such as Copyright Ord 1962, Prevention of Electronic Crimes Act 2016 through FFC Legal department under Information Security Management System (ISMS) / ISO-27001 standard on quarterly basis. During the year, no breach of Cyber risk has been noted.

Gap analysis is performed between National Institute of Standards and Technology (NIST) framework and FFC's IT infrastructure and started taking actions to narrow the gap and hence reduce threat arising from Cyber attacks.

### Disclosure on IT Governance, Cybersecurity Programs, and Industry-Specific Requirements

SOP/Guidelines, various policies and procedures have been developed under ISMS/PCI DSS standards for security of IT Assets and data e.g. Information Security Policy, Access Control Policy, Network Security Policy, Password Policy, SDLC Policy etc.

## Cybersecurity in Board Risk Oversight and Engagement with Management

Management apprises BOD regularly or when required on overall performance/ evaluation of IT infrastructure. Constant evaluation of Cybersecurity related risks is performed by updating the Risk Register, advising the risk profiling, mitigation strategies, remedial plans and residual risk. The Head of IS Division provides an update, if any, to the BOD committee (S&T) related to critical / significant IT Infrastructure like IT Assets Integrity (confidentiality, integrity and availability).

## Board-Level Oversight of IT Governance and Cybersecurity Risks

IT / Cybersecurity Risks are defined with controls in place in Corporate Risk Register. Risk Register is reviewed by Risk Office on defined intervals and presented to Board's Audit Committee.

## Company's Early Warning System for Cybersecurity Risk Identification and Response

Information Security Unit is in place with objectives which include to monitor, detect, investigate cyber incidents and take preventive/remedial action about cyber threats. During the year, no specific, critical threat surfaced. There are specific hardware/software installed to ensure that risks are mitigated. Examples are:

- At Network Entry Points, Firewall with IPS & Web Application Firewall are installed
- Servers are placed in segregated zones
- TrendMicro Deep security solution enabled with virtual patching is in place
- DNS Security is in place for protection against all DNS attack types

- Multifactor Authentication Mechanism is in place for certain services / users
- Privileged Access Management (PAM) is in place for privileged users
- Network Admission Control (NAC) is in place to prevent against unauthorized network access.
- At client computers, End point protection is installed and is updated on regularly basis.

## Policy on Independent Security Assessments and Third-Party Risk Reviews

"External auditors like M/S SGS conduct yearly audits to check IS Division's compliance against ISMS standard. At the end of external audit, report is issued to confirm FFC IS Division's compliance with ISMS standard. Summary / Conclusion, observations and non conformities, if any, are mentioned in the report. They also recommend suggestions/areas of improvement which IS Division adopts as deemed appropriate. Last such audit was performed on Oct 28-30, 2024.

IS Division has also obtained Payment Card Industry Data Security Standard (PCI-DSS) v4.0 certification for FFC Cloud Hosting Services (IaaS Platform). The certification assures compliance with globally accepted information security standards of highest order.

In order to further strengthen FFC's cybersecurity posture, IS Division has engaged reputable external 3rd party consultants to carry out FFC's cybersecurity assessment & Vulnerability Assessment and Penetration Testing (VAPT).

## Resilient Contingency and Disaster Recovery Plan, and Cyber Insurance Coverage

Disaster Recovery (DR) Site is in place for critical systems including SAP ERP. Regular data synchronization is configured between primary and DR Site with an

objective to switch to DR Site in case of disaster.

In addition to normal backups, regular data backups are also being made on Tape Library with an aim to recover in case of malware attack.

## Digital Transformation and Industry 4.0 for Transparency and Governance

FFC IT infrastructure is fully virtualized with a high VM-to-Server density ratio. Private Cloud deployed at FFC reduces total cost of ownership and reduces time-to-implement for new and innovative solutions as and when required by the business divisions.

Robotic Process Automation(RPA) is being encouraged in repetitive tasks lead by IS Division. Artificial Intelligence (AI) and Machine Learning (ML) have been effectively used in a comprehensive in-house developed touchless facial recognition solution implemented since Covid pandemic for employee attendance/ access control.

Internet of Things (IoT) has been developed in-house and deployed as an IoT based Vehicle Tracking System which is being extensively used across Company/ subsidiary to monitor and track company vehicles and analyze driver behavior. Substantial improvement in fuel and safety performance has been observed.

## Cybersecurity Education and Training Initiatives

Awareness sessions about Cybersecurity Risks and their prevention are conducted by Information Security Unit at all locations on regular basis. In addition to that, awareness related with emerging cyber threats are disseminated via emails to FFC users. An active participation is ensured. Specific training on cybersecurity issues are also provided on the request of a particular department or as and when required.

# HUMAN CAPITAL

| Contributing to SDGs |                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                         |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inputs               | Our talented & motivated workforce of 4,118 employees                                                                                                                                                                                                 | People-centric & innovative culture | Spent Rs 550 million on training & skill development                                                                                                                    |
|                      | Rewarding work culture                                                                                                                                                                                                                                | Competency building                 | Diversity, equity & inclusion                                                                                                                                           |
|                      | Comprehensive performance management                                                                                                                                                                                                                  | Gender diversity                    | Culture also focuses on health & safety and employee well-being                                                                                                         |
| Outputs              | Rs. 19.7 billion paid in salaries & benefits                                                                                                                                                                                                          | Employees engagement score 69%      | Average 18 training hours per employee                                                                                                                                  |
|                      | Attrition decreased by 7%                                                                                                                                                                                                                             |                                     |                                                                                                                                                                         |
| Value Creation       |    | Value Preservation                  |   |

Value Creating Business Model – page 186

## Capital Snapshot



LinkedIn Learnings  
**270** mn saved



Learning Participation  
**97%**



Six Sigma Project  
**Yellow & Green Belt**



Cultural  
**Transformation**



Training Hours  
**18** per employee



Diversity, Equity & Inclusion  
**DE&I**

## Merger of FFBL with and into FFC

The merger of FFBL with and into FFC has further strengthened the company with a pool of highly skilled and professional workforce as equals. FFC employees have warmly welcomed their FFBL counterparts, who are seamlessly integrating into their new roles. This integration fosters synergy through the combined intellectual capital and expertise, positioning the Company for sustainable future growth with unified objectives.

## Managing Human Resources

Human Capital Management is an integral aspect of the Company's strategy, with a strong focus on attracting, developing, and retaining a skilled and motivated workforce. Transparent recruitment, robust development initiatives, and competitive rewards nurture a culture rooted in honesty, integrity, and respect. This approach not only advances employees' careers but also secures

their long-term loyalty. By consistently investing in the training and development of our employees, we empower them to drive business success and adapt to the changing global business environment, creating lasting value for all stakeholders.

## Diversity, Equity, and Inclusion (DE&I)

We are committed to foster a diverse, equitable, and inclusive workplace. Our DE&I initiatives are designed to create an environment where all employees feel valued and respected. We have implemented policies that promote gender equality and ensure the participation of women at various levels of organization, including targeted recruitment, mentorship programs, and leadership development initiatives. We are committed to providing equal opportunities for all employees, regardless of gender, race, or ethnicity, ensuring fair treatment in hiring, promotions, and compensation. Additionally, we strive to create an inclusive culture by promoting diversity in our workforce through initiatives such as diversity training, employee resource groups, and inclusive workplace policies.

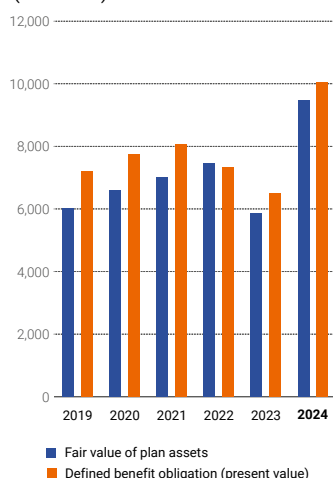
## Cultural Transformation Across The Company

During FY 2024, the lead was taken by FFC in driving the cultural transformation initiative, marking a significant step towards reshaping the organizational culture. As we navigate the shifts, adaptations, and collaborative endeavors that define this transformative period, the Company, explored the rich tapestry of our evolving corporate culture.

Our employees are committed to steering Company's culture towards a new horizon of innovation, adaptiveness and diversity. Cultural conversations, workshops and sessions were held across organization to engage and align employees, in addition to seeking their valuable inputs to evolve culture and outlining the strategic initiatives propelled by the collective voice of our work force.



### Retirement Benefits - Assets & Liabilities (Rs million)



## Values Based Competency Framework

FFC Values Based Competency Framework's learning approach focuses on evaluating and developing specific skills and knowledge that enables employees to perform their jobs effectively. Competency-based training is a valuable tool for developing human capital and competitive advantage of our organization by defining a clear career path and complementing employee satisfaction, engagement, and retention.

## Competency Based Customized Trainings

Our Competency-based trainings provide a consistent and tailored experience for our employee's development needs and focusing on specific soft skills. More than 250 employees underwent trainings on Leadership, Strategic Planning, Business Acumen, Team-building, Self-Awareness and Empathy. This style of training is broken down into individual courses, each focusing on a single skill at a time recommended for their role in the tiers of organizational hierarchy. Learning Partnership with LUMS is a new hallmark in FFC's journey of employee development, and 3 training interventions have been

designed for current, emerging and young leaders of the organization. All programs are tailor designed to inculcate leadership skills in talent pool and develop them as future leaders to contribute in achieving organization's strategic intent. A 10 days' extensive Emerging Leadership Program, ELP was conducted for mid-tier leaders in collaboration with LUMS faculty.

## Trainings Through Linked-In Learning

The acquisition of LinkedIn Learning has enabled our employees to have any time anywhere access to credible, consistent and contemporary learning. FFC employees have proved to be industry trend setters for a second consecutive year in 2024 by having the highest adoption rate of the platform in the APAC/MEA region with 97% activation rate of the 400 licenses available. The training hours reached to an ever-highest count of more than 8,000 learning hours, which is unprecedented not only in local industry but also in APAC/MEA region. It has been a truly remarkable and consistent performance in the arena of online learning.

## Six Sigma Projects & Trainings

The impactful strides in operational excellence through our Six Sigma Yellow Belt and Green Belt training initiatives has been very rewarding. Six Sigma projects were conducted across organization translated into estimated savings of RS 270 million in operation effectiveness, customer experience enhancement and process re-engineering domains. Trainings designed to elevate operational proficiency, have not only empowered our team with essential tools but also catalyzed a culture of continuous improvement.

## HR Services to Subsidiaries

Our HR Division provided full spectrum HR Services to our subsidiaries working in diverse industries, resulting in optimized head count, improved efficiency and alignment with core values of the parent company. FFC Energy Limited (FFCEL) and Fauji Fresh and Freeze (FFF) utilized

technical HR expertise which speaks highly of the bench strength of FFC's HR Team.

## Sports Gala

The Port Qasim Plant Sports Gala was organized to promote teamwork, camaraderie, and physical fitness among employees. The event featured a range of sports, including Cricket, Badminton, Football, and Table Tennis, along with Team-Building Games. The Sports Gala boosted employee's morale, strengthened workplace connections, and encouraged a culture of collaboration and physical well-being.

## Employee Wellness

The 'Employee Wellness' initiative featured in-depth sessions conducted by department heads, addressing physical, psychological, and social wellness. This program has led to noticeable improvements in employee satisfaction and workplace productivity. Special emphasis on Psychological Safety and Emotional Intelligence (EI) has empowered employees to speak openly, ask questions, seek help, and acknowledge mistakes without fear, fostering a more supportive workplace culture.

## Women Council Events

As part of the #InspirHer Initiative, the Company organized a series of events aimed at empowering and supporting Female Employees. On International Women's Day, a panel discussion featuring industry leaders highlighted the importance of Women in leadership, mentorship, and strategies for achieving Work-Life balance. Female Employees were celebrated with personalized gifts, including diaries featuring their success stories. A networking trip provided opportunities for team-building and personal connection through interactive activities and group reflections, while a meet-up encouraged women to share their aspirations, challenges, and success stories. These events fostered collaboration, open communication, and a sense of belonging, contributing to a more inclusive and supportive workplace culture.





# DISCLOSURE OF GENDER PAY GAP

FFC is committed to fostering workplace equity and is taking proactive steps to comply with the SECP circular on the gender pay gap. Globally, the gender pay gap remains a significant challenge, reflecting disparities in earnings between men and women due to factors such as occupational segregation, differences in work experience, and systemic biases. Addressing this issue is essential for promoting fair compensation, workplace inclusivity, and long-term economic growth. By aligning with international best practices and regulatory guidelines, FFC aims to ensure pay equity, enhance transparency, and strengthen its commitment to diversity and inclusion in the workforce. Below is snapshot of pay gap:

| Gender Pay Gap                                                                      |        |                       |                         |
|-------------------------------------------------------------------------------------|--------|-----------------------|-------------------------|
| Mean                                                                                |        | 4%                    |                         |
| Median                                                                              |        | 0.4%                  |                         |
|                                                                                     |        | Mean Hourly Wage Rate | Median Hourly Wage Rate |
|  | Male   | 1296                  | 665                     |
|  | Female | 1244                  | 662                     |

Note: Calculations are based on level and experience of all relevant employees.





## LIFE & EVENTS AT FFC

Placing our employees at the center of all we do means more than just appreciating and empowering their input; it also means fostering an environment at work where they can flourish.









# HEALTH AND SAFETY

Occupational health and safety management at FFC is far beyond legal requirements and involves strengthening physical, mental and social well-being of employees. Approach is proactive and oriented towards long-term development; inculcating safe & healthy culture through regular training and awareness programs, incentives and effective management systems. Occupational safety of contracted workforce is also ensured through contractor's Code of Conduct.

## Initiatives at Plantsites

The Company's initiatives for improvement of health, safety and environment include the following:

### FFC-GM Won Runner-up Position in IFA Green Leaf Award-2024

FFC-GM participated in International Fertilizer Association (IFA) Green Leaf Award -2024. Paper highlighted the environmental initiatives implemented at plant-site Goth Machhi. Paper won 1st Runner-up position in IFA annual conference held in May-2024 at Singapore.

### 25 Million Safe Work Hours Award from NSC (USA)

National Safety Council (USA) Awarded with Safe Work Hours Award and recognized the achievement of an extra-ordinary milestone of 25 Million Man-Hours without a loss work injury, which was accomplished by the grace of Almighty Allah, on Mar 27, 2024.

### Achievement of 10 Consecutive Years Without Loss Work Injury

National Safety Council (USA) Awarded FFC-GM Superior Safety Award which testifies the achievement of extra ordinary milestone of 10 consecutive years without a Lost Time Injury at FFC Goth Machhi for the First time, as of June 12, 2024.

### FFC-GM was awarded 21st Annual Environment Excellence Award

FFC-GM was honored with the 21st Annual Environmental Excellence Award (AEEA) 2024 by the National Forum for Environment and Health (NFEH) for their outstanding environmental performance. The award, presented during a vibrant ceremony in Karachi themed "Nexus of Climate Change and Food Security," acknowledges their strong commitment to environmental sustainability and eco-friendly practices aimed at reducing environmental impacts.

### Ever Highest Safe Work Hours Record

By the grace of Almighty Allah, a milestone of ever highest Safe Work Hours record for FFC-GM achieved with 27 Million Man-Hours without a loss work injury was accomplished on March 27, 2024. This achievement serves as a testimonial of remarkable determination, and firm commitment to Occupational Health & Safety from all employees.

### Re-Certification Audit of Integrated Management Systems at FFC-GM

Bureau Veritas Certification Pakistan conducted a Re-Certification Audit for

HSE&Q Management Systems on October 22-24, 2024, at FFC-GM. The plant successfully qualified for ISO 9001:2015 (Quality), ISO 45001:2018 (OH&S), and ISO 14001:2015 (Environment). BV auditors praised the effective integration of HSE&Q systems with business processes and the team's commitment to improvement. This success reflects the Management's support and employees' dedication.

### Achievement of ISO 17025:2017 Accreditation

By the grace of Almighty Allah, Laboratory Unit FFC Plantsite Goth Machhi has achieved ISO 17025:2017 accreditation, a global standard for testing laboratory competence. This esteemed recognition was awarded by the Pakistan National Accreditation Council (PNAC), Ministry of Science & Technology, following a comprehensive two-stage audit conducted in September 2023 and April 2024.

Notably, this achievement was accomplished without external consultancy, underscoring the exceptional professionalism, expertise, and dedication of our team.

### Lining of Evaporation Pond

Five evaporation ponds are available at FFC - Mirpur Mathelo for the disposal of waste water. In compliance with regulations and commitment towards environmental protection, the ponds are being lined with geo-membrane to prevent contamination of ground water.

### Implementation of Risk-Based Process Safety Management (RB-PSM)

The recent external audit of our Risk-Based Process Safety Management (RB-PSM) highlighted substantial improvements in our safety management, underscoring our capability for positive, proactive change. Successful implementation of RB-PSM will further strengthen our processes, reduce risks, and align us with industry standards. (RB) PSM 22 Elements approved procedures, meticulously developed by the (RB) PSM Teams, were launched for implementation in February 2024. PSM Elements Quizzes were launched to raise understanding of newly adopted system.



# STATEMENT OF VALUE ADDED

Revenue\*

**434,834**

Purchases

**247,135**

Wealth Generated

**187,699**

\*Inclusive of GST and other income



Society as Donations  
765 | 1%



Employee as Remuneration  
20,684 | 11%



WPPF / WWF  
7,948 | 4%



Providers of Finance as  
financial charges  
6,524 | 3%



Shareholders as Dividend  
24,936 | 13%



Retained within Business  
40,679 | 22%



Government as Taxes  
86,163 | 46%



Wealth Delivered

**187,699**

Rs Million

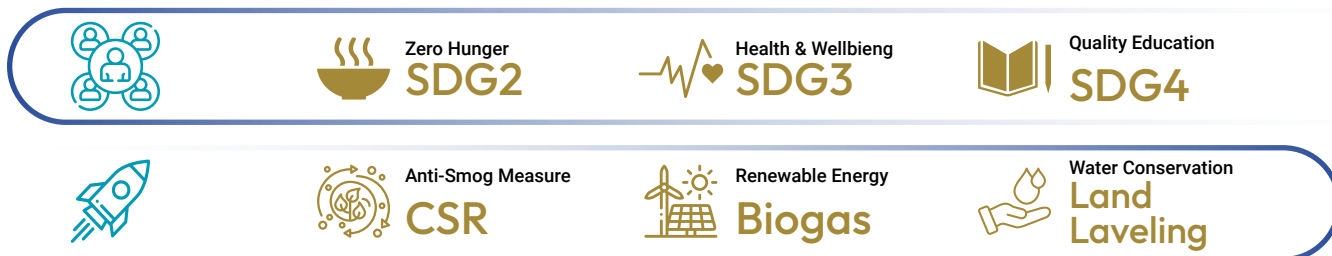


# SOCIAL AND RELATIONSHIP CAPITAL

| Contributing to SDGs |                                                                                     |                                                                                                                          |                                                                            |    |  |  |  |  |
|----------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Inputs               | 3,136 dealers' network across Pakistan                                              | Training on sustainability requirements for supply chain partners                                                        | Good relationships with stakeholders                                       |                                                                                       |                                                                                     |                                                                                     |                                                                                     |                                                                                     |
|                      | Strong CSR presence at plant sites & investments in defined thematic areas          | Key stakeholder relationships                                                                                            | Building trust & constructive partnerships                                 |                                                                                       |                                                                                     |                                                                                     |                                                                                     |                                                                                     |
|                      | Shared norms of values & behaviors                                                  | Reputation fostered through a multi-stakeholder approach                                                                 | Active participation in Industry meetings and interactions with Government |                                                                                       |                                                                                     |                                                                                     |                                                                                     |                                                                                     |
| Outputs              | Maintained top positions in Corporate & Sustainability Report Awards                | 14 <sup>th</sup> consecutive year of PSX Top 25 Companies                                                                | Rs. 94.11 billion direct & indirect tax contributions                      |                                                                                       |                                                                                     |                                                                                     |                                                                                     |                                                                                     |
|                      | Rs 765 million socio-economic investment                                            | Creating livelihood opportunities through 2,174 interest-free loans worth Rs. 78.5 Million in collaboration with Akhuwat | No complaints from value chain partners                                    |                                                                                       |                                                                                     |                                                                                     |                                                                                     |                                                                                     |
| Value Creation       |  |                                                                                                                          | Value Preservation                                                         |  |                                                                                     |                                                                                     |                                                                                     |                                                                                     |

Value Creating Business Model – page 186

## Capital Snapshot



## FFC: The Leader in Sustainability Policies

At FFC, we adhere to the SECP Guidelines for CSR-2013, which emphasize the critical role of corporations in driving the nation's development. These guidelines ensure that our CSR initiatives are carried out and reported in a responsible, transparent, and impactful manner. Our dedication to people and the planet fuels our efforts to improve lives, protect the environment, and unlock human potential. Through innovative outreach and data-driven solutions, we address the most pressing needs of society. Our CSR philosophy is rooted in the belief that every individual in Pakistan deserves access to quality healthcare, education, nutritious food, and economic opportunities.

We work collaboratively, leveraging science and innovation, to deliver transformative solutions and pave the way for a resilient, sustainable future. By challenging the status quo, we aim to create a path toward shared prosperity for all stakeholders. Our CSR programs are steered by a dedicated Management CSR Committee, which oversees welfare initiatives nationwide. This structure ensures adherence to best practices, operational excellence, and alignment with globally recognized standards and sustainable development goals.

## FFC: A Partner in Global Initiatives

FFC joined the United Nations Global Compact (UNGC) in 2010, demonstrating its dedication to sustainable and responsible business practices. Since then, the company has consistently submitted Advanced-Level Communication on Progress (CoP) Reports to the UN, highlighting its efforts to uphold the 10 principles of Human Rights, Labour, Environment, and Anti-Corruption.

In February 2016, Pakistan's Parliament approved the Sustainable Development Goals (SDGs) as the national development agenda, aligned with the Pakistan Stock Exchange (PSX) SDG framework. In response, FFC adopted the SDGs and began reporting its progress toward these global goals. In 2020, FFC advanced its sustainability efforts by initiating





the systematic embedding of SDGs into company policies. As part of this process, the company prioritized 10 specific SDGs, integrating them into its corporate strategies to ensure meaningful contributions to sustainable development:



### End Hunger

We aim to end hunger, achieve food security and improved nutrition, and promote sustainable agriculture.



### Good Health and Well Being

We aim to ensure healthy lives and promote well-being for all at all ages.



### Quality Education

We aim to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



### Gender Equality

We aim to achieve gender equality and empower all women and girls.



### Clean Water & Sanitation

We aim to ensure availability and sustainable management of water and sanitation for all.



### Affordable and Clean Energy

We aim to ensure access to affordable, reliable, sustainable and modern energy for all.



### Decent Work and Economic Growth

We aim to promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.



### Industry Innovation and Infrastructure

We aim to build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.



### Responsible Production & Consumption

We aim to ensure sustainable consumption and production patterns.



### Climate Action

We aim to take urgent action to combat climate change and its impacts.

## FFC: A Partner in Prosperity

FFC takes pride by creating value and positive impact for the communities where it operates. To manage and deliver the best projects for the community with the impact desired by the management, FFC partners with Sona Welfare Foundation (SWF), a registered non-profit organization with the necessary expertise and long-standing knowledge in executing sustainability and development projects across Pakistan. During the year 2024, following community impact projects were undertaken: -



### Zero Hunger

FFC has continuous commitment towards food security, thereby, investing in farm advisory to increase farm productive potential and livelihood for the farming community. In the direction Farmer Advisory Cells (FAC) have been established in various parts of the country which are in continuous liaison and coordination with the farming community to educate them on Good Agricultural Practices. FACs adopt an integrated approach of agronomic, extension and soil testing activities which includes laying-out crop demonstration plots and conducting fertilizer trials in farmer fields, agricultural seminars, farmer meetings, village meetings, group discussions, blitz programs, field days, training programs and farm visits.

Moreover, we are also supporting farmer communities through our dedicated Food Security & Agriculture Center of Excellence (FACE) at Ahmed pur Lamma to address the food security crisis in the country by aiding the small and medium farmer through a revolutionary one window solution for their socio-economic welfare needs through increased yield, profitability while reducing input cost and impact on the environment.



### Good Health & Well Being.

Our healthcare program provides quality facilities to local communities around our plant sites. We regularly organize medical camps in remote communities to address pressing healthcare issues faced by underprivileged groups, ensuring everyone can access essential medical care.

### Sona Welfare Hospital (SWH), Mirpur Mathelo

SWH is a premier healthcare initiative focused on assisting the underprivileged community of Mirpur Mathelo. It primarily offers free and subsidized medical

# SOCIAL AND RELATIONSHIP CAPITAL

services. SWH features advanced facilities, including a dedicated maternal and child health unit managed by a dedicated female physician. In 2024, over 30,000 patients received complimentary treatment. Due to its high standard of care, SWH is acknowledged as one of the top medical centers in the region.

## Medical Camps, MM:

FFC continues its commitment to combat Hepatitis B and C as part of its vital CSR initiative. To support this effort, Sona Welfare Hospital (SWH) organized six medical camps in collaboration with the District Health Office, Ghotki, in and around Tehsil Mirpur Mathelo.

## Hazrat Bilal Trust Hospital (HBTH) Goth Machhi, Rahim Yar Khan

HBTH is a partner facility that provides quality health services at no cost to over 100,000 patients yearly in the surrounding areas of Goth Machhi, Rahim Yar Khan.

## Breast Cancer Awareness Month

FFC acknowledges the concerning rates of mortality and morbidity linked to breast cancer each year and celebrates Breast Cancer Awareness Month in October to express solidarity with women across Pakistan. The company has conducted awareness sessions for women at all FFC locations. In 2024, FFC funded the treatment of two cancer patients, contributing PKR 2.6 million to SKMH&RC in Lahore.



## Quality Education.

We are dedicated to enhancing the educational standards and socioeconomic growth of the communities near our plant sites. Our multifaceted strategy is focused on providing quality and affordable education for deserving students throughout Pakistan. FFC has founded the Mirpur Mathelo welfare school around plant sites and adopted government schools at Goth Machhi. Students from the local communities attend these institutions, benefitting from quality education at minimal cost.

## Sona Public School & College (SPS&C)

The Sona Public School & College, located in Mirpur Mathelo, provides quality

education to poor and underprivileged children from the surrounding areas. Over the last two decades, it has positively impacted the education of children from disadvantaged backgrounds. The student population has grown from 586 to approximately 1,360 in the past four years. Our education program prioritizes female education, and to accommodate approximately 200 female students from economically disadvantaged backgrounds, the existing girls' section was extended last year. Furthermore, four classrooms for the junior section were constructed and opened in the previous year to address the lack of pre-junior education facilities near the plant site.

## Construction of Class Rooms (Girls Section).

Special emphasis is being given towards the female education and separate girls section was established in 2020 and its extension is continued (construction of 1 x class room) with verandah and furniture to accommodate around additional female students to provide quality education opportunities to girls.

## Sona Ward of Farmers Scholarship (SWOF) program

The program is directed towards farmer's community belonging to underprivileged areas of Pakistan. Yearly 76 vacancies are extended to deserving students from across the country. In 2024, 392 students have availed this scholarship

## Merit Scholarship Scheme at Sadiqabad, District Rahim Yar Khan

This program was launched in 2013 in which 20 Scholarships are exclusively provided to deserving students of Rahim Yar Khan area every year. As of today, 170 students have availed this scholarship and completed their education.

## Sponsorship of Students through Al-Mujtaba Trust

In order to create impact at larger scale FFC has collaborated with reputable NGO Al-Mujtaba Trust providing scholarships and financial assistance to targeted students from underprivileged families to enable them to study and excel in existing or higher quality schools and colleges and arrange for technical education for those who do not show aptitude for higher education to develop skilled workforce of the future.

## FFC School Adoption Program

FFC, as part of a comprehensive program for adopted schools, provides infrastructure, education, study aid, and other administrative support to government schools and colleges in selected areas. The program operates in the Goth Machhi Sadiqabad area, where five government schools have been adopted. These schools benefit over 2,050 students: 600 boys and 1,450 girls.

## Vocational Training Center (VTTC), Jhampir

Ladies Vocational Training Center (LVTC) at Plantsite, Jhampir was developed in line with company's vision towards Sustainable Development Goals (SDGs) for Poverty Eradication and Women Empowerment. After completion of building works, the 1st training batch has successfully completed. The comprehensive curriculum covered cutting, sewing, embroidery and rilly making skills.

## M & R of Higher Secondary School Jhampir

The Higher Secondary School, Jhampir (HSS), serves as the sole government institution for a large population offering education for Grades VI to XII since its upgradation from secondary to higher secondary school in 2002. Presently, it accommodates 850 students enrolled across different grades.

## M & R Primary School Jhampir

The Government Primary Boys and Girls School Jhampir provides education to children from nearby localities. The school is established since 1987 and presently accommodate 80 students enrolled across Grades I to V.



## Clean Water & Sanitation.

Availability of clean and safe water, sanitation and hygiene is basic human need to ensure health and well-being of our people. Company supports and strengthen local communities by improving and installing water and sanitation management facilities. In year 2024 following project are completed.

## Well Water Project FFC-GM

Well water quality is on continuous decline with canal availability at average remaining 41% against 80% design supply for past 10 years. To address water quality problem, phase wise construction of new tube wells is being planned. For phase – I, construction of 11 tube wells has been approved in Capex-2024. Construction, development & testing of 11 EA tube wells along with associated civil foundations, piping, machinery & electrical works have been completed. New tube wells have been commissioned.

## Construction of 04 New Tube Wells at FFC-MM:

To improve raw water quality, Construction of 04 tube wells have been completed along right bank of Masu Wah canal. Improved water quality shall reduce the water treatment cost and ensure sustainable supply of quality water.



## Decent Work and Economic Growth

FFC social interventions are directed towards inclusive and sustained economic growth creating productive employment opportunities through skill training and empowering human resource to increase their economic well being.

### Ladies Vocational Training Center (LVTC)

As a step towards Women Upliftment in underprivileged areas, FFC CSR Program is in process to establish Ladies Vocational Training Center (LVTC) at Jhimpir to revive and give the women of the area necessary skills / guidance related to cloth cutting, sewing, embroidery, rilly making, Nazra-e-Quran. Project is planned to target above 600 women in neighbouring villages.

- The Technical Training Center (TTC)–MM offers an internship program for university students at Daharki. A total of 84 participants, including 61 males and 23 females, took part in the program. Also, 40 students, including two females from TTC Daharki, participated in the program.
- TTC–MM provides trade apprenticeship training, a two year program for FSC/Diploma holders. In 2024, 16 individuals finished their training, and 64 are currently undergoing it.



## Sustainable Cities and Communities

Underprivileged communities especially in remote areas have been centric to FFC's approach towards community development. Our endeavours include but not limited to the following:

### Partnering with Akhuwat Foundation

This year marked the completion of a five-year initiative between the Sona Welfare Foundation and the Akhuwat Foundation to promote financial inclusion and empower marginalized communities by providing interestfree loans. This initiative has supported individuals in starting or expanding small businesses, fostering self-sufficiency. The Sona Model Village was established in Mirpur Mathelo to stimulate social mobilization and developmental efforts. 2,174 loans worth Rs. 78.5 million have been provided in Mirpur Mathelo and surrounding areas, resulting in an impressive 99.97% repayment rate. The loans benefited 78% female and 22% male borrowers. The program facilitated community participation, mobilized resources, and transformed neighbouring villages into modern, developed towns



## Climate Action

### Tree Plantation in Schools and other areas.

FFC has continued its tree plantation campaign, fostering environmental awareness among students and teachers. Actively engaging in plantation activities, we are also promoting the concept of "Own a Tree" to encourage long-term care and responsibility. This initiative reflects our commitment to a greener and more sustainable future.

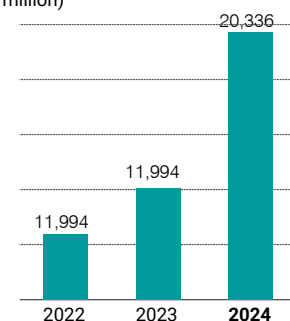
### Maintenance of Neem Tree Plantation, Jhampir.

Keeping with the vision of making Pakistan Clean and Green, FFC has planted above 5,000 Neem saplings in 2021 & 2022 as part of CSR program. Approximately two years have passed since the commencement of operation and maintenance of Neem tree plants. The survival rate of plants is ~ 99%, an exceptional achievement in barren environment of Jhampir. The funding for the project was utilized for following activities:

- Salaries for gardeners / caretakers
- Provision of water tankers
- Provision of pesticides, etc.

Currently ~ 4,950 plants / trees are at various growth stage with height ranging from 3 to 10 feet.

## Economic Value Added (Rs million)



# SUSTAINABILITY REPORTING AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

## Board's Commitment to CSR Best Practices and Continuous Improvement

The Board of FFC is committed to adhere the SECP Guidelines for CSR-2013, by emphasize the critical role of corporations in driving the nation's development. The Board is dedicated to adopting and implementing CSR best practices, ensuring their integration into business strategies and focused to bring continuous improvement through periodic reviews to maintain the relevance and effectiveness of CSR initiatives, reinforcing FFC's dedication to sustainable and responsible corporate practices.

## Board's Statement on Strategic ESG Objectives and Sustainability Reporting in Line with IFRS S1 & IFRS S2

The Board is committed to integrate ESG considerations into our strategic objectives to ensure sustainable growth and long-term value creation. The board is geared up to adopt IFRS S1 and IFRS S2 standards, to provide transparent and comprehensive sustainability reporting.

Our environmental objectives focus on reducing emissions and promoting sustainable agricultural practices. Socially, we aim to enhance community engagement and support local development initiatives. Governance-wise, we strive

to strengthen ethical conduct and compliance practices. For stakeholders, we disclose sustainability-related risks and opportunities, workforce diversity, product sustainability, and community contributions. While we are not providing scenario analysis this year, we plan to include it in our future reports.

By adhering to IFRS S1 and IFRS S2, we are committed to align our reporting with global best practices, offering stakeholders the information needed for informed decisions.

## Disclosure of Sustainability-Related Risks, Opportunities, and Financial Impact Across Time Horizons

Company specific risks and opportunities are mentioned above. However, the complete financial impact of these risks and opportunities is not available this year.

## Disclosure of Core Sustainability Pillars: Governance, Strategy, Risk Management, and Metrics & Targets

The information about the four content pillars shall be provided in the sustainability report section along with metrics. The existing targets for 2026 have been replaced with targets 2030 with the launch of sustainability strategy.

## Disclosure of Sustainability-Related Risks and Opportunities Across the Value Chain

The content is compiled and included in the Sustainability Report.

 Refer page 170-171

## Disclosure of Climate-Related Risks and Opportunities Under IFRS S2

The content is compiled and included in the Sustainability Report.

 Refer page 172-175

## Chairman's Perspective on the Financial Impact of Sustainable Practices

The Board of FFC is committed to adhere the SECP Guidelines for CSR-2013, by emphasize the critical role of corporations in driving the nation's development. The Board is dedicated to adopting and implementing CSR best practices, ensuring their integration into business strategies and focused to bring continuous improvement through periodic reviews to maintain the relevance and effectiveness of CSR initiatives, reinforcing FFC's dedication to sustainable and responsible corporate practices.





## Sustainability and CSR Commitment: Social, Environmental, and Technological Initiatives

The content is compiled and included in the Sustainability Report.

 Refer page 160

## Compliance with SECP CSR Guidelines, 2013 and Sustainability Certifications

At FFC, we adhere to the SECP Guidelines for CSR-2013, which emphasize the critical role of corporations in driving the nation's development. These guidelines ensure that our CSR initiatives are carried out and reported in a responsible, transparent, and impactful manner. Our dedication to people and the planet fuels our efforts to improve lives, protect the environment, and unlock human potential. Through innovative outreach and data-driven solutions, we address the most pressing needs of society. Our CSR philosophy is rooted in the belief that every individual in Pakistan deserves access to quality healthcare, education, nutritious food, and economic opportunities

# FOOD SECURITY AND AGRICULTURE CENTER OF EXCELLENCE (FACE)

Food Security and Agriculture Centre of Excellence (FACE), a Not-for-Profit initiative of FFC, is committed to advancing National Food Security, Crop Productivity, Climate Smart Agriculture.





In 2024, FACE's areas of focus included Improving Crop Yields, Climate Change Adaptation, Precision Agriculture and Mechanization.

A range of impactful activities were conducted in 2024, following are the details:

## Partnering with Punjab Government to transform Agriculture

To make a meaningful impact in any sector partnering with the relevant public sector department is an effective way to maximize the impact as they have a multi-discipline team present with best possible geographical spread.

FACE management decided to partner with Punjab Agriculture Department therefore after obtaining approval from Punjab Cabinet an

MoU was signed between both parties on 19th December 2024. Under this agreement FACE will provide technological support, facilitate access to international experts and assist in infrastructure development of agriculture department.

## Capacity Building Programs through Foreign Experts

Chief Scientist IFDC-USA Dr. Upendra Singh was invited to conduct capacity building sessions for Agriculture Department Punjab, academia (faculty & students), farmers and Agri oriented businesses.

Two separate sessions were held, one each in Lahore & Multan. In addition to the above FACE conducted 48 sessions for the farmers which were focused on sustainable agriculture and climate-smart practices.

A fair estimate is that through above mentioned programs the message will directly / indirectly spread to farmers covering 20,000 acres.

## Advocacy of "National Adaptation Plan" - District Governments

"National Adaptation Plan-2023" lays out the guiding principles, initiatives, and plan for Pakistan's adaptation processes w.r.t climate change. It was issued by Ministry of Climate Change and it outlines the roles and responsibilities of various departments starting at district government level.

Recognizing the information gap at district level FACE initiated advocacy and awareness campaign in districts relevant to FFC business. Three seminars were conducted one each in Rahim Yar Khan, Sahiwal & Rajanpur to support the Government of Pakistan (GoP) in implementing National Adaptation Plan (NAP). These sessions strengthened collaboration among local

governments, farmers, and civil society for better on-ground impact.

## Strengthening Potato Value Chain

Potato is the 3rd most important food crop in Pakistan. However, due to lack of latest technology gap in SMEs involved engaged in supply chain the yield and quality in Pakistan is very low. To overcome this, FACE in partnership with "Fresh n Freeze" has launched a project which shall bring in mechanization, improve supply chain losses through international experts.

It is expected that qualifying yield of process grade potato will rise by 20%.

The first tranche of equipment has already been ordered and a joint team of FACE & FFF has undertaken training at equipment manufacturer facility in Germany.

## Wheat Yield Increase

A vast majority of small farmers use home grown seed for the next crop. This seed lacks vigor and is prone to disease and hence the yield is compromised. FACE produced certified wheat seed for 6400 acres and the same was provided to the farmers at highly subsidized price. We ensured that only small farmers benefit from this and where able women farmers are present they are given priority.

## Precision Agriculture

20,000 acres were brought under precision agriculture through FACE operated fleet of Agri-Drones. Our focus was to introduce the technology to farmers of different crops. This year the crops serviced included sesame, potato, wheat, maize, rice, and sugarcane. This flagship program aims to strengthen food security and climate resilience in Pakistan by leveraging AI-driven precision agriculture drones.



# FOOD SECURITY AND AGRICULTURE CENTER OF EXCELLENCE (FACE)

## Restoration of Social Services and Climate Resilience – Rajanpur

FACE is executing a Rs. 50 million project funded by Pakistan Poverty Alleviation Fund (PPAF) in Rajanpur. The project is about developing climate-resilient infrastructure to reduce vulnerability and restoration of social services. The project is set to benefit 29,000 local natives impacted by 2022 floods.

## Anti-Smog Measures and GHG Curtailments

In an effort to tackle crop burning and smog, Zero Tillage project was introduced. Training of 1000+ farmers through demonstration on 120 acres was carried out especially in the vicinity of LHR-ISB motorway to gain maximum benefit. This practice eliminates crop stubble burning, blends residue into the soil, and simultaneously sows the next crop.

## Promotion of Renewable Energy through Biogas Plant

For the promotion of clean energy amongst farmer households a community kitchen powered by two biogas plants with the capacity of 50m<sup>3</sup> was setup in Sahiwal. The setup is serving 50 households, with women being given the key role to manage and maintain the facility. The allocation of leadership role to women for project is intended to promote gender equality in rural areas.

## Regenerative Agriculture through Vermicompost

A pilot vermicompost unit was setup in Sahiwal with the aims to enhance soil fertility and productivity through improved soil health. The vermicompost unit at FACE Sahiwal engaged over 500 local farmers and community members, thereby promoting climate resilient practices

## Recycling of Woven Polypropylene Bags

To evaluate the possibility of adding a %age of recycled WPP material in manufacturing of new bags and the potential of used WPP bags collection from farmers for redirecting them to WPP manufacturers for recycling FACE launched a pilot project in Faisalabad region. Bags with 15% recycled material were manufactured however they did not pass the destruction test conducted at FFC-GM.

Collection of used bags for recycling by manufacturers is also complete and the data is being compiled the future course of action shall be decided once the results are available.

## Water conservation through precision Land Levelling

Precision land levelling awareness through practical for reducing water consumption by 20-30% was carried out on several locations and we reached out to 500 farmers.

## Events Hosted/ Co-hosted

FACE's innovative programs and initiatives in 2024 led to measurable achievements in agriculture, climate resilience, and community empowerment.

## COP-29-Baku, Azerbaijan

FACE successfully co-hosted three sideline events in collaboration with ICARDA, UN Living Indus, and ICESCO. Topics included:

- Economic Impact of Climate Change on Agriculture
- Climate Change and Anti-Microbial Resistance
- Integrating Permaculture and Predictive Modeling

## World Environment Day

In partnership with COMSATS, MOCC and NDMRF we co-hosted an event in Islamabad on "Climate change in Pakistan" to mark World Environment Day 2024. The event featured government officials, UN agencies, and diplomatic missions.

## Cultural Change Initiatives

FACE embedded a cultural shift within its organization and amongst the communities we work with:

- **Employee Well-being**

Work life balance was promoted by encouraging employees to take up healthy activities including use of company gym and female participation in sports.

- **Transparent Decision Making & Open Communication**

Conducive environment was created through frequent informal huddles and employees were motivated to share ideas, feedback, and concerns. They were kept engaged and informed about departmental decisions, project updates and open discussion and sharing was rewarded through appreciation.

- **Promoting Gender Balance**

Special attention was given to inclusion of women in activities we undertake. Two women were engaged in FACE field force at Rajanpur project. We ensured a certain 10% women from Agriculture Department & academia participate in our trainings



# NATURAL CAPITAL

## Value Creation Business Model



Refer page 186

## Contributing to SDGs



|                |                                                            |                                                  |                                               |
|----------------|------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------|
| Inputs         | 40,431,184 GJ Energy consumption                           | 18,893 ML Water usage                            | 2.2 MW Solar Power System                     |
|                | Bio-diversity & eco-system preservation                    | Responsible use of scarce resources              | Zero-waste mindset                            |
|                | Resource circularity                                       |                                                  |                                               |
| Outputs        | Rs 286 million spent on energy efficiency projects         | R&D to produce environmentally friendly products | 99% survival rate of planted 5,000 Neem trees |
|                | 271.46 tons CO <sub>2</sub> emission averted by Neem trees | Energy consumption increase by 239,142 GJ        | 11,342 GJ clean energy produced               |
|                | Water consumption increased by 6,258 ML                    |                                                  |                                               |
| Value Creation |                                                            | Value Preservation                               |                                               |

Value Creating Business Model – page 186

## Capital Snapshot



Regenerative Agri  
**Vermicopost**



Recycling  
**WPP** Bags



Plantation  
**Neem Trees**



Material Optimization  
**PP Bags**



Energy Efficiency  
**Plant Sites**



Recycled  
**Urea Dust**

FFC, a leader in Pakistan's fertilizer industry, plays a vital role in strengthening the agricultural sector and ensuring national food security. By efficiently utilizing natural capital, FFC adds significant value while addressing challenges like climate change, water scarcity, and biodiversity loss. The company recognizes its responsibility to drive change through strategic business initiatives that prioritize sustainability and environmental stewardship.

To tackle these challenges, FFC is investing in cutting-edge, environmentally sustainable technologies, focusing on water resource management and renewable energy solutions. Plant upgrades, cleaner technologies, and a shift towards renewable energy reinforce its commitment to reducing environmental impact. The company continuously explores solutions for operational challenges, including unreliable energy sources, while ensuring efficiency in production and sustainability efforts.

FFC acknowledges the effects of excessive fertilizer use on soil health and water pollution, emphasizing sustainable solutions to enhance soil fertility. With Pakistan's nutrient-deficient soil and reliance on synthetic fertilizers, its research and development efforts aim to balance productivity with environmental responsibility. The company also prioritizes biodiversity conservation and climate-resilient agricultural practices, addressing the impacts of rising temperatures, shifting rainfall patterns, and extreme weather events to uphold sustainable agriculture and industry practices.

# FORWARD LOOKING STATEMENT

This forward-looking statement offers stakeholders insights into the management's vision and strategy for the Company's future direction. It is vital for stakeholders to stay informed about the Company's activities and future plans to make well-informed decisions regarding their relationship with the Company. It presents the Company's expected future performance based on current plans and assumptions while acknowledging that outcomes may vary due to local and global uncertainties or events that may significantly impact future results. Stakeholders are encouraged to consider this statement alongside the Chairman and Chief Executive Reviews, Financial Capital, and other relevant sections of the Annual Report.

## 2024 Overview

The economy witnessed a moderate recovery in 2024 despite challenges of fiscal consolidation, monetary tightening, geopolitical tensions, and persistently high inflationary pressure. The company maintained operational efficiency despite rising costs and a higher tax burden. Profitability was driven by increased fertilizer sales, enhanced dividend income, and improved investment income. The merger of FFBL with and into FFC and investment in Agritech are expected to create synergies by integrating operational, technological, and skilled human resources.

While the global decline in inflation is a major milestone for 2024, downside risks are rising and now dominate the outlook: an escalation in regional conflicts, monetary policy remaining tight for too long, a possible resurgence of financial market volatility with adverse effects on sovereign debt markets. Moreover, despite a sharp and synchronized tightening of monetary policy around the world, the global economy has remained unusually resilient throughout the disinflationary process, avoiding a global recession. (Source: IMF World Economic Outlook October 2024).

## Fertilizer Supply/Demand

The fertilizer markets stabilized during 2023 and the first half of 2024 despite persistent global disruptions in commodity markets. Fertilizer demand remained vulnerable to risks from geopolitics, economic shifts, and climate

factors. Macroeconomic pressures, including inflation and high-interest rates, constrained borrowing capacity for producers and consumers. However, fertilizer affordability significantly improved in H1 2024 compared to the preceding 18 months.

The latter part of the year experienced increased price volatility in the global urea market, primarily due to a sharp reduction in Chinese exports and tight supply conditions in the Arabian Gulf, significantly impacting global pricing and supply dynamics.

The global phosphate market remained tight throughout the year, with strong demand and constrained supply driving prices higher. The continued import demand from India and the absence of Chinese exports, is expected to further tighten the DAP market, keeping prices stable in the near term. (Source: (IFA Medium Term Outlook)

The domestic urea market remained stable during the year, meeting the demand with sufficient supply met through local production as well as import of 220 KT by the government. The indigenous production was supported by the enhanced gas supply to the urea industry, minimizing the need for imports.

The local DAP market was well-supplied with availability of around 1.6 million tonnes. Consumption in the DAP market remained slow due to the end of seasonal demand, causing dealers to take a cautious stance. The DAP market is expected to remain sluggish in the near

term. However, the industry's closing stock of under 100 KT is a positive indicator for the phosphate market's stability.

## Fertilizer Outlook

Domestic DAP market is heavily dependent on imported raw materials and finished products, local DAP prices, thus largely depend on international market trends, subject to any unusual currency fluctuations

## Analysis/ Comparison of Last Year's Forward-Looking Statement / State of Projects

A relatively stable economic environment and a strong management focus on efficiency improvements and cost optimization enabled the Company to deliver exceptional results. This, was further enhanced by consolidating FFBL's results as a result of merger for the six months period starting from July 1, 2024, contributing to a healthier overall outcome.

The equity investment in renewable energy subsidiaries continues to contribute significantly through dividends, enhancing the Company's profitability.

The performance of Thar Energy Limited also remained satisfactory.

The GIDC case, concerning the factual determination of the actual pass-on of the levy to customers, remains sub-judice. Following the stay granted by the Sindh High Court, the installments of the GIDC liability are being withheld. The final outcome will depend on the court's orders.

The management has continued its rigorous follow up on the outstanding fertilizer subsidy and sales tax receivables through various forums. However, no progress has been made due to the economic situation in the Country.

Gas prices for fertilizer manufacturers witnessed a significant increase starting in October 2023.

## Source of Information and Assumptions Used for Projections / Forecasts

Corporate strategy and business objectives form the foundation of all operational and financial plans of the Company. These plans are developed based on assumptions drawn from historical trends, financial and quantitative data, local and international economic outlooks, industry trends, the geopolitical environment, and other relevant factors that are deemed to have a significant and material impact on both immediate and long-term plans and policies.

External information for projections and plans is derived from government, regulatory, and taxation authorities, as well as analyst reports, market data, and forecasts of interest and foreign currency rates. Furthermore, industry reports, competitors' strategies, global market trends, micro and macroeconomic indicators, international fertilizer prices, and supply-demand dynamics play a crucial role in shaping these projections.

Internally generated information influencing forecasts is sourced from various Company functions, including

Marketing, Finance, Manufacturing & Operations, Technology & Engineering, and Human Resources. This data is corroborated with external information sources before being integrated into formal plans. Both the internal and external environments are continuously monitored for changes, and necessary adjustments are made to planned forecasts accordingly.

The Company adheres to a rigorous process when exploring new ventures, beginning with comprehensive internal due diligence to evaluate financial, legal, and technical aspects. External consultants are then engaged to conduct detailed feasibility studies and analyses, aligning with best practices and safeguarding shareholders' interests. Stakeholders are kept informed throughout the project's various stages, including updates on progress and any changes to anticipated outcomes.

## Future Outlook

### International Economic Outlook

Growth is projected to hold steady at 3.2 percent in 2024 and 2025, even though a few countries, especially low-income developing countries, have seen sizable downside growth revisions, often as a result of increased conflicts. Global inflation is projected to decline to 4.3% in 2025. However, challenges and uncertainties on the path to price stability remain a possibility. (Source: IMF World Economic Outlook October 2024).

### Economic Outlook of The Country

GDP growth is expected to gradually recover, though it will remain below its potential. The Country's economic growth for 2025 is estimated at 3.2%, supported by improved availability of imported inputs, reduced domestic supply chain disruptions, and lower inflation. However, growth is expected to be constrained by tight macroeconomic policies which might negatively impact economic activity. (Source: World Bank)

## Future Outlook of FFC

2024 marked an incredible journey of record-breaking achievements, strategic milestones, and transformational growth for the Company. Looking ahead, 2025 brings exciting opportunities to build on synergies, launch innovations, optimize costs, and advance operational sustainability with a focus on growth and diversification.

The Company remains committed to strengthening collaboration across all functions, developing enhanced-efficiency fertilizers to meet the evolving needs of agriculture, driving efficiency through digital transformation and modernization, ensuring the availability of critical raw material to sustain production, and expediting key feasibilities to solidify long-term growth.

The successful merger of FFBL with and into FFC, and the investment in Agritech Limited, has established FFC as the largest fertilizer producer in the Country. The Company remains committed to enhancing efficiency through digital transformation initiatives and the modernization (BMR) of its plants, while promoting a culture of shared purpose and teamwork.

We shall continue to work diligently on PEF project and laying of alternative gas pipeline to keep both the projects progressing as per respective schedules.

FFC achieved record urea production levels during 2024 and output of FFBL also increased because of sustained gas supply. These levels would be difficult to be maintained in 2025 especially because two plant turnarounds at Goth Machhi plant sites are planned in addition to turnarounds at plant site Port Qasim. We are however, focused on supplying optimal fertilizer quantities during 2025 despite above challenges.

The investment income is also expected to remain low due to decreasing policy rates.

The Company has successfully established 75 Company-owned sales outlets, known as Sona Centers, across the country, offering fertilizers at specified rates directly to the farmers. The Company plans to expand this network in year 2025.

## Response to Future Challenges and Uncertainties

### Key Projects to support future performance

The uninterrupted supply of major raw materials, including gas and phosphoric acid, remains vital for the Company's smooth operations and sustainable growth. The ongoing Pressure Enhancement Facilities project is set to provide an un-interrupted gas supply upon completion, ensuring operational stability. Initiatives focused on modernizing aging plants and introduction of new value-added products are critical for achieving the Company's long-term growth targets.

Our subsidiaries hold significant potential for growth and alternative revenue streams. Fauji Foods Ltd has effectively navigated competitive challenges, establishing strong market presence and product acceptance. The Company is poised to achieve its full potential, contributing meaningfully to shareholder returns, achieving net profitability of Rs 656 million during 2024 as compare to Rs 605 million.

Ongoing operational projects are detailed in the respective Capitals sections, including Manufactured, Intellectual, and Human Capital on Page No. 120, 130 & 134.

### Key Risks and Uncertainties Affecting FFC

Depleting gas reserves, elevated input costs, uncertainties in the supply and pricing of imported raw materials, complexities in the international DAP market and poor farm economics pose substantial risks to the Company's smooth operations and profit margins.

The downward adjustment of interest rates would lead to a reduction in interest income compared to the record levels achieved in 2024 and 2023.

Capital intensive projects during 2025 would further pressurize the investment income of the Company impact availability of cash flows overall profitability, especially as capital-intensive projects aimed at upgrading aging plants.

Additionally, DAP profitability remains vulnerable to inherent risks related to international pricing fluctuations and disruptive supply chains, often aggravated by regional conflicts. Such uncertainties directly affect the supply-demand dynamics and affordability of DAP in the country, further influencing the Company's financial performance.

Any further increase in gas pricing would negatively impact the Company, leading to higher production costs that would have to be passed on to consumers. This could result in reduced demand potentially harming the Company's financial performance and negatively impacting the food security in the country.

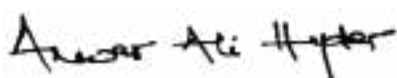
Moreover, the imposition of additional taxes and regulatory duties poses a significant challenge to maintaining sustained profitability, making it more difficult to achieve growth targets and invest in necessary infrastructure or operational improvements.

This forward-looking statement reflects the current year's developments and expectations, as outlined in the CEO & MD Review for the year ending December 31, 2024. It offers stakeholders FFC's future outlook, providing valuable insight into the Company's strategic direction and market conditions helping to align expectations and guide in decision-making.

Building on the success company's owned retail outlets of fertilizer, the FFC plans to expand the initiative by opening 30 additional outlets in the coming year.

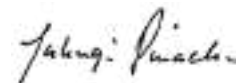
By adhering to global best practices, the Company is committed to integrating Environmental, Social, and Governance (ESG) factors into its sustainable growth strategy. While gearing up for implementing IFRS S1 and S2 standards, the focus is on fostering transparency in sustainability reporting. Key objectives include reducing emissions, promoting sustainable agriculture and enhancing community engagement.

Government policies play a pivotal role in fostering growth and resilience, especially in sectors like agriculture, vital for ensuring food security. A safe and conducive business environment, coupled with consistent and favorable economic policies, is essential for the nation's long-term sustainability and prosperity.



**Lieutenant General Anwar Ali Hyder,**  
**Hilal-e-Imtiaz (Military) (Retired)**

Chairman  
Rawalpindi  
January 29, 2025



**Jahangir Piracha**

Managing Director & Chief Executive Officer



# GLOBAL FERTILIZER OUTLOOK

## Fertilizer Outlook 2025

The fertilizer market stabilized in 2023 and H1 2024 despite global disruptions. Fertilizer affordability improved, boosting phosphate and potash consumption, though geopolitical, economic, and climate risks persist. Trade disruptions and decarbonization challenges remain, while political shifts in 70+ countries may impact industry policies. Stakeholders stay committed to sustainability, resilience, and long-term value.

## Supply Forecast

### Medium-Term Fertilizer Outlook 2024 – 2028

Capacity will be determined mainly by the pace of recovery in Russia and Belarus, and changing economics elsewhere. Global nitrogen capability is forecast to increase from 156.9 Mt N in 2022, to 170.7 Mt N in 2027, a 9% growth rate, Potash capability is forecast to increase from 46.7 Mt K<sub>2</sub>O in 2022, to 54.6 Mt K<sub>2</sub>O in 2027, a

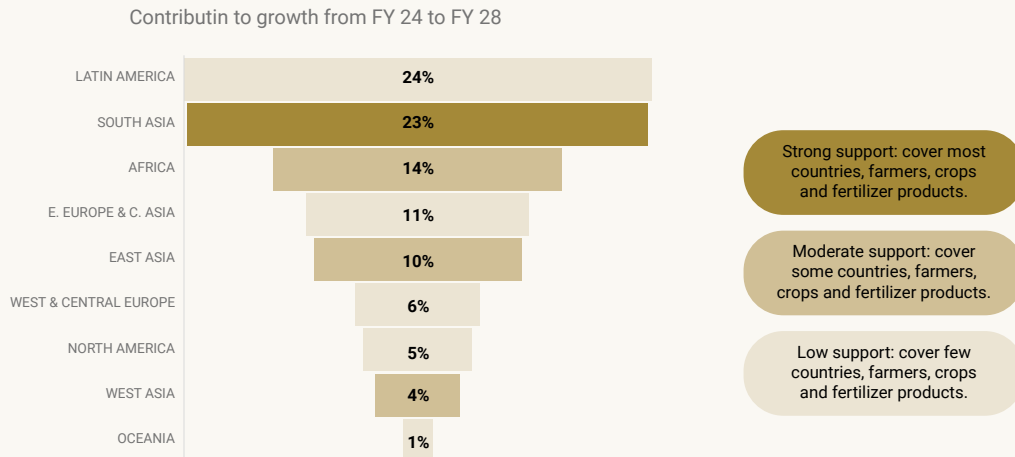
17% growth rate and Phosphate capability is forecast to increase from 51.3 Mt P<sub>2</sub>O<sub>5</sub> in 2022, to 57.7 Mt P<sub>2</sub>O<sub>5</sub> in 2027, a 12% growth rate.

## Fertilizer Consumption Forecast

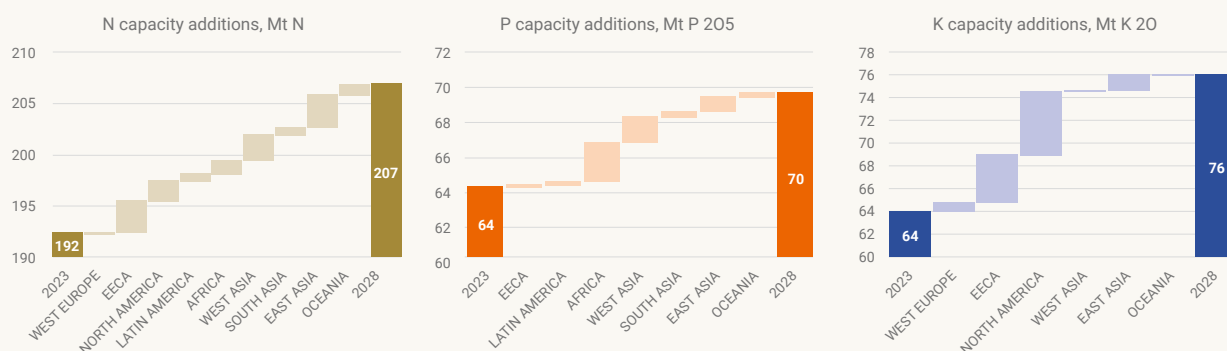
### Medium-Term Fertilizer Outlook 2024 – 2028

Global fertilizer consumption grew 4% in FY 2023 and 3% in FY 2024, surpassing FY 2020 levels due to falling prices and improved affordability. Latin America and East Asia drive growth, while WCE and South Asia see declines. China's N use rebounded with subsidies, while India's support boosted N and P<sub>2</sub>O<sub>5</sub> but left K<sub>2</sub>O behind. WCE's consumption remains 12% below FY 2020 due to high prices, regulations, and extreme weather. Growth is expected to slow from FY 2024 to FY 2028, with southern regions leading demand. Government support remains crucial, while extreme weather events pose major risks to fertilizer demand.

## An important assumption: continuation of government support



## N, P and K capacity additions are forecast to total more than 35 Mt nutrient in the next five years



Source: IFA





# 03

## SUSTAINABILITY REPORT

Assessment of the Company's value creation  
ability and contribution towards Sustainable  
Development Goals

|                                                 |     |
|-------------------------------------------------|-----|
| Leadership with Impact                          | 159 |
| Building Momentum for a Sustainable Tomorrow    | 179 |
| Embracing Harmony with Nature                   | 193 |
| Nurturing People, Building Thriving Communities | 205 |
| Food Security and Resilient Practices           | 219 |
| Forward-looking statement                       | 234 |
| Appendices                                      | 235 |

# CONTENTS

Respecting and Promoting Human Rights

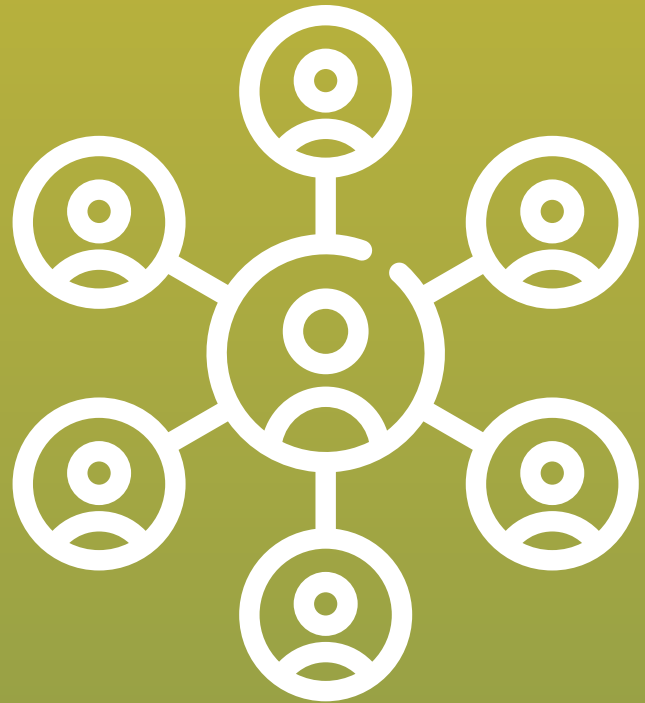
|           |                                                                            |     |
|-----------|----------------------------------------------------------------------------|-----|
| <b>01</b> | <b>Leadership with Impact – Driving Sustainability for Positive Impact</b> |     |
|           | 2024 Sustainability Highlights .....                                       | 160 |
|           | ESG Journey .....                                                          | 161 |
|           | What We Offer .....                                                        | 162 |
|           | Aligning Solutions with Nature<br>SDGs and FFC .....                       | 164 |
|           | Leadership Commitment to<br>Sustainability .....                           | 167 |
|           | Impacts, Risks and Opportunities .....                                     | 168 |
|           | Stakeholders .....                                                         | 176 |
| <b>02</b> | <b>Building Momentum for a Sustainable Tomorrow</b>                        |     |
|           | On Track to Achieving 2026<br>Commitments .....                            | 180 |
|           | Sustainability Strategy 2030 .....                                         | 182 |
|           | Turning Risks into Opportunities for<br>Sustainability .....               | 184 |
|           | Value Creation Business Model .....                                        | 186 |
|           | Governance .....                                                           | 188 |
|           | Corporate Policies & Commitments .....                                     | 191 |
|           | Strategy & Resource Allocation .....                                       | 192 |
| <b>03</b> | <b>Embracing Harmony with Nature - Impact on Planet</b>                    |     |
|           | Managing Environmental Impacts<br>& Creating Value .....                   | 194 |
|           | Climate Change Strategy & Performance .....                                | 195 |
|           | Resources Consumption .....                                                | 199 |
|           | Water Impact Reduction Strategy &<br>Performance .....                     | 200 |
|           | Waste Management Strategy &<br>Performance .....                           | 202 |

|           |                                                                           |            |
|-----------|---------------------------------------------------------------------------|------------|
| <b>04</b> | <b>Nurturing People, Building Thriving Communities - Impact on People</b> |            |
|           | Managing Impact & Creating Value .....                                    | 206        |
|           | <b>Health and Safety</b>                                                  |            |
|           | Committed to Health and Safety .....                                      | 207        |
|           | <b>Internal - Employees</b>                                               |            |
|           | Human Capital .....                                                       | 210        |
|           | Diversity, Equity, and Inclusion .....                                    | 214        |
|           | Respecting & Promoting Human Rights .....                                 | 215        |
|           | <b>External - Communities</b>                                             |            |
|           | Investing for Social Impact .....                                         | 216        |
| <b>05</b> | <b>Food Security and Resilient Practices - Impact on Profit and Value</b> |            |
|           | Managing Impact & Creating Value .....                                    | 220        |
|           | Growing Farm Productivity .....                                           | 221        |
|           | Food Security & Sustainable Agriculture .....                             | 226        |
|           | Building Partnerships .....                                               | 229        |
|           | Delivering sustained Economic Returns .....                               | 232        |
|           | Integrating Sustainability<br>into the Value Chain .....                  | 233        |
| <b>06</b> | <b>Forward-looking statement .....</b>                                    | <b>234</b> |
| <b>07</b> | <b>Appendices</b>                                                         |            |
|           | Independent External Review .....                                         | 236        |
|           | GRI Content Index .....                                                   | 239        |
|           | UNGC COP .....                                                            | 247        |
|           | SASB Content Index .....                                                  | 248        |
|           | SDGs .....                                                                | 249        |
|           | PSX SDGs Index .....                                                      | 251        |
|           | Glossary & Acronyms .....                                                 | 255        |



# LEADERSHIP WITH IMPACT

# 01



## Organisational and Social & Relationship Capital

| Contributing to SDGs: |                                                   |     |                                                                                             |
|-----------------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Activities            | R&D to align products with nature                 | Managing sustainability strategically                                                                                                                                                                                                                                                                                                                   | Identifying material sustainability and climate-related risks and opportunities and impacts |
|                       | Stakeholders' engagement                          |                                                                                                                                                                                                                                                                                                                                                         |                                                                                             |
| Outputs               | Products aligned with nature                      | Robust sustainability governance                                                                                                                                                                                                                                                                                                                        | Material sustainability and climate-related risks and opportunities and impacts             |
|                       | Multi-stakeholder engagement                      |                                                                                                                                                                                                                                                                                                                                                         |                                                                                             |
| Value Created         | Increased yield with reduced environmental impact | Adaptation and resilience                                                                                                                                                                                                                                                                                                                               | Enhanced value creation                                                                     |

# 2024 SUSTAINABILITY HIGHLIGHTS

At FFC, we prioritize sustainable business practices that benefit our company and the wider community. We take a comprehensive approach to assessing our risks, opportunities, impact and success, ensuring we deliver value to all our stakeholders.

## Impact on Planet



Embracing harmony with nature



2,244,058

CO2e GHG Emissions



40,431,184

GJ energy consumption



18,893

ML water consumption



4,950

Conserved Neem trees averted 271.46 tons of CO2 emissions

## Impact on People



Nurturing people, building thriving communities



TRI rate 0.00

per million working hours for employees and contractors



Rs. 19,697

million salaries and benefits to the workforce



71,942

training hours



Rs. 132

million community investments

## Impact on Profit and Value



Food security and resilient practices



190,748

farmers briefed on sustainable agriculture solutions



Rs. 9,264

million paid to local supply chain partners



Sustainability

Board's sustainability committee established  
Sustainability strategy 2030  
Best Sustainability Report Award by ICAP & ICMAP



Rs. 24,936

dividends paid to shareholders



# ESG JOURNEY

A timeline of our achievements and embracing sustainability practices over the years: from FFC's incorporation to becoming a leading fertilizer manufacturer and marketer.

**2004**

ISO 14001 certification Goth Machi Plant

**2008**

Major upgrade of plants to curtail environmental impact

**2009**

ISO 14001 certification Mirpur Mathelo Plant

**2010**

Joined United Nations Global Compact (UNGC)

**2011**

Adopted GRI Framework for sustainability reporting

**2014**

ISO 14001 certification Head office and Karachi office

**2015**

Engaged Sona Welfare Foundation to implement CSR activities

Established Fertilizer Research Center Faisalabad

Adopted Integrated Reporting Framework to demonstrate how we create and share value

**2016**

Product Life Cycle assessment IFA (Protect and Sustain) Membership

Incorporated Sustainable Development Goals into the reporting

Introduced sustainability targets for important sustainability areas

**2017**

Corporate conversation on SDGs at Karachi

**2018**

Corporate conversation on SDGs at Karachi

**2019**

Food Security & Agriculture Centers of Excellence (FACE) launched

Neem (Azadirachta indica) coated urea-enhanced efficiency fertilizer launched

Corporate conversation on SDGs at Lahore

Adopted SASB Chemical Industry Standards

**2020**

Started to embed SDGs into Corporate Strategy and policies

Issued PSX SDGs Report on 6 SDGs and 32 indicators

Corporate conversation on SDGs at Karachi

**2021**

Finalization of Core SDGs and short, medium, and long-term targets 2021

**2022**

Aligning policies and procedures and defining projects to support core SDGs

Aligning policies and procedures and defining projects to support core SDGs

**2023**

A full-day ESG session for the Key Management

A focused session on driving ESG from the Boardroom for FFC Board Members

A multifunctional task force was established to participate in various interactive workshops on ESG as part of FFC's roadmap

A session on IFRS S1 and S2 was conducted to identify the readiness for early adoption

**2024**

Board's Sustainability Committee established

Sustainability strategy 2030 developed

Voluntarily adoption of IFRS S1 and S2

Expanding our value-added products



# WHAT WE OFFER

Fauji Fertilizer Company (FFC) Limited is a publicly traded company in the chemical sector that manufactures and markets crop nutrition products. We provide solutions focused on farmers and leverage our agronomic expertise to deliver value to farmers, communities, and the economy. FFC operates throughout Pakistan, with its head office in Rawalpindi, an office in Karachi, a marketing group office in Lahore, and manufacturing plants in Goth Machhi, Mirpur Mathelo and Port Qasim. During the year, FFC acquired Fauji Fertilizers Bin Qasim Limited (an associated company) through a merger scheme to strengthen its position in the fertilizer industry and harness its expertise for value creation. There were no other significant changes in the size or capital structure of our operations, supply chain, and business relationships with entities beyond our value chain during 2024.

Refer to pages 20-21 for group structure and details of the subsidiary, associated, and joint venture companies.

## Products

We provide premium fertilizer products, expert knowledge, digital solutions, and services for sustainable farming. We manufacture and market our own and imported fertilizers under various brand names.

Refer to pages 10-11 for further details about products.

| PRODUCT                                                                                                                                                                                                        | USE                                                                                 |                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| <br>UREA FERTILIZER (SONA UREA PRILLS, SONA UREA GRANULAR AND SONA UREA (NEEM COATED))                                      |  | Major plant nutrient                                                                                                               |
|                                                                                                                                                                                                                |  | Raw material for manufacturing of plastics, adhesives, and industrial feedstock                                                    |
|  <br>DAP FERTILIZER (FFC DAP & SONA DAP) |  | Basal fertilizer at the time of sowing for better root proliferation and inducing energy reactions in the plants for better yields |
|                                                                                                                                                                                                                |  | Commercial firefighting products and metal finisher, yeast nutrient and sugar purifier                                             |
| <br>POTASH FERTILIZERS (FFC SOP & FFC MOP)                                                                                  |  | Quality nutrient to produce crops, especially fruits and vegetables                                                                |
|                                                                                                                                                                                                                |  | FFC SOP for Manufacturing of glass while FFC MOP for medicine, scientific applications, food processing etc.                       |
| <br>BORON FERTILIZERS (SONA BORON)                                                                                          |  | Micronutrient for plant nutrition                                                                                                  |
| <br>ZINC FERTILIZERS (SONA ZINC)                                                                                            |  | Micronutrient for plant nutrition                                                                                                  |



Manufactured



Imported



Agriculture



Industrial



We market and sell products across Pakistan through a robust market presence spanning three zones, thirteen regions divided into 63 sales districts, 128 warehouses and 3,147 dealers throughout the country.

## Commitments, membership, and awards

FFC participates in numerous associations and complies with various externally established voluntary initiatives focusing on economic, environmental, and social management. Furthermore, our R&D officials hold esteemed positions in international research organizations, including the University of Nottingham, the British Geological Survey, and the Society for Environmental Geochemistry and Health (European Chapter).

- United Nations Global Compact (UNGC)
- International Fertilizer Industry Association
- Arab Fertilizer Association
- World Wildlife Fund (WWF)
- Marketing Association of Pakistan (MAP)
- Fertilizer Manufacturers of Pakistan Advisory Council (FMPAC)
- Fertilizer Industry Public Relations Committee (FIPRC)
- Farmers Association of Pakistan





# ALIGNING SOLUTIONS WITH NATURE

The shifting climate conditions are impacting the land's productive potential and redefining agricultural practices, including using fertilizers, to ensure ongoing productivity while aligning with nature. Our focus is to revolutionize the agricultural sector with innovative, nature-aligned products and solutions that assist farmers in producing healthy and nutritious food while minimizing environmental impact.

## Today

We develop and produce enhanced-efficiency fertilizers to boost crop yields, lower greenhouse gas emissions, and expand our product range.

### Zincated Urea

Zincated Urea, a cost-effective and highly efficient product, was launched to tackle zinc deficiency in soils, support human health, and elevate average yields by up to 10%. During the year, 170 MT of Zincated urea was produced and marketed.

### Neem Coated Urea

Neem-coated urea (NCU) is a high-efficiency fertilizer developed and manufactured to enhance nitrogen use efficiency in urea. This innovative product minimizes emissions that are advantageous for the climate and leads to greater yields, benefiting farmers. 440,198 MT NCU was produced in 2024, and most of the of the neem oil requirement for NCE production was sourced from the local market.

### Boron-DAP

Boron-DAP was launched as a value-added product in 2024 to enhance crop yield in boron-deficient soils. It contains 0.1% boron, 46% P<sub>2</sub>O<sub>4</sub>, and 18% N<sub>2</sub>. Each granule supplies the micronutrient Boron to the soil, enhancing crop yield by approximately 10% compared to DAP. FFC DAP Plant (now part of FFC) was used with in-house resources to achieve the desired quality of the product with zero capital expenditure. A total of 50,310 MT of Boron-DAP was produced in 2024, with a target of 75,000 MT for 2025.

### Urea briquettes

Urea briquettes enhance mechanized rice transplantation in Pakistan. It boosts yields by 4.3% while utilizing only 80% of the required

fertilizer, reducing emissions by minimizing nitrogen losses and leading to significant labour savings. Commissioning of a facility with a capacity of 12,000 MT per annum is planned by June 2025.

### Farming Solutions

Our farming solutions assist farmers in achieving higher yields sustainably by encouraging balanced fertilizer application and improving crop monitoring and management. We partner with governmental and private institutions to transform agricultural practices through innovation, expertise, and financing solutions.

- Quality crop nutrition solutions
- Agronomic knowledge
- Digital precision farming solutions

### AgTech Projects 2024

The Precision Farming Project reflects FFC's forward-thinking approach to agriculture, emphasizing resource efficiency, environmental responsibility, and economic viability. By leveraging drone and satellite remote sensing technologies, data analytics, and precision application techniques, this project aims to optimize input usage, reduce waste, boost yields, and improve the overall resilience of the agricultural sector.

In this context, a contract between FFC and AgriLift was signed on July 04, 2024 for drone-based tech services on 18,000 acres including 7,500 acres of Fauji Fresh n Freeze growers for value creation of potato crop. FFC Agri Services team has successfully implemented pilot project in collaboration with AgriLift, covering 11,758 acres digitized from 102 farmers across 7 clusters in all agroecological zones of the FFC marketing area against target of 10,500 acres.

## Tomorrow

### Urease & Nitrification Inhibitors

It is an internationally acclaimed product that boasts a reduced environmental impact, the potential to obtain carbon credits, and an increase in yield with a lower dosage. A dosage of 90% is expected to yield increases of 5 to 7%. The cost of the coating is being refined through the selection of suitable technology. Field and demonstration trials are scheduled for the second quarter of 2025.

## Products under Trial

### Polymer Coated Urea

Biodegradable polymer is developed explicitly for arid regions, promoting gradual nitrogen release. This product has been created in partnership with local research institutes. Presently, field trials are ongoing, and it is anticipated to yield an increase of 8-10% in non-arid areas.

### Slow-Release Urea (SRU)

The slow-release urea was developed in collaboration with a local research institute. Currently, the technologies for efficient and cost-effective manufacturing are being explored. The product is undergoing trials with various dosage levels.

### Digitalizing Agri-solutions

We are actively working on innovative solutions to facilitate the broad adoption of digital technology in agriculture. Our aim is to maximize the benefits for farmers and encourage sustainable farming methods. These solutions focus on increasing output and food quality, minimizing waste, and boosting livelihoods.

# FFC AND SDGs



**Aligning our strategy, corporate policies, and business decisions with sustainability is essential for ensuring future resilience and our capacity to create value. Considering global sustainable development challenges, we are upgrading our sustainability strategy to strengthen our position and role as a leading fertilizer manufacturer. We aim to offer sustainable agricultural products and solutions that pave the way for sustainable growth, benefiting all our stakeholders.**

We have identified four core SDGs that align with our sector, value chain, and ability to make a significant impact. Additionally, we are focusing on six more SDGs to meet the Pakistan Stock Exchange's (PSX) minimum SDGs reporting requirements and the Government of Pakistan's priority SDGs. We believe aligning with the SDGs will greatly support sustainable development and strengthen our position as a responsible business.

As part of developing a new sustainability strategy, we are reassessing our progress to align our existing practices with our priority Sustainable Development Goals (SDGs) and set targets to support them. This activity is expected to further align our strategy, policies, and business decisions effectively with the relevant SDGs while leveraging our capitals—financial, organizational, natural, manufactured, human, social and relationship—to create value for all stakeholders.



People



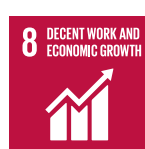
Planet



Prosperity

# FFC CORE SDGs

|                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p>Our products and solutions enhance yields, food security, and sustainable agriculture by guiding the selection of the best products and high-quality seeds, using balanced fertilizers, and adopting new cultivation techniques. Sustainable agriculture practices result in increased production and healthier, more nutritious food.</p> <p> Refer to page 221-231 for our activities supporting SDG</p>                                                                    |
|    | <p>We have identified significant gaps in diversity, equity, and inclusion (DEI) within the company and has prioritized addressing these issues. The company is now focusing on enhancing DEI by implementing supportive policies and providing necessary resources, especially for female and marginalized employees, to ensure inclusion throughout different phases of their lives.</p> <p> Refer to pages 214 for our activities supporting SDG</p>                          |
|    | <p>We manage water by recycling and reusing it at our facilities to lessen freshwater withdrawal. By reducing effluents, we decrease the discharge of harmful substances, thereby mitigating their effect on water. Moreover, encouraging effective water management through Agri-services helps lower agricultural water consumption.</p> <p> Refer to pages 200-201, 221-222, 226-228 for our activities supporting SDG 6.</p>                                                 |
|  | <p>We are committed to Sustainable Development Goal 9, which focuses on building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation. The company is actively investing in Sona Centers and Ag-tech. We believe sustainable practices can enhance industrial growth while ensuring environmental responsibility and social inclusivity.</p> <p> Refer to pages 224-225, 229-231 for our activities supporting SDG 6.</p> |
|  | <p>We are committed to promoting sustainable material management across all processes and the value chain. We are dedicated to increasing transparency and enhancing our social, environmental, health, and safety performance through responsible practices, product life cycle assessments, and certifications.</p> <p> Refer to pages 195-204, 221-223, 226-228 for our activities supporting SDG 12.</p>                                                                   |
|  | <p>We are investing in adopting cleaner technologies and implementing efficiency measures to reduce environmental impact, enhance adaptability, and strengthen resilience to climate change. We are collaborating with partners across the value chain to minimize the environmental impact of product transportation.</p> <p> Refer to pages 195-204, 221-223, 226-228 for our activities supporting SDG 13.</p>                                                              |



FFC is also working on the SDGs identified as relevant according to PSX Minimum SDGs Reporting requirements and the Government of Pakistan's Priority SDGs. In addition to the core SDGs, we have included icons in the report to highlight the goals to which our work contributes.



# LEADERSHIP COMMITMENT TO SUSTAINABILITY

**FFC strategically leads sustainability initiatives to address key material issues and ensure that business strategies align with sustainability priorities, continuing to create value for stakeholders.**

FFC strategically leads sustainability initiatives to address key material issues and ensure that business strategies align with sustainability priorities, continuing to create value for stakeholders.

Our cohesive sustainability governance framework directs the integration and coordination of sustainability practices across the organization, bridging functions horizontally and reaching from all levels to the CEO and Board vertically.

To further its commitment to sustainability management, the Board has established a standalone sustainability committee to oversee sustainability integration and assist the Board with sustainability and climate-related risks and opportunities critical to the company and its significant impacts on the economy, environment, and people. The Board has appointed members with appropriate skills and competencies related to sustainability and its integration into the business to deliver its responsibilities effectively. Moreover, the committee members regularly participate in training and conferences on sustainability issues to keep abreast with the latest developments and how these are expected to impact FFC.

The sustainability committee is tasked to facilitate the Board's review of impacts, sustainability, and climate-related risks and opportunities and approval of sustainability initiatives and reports. The sustainability committee meets bi-annually to discuss the significant impacts associated with activities and business relations, sustainability and climate-related risks and opportunities relevant to FFC, how these risks and opportunities are expected to affect the company strategy and significant business decisions and the risk management procedures in place to identify and categorise risks and opportunities according to FFC risks management procedures to guide the risks

mitigation and management strategies. The committee is also tasked to review the target setting for the material impacts, risks, opportunities, performance against the targets and recommendations for consideration of the performance in executive remuneration decisions. FFC has developed a sustainability strategy that includes targets for 2030. Considering performance related to these targets will become part of KPIs, remuneration policies, and evaluation decisions following the Board's approval of the sustainability strategy and targets.

 Refer to page 44-45 for further details about the Terms of Reference of the Sustainability Committee.

As part of our sustainability management efforts, we have created a dedicated Sustainability & Innovation department to centrally and effectively guide sustainability activities and projects within the company. The CEO&MD ensure sustainability initiatives and targets are integrated into the overall business strategy for growth and transformation. The Sr. Manager S&I, who reports to CEO&MD, is responsible for coordinating the implementation decisions of the sustainability committee by respective departments, coordinating the working group, and monitoring initiatives and sustainability reporting. The Heads of Departments (HODs) and line managers are responsible for implementing sustainability policies and decisions, ensuring adherence to applicable laws and international conventions, and enhancing sustainability performance. The annual performance review, remuneration, and promotion decisions consider the achievement of sustainability objectives of the respective teams and individuals. A multifunctional team with departmental representation promotes sustainability

efforts within the company and supports the annual reporting. The external audits and certifications monitor FFC's management systems and performance. The findings of the review and audits are discussed with the relevant teams and included in the risk control system, following an analysis of urgency and relevance. The significant issues are escalated for consideration by the appropriate Board Committees for review and guidance.

Our commitment to sustainability also involves considering the impacts, sustainability-related risks, and opportunities in the value chain. We are collaborating with value chain partners to enhance our sustainability practices.

 Refer to page 233 for further details about our work in the value chain.



# IMPACTS, RISKS AND OPPORTUNITIES

Our approach to determining significant impacts, risks, and opportunities includes double materiality considerations, which provide a holistic perspective on our effects on the economy, environment, and society and sustainability-related risks and opportunities in the external environment. Considering both internal and external perspectives helps align our strategy and goals with the needs of broader stakeholders while also satisfying the requirements of the primary users of sustainability-related financial information. Our approach allows us to generate shared value for all stakeholders in the swiftly changing landscape.

This year, we voluntarily adopted IFRS SDS, including IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and S2 Climate-related disclosures to align with the regulatory requirements for listed companies in Pakistan. To effectively communicate sustainability—and climate-related risks and opportunities to the users of general-purpose financial reports, we presented separately the sustainability-related risks and opportunities from our significant impacts, which are focused on the needs of wider stakeholders, including investors.

The report focuses on sustainability and climate-related risks and opportunities that significantly affect our capitals, our ability to pursue sustainable business, performance, position and prospects in the short, medium and long term. The report also includes sustainability topics that significantly impact the economy, environment, and people. Identifying impacts, sustainability, and climate-related risks and opportunities included assessing the risks and opportunities in the operating environment, reviewing industry-specific issues, consulting with our stakeholders, and considering issues identified through our grievance mechanisms. The IFRS Sustainability Disclosure Standards (SDS), disclosure topics in SASB Standards, and industry-based guidance of IFRS S2 were also considered to identify sustainability and climate-related risks and opportunities.

The FFC's Enterprise Risk Management (ERM) system identifies the risks and opportunities arising in the external environment. The scope of the ERM was expanded to include identifying sustainability and climate-related risks and opportunities considering the industry issues, investors' requirements, upcoming policy and regulation, and the impacts of the FFC activities that may result in significant risks. The prioritization of the risks was based on their likelihood and magnitude. The risk assessment covers all FFC operations and the value chain.

Refer to page 90-97 of the report for further details on the risk management practices at FFC.

The sustainability and climate-related risks and opportunities were determined by considering the materiality considerations of the primary users of general-purpose financial reports. Through the materiality analysis, we selected material sustainability issues, assessed the significance of negative and positive impacts, considered the severity, likelihood, scale, and scope and established relative levels to guide our mitigation and enriching activities.

Compliance with laws, international standards, internal regulations, and FFC's code of conduct is the fundamental requirement for all activities within the precautionary approach. Our material matters inform and influence our strategy, the evolution of the business model, and our short-, medium-, and long-term targets. The list of material matters is assessed continuously to confirm that our strategy remains relevant in the ever-changing external environment. The evaluation did not result in a change in the list of material topics. However, sustainability and climate-related risks and opportunities have been added this year to meet the needs of the primary users of general-purpose financial reports.



## Phase I

### Identify and define an initial list of issues

Identify issues that could lead to risks or opportunities, affecting our capital and capacity to create, preserve, or diminish value, and represent our significant effects on the economy, environment, and people.



## Phase II

### Prioritize issues through stakeholder consultation

In consultation with our stakeholders, prioritize those that have a significant impact and relevance in our operating context, considering the needs of the primary users of sustainability-related financial information.



## Phase III

### Validation by senior management

Validate, in consultation with the senior management and experts, material matters and significant sustainability and climate-related risks and opportunities to inform our strategy, business model, capital allocation, and short-, medium-, and long-term targets.



## Phase IV

### Approval by management

Approval from management. Assessing the emerging issues in the operating environment ensures our strategy remains relevant.

| Material Matters                                                                                                     | Stakeholder impacted                                                                  | Addressed in the report                                            |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <br>Emissions                       | Shareholders/investors, communities, employees, suppliers, government, and regulators | Embracing Harmony with Nature - Impact on Planet                   |
| <br>Energy                          | Shareholders/investors, suppliers, government, and regulators                         |                                                                    |
| <br>Material                        | Shareholders/investors, suppliers, customers/farmers                                  |                                                                    |
| <br>Water                           | Shareholders/investors, communities, regulators                                       |                                                                    |
| <br>Waste                           | Shareholders/investors, communities, regulators                                       |                                                                    |
| <br>Employment and labour relations | Employees, workers, suppliers, distributors                                           | Nurturing People, Building Thriving Communities - Impact on People |
| <br>Market presence               | Communities, employees                                                                |                                                                    |
| <br>Training                      | Employees                                                                             |                                                                    |
| <br>Health and safety             | All stakeholders across value chain                                                   |                                                                    |
| <br>Human rights                  | All stakeholders across value chain                                                   |                                                                    |
| <br>Local communities             | Communities, government, and regulators                                               | Food Security and Resilient Practices - Impact on Profit and Value |
| <br>Farmers advisory              | Farmers/customers, government, and regulators                                         |                                                                    |
| <br>Economic Performance          | All stakeholders across value chain                                                   |                                                                    |
| <br>Anti-corruption               | Shareholders/investors, regulators                                                    |                                                                    |
| <br>Procurement practices         | Suppliers, communities, government, and regulators                                    |                                                                    |
| <br>Supply chain impacts          | Suppliers, distributors, shareholders/investors, regulators                           |                                                                    |

# SUSTAINABILITY AND CLIMATE-RELATED RISKS AND OPPORTUNITIES (IFRS S1 AND S2)

## Sustainability-related risks and opportunities

### Risks and opportunities

#### Climate Change

Building Momentum for a Sustainable Tomorrow (Pages 180-183)

Embracing Harmony with Nature - Impact on Planet (Pages 195-198)

Food Security and Resilient Practices - Impact on Profit and Value (Pages 221-231)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | Climate change is resulting in shifting weather patterns that are impacting business model and agricultural ecosystems, creating pressure to establish targets for reducing emissions, adopting low-carbon energy sources, and aligning product offerings and solutions with nature to preserve and enhance farms' productive potential.<br><br>FFC developed a strategy to align with climate change by setting reduction targets, adopting cleaner technologies and low-carbon energy sources, and creating products and solutions that are aligned with nature. |
| <b>Time horizon</b>                                                                | Medium to long-term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Value chain</b>                                                                 | Own operations, downstream, upstream                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

### Financial impact

#### Current

–

#### Short-term

–

#### Medium and long-term

–

## Sustainability-related risks and opportunities

### Risks and opportunities

#### Water

Embracing Harmony with Nature - Impact on Planet (Pages 200-201)

Food Security and Resilient Practices - Impact on Profit and Value (Pages 221-223, 226-228)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | Water scarcity and quality pose a threat to the business model in the form of increased costs and impacts on communities that share water resources. Furthermore, decreasing water availability for agriculture poses a risk of reduced farm productivity and decreased income levels for the farming community, affecting product demand and pricing.<br><br>FFC is investing in water resources to ensure a continuous supply of water for production operations and is pursuing water use efficiency and recycling to reduce demand for freshwater withdrawal. Agri-services advises farmers on efficient water use during crop cultivation. |
| <b>Time horizon</b>                                                                | Short to medium-term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Value chain</b>                                                                 | Own operations, downstream                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

### Financial impact

#### Current

PKR 289 million

#### Short-term

PKR 341 million

#### Medium and long-term

–





## Sustainability-related risks and opportunities

### Risks and opportunities

#### Health and safety

Nurturing People, Building Thriving Communities - Impact on People (Pages 216-218)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | <p>The risk of safety incidents, including process and operational issues, poses a threat of operational disruptions that could lead to plant closures, damage to equipment, and jeopardize the health and safety of the workforce. These disruptions impact production targets, lead to revenue loss, increase restoration costs, and may result in injuries to workers.</p> <p>FFC actively works to ensure process continuity and both industrial and human safety through process safety management training and audits, asset reliability and integrity management training and procedures, plant upgrades, management system certifications, health and safety audits, and the training of workers on health and safety.</p> |
| <b>Time horizon</b>                                                                | Short to medium-term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Value chain</b>                                                                 | Own operations, downstream                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

### Financial impact

#### Current

PKR 935 million

#### Short-term

PKR 642 million

#### Medium and long-term

–

## Sustainability-related risks and opportunities

### Risks and opportunities

#### Energy – transition to low carbon

Embracing Harmony with Nature - Impact on Planet (Page 196)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | <p>Investing in cleaner and low carbon energy sources presents an opportunity for FFC to reduce its emissions (Scope I, II and III), energy costs and align with low-carbon future.</p> <p>FFC is exploring low-carbon energy sources including solar and biomass to capitalize on the opportunity for reduced environmental impact while increasing economic returns.</p> |
| <b>Time horizon</b>                                                                | Short to medium-term                                                                                                                                                                                                                                                                                                                                                       |
| <b>Value chain</b>                                                                 | Own operations, downstream, upstream                                                                                                                                                                                                                                                                                                                                       |

### Financial impact

#### Current

–

#### Short-term

–

#### Medium and long-term

–

# SUSTAINABILITY AND CLIMATE-RELATED RISKS (IFRS S1 AND S2)

## Climate-Related Transition Risks

### Risks and opportunities

#### Policy and Legal Risks

Leadership with Impact – Driving Sustainability for Positive Impact (Pages 167-168)

Building Momentum for a Sustainable Tomorrow (Page 180-183)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | <p>The introduction of new sustainability reporting standards, IFRS SDS, by SECP, effective July 1, 2025, poses policy risks. These standards require FFC to identify and report the sustainability—and climate-related risks and opportunities that can affect financial performance, position, and prospects over the short, medium, and long term. These standards also require FFC to measure and set targets for reducing emissions, which will lead to new investments in transitioning to green energy sources, lowering emissions and making investments in adaptation and resilience to climate change.</p> <p>FFC has voluntarily adopted IFRS SDS in this report to align with the upcoming regulations and identify the gaps to meet full compliance in the future.</p> |
| <b>Time horizon</b>                                                                | Short to medium- term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Value chain</b>                                                                 | Own operation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

### Financial impact

#### Current

–

#### Short-term

–

#### Medium and long-term

–

## Climate-Related Transition Risks

### Risks and opportunities

#### Technology Risk

Leadership with Impact – Driving Sustainability for Positive Impact (Page 164)

Building Momentum for a Sustainable Tomorrow (Page 182-183)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | <p>Technology risk emerges from the introduction of blue and green ammonia, which are proposed as low-carbon alternatives to emissions-intensive conventional ammonia production. These advancements will make existing ammonia production facilities outdated and require new investments for technology adoption.</p> <p>FFC is monitoring technological developments and exploring possibilities for embracing these innovations in the future, which aligns with its strategy to align with a low-carbon economy and offer products and solutions aligned with nature.</p> |
| <b>Time horizon</b>                                                                | Long-term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Value chain</b>                                                                 | Own operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

### Financial impact

#### Current

–

#### Short-term

–

#### Medium and long-term

–



## Climate-Related Transition Risks

### Risks and opportunities

#### Reputation Risk

Building Momentum for a Sustainable Tomorrow (Page 182-183)

|                                                                                    |                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | <p>Reputational risk arises from the perception of GHG emitters and detracts from the transition to a low-carbon economy if no actions are planned and implemented by the FFC.</p> <p>FFC developed a sustainability strategy to align with the new regulations and the low-carbon economy while managing this risk.</p> |
| <b>Time horizon</b>                                                                | Short to medium- term                                                                                                                                                                                                                                                                                                    |
| <b>Value chain</b>                                                                 | Own operation                                                                                                                                                                                                                                                                                                            |

### Financial impact

#### Current

–

#### Short-term

–

#### Medium and long-term

–

## Climate-Related- Physical Risks

### Risks and opportunities

#### Chronic Risk

Leadership with Impact – Driving Sustainability for Positive Impact (Page 164)

Building Momentum for a Sustainable Tomorrow (Page 182-183)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | <p>High temperatures and heat waves may pose chronic risks for FFC, requiring further plant maintenance, adaptation investments and parts replacement. Additionally, sustained high temperatures and heat waves affect the health and safety of the workforce and reduce farm productivity.</p> <p>FFC is cognizant of the chronic risk and is taking necessary steps to ensure plant safety and operability in tough weather conditions. Moreover, we are developing nature-aligned products to address farm productivity issues.</p> |
| <b>Time horizon</b>                                                                | Medium to long-term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Value chain</b>                                                                 | Own operation, downstream                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

### Financial impact

#### Current

–

#### Short-term

–

#### Medium and long-term

–



# SUSTAINABILITY AND CLIMATE-RELATED OPPORTUNITIES (IFRS S1 AND S2)

## Climate-related opportunities

### Risks and opportunities

#### Resource Efficiency

Embracing Harmony with Nature - Impact on Planet (Pages 195-204)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | <p>Opportunity to enhance efficiency in the production and distribution processes through technology, fuel-efficient vehicles, climate-friendly and resilient infrastructure (green building and improving resource utilization in existing buildings), and reducing paper use by leveraging information technology. This includes efficient water and waste management, such as water recycling, diverting waste from landfills where feasible, and reusing and recycling materials instead of disposal.</p> <p>FFC is continuously upgrading its plants for efficient production processes, applying technologies for energy, water and waste management, embracing green office practices at head office, plants, and marketing offices, implementing six sigma projects for distribution routes optimization, adopting information technology for efficient business processes.</p> |
| <b>Time horizon</b>                                                                | Short, medium and long-term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Value chain</b>                                                                 | Own operation, downstream, upstream                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

### Financial impact

#### Current

PKR 1,198 million

#### Short-term

PKR 152 million

#### Medium and long-term

–

## Climate-related opportunities

### Risks and opportunities

#### Energy Source

Embracing Harmony with Nature - Impact on Planet (Page 198)

|                                                                                    |                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | <p>Shifting the energy mix towards low-carbon sources leads to reduced emissions and lower annual energy costs.</p> <p>FFC is adopting clean and low-carbon energy sources at its plant sites and warehouses through installation of solar systems.</p> |
| <b>Time horizon</b>                                                                | Short, medium and long-term                                                                                                                                                                                                                             |
| <b>Value chain</b>                                                                 | Own operations                                                                                                                                                                                                                                          |

### Financial impact

#### Current

–

#### Short-term

–

#### Medium and long-term

–





## Climate-related opportunities

### Risks and opportunities

#### Products and Services

Leadership with Impact – Driving Sustainability for Positive Impact (Page 164)

Food Security and Resilient Practices - Impact on Profit and Value (Pages 221-231)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | Changing climate conditions presents an opportunity for FFC to create environmentally friendly fertilizers that reduce emissions and improve efficiency and productivity.<br><br>FFC is developing and marketing nature-aligned products, including Neem-Coated Urea and Zincated Urea, to reduce use-phase emissions and increase yields. |
| <b>Time horizon</b>                                                                | Medium to long-term                                                                                                                                                                                                                                                                                                                        |
| <b>Value chain</b>                                                                 | Medium to long-term                                                                                                                                                                                                                                                                                                                        |

### Financial impact

#### Current

Additional Revenue

#### Short-term

–

#### Medium and long-term

–

## Climate-related opportunities

### Risks and opportunities

#### Resilience

Embracing Harmony with Nature - Impact on Planet (Pages 195-196, 200, 202)

Food Security and Resilient Practices - Impact on Profit and Value (Page 221-231)

|                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Current and anticipated effects on business model, value chain and strategy</b> | Building climate resilience is an opportunity to develop adaptive capacity and manage the associated risks and opportunities effectively.<br><br>FFC is enhancing its resilience and adaptive capacity through technological investments, transitioning to low-carbon energy sources, and adopting environmentally friendly practices, including green building and technology-based solutions. |
| <b>Time horizon</b>                                                                | Short to medium and long-term                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Value chain</b>                                                                 | Own operations, downstream, upstream                                                                                                                                                                                                                                                                                                                                                            |

### Financial impact

#### Current

–

#### Short-term

–

#### Medium and long-term

–

FFC intends to perform a scenario analysis in future reports to assess the resilience of its strategy and business model against climate-related changes, developments, and uncertainties while considering the identified risks and opportunities. This undertaking will aid in determining the overall financial impact of climate-related risks and opportunities on its performance, cash flows, and outlook in the short, medium, and long

# STAKEHOLDERS

Stakeholders are vital to our value-creation efforts. They are the ultimate beneficiaries and are also impacted by our activities and business partnerships. By identifying their interests, concerns, and the effects of our actions, we can more effectively strategise and steer our value-creation initiatives, reducing adverse effects and safeguarding potential value.

We identify and prioritise stakeholders by considering their influence, responsibilities, proximity, dependencies, willingness to engage, and representation. We engage with them through relevant departments that share information, using suitable communication channels while honouring their human rights. Key issues and concerns from ongoing engagements are integrated into enterprise risk management to develop appropriate strategies and responses to risks and opportunities. Relevant stakeholders receive updates on the results of these activities in follow-up sessions.

| Stakeholder Groups and significance to FFC                                                                                                                                                                                                                                                                                                                                                            | Engagement Methods                                                                                                                                                                                                                                                                                                   | Issues and Concerns                                                                                                                                                                                                                                                                                                                       | Key objectives and metrics we track                                                                                                                                                                                                                                                                                                                     | Relevant material matters and capitals                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Employees</b></p> <p>The health, safety, well-being, and professional development of employees are vital to FFC's performance and essential for enhancing our human capital.</p>                                                                                                                             | <ul style="list-style-type: none"> <li>AMCON, zonal meetings, annual recreation day, annual dinner</li> <li>Training and coaching</li> <li>Employee engagement survey</li> <li>Engagement with CBA</li> <li>Employee grievance handling procedures</li> </ul>                                                        | <ul style="list-style-type: none"> <li>Corporate policies and growth plans</li> <li>Career development and training opportunities</li> <li>Occupational safety, health, and well-being</li> <li>Labour and human rights</li> <li>Remuneration and benefits</li> <li>Work-life balance</li> <li>Diversity, equity and inclusion</li> </ul> | <ul style="list-style-type: none"> <li>Healthy workplace and people-centered culture</li> <li>Improve health and safety performance</li> <li>Employee satisfaction metrics</li> <li>Abiding by applicable labour and human rights laws</li> <li>Training hours per employee</li> </ul>                                                                  | <p>Employment and labour relations, training, health and safety, human rights, and market presence</p>  |
|  <p><b>Farmers/Customers</b></p> <p>Providing Farm Advisory Services (FAS) and engaging with farmers to introduce innovative farming techniques and digital solutions is vital for the success of the agricultural community, enhancing the value of natural, intellectual, social, and relationship capitals.</p> | <ul style="list-style-type: none"> <li>Farm Advisory Services (FAS)</li> <li>Customer satisfaction surveys and feedback</li> <li>Farmer meetings, field meetings, and crop demonstrations/trials</li> <li>SMS, crop documentaries and publications</li> <li>A dedicated helpline, and the "Kashtkar" desk</li> </ul> | <ul style="list-style-type: none"> <li>Fertilizer prices</li> <li>Crop yield and quality</li> <li>New products launch</li> <li>Digital solutions</li> <li>Sustainable farm management aligned with climate change</li> <li>Increase in FAS coverage area</li> </ul>                                                                       | <ul style="list-style-type: none"> <li>Farmers' outreach through FAS</li> <li>Digital solutions developed and delivered</li> <li>Farming techniques for increasing productivity</li> <li>Number of farmer meetings, field meetings, and crop demonstrations/trials</li> <li>Research and development to develop climate-friendly fertilizers</li> </ul> | <p>Farmers' advisory</p>                                                                                |
|  <p><b>Suppliers</b></p> <p>We work together with our partners throughout the value chain to ensure their operations adhere to FFC policies governing the value chain. Our emphasis is on environmental preservation, fair labour practices, and the respect for human rights.</p>                                 | <ul style="list-style-type: none"> <li>Policies for environment, labour and human rights</li> <li>Supplier Code of Conduct</li> <li>Quarterly and annual meeting</li> <li>Awareness sessions</li> <li>Request for proposal</li> </ul>                                                                                | <ul style="list-style-type: none"> <li>Guidance on policies for environment, labour and human rights</li> <li>Workers' safety</li> <li>Labour practices</li> <li>Emissions</li> <li>Responsible procurement</li> </ul>                                                                                                                    | <ul style="list-style-type: none"> <li>Awareness session for value chain partners</li> <li>Supplier screening against criteria</li> <li>Consultative session for non-compliant value chain partners</li> <li>Agreeing on improvements with value chain partners</li> <li>Termination of relationships with non-compliant partners</li> </ul>            | <p>Procurement practices, supply chain impacts and human rights</p>                                     |



| Stakeholder Groups and significance to FFC                                                                                                                                                                                                                                                               | Engagement Methods                                                                                                                                                                                                                                                       | Issues and Concerns                                                                                                                                                                                                                                                                                                                                                                                                               | Key objectives and metrics we track                                                                                                                                                                                                                                                                                                                                                          | Relevant material matters and capitals                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Shareholders/ Investors</b></p> <p>We emphasize sustainability and good corporate governance, building investor trust by engaging openly with shareholders and transparently communicating our performance.</p> | <ul style="list-style-type: none"> <li>• Corporate affairs department</li> <li>• Corporate website and social media platforms</li> <li>• Annual reports</li> <li>• General meetings</li> </ul>                                                                           | <ul style="list-style-type: none"> <li>• Share price appreciation and attractive dividends</li> <li>• Sustainable growth strategy</li> <li>• Management of sustainability and climate-related risks and opportunities</li> <li>• Skilled and experienced leadership</li> <li>• Transparent reporting and disclosures</li> <li>• Sound sustainability practices</li> </ul>                                                         | <ul style="list-style-type: none"> <li>• Price-earnings ratio</li> <li>• Dividend payout ratio</li> <li>• ROE and NP ratio</li> <li>• Strengthening our corporate reporting and position at awards</li> <li>• Compliance with governance regulations</li> <li>• Investment in sustainable practices</li> <li>• Research and development to develop products aligned with nature</li> </ul>   | <p>Economic performance, anti-corruption, energy, emissions, water, material, waste, local communities, and supply chain impacts.</p>  |
|  <p><b>Government and Regulators</b></p> <p>We work with important government agencies and regulators to develop supportive policies for eco-friendly fertilizers, food security, and addressing malnutrition.</p>    | <ul style="list-style-type: none"> <li>• Engagement in policy-making processes</li> <li>• Visits and conferences</li> <li>• Participation in industry associations</li> </ul>                                                                                            | <ul style="list-style-type: none"> <li>• Compliance with all legal and regulatory requirements</li> <li>• Paying due taxes and duties</li> <li>• Sustainable fertilizer management and fertilizer use efficiency</li> <li>• Developing and promoting products aligned with nature</li> <li>• Food security and malnutrition</li> <li>• Active participation and contribution to regulatory and industry working groups</li> </ul> | <ul style="list-style-type: none"> <li>• Ensuring compliance with regulations</li> <li>• Direct and indirect tax contributions</li> <li>• Working closely with regulatory and industry associations to share the best practices and give feedback</li> <li>• Collaboration with international development partners/organizations to roll out projects for overcoming malnutrition</li> </ul> | <p>Economic performance, farmer advisory, and local communities.</p>                                                                   |
|  <p><b>Society</b></p> <p>Our focus is on the welfare of local communities. We invest in community development and work together to achieve the UN Sustainable Development Goals (SDGs).</p>                          | <ul style="list-style-type: none"> <li>• Plant site community meetings</li> <li>• Employees' consultation</li> <li>• Collaborations with NGOs for community development</li> <li>• Consultation and dialogues with academics, NGOs, and business associations</li> </ul> | <ul style="list-style-type: none"> <li>• Action on broader social and environmental issues</li> <li>• Environmental impact of operations</li> <li>• Investment in health and education</li> <li>• Skill development</li> <li>• Employment opportunities</li> </ul>                                                                                                                                                                | <ul style="list-style-type: none"> <li>• Investment in health and education facilities at plant sites</li> <li>• Donations to healthcare institutions and charities</li> <li>• Collaboration with NGOs for socioeconomic development</li> </ul>                                                                                                                                              | <p>Local communities, procurement practices, market presence</p>                                                                       |



An aerial photograph of a dense, vibrant green forest. A dark, winding river flows through the center of the image, creating a natural path that divides the forest. The sunlight filters through the canopy, creating a dappled light effect on the trees and the water. The overall scene conveys a sense of natural beauty and environmental health.

“

Sustainability is not a choice, but a responsibility. We always act with the future in mind by balancing the Environmental, Social, and Governance (ESG) aspects of our business. Our ESG mindset ensures prosperous future of our stakeholders



# BUILDING MOMENTUM FOR A SUSTAINABLE TOMORROW

## 02



## Organizational and Financial Capital

|                       |                                                                                                                                                                                                                                                                                                                                                         |                                                     |                                                      |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------|
| Contributing to SDGs: |     |                                                     |                                                      |
| Activities            | Managing risks and opportunities                                                                                                                                                                                                                                                                                                                        | Governance of sustainable value creation activities | Whistle-blowing procedures and grievances mechanisms |
|                       | Value creation targets 2026                                                                                                                                                                                                                                                                                                                             |                                                     |                                                      |
| OUTPUTS               | Mitigating sustainability risks and exploiting opportunities                                                                                                                                                                                                                                                                                            | Strong sustainability governance                    | Enhanced value created and shared                    |
|                       | Zero non-compliance with laws                                                                                                                                                                                                                                                                                                                           |                                                     |                                                      |
| Value Created         | Ethical business practices                                                                                                                                                                                                                                                                                                                              | Robust governance system                            | Higher value creation potential                      |

# ON TRACK TO ACHIEVING 2026 COMMITMENTS

Our 2026 commitments focused on integrating the Sustainable Development Goals (SDGs) into our corporate strategies and policies, prioritizing a resilient future for the planet, farmers, the value chain, and communities. Although our operational impact is considerable, our most significant influence lies within the agriculture sector through product usage and our crucial role in ensuring food security. This aligns with the UN's Sustainable Development Goals of eradicating hunger, alleviating poverty, and promoting good health and well-being. For further information regarding our impacts and activities within the Agri-value chain, please refer to pages 221-231.

While operating conditions and macroeconomic factors influence progress towards these objectives, we tracked and reported our key goals, targets, and achievements for 2026 annually until 2024. However, we will stop performance tracking for 2026 as we are proposing an extensive **Sustainability Strategy 2030**.

| FFC SDGs                                                                                                                                                                | FY 2023 PERFORMANCE                                                                                                              | FY 2024 PERFORMANCE                                                                                                                                                       | INTERIM 2024 ANNUAL TARGETS | TARGETS 2026                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------|
|       | ○○●<br>Energy intensity reduced by 1.75% due to energy efficiency project implementation                                         | ○○●<br>Energy intensity reduced by 0.99% from 2020 level due to energy efficiency project implementation                                                                  | 13.08 GJ/MT                 | 1% reduction in energy intensity from the 2020 level                              |
|                                                                                        | ○○●<br>Emission intensity decreased by 1.36% due to plant service factors, environmental projects and higher production achieved | ○○●<br>Emission intensity decreased by 1% from 2020 level due to plant service factors, environmental projects and higher production                                      | 0.76 MT CO2eq/MT            | Maintain emissions intensity at the 2020 level                                    |
|                                                                                      | ○○●<br>Water intake decreased by 4.26% due to better water quality and management                                                | ○○●<br>14,431<br>Water intake decreased by 6.58% from 2018 level                                                                                                          | 15,725 ML                   | Limit increase in water intake to 3% from the 2018 level                          |
|                                                                                      | Achieved                                                                                                                         | Achieved                                                                                                                                                                  | -                           | *1 % per year reduction in paper use                                              |
|   | ○○●<br>< 0.1                                                                                                                     | ○○●<br>Nil                                                                                                                                                                | < 0.1                       | Total Recordable Injury Rate (TRIR) < 0.1                                         |
|                                                                                      | 6.8 training hours                                                                                                               | ○○●<br>18 training hours                                                                                                                                                  | 7.2 training hours          | Average 10 training hours per employee per year                                   |
|   | Approximately 80%                                                                                                                | ○○●<br>Approximately 81%                                                                                                                                                  | -                           | 80% of active local suppliers will be engaged and briefed on supply chain impacts |
|   | ○○●<br>53,776 farmers                                                                                                            | ○○●<br>190,748<br>this increase in farmers outreach has exponentially grown with the launch of Sona Centers where farmers are reached directly through dedicated centers. | 52,154 farmers              | 5% increase in farmers' outreach from the 2022 level                              |

\* Target relates to head office only

## Legend: Progress Tracking

- Meeting interim targets, maintain performance towards meeting 2026 targets.
- Falling short of interim target for one year, review current practices.
- Falling short of interim target for more than two years, review and revise targets (if necessary).



# SUSTAINABILITY STRATEGY 2030

## IFA Key Priorities



Climate Change



Fertilizer Production



Fertilizer Use



Biodiversity



Human Nutrition



Gender Diversity

## FFC Material Issues



Emissions



Energy



Material



Training



Water



Waste



Market Presence



Human Rights



Local Communities



Farmers Advisory



Anti-Corruption



Economic Performance



Procurement Practices



Supply Chain Impacts



Employment & Labour Relations



GHG Emissions



Energy Efficiency



Water Management



Waste Management



Nutrient Stewardship



Diversity, Equity & Inclusion (DEI)

# S

## STEER

Governance  
Diversity, equity & inclusion (DEI)

# O

## OPTIMISE

GHG Emissions  
Energy Intensity



# TARGETS 2030

\*baseline year 2023

## GHG EMISSIONS



Reduce Scope 1 Emissions by 5%  
(Target 1.9 Million MT CO<sub>2</sub>e)

## NUTRIENT STEWARDSHIP



Farmers Reached Increase by 5x  
(Target 512,500 farmers)

## DIVERSITY, EQUITY & INCLUSION



Increase Women Workforce by 7%  
(Target 280 Females)

## ENERGY INTENSITY



Reduce Energy Consumption by 5%  
(Target 14 MMBTU/ MT Production)

## WATER MANAGEMENT

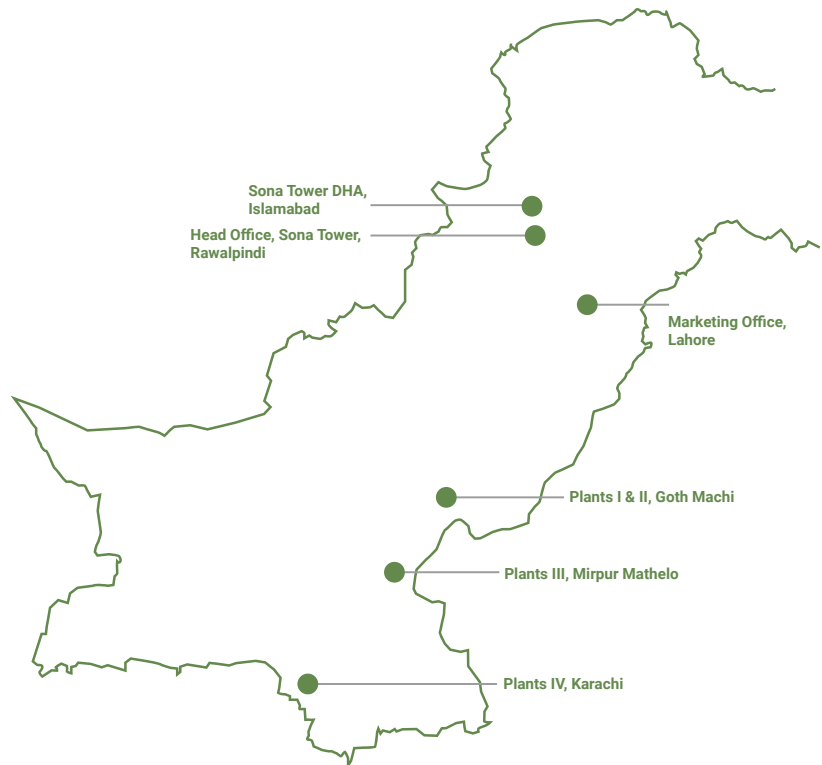


Reduce wastewater by 50%  
(Target 1,104 ML)

## WASTE MANAGEMENT



Reduce Disposed Waste by 10%  
(Target 1,744 MT)



# N

## NOURISH

Nutrient Stewardship  
Community Engagement

# A

## ADAPT

Water Management  
Waste Management



# TURNING RISKS TO OPPORTUNITIES FOR SUSTAINABILITY

| Broader operating environment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | FFC Material Matters                                                                                                                                                                                                                                                                                                                                                                                           | Risks and Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | FFC Response and Achievements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Environmental</b></p> <p>Environmental risks continue to dominate the risk landscape in short-term and long-term time horizons in the World Economic Forum's Risk Report 2025, with the four leading risks related to the environment over the long term (10 years). These include extreme weather, biodiversity loss and ecosystem collapse, significant changes to Earth systems and natural resources shortages. All these risks are expected to impact our business model, performance, and prospects in the medium to long term. The COP 29 negotiations in Baku have resulted in an agreement on a new climate finance goal. Although the financial contributions were insufficient, the outcome demonstrated that countries remain committed to collaborating on climate action—even imperfectly. Aligning with 1.5 degrees and achieving net-zero emissions by 2050 challenges businesses to develop strategies for transitioning to low-carbon energy sources and economies.</p> <p>Furthermore, investors expect companies to show their commitment and actions in addressing sustainability and climate-related risks and opportunities. These developments urge companies to create climate-friendly products, solutions, and long-term strategies to mitigate the impacts of climate change and promote adaptation resilience. Climate change has increased the occurrence and intensity of storms, floods, and droughts, adversely affected crop growth and resulting in productivity declines, food inflation and hunger. In addition to climate change, other significant threats to the company include dwindling gas reserves, water shortages, and elevated temperatures. These threats require a shift in strategy, investments in new technologies, and reducing impacts to ensure business continuity.</p> <p> Refer to pages 194-204 to read our environmental management approach and impacts.</p>                                                                                                                                                                                                                                                                                                                                     | <p>Emissions, Energy, Material, Water, Waste, Supply chain impacts</p>     | <p><b>Our opportunities</b></p> <p>We have prioritized the Sustainable Development Goals (SDGs) for meaningful contribution. We have formulated a sustainability strategy 2030 to integrate sustainable practices, develop nature-aligned products, and adopt technologies that align with a low-carbon economy. As we enhance our understanding and expertise, we proactively manage sustainability and climate-related risks and opportunities to safeguard and improve our ability to create value.</p> <p><b>Our key risks</b></p> <p>Climate-related disruptions in shape of higher temperatures and changing weather patterns, higher costs to maintain/upgrade plants, scarcity of natural gas and water, higher prices of material and energy, reduced yields and food security problems.</p> | <ul style="list-style-type: none"> <li>• FFC has recognized the risks and opportunities related to sustainability and climate and is crafting strategies for effective risk management and capitalizing on these opportunities.</li> <li>• FFC has maintained energy usage and resultant emissions in line with Targets 2026 through effective resource management, regular plant upgrades, and efficiency enhancement efforts.</li> <li>• In 2024, FFC energy consumption and emissions increased on account of merger and higher production.</li> <li>• Investment in renewable energy to pursue clean energy and reduce emissions. A 2.2 MW solar power plant that produced 11,342 GJ in 2024 was completed last year with new installations in 2025.</li> <li>• In 2024, FFC water consumption increase by 6,258 ML mainly inclusion of water consumption of PQ plant.</li> <li>• 4,950 surviving Neem trees helped to avert 271.46 tons of CO2 emissions.</li> </ul> |
| <p><b>Political and macroeconomic</b></p> <p>The global economy is recovering, with growth remaining strong and expected to stabilise, albeit modestly, as inflation decreases, although notable risks persist. With strong trade growth, improvements in real incomes, and a more accommodating monetary policy in many economies, outlook forecasts global growth is expected to maintain at 3.1% in 2024 and 2025, according to the International Monetary Fund World Economic Outlook Report.</p> <p>Pakistan has recently taken steps towards macroeconomic stabilisation, although significant risks remain; substantial reforms will be necessary to achieve sustainable and accelerated growth in the medium to long term. Favourable weather conditions and improving external factors have alleviated some pressure, allowing the economy to begin recovering in FY24. Economic activity is expected to continue recovering, with real GDP growth projected at 2.8 per cent in FY25 (as estimated by the World Bank), as the economy benefits from access to imported inputs, reduced domestic supply chain disruptions, and declining inflation. Nevertheless, the economy faces a challenging environment as it progresses towards macroeconomic stability and the essential structural reforms.</p> <p>In 2023-24, Pakistan's agriculture sector experienced strong overall growth of 6.25 per cent. Remarkably, crop production increased by 11.03 per cent, demonstrating substantial progress from the previous year. The government's initiatives to enhance the agricultural sector and the State Bank of Pakistan's programs for agrarian financing, in collaboration with federal and provincial governments, contributed to the sector's growth. However, the nation relies heavily on food imports, which exposes it to fluctuations in global food prices and impacts its food security. Government initiatives aimed at strengthening the agricultural sector—such as formulating favorable policies, enhancing access to agricultural credit, implementing crop insurance programs, optimizing market systems, investing in research and development, and raising support prices—are anticipated to foster substantial growth, create jobs within agricultural value chains, lower food prices, and bolster food security.</p> | <p>Economic performance, Procurement practices</p>                 | <p><b>Our opportunities</b></p> <p>Developing new product ranges that address macro and micronutrients, enhancing Agri-services infrastructure, and boosting diversification via organic and inorganic growth opportunities.</p> <p><b>Our key risks</b></p> <p>Higher input costs, financial risk, and reduced net earnings.</p> <p> Refer to pages 92-97 to read more about risk and opportunities on the political and macroeconomic front.</p>                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• FFC is investigating diversification strategies aimed at ensuring robust returns for investors and shareholders despite challenging political and macroeconomic conditions.</li> <li>• FFC is carrying out research and development to offer products aligned with nature for improved yields and promoting sustainable agriculture practices.</li> <li> Refer to page 164 to read more about products aligned with nature</li> <li>• FFC prefers sourcing from local suppliers; products and services not available locally are obtained from abroad. 27% of the procurement budget was allocated to local suppliers.</li> </ul>                                                                                                                                                                                                           |

**Our operating environment remained unstable and complex in 2024. This ever-changing landscape presents risks and opportunities, influencing FFC's capacity to create long-term value for its stakeholders. Nevertheless, FFC's business strategy has been crafted to effectively manage these risks and seize the opportunities that arise from external factors.**

| Broader operating environment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | FFC Material Matters                                                                                                                                                                                                                                                                                                                                                                                       | Risks and Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | FFC Response and Achievements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Social</b><br>Social<br>Persistent inflation over the years, along with reduced economic opportunities, resulted in poverty and malnutrition, health problems, unemployment, and inequalities. The macroeconomic instability and stringent fiscal policies under the IMF program have diminished public sector spending, job opportunities, and the provision of essential services. Strengthening the service sector, encouraging entrepreneurship, and developing skills are expected to create economic opportunities and enhance socio-economic conditions. Expanding poverty relief initiatives for vulnerable populations will aid those affected, alleviate hunger, and reduce social unrest. Social challenges require the private sector to devise strategies, products, and services that address these issues and promote a thriving society.<br> Refer to pages 216-218 to read our work in communities. | Employment and labour relations, Market presence,<br>Training, Health and safety, human rights, local<br>Communities, Supply chain impacts<br><br><br> | <b>Our opportunities</b><br>Our work on the SDGs and aligning our strategy to support them contributes to solving social issues. Offer products to combat malnutrition, partner with NGOs to create livelihood opportunities, and implement healthcare, education, and skill development interventions.<br><b>Our key risks</b><br>Poverty and inequality, and non-availability of plant support workers.                                                                                                                                 | <ul style="list-style-type: none"> <li>FFC is working to align its activities with core SDGs to improve impact management and contribute to the SDGs</li> <li>Investing in employee development, diversity, and inclusion fosters an engaged and skilled workforce, enhancing our ability to create value. On average, employees receive 18 hours of training each year.</li> <li>This year, Rs. 132 million was invested in CSR initiatives, which focus on supporting underprivileged communities through education and livelihood programs.</li> <li>Collaborating with supply chain partners to adopt best practices for managing supply chain impacts. Sustainability criteria are included in supplier selection procedures.</li> </ul>                                                                                                                                                                                                                                                                           |
| <b>Technology</b><br>Navigating the security of organizational IT systems is increasingly challenging due to escalating cyber threats, swift technological progress, and the integration of new technologies. While technology can enhance productivity in various sectors, the country's agriculture sector lags due to entrenched practices, inadequate awareness, capacity limitations, and financial barriers. The minimal mechanization and low technology adoption significantly hinder agricultural output and its role in GDP. Addressing food security, stabilizing the economy, and improving the livelihoods of rural communities necessitates bridging the divide between traditional and technology-based agricultural methods through collaboration among all stakeholders.<br> Refer to pages 221-231 to read our work with farmers on Agri-services and farm mechanization.                           | Economic Performance, Farmers advisory<br><br><br><br>         | <b>Our opportunities</b><br>Advocating for technology-enhanced agriculture to boost yields, enhance profitability and ultimately ensure national food security. Supporting technology within the Agri-value chain through the Farmer Advisory Center and the Farmers Agricultural Center of Excellence. Investing in innovations to improve security and elevate workforce productivity.<br><b>Our key risks</b><br>Cyber security risks and outdated farming techniques which lead to poor crop health and declining per-hectare output. | <ul style="list-style-type: none"> <li>We maintain advanced IT controls and firewalls to safeguard confidential information. Regular system updates, audits, and training sessions are conducted to ensure security.</li> <li>We established Sona Centres to support farmers and promote agricultural practices. Sona Centres have an outreach of 80,000 farmers across Pakistan, spanning over 1,000,000 acres of farmland.</li> <li>Food Security and Agriculture Center of Excellence (FACE) is promoting precision farming services to tackle the challenges posed by climate change and rising input costs. In 2024, FACE delivered precision farming services across 24,000 acres, demonstrated precision land levelling services on 125 acres, and trained 400 farmers.</li> <li>FFC is collaborating with institutions to promote modern agricultural practices.</li> </ul>  Refer to pages 229-231 for such partnerships. |
| <b>Regulatory</b><br>The introduction of IFRS SDS by SECP from 1 July 2025, along with SECP and PSX ESG guidelines, the ESG index by PSX, and SDGs reporting by PSX, are increasing compliance requirements and costs. However, these will also assist the corporate sector in identifying potential risks and opportunities to safeguard their capacity to create value<br> Refer to page 165 to read our work on integrating SDGs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Economic Performance, Anti-corruption<br><br>                                                                                                                                                                                        | <b>Our opportunities</b><br>Safeguarding the ability to create value while considering risks. Early adoption of regulations and best practices to strengthen governance.<br><b>Our key risks</b><br>Increased compliance requirement and related costs.                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>FFC established a sustainability committee of the Board and Sustainability and Innovation department to integrate sustainability.</li> <li>A multifunctional task force participates in various interactive workshops on sustainability, as part of FFC's roadmap.</li> <li>Early voluntary adoption of IFRS SDS to become ready for the upcoming regulatory requirements.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

# VALUE CREATION BUSINESS MODEL

"Our value-creation business model is central to all our operations. It shapes the availability and quality of our capital inputs, strategy, and activities and the outputs and outcomes we aim to achieve across various time horizons. We strive to optimize value for all stakeholders through activities that create and preserve value while minimizing value erosion."





by supporting value adding business activities

that produces output (product and solutions) and -----

and outcomes

For long-term value for our stakeholders

Our mission: Taking a lead role in agricultural & industrial development by delivering premium products and services while maintaining high social and environmental responsibility for all the stakeholders, thus providing a dynamic and challenging environment for our employees.



FFC fosters relationships with various organizations and its value chain partners to support the local community while sharing knowledge and best practices with farmers. See pages 229-231 for details of these organizations



#### Natural capital

- 271.46 tons CO2 emission averted by 4,950 Neem trees
- Energy consumption increased by 239,142 GJ
- 11,342 GJ clean energy produced
- Water consumption increased by 6,258 ML



#### Human capital

- Rs. 19,697 million paid in salaries and benefits
- Employees' engagement score 69%
- Attrition decreased by 7%
- Average 18 training hours per employee
- Gender diversity ratio 3.3%



#### Organizational capital

- SAP-based learning and development system
- R&D to offer products aligned with nature
- 23 booklets, crop documentaries, and SMS material developed by Agri-services for better farming practices
- 37% of farmers who followed Agri-services advice witnessed increased productivity after balanced fertilizer use



#### Social and relationship capital

- SR report ranking retained at first position
- Secured 2nd position for annual report 2023 while maintained top position at PSX for 13 consecutive years
- Rs. 94.11 billion direct and indirect tax contributions
- Rs 132 million socio-economic investment
- Created livelihood opportunities through 2,174 interest-free loans worth Rs. 78.5 million in collaboration with Akhuwat under five years program
- No complaints from value chain partners



#### Manufactured capital

- Rs. 1,715 million was invested to upgrade manufacturing plants
- 190,748 farmers outreach through the Agri-services, FACE, SONA Centres and Agri-Tech projects
- Produced 490,678 MT of products aligned with nature

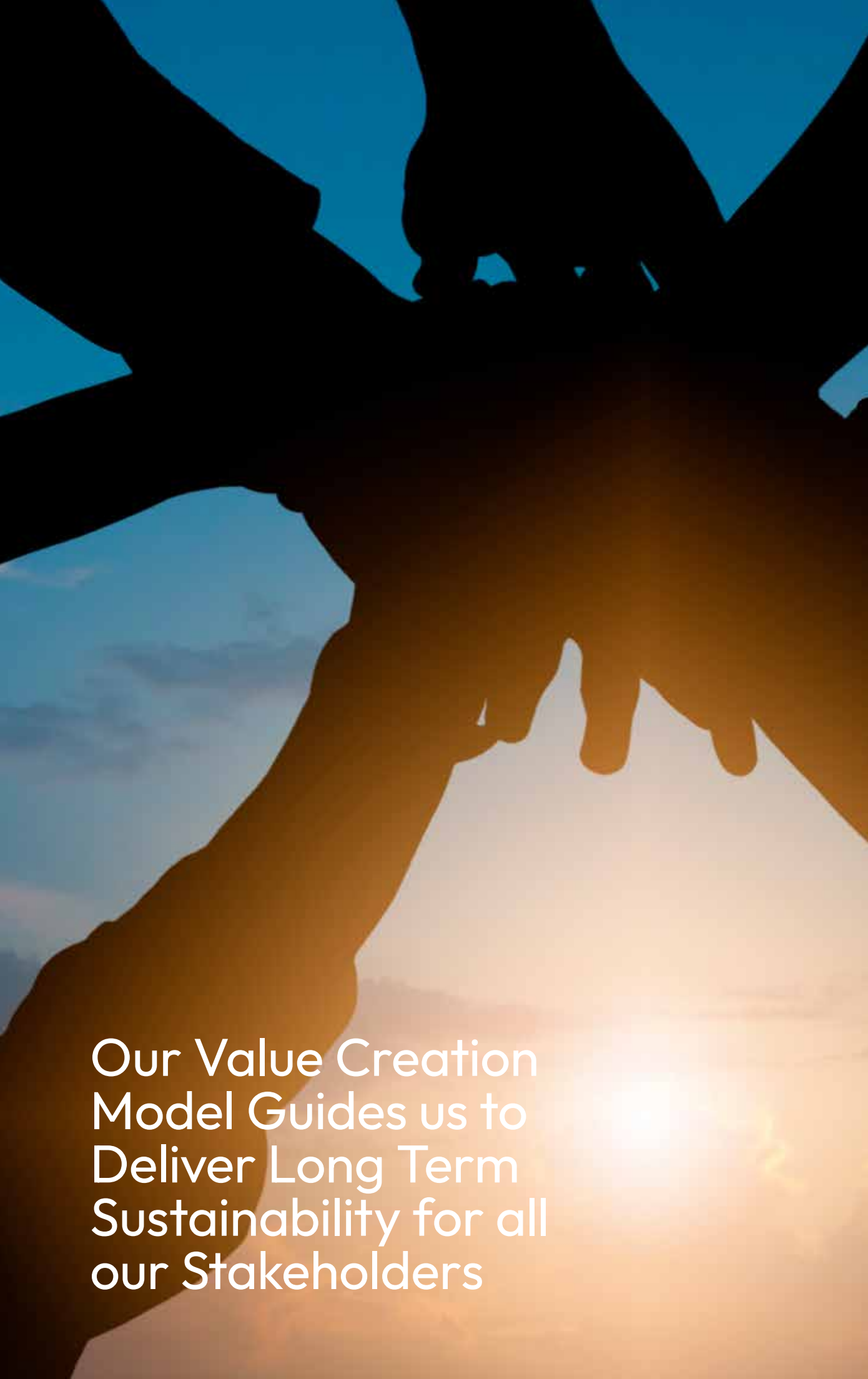


#### Financial capital

- ROE increased by 1 %
- Strong balance sheet (Debt to equity ratio 19%)
- Net asset value per share is up by 91%
- Share price increased by 224% on December 31, 2024, compared with December 31, 2023

+ Value creation ● Value preservation - Value erosion

|   |   |   |   |   |
|---|---|---|---|---|
| ● | ● | ● | ● | ● |
| + | ● | + | ● | + |
| ● | + | + | ● | + |
| + | ● | ● | + | + |
| ● | + | + | ● | ● |
| + | ● | + | ● | ● |



Our Value Creation Model Guides us to Deliver Long Term Sustainability for all our Stakeholders

# GOVERNANCE

FFC’s strong foundation for corporate governance is built on its mission, values, policies, and commitments. Our commitment to integrity and fair practices drive our ability to manage and thrive in a competitive and dynamic environment, create value through our expertise and strategic growth drivers, and ensure sustainability by following corporate governance codes, codes of conduct, policy statements on ethics, and best practices.

Refer to pages 16-19 for extensive information regarding the code of conduct, values, and policy statement of ethics & business practices.

## Governance structure

The Board of Directors is the highest governing body responsible for the company’s performance. It provides leadership and strategic guidance for assessing and managing risks, opportunities, and impacts, ensuring adherence to high ethical standards and creating value for stakeholders within a framework of prudent and effective controls.

The Board of Directors consists of one executive and twelve non-executive directors. Among the thirteen directors, four are independent, and two independent directors represent minority interests. No independent director maintains a significant financial relationship with FFC. The board comprises eleven male members and two female members. The directors also hold key positions in other companies. They are elected at the annual meeting,

while the sponsoring body and financial institutions appoint the nominated directors. FFC adheres to the relevant legal and regulatory framework that outlines requirements regarding the qualification and composition of the Board, ensuring the smooth operation of the business and the promotion of good corporate culture. FFC does not have specific quotas for nationalities, ethnic minorities, or age groups on its Board. It boasts a competent and diverse board of directors dedicated to safeguarding stakeholders’ interests. They possess extensive experience in business, finance, engineering, and other fields, and they are highly qualified with a strong sense of responsibility.

The Chairman of the Board is a non-executive director, and neither he nor anyone connected to him is employed by FFC or a company that conducts business with it or is affiliated through a consultancy or similar arrangement. The MD & CEO oversees the company’s

executive team to ensure effective operational management. The code of business ethics and anti-corruption policies are established to prevent conflicts of interest among the highest governance body members and employees. The code prohibits conflicts of interest; if such a conflict arises, it must be reported to the highest governing body for resolution.

The Board has established Committees of Directors with adequate delegation of powers to focus on issues and ensure effective and expedient resolution. The Board Committees assist the Board in fulfilling its duties and responsibilities. Each Board Committee has formal written terms of reference that are reviewed annually. These committees meet as often as needed to oversee performance in their respective areas. The Committees of the Board include the Audit Committee, System and Technology Committee, Project Diversification Committee, Human



Resources & Remuneration Committee, Sustainability Committee, and Management Committees, namely, the Executive Committee, Business Strategy Committee, and CSR Committee.

 Refer to pages 30-37 and 38-45 for extensive details related to the Profile of Directors and Board Committees.

## Compliance

FFC is legally obligated under the Companies Act, Code of Corporate Governance and the PSX Listings Requirements to comply with laws and regulations and proactively monitor and assess regulatory developments to determine their applicability and impact on the company.

FFC's proactive approach demonstrates a commitment to implementing appropriate controls to ensure compliance with the expanding regulatory landscape. This helps to enhance stakeholders' trust and ensure that appropriate measures are taken to mitigate exposure to reputational, financial, and other regulatory risks. The Board Audit Committee reviews regulatory developments, compliance with laws and regulations, and the code of conduct. The internal audit department assists the Audit Committee in assessing the status of compliance with laws and identifying any code of conduct violations that occurred during the year, as to how they were investigated and, if necessary, how violators were disciplined and organizational measures were implemented to avoid similar violations in the future.

In 2024, FFC had no incidents of non-compliance with socio-economic laws and regulations. We define significant non-compliance with laws and regulations as matters that financially or otherwise significantly impact FFC and our stakeholders.

## Corporate Strategy and monitoring performance

The Board reviews and approves the purpose, mission, vision, values, strategy, and goals related to sustainability. Various Board Committees, each accountable for their respective functions, support the Board in formulating strategy and assessing performance. FFC maintains a robust risk management system that identifies, evaluates, and manages risks pertinent to the company's operations. The Board of Directors has entrusted the Audit Committee with the responsibility of ensuring the operational effectiveness of the Enterprise Risk Management (ERM) system. Thus, the Committee is responsible for identifying and reporting risks and opportunities that could significantly influence FFC's ability to generate value. Furthermore, the Audit Committee addresses concerns raised by stakeholders during engagement and communicates significant issues to the Board.

The MD and CEO regularly update the Board through the Board committee on potential risks and opportunities, environmental and social impacts, factors influencing long-term value creation, and performance against established targets. The information is discussed and reviewed in the appropriate committees. Based on discussions in various Board Committees, the Board evaluates and analyzes organizational performance, risks, opportunities, and the effectiveness of current controls and procedures during its quarterly meetings.

## Evaluation of corporate performance

The directors' performance is assessed by establishing specific, measurable, achievable, and realistic goals for the year. The Board's effectiveness is appraised annually with the help of an external consultant, the Pakistan Institute of Corporate Governance (PICG), which evaluates the performance of the Board, its committees, and individual members against defined objectives and goals. This evaluation is reviewed during Board meetings to implement necessary actions for achieving set objectives. The board's performance evaluation did not result in any changes to the membership or organizational practices.

The Human Resource and Remuneration Committee of the Board annually reviews the company's goal achievements, including those from the Executive Committee. This evaluation focuses on performance against operational and sustainability goals. Following performance evaluation, the Committee provides recommendations for the Board's review and approval. This approach guarantees that bonus distributions correspond with FFC's overall performance and objectives. The Board members, especially those on sustainability, have substantial expertise in tackling economic, environmental, and social issues. To keep management and staff informed about the latest trends and developments in these fields, FFC offers relevant training and encourages participation in national and international conferences.

## Remuneration policies, and procedures

Our compensation policies are in line with industry standards and best practices. Our thorough appraisal

system evaluates financial and non-financial criteria to measure performance, while our remuneration policies are designed to encourage and reward high achievement. The compensation for the MD&CEO is set based on the Human Resource and Remuneration Committee's recommendations and requires the approval of the Board and shareholders. Non-executive directors do not receive remuneration, apart from a directors' fee, to reimburse costs associated with attending Board meetings. The Board approves this fee following relevant regulations and guidelines. Certain information, including the ratio of annual compensation within the organization and the percentage increase in annual compensation, is not disclosed due to its sensitive and proprietary nature.

The Human Resource and Remuneration Committee evaluates market trends impacting FFC's operations and offers recommendations to the Board. FFC prioritizes transparent decision-making and includes key stakeholders in significant decisions. The committee gathers input from stakeholders regarding remuneration during annual meetings and via Collective Bargaining Agents.

## Shareholders' and employees' recommendations

Shareholders can provide feedback or suggestions during general meetings or by contacting the Corporate Affairs Department via email or letter using the contact details listed on the company's website. Employees are encouraged to submit requests or ideas to the company, its management, or relevant departments through their supervisors or managers. The Executive Committee

supervises the collection of these recommendations as delegated by the Board. At FFC, we prioritize our employees' concerns and strive to cultivate a supportive work environment aligned with the company's objectives. We carefully assess suggestions from shareholders and employees, taking appropriate actions when feasible, relevant and advantageous to the company.

The HR department at the head office and our plants supports employees on ethical and legal matters in line with the company's code of conduct and policies. To ensure adherence to these guidelines, the HR team conducts regular checks and investigations based on the volume of compliance inquiries and specific emerging issues. We utilize a specialized SAP system to streamline this process. Moreover, employees can submit questions anonymously via the SAP portal and receive responses within a reasonable timeframe. Any code of conduct violations can also be reported through this system.

## Whistleblowing Procedure

Our whistleblowing policy promotes transparency and ethical practices in business operations. Employees, business partners, and anyone aware of misconduct can seek guidance and report concerns about internal controls, auditing issues, or the execution of organizational policies. Ethical violations, policy breaches, fraud, corruption, supplier collusion, and conflicts of interest may be reported through a dedicated email account and phone lines. This mechanism allows

stakeholders to raise questions, report violations, monitor the status of their complaints, provide feedback and voice concerns about unsatisfactory proceedings

## Whistleblowing Reporting Channels

Telephone: 051-8453501

051-8453101

Email: [whistleblowing@ffc.com.pk](mailto:whistleblowing@ffc.com.pk)

## Grievances and complaint handling

FFC prioritizes fair interactions with competitors, suppliers, customers and communities. It implements grievance systems across its plants and offices, allowing stakeholders to express their concerns, provide feedback, or file complaints. The management team at each facility, alongside the administrative department at the head office, diligently investigates grievances supported by the appropriate department. The outcomes of these investigations are shared with the relevant stakeholders and management for proper action and resolution.

Throughout the year, no complaints were reported by interest groups or institutions at the appropriate locations concerning public or social issues.



# CORPORATE POLICIES AND COMMITMENTS

Our commitment to responsible business practices and corporate policies is vital for creating value and supports our sustainability goals. We aim to foster sustainability across our industry and supply chain while developing and delivering products aligned with nature. Our policy documents affirm our dedication to ethical practices aligned with international regulations and conventions.

All employees and stakeholders in our value chain are required to adhere to our policies and practices, reinforcing our commitment to fair and sustainable business practices. The code of conduct can be accessed on our website ([www.ffc.com.pk](http://www.ffc.com.pk)), and additional policies, procedures, and guidelines are available on the staff intranet and SAP to promote transparency. Relevant policies are also distributed to supply chain partners. Any changes to the policy are communicated via emails and circulars.

| Key international policies and principles                                                                                                                                      | Embedded in                                                                                                                                                 | Approved by                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <ul style="list-style-type: none"> <li>UN Guiding Principles on Business and Human Rights</li> <li>International Bill of Human Rights</li> <li>Core ILO conventions</li> </ul> | <ul style="list-style-type: none"> <li>Code of conduct</li> <li>Code of ethics for business partners</li> <li>Compensation &amp; benefits policy</li> </ul> | Board of Directors/<br>MD&CEO |
| <ul style="list-style-type: none"> <li>Precautionary Principle of Article 15 of Rio Declaration</li> </ul>                                                                     | <ul style="list-style-type: none"> <li>Health, Safety, Environment and Quality (HSEQ) policy</li> </ul>                                                     | MD&CEO                        |

## Corporate Policies

- Code of conduct
- Code of ethics for business partners
- Privacy policy
- Compensation & benefits policy (Includes labour relations policy)
- Investor relations policy
- Whistle-blowing policy
- Anti-sexual harassment policy
- Medical policy
- Gender diversity policy
- Grievance policy

## Sustainability Policies

- Health, Safety, Environment and Quality (HSEQ) policy
- Corporate social responsibility policy
- IFA Product Stewardship certification (Protect & Sustain)

## Embedding our Commitments

We integrate international commitments and associated policies into our core business principles and code of conduct. This

integration ensures that our policy documents stay relevant and current, acting as strategic tools to guide our strategy, decision-making, and operations. This approach enables us to monitor mandatory and voluntary requirements, assisting our employees in fulfilling essential tasks while aiming to achieve business objectives and sustain value-creation capabilities.

The MD&CEO oversees the integration, execution, and assessment of the policy commitment. Our policy commitments operate within a centralised framework, with each department head responsible for implementing the policies pertinent to their department. Nevertheless, HSEQ policy commitments align with risk management and are determined by location. Employees receive ongoing training to stay updated on the latest developments and reinforce their understanding. Internal reviews, audits, and external certifications ensure compliance with the policies and commitments.

## Mitigating Negative Impacts

FFC recognises its duty to reduce and address the harmful effects of its operations to the greatest extent feasible, considering the significance of impact and our ability to influence it. In addition to the complaints received through our grievance mechanisms, we consider findings from impact assessment studies to lessen adverse outcomes. Details of our remediation efforts can be found in the performance sections of the report. Our focus for mitigation is on environmental impacts, and we actively aim to reduce operational, environmental, and financial harm as much as possible. We prioritise ecological impacts and risks in our strategy, planning, and execution stages. This proactive approach enables us to detect potential effects early and implement necessary measures promptly to safeguard the land, water, and broader ecosystems.

# STRATEGY AND RESOURCE ALLOCATION

**FFC's strategy and resource allocation decisions are derived from corporate goals and annual business plans. Our strategy involves managing risks, seizing opportunities, and diversifying into profitable ventures. FFC is actively exploring alternative feedstock, developing and offering products aligned with nature to increase yields, promoting innovation and sustainability within operations and the value chain, and adopting a circular business model. This focus on seizing opportunities is a key part of our strategy and sets us apart in the market.**

Our revamped sustainability strategy is fundamental to our business operations, innovation framework, and processes. It encompasses our operations and value chain partners' environmental, social, and economic impacts. Our sustainability strategy directs our resource allocation decisions, allowing us to manage material concerns and enhance our value-creation potential effectively. Our ongoing value creation for stakeholders relies on meeting customer expectations, promoting responsible consumption and production, and treating the environment and people equitably and respectfully. This approach differentiates us from our competitors and creates opportunities, increasing revenue, customer appreciation, acceptance, and more significant market share.

Our investors recognize that their investments create value for all stakeholders while considering the effects on the economy, environment,

and people. We are dedicated to minimizing our environmental footprint, even if it entails significant investments and facility upgrades. We recognize the hurdles presented by the complexities of manufacturing operations and the availability of alternative technologies, and we will continue to address these challenges in our strategy assessments and resource allocation. Our commitment is evident through our sustainable practices in value chain management, health and safety, community engagement, and respect for human rights within our operations. Our investments and policies seek to lower our environmental impact, reduce overall costs, and enhance the company's appeal to skilled professionals and investors while elevating product quality and its reputation among customers. We maintain strong governance oversight of the sustainable value creation process, enabling us to achieve consistent and robust returns and establishing us as the market leader in our industry.

Refer to page 167 to read our governance approach for sustainable value creation.

We have established targets and defined key performance indicators to manage our sustainability impacts. We believe that sustainable value creation entails a transformation process where the use of resources, investment objectives, technological development direction, and institutional changes align to enhance the current and future capacity to create value. Our sustainability strategy aligns with the core SDGs we identified, and we are committed to supporting these goals by allocating resources to manage our impact on the SDGs and seizing opportunities. For instance, our efforts in Agri-services support SDG 2, "Zero Hunger," and SDG 12, "Responsible Production and Consumption." Our R&D aims to provide enhanced efficiency fertilizers that align with nature and support SDG 13, "Climate Action." We are working on integrating relevant SDGs into our corporate policies to improve our value-creation activities.

Refer to page 165 to read our approach to integrating SDGs.

Refer to pages 216-218 and 220-231 to read about our projects for community upliftment and promoting sustainable agriculture to ensure food security. These projects manifest our strategy of contributing to the SDGs through our products, expertise, and investments.

# EMBRACING HARMONY WITH NATURE – IMPACT ON PLANET

## 03



### Natural, Manufactured, Social & Relationship Capital

| Contributing to SDGs: |                                                   |      |                                  |  |  |  |
|-----------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--|--|--|
| Activities            | Identifying and calculating energy and emissions  | Adopting new technologies                                                                                                                                                                                                                                                                                                                                                                                                                     | Implementing efficiency measures |  |  |  |
|                       | Shifting to low-carbon energy sources             | Water recycling and conservation                                                                                                                                                                                                                                                                                                                                                                                                              | Waste and wastewater management  |  |  |  |
|                       | Promoting environmental practices in value chain  |                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                  |  |  |  |
| Outputs               | Energy and emission reductions                    | Renewable energy adoption                                                                                                                                                                                                                                                                                                                                                                                                                     | Waste reduction                  |  |  |  |
|                       | Water conservation                                | Environmental compliance                                                                                                                                                                                                                                                                                                                                                                                                                      |                                  |  |  |  |
| Value Created         | Responsible management of environmental footprint | Responsible and sustainable value chain                                                                                                                                                                                                                                                                                                                                                                                                       |                                  |  |  |  |



# MANAGING ENVIRONMENTAL IMPACTS AND CREATING VALUE

At FFC, we are committed to shifting towards a low-carbon economy, reducing our environmental impact. We actively collaborate with our partners to reduce emissions and environmental impacts across the value chain. Our proactive management approach is designed to prevent and mitigate potential adverse environmental impacts, instilling confidence in our stakeholders about our ability to combat climate change.

Environmental protection is paramount for FFC. The company is committed to adopting environmentally friendly technologies and optimising processes to minimize environmental impact. To uphold high Health, Safety, and Environment (HSE) standards, an integrated Environmental, Health, and Safety policy is implemented across all manufacturing plants. The aim is to conserve the environment, ensure a safe and healthy workplace, and enhance the quality of life for employees, contractors, visitors, and the local community surrounding the plant.

We ensure our plants' environmental management and resource efficiency through third-party certified environmental management systems. Our plants are certified to the ISO 9001 Quality Management System,

which provides the quality of our products and services, and ISO 14001 Environmental Management System, which focuses on environmental aspects and impacts of our operations. These certifications, along with the OHSAS 18001 Occupational Health & Safety Assessment Series (OH&S Management System) and the IFA Product Stewardship "Protect and Sustain" Certification, cover our management system, product development and planning, sourcing and contractor management, manufacturing techniques, supply chain and marketing and sales functions. These management systems enable us to identify potential risks, opportunities, and efficiency areas, improve internal data management, and build stakeholders' confidence.

The General Manager for Manufacturing and Operations at each manufacturing plant oversees the plant's performance, ensures regulatory compliance, and monitors compliance standards. Regular training is conducted to ensure the senior management of the manufacturing units and employees working online functions are well equipped. FFC has designed specific training modules for different internal training, and employees are nominated for external training. The Health, Safety,

and Environment (HSE) systems are closely monitored to ensure compliance with internal HSE policies and applicable laws and regulations. The SOC and ERC forums at the facility level regularly perform internal checks to identify gaps. The environmental management approach is regularly evaluated based on the results of internal checks and external certifications of the management systems. Any required adjustments are made to minimize the environmental impact of our operations.

No violations of laws, regulations, or voluntary codes of practice related to nature and environmental protection occurred during the year due to stringent compliance checks and voluntary commitments. Additionally, the company did not have to pay fines or non-monetary penalties for non-compliance with environmental laws and regulations in 2024. FFC has an environmental grievances mechanism that allows individuals to file complaints regarding any adverse environmental impacts resulting from the company's operations. These complaints are handled by the resident manager at the plant site, who is responsible for investigating the issues and taking necessary actions. During the year, no complaints were filed.





# CLIMATE CHANGE STRATEGY AND PERFORMANCE

Climate change represents a significant global challenge that poses serious risks to agricultural productivity and economic stability across various regions. The demand for reducing emissions within operations and the agricultural food supply chain is increasing. As a responsible organization, we are committed to tackling this problem. Our approach consists of two main strategies. First, we focus on decreasing greenhouse gas emissions from our operations and supply chain. Second, we are investigating innovative solutions to help the farming community minimize product use emissions. Our goal is to promote and inspire climate action both within our organization and beyond.

## Material Matters in this section



Emissions



Energy

## Our actions and performance 2024

### Energy Efficiency

#### Mirpur Mathelo plant

##### Enhancing Energy Efficiency in KS Steam Generation

A Six Sigma Green Belt (GB) team at Mirpur Mathelo plant executed an optimization project to improve the steam and power generation system to decrease fuel gas consumption. The activity successfully saved 1,562,699Nm<sup>3</sup> of natural gas by enhancing the performance of the gas turbine and waste heat boiler. This achievement resulted from refining firing loop controllers, adjusting auxiliary boiler operations, and rigorous monitoring.

#### Goth Machhi plant

##### Cooling Tower Cells-F and G Packing/ Nozzles Replacement

Due to wear and tear, several nozzles and fills were compromised, resulting in uneven flow distribution in the cells and requiring replacement. Because of the improvements noted in refurbishing other cells, a plan was established to upgrade the nozzles and fills of two cooling tower cells with a new design to boost cooling tower efficiency and lower plant energy use. Cell 'G' refurbishment is finished, while work on Cell 'F' is ongoing.

#### Installation of Ammonia After Cooler

After the Ammonia Recovery Unit was installed in 2015, the cooling efficiency of refrigerant ammonia in the accumulator has dramatically declined due to the bypassing of the purge gas flow. Recent optimisation tests on the ammonia converter uncovered additional limitations within the refrigeration loop; elevating conversion in the synthesis reactor resulted in increased inlet ammonia concentrations. Adding the recommended exchanger into the refrigeration loop will enhance energy efficiency and boost production.

## Emissions Reduction

#### Mirpur Mathelo plant

##### Upgradation of Burner Nozzles of KS Superheater

The upgrade of three burners was completed, which resulted in an increase of KS steam temperature by 3°C to 4°C, creating opportunities for higher plant production in steam turbines. This also reduced 3,068 MT CO<sub>2</sub>e of greenhouse gas emissions annually.

##### Efficiency improvement measures

Optimisation measures were implemented during the year to enhance

energy efficiency and reduce emissions, decreasing 3,060 MT CO<sub>2</sub>e.

#### Optimisation of silica in boilers' steam drums

Silica in the boiler water stayed under 200 ppb, suggesting an unnecessarily high CBD rate and resulting financial issues due to lost conditioned water and vent openings. The recommended silica levels of between 200 and 250 ppb assist in optimising the steam drum silica level and will save approximately PKR 22 million while reducing GHG emissions by 1,979 MT CO<sub>2</sub>e yearly.

#### LTSC Catalyst Replacement

The LTSC catalyst was replaced, increasing daily plant production by approximately 2%. The replacement was conducted online, preventing a urea production loss of about 10,000 metric tons. This action reduced GHG emissions by 16,973 MT CO<sub>2</sub>e annually.

#### Digitalization of Safety Audits & Data Logging System

The digitization of audit systems and data logging has greatly enhanced operational efficiency. Transitioning to a digital platform has been key in promoting environmental sustainability and reducing CO<sub>2</sub>e emissions, aligning with our green initiatives.

Conference of Parties 29

The FFC team, which included representatives from S&I and FACE, attended the event in the Blue Zone for the first time. Their objectives were to network with traditional stakeholders for potential partnerships and collaborations, to participate in relevant sessions for insights into pertinent business issues, and to engage with key national stakeholders involved in the Climate Change portfolio. The team attended several events, such as “Economic Impact of Climate Change on Agriculture,” “Climate Change and Anti-Microbial Resistance,” and “Integrating Permaculture and Predictive Modeling.”

Future Actions  
2025

Shifting to low-carbon energy  
Mirpur Mathelo plant

- Installation of Solar System at Engineering Building**  
A solar power system is proposed for the Engineering Building to promote an eco-friendly environment and conserve energy. This rooftop solar plant will connect to the grid, generating power during the day and sending surplus electricity to the network. It is expected to produce about 55,000 kWh annually, saving Rs. 1.2 million per year, preventing around 27.5 MT of CO2 emissions in the first year.

Energy Efficiency

Mirpur Mathelo plant  
Installation of Demineralized Water (DMW) Pre-heater

The DMW Preheater, E-207, was installed as part of the DBN Project in TA-2008 to raise the DMW temperature to 103°C. However, it failed to deliver the anticipated benefits due to its inadequate thermal performance, with temperatures between 95 and 98°C. There remains considerable potential for saving level switch (LS) steam in the de-aerator, V-603, by enhancing the DMW temperature. To achieve the expected benefits, it is proposed that an additional DMW preheater, E-351D, be installed to recover heat downstream of the ammonia process condensate section feed/effluent exchanger, E-351C. The pre-heater will increase the DMW temperature from 96°C to 102°C, optimising steam usage in the deaerator and enhancing the plant’s energy efficiency. This cost-effective solution utilizes a redundant boiler feed water (BFW) pre-heater, with projected annual savings of PKR 60.6 million. The anticipated equivalent GHG emissions reduction per year will be 8,984 MT.

GHG Emissions

We have long-term and interim goals to cut absolute GHG emissions, respond to the growing demand for a climate-neutral economy, and investigate ways to transition to a low-carbon economy. However, the intricacies of manufacturing processes and the current technological capabilities

primarily obstruct progress in the short term. Nonetheless, we are actively focused on minimising emissions in our operations and throughout our value chain through various initiatives and measures.

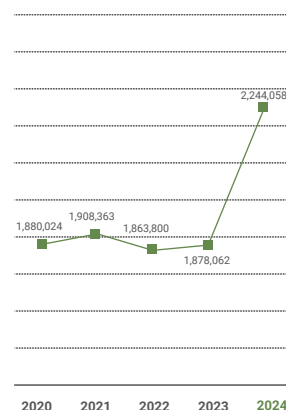
Our core processes and the production of fertilizers rely heavily on natural gas as the primary energy source. This leads to the emission of CO2, which constitutes our predominant source of emissions. Our priority is to reduce GHG emissions from our production processes, as this is where our significant direct GHG emissions occur. The emissions from our plants are subject to control limits set by the Environmental Protection Agency. At FFC, we ensure compliance with these limits and strive to reduce emissions as much as possible further. We regularly assess the total emissions for each plant site and conduct checks to monitor any variations. The quantity of greenhouse gases, primarily CO2, released at each plant location is continuously measured and aggregated to determine the total amount. Other greenhouse gases, such as methane and nitrous oxide (N2O), are also quantified and included in the overall calculation of greenhouse gas emissions. The GHG figures do not encompass GHG emissions from subsidiaries or associated companies. FFC’s GHG emissions are not subject to emissions-limiting regulations or programs aimed at limiting or reducing emissions directly. The global warming potential of the respective gaseous emissions was sourced from the United Nations Framework Convention on Climate Change (UNFCCC).

| GHG emissions (MT)                     | 2024      | 2023      | 2022      | 2021      | 2020      |
|----------------------------------------|-----------|-----------|-----------|-----------|-----------|
| GHG Emissions CO2 equivalent (Scope I) | 2,241,228 | 1,878,062 | 1,863,800 | 1,908,363 | 1,880,024 |
| GHG Emissions CO2 equivalent (Scope 2) | 2,830     | -         | -         | -         | -         |
| Total emissions                        | 2,244,058 | 1,878,062 | 1,863,800 | 1,908,363 | 1,880,024 |

The GHG emissions increased due to the highest production levels recorded during the year and the inclusion of GHG emissions of the PQ plant. FFC currently does not report Scope 3 emissions due to the unavailability of data and calculation methodology at FFC. However, FFC plans to calculate Scope 3 emissions from the next reporting cycle to calculate the complete footprint and be ready for the regulations

introduced by SECP. Meanwhile, we are collaborating with transporters to apprise them about climate change emissions and impacts, encouraging them to upgrade their fleets to reduce emissions. This year's emissions per metric ton of urea were 0.57 MT CO<sub>2</sub>/MT. The emissions intensity calculation considers Scope 1 and Scope II emissions.

## GHG Emissions (MT)



| Emission of gases in MT | 2024  | 2023  | 2022  | 2021  | 2020  |
|-------------------------|-------|-------|-------|-------|-------|
| Nitrogen Oxide          | 1,379 | 1,065 | 1,120 | 941   | 923   |
| Particulate matter      | 1,551 | 1,203 | 1,151 | 1,215 | 1,091 |
| Total                   | 2,930 | 2,268 | 2,271 | 2,156 | 2,014 |

Including data from the PQ plant increased emissions of other inorganic pollutants, such as NO<sub>x</sub>. No emissions of NH<sub>3</sub> were recorded. As a general practice, the company compares the results from the previous year. The emissions are recorded based on laboratory analysis and actual fuel flow.

## Emissions Reduction

We are dedicated to reducing emissions through energy-efficient projects, optimizing production processes, and modernizing our plants. These initiatives effectively maintain low emissions.

Refer to page 195 for details of such initiatives and projects.

In the past year, there was no significant reduction in emissions relative to the previous year, which serves as our base year according to company practices. While utilizing fertilizer products can negatively impact the environment—

mainly due to the release of N<sub>2</sub>O during soil mixing—we are actively researching and developing improved fertilizer options that release nitrogen in sync with crop demands, thereby reducing harmful environmental impacts.

Refer to page 164 for details regarding current and future products and solutions developed to achieve harmony with nature.

Additionally, no emissions of ozone-depleting substances were reported this year. Our commitment to avoiding ozone-depleting substances is key to our environmental management policy.

### Green Pakistan Initiative

Our commitment to the low carbon economy goes beyond operational enhancements and encompasses tree planting initiatives across various locations. Since 2021, we have planted 5,000 Neem tree saplings at the FFCEL site in Jhimpir and the FFC plant sites as part of the PM Green Pakistan initiative. These Neem trees are anticipated to

aid in lowering emissions and generating job and business opportunities by developing a Neem oil supply chain for producing Neem Coated Urea (NCU). Nearly two years have passed since we began operating and maintaining the Neem tree plantations. Remarkably, the survival rate of these plants is around 99%, which is an outstanding accomplishment given the area's barren conditions Jhimpir. Moreover, these trees have helped to avert 271.46 tons of CO<sub>2</sub> emissions.

## Energy Consumption

FFC uses significant energy in ammonia production and natural gas and diesel to generate electricity, heat, and steam. We operate four plants at three locations, each with differing technological specifications. FFC is dedicated to optimizing energy efficiency and intensity across its plants to reduce overall energy consumption and associated green-

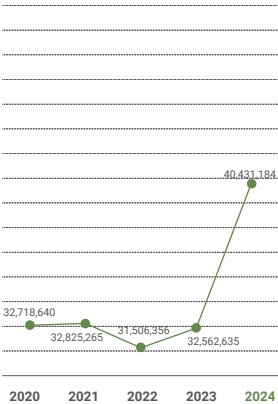
house gas emissions. Each plant has specific energy efficiency and reduction targets, and its performance is regularly assessed against benchmarks. Energy audits are conducted to enhance performance.

FFC actively explores renewable energy options at various plant locations to mitigate non-production-related energy impacts. While solar panels have been installed in parking areas to capture renewable energy, their current contribution (11,342 GJ) to the overall energy mix remains insignificant. FFC intends to explore and implement strategies to increase the proportion of renewable energy in its energy mix.

 Refer to page 195 for details of the projects.

| Total Energy consumption in GJ |                   |
|--------------------------------|-------------------|
| 2020                           | 32,718,640        |
| 2021                           | 32,825,265        |
| 2022                           | 31,506,356        |
| 2023                           | 32,562,635        |
| <b>2024</b>                    | <b>40,431,184</b> |

Energy consumption  
In GJ



Total energy consumption increased due to the highest production on record during the year and the inclusion of energy data of the PQ plant. FFC does not calculate energy consumption outside the organization because total energy consumption is insignificant.

However, FFC plans to initiate the Scope 3 emissions calculations next year and calculate energy consumption outside the organization.

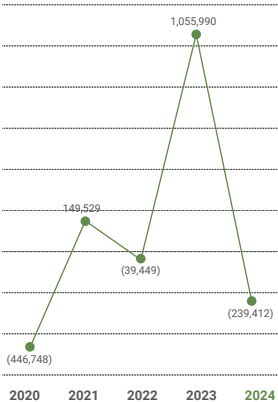
## Energy Efficiency

We aim to lower our energy usage and decrease our carbon footprint by improving our processes and adopting new methods and technologies.

| Energy savings in GJ |                  |
|----------------------|------------------|
| 2020                 | (466,748)        |
| 2021                 | 149,529          |
| 2022                 | (39,449)         |
| 2023                 | 1,055,990        |
| <b>2024</b>          | <b>(239,142)</b> |

The company uses the previous year's production and energy consumption levels as a baseline to measure energy efficiency, comparing them with the current year's energy consumption at the same production level. The resultant energy efficiency figures are calculated by multiplying energy efficiency with the current year's production. The positive figures indicate a reduction in energy.

Energy Savings  
In GJ



The energy efficiency initiatives implemented this year have led to notable energy savings. Our plants exhibit varying energy intensity ratios due to differences in their technologies. This year's energy intensity ratio is 10.32 GJ/MT of

urea. The energy intensity ratio accounts solely for the energy consumed within the organization. We record energy consumption data in conventional units, such as MMSCF for natural gas and kWh for electricity. These values are then converted into gigajoules (GJ), the standard measure of energy consumption, allowing us to derive the average energy content. We obtained conversion factors from the USA's Energy Information Administration (EIA). The heating values were derived from laboratory analysis and natural gas and diesel standard values. The energy consumption figures and sources detailed in this report are based on data from the plant sites and other locations, offering a consolidated and comprehensive overview of FFC's energy usage in its operations.



# RESOURCES CONSUMPTION

The use of materials impacts finite natural resources, affects the bottom line, and generates waste. Natural gas, a feedstock in fertilizer production, is depleting rapidly, posing a future business risk. We are exploring alternative feedstocks for business continuity and value creation.

## Our actions and performance

Natural gas is the primary raw material for producing ammonia-based fertilizer. Lubricants and chemicals are used in the manufacturing process. Biodegradable packing material for Urea and renewable resource utilization, where applicable, are helping us advance toward establishing a widely sustainable value chain.

### Material consumption

| Material                                     | Unit  | 2024        | 2023       | 2022       | 2021       | 2020       |
|----------------------------------------------|-------|-------------|------------|------------|------------|------------|
| Natural gas                                  | MMSCF | 57,951      | 45,831     | 45,918     | 47,143     | 45,931     |
| Lubricant                                    | Liter | 615,778     | 473,310    | 510,416    | 352,495    | 320,955    |
| Chemicals                                    | KG    | 12,755,542  | 7,092,406  | 8,861,817  | 7,531,690  | 7,756,057  |
| Packing bags (150 gm each)                   | Bags  | 17,043,066  | 49,745,459 | 48,127,019 | 48,944,279 | 49,557,051 |
| Packing bags (95 gm each)                    | Bags  | 144,780     | 503,745    | 656,713    | 1,453,550  | 1,259,156  |
| Packing bags (100 gm each for Granular Urea) | Bags  | 10,271,240  | -          | -          | -          | -          |
| Packing bags (95 gm each for DAP)            | Bags  | 16,862,500  | -          | -          | -          | -          |
| Liners and thread                            | KG    | 532,222,174 | 1,841,932  | 1,788,269  | 1,779,668  | 1,833,895  |

The packing bags of 95 gm each were used on GM plant during the year. The packing bags of 100 and 104 gm were used in PQ plant.

FFC does not use renewable materials in the production processes.

## Recycled material consumption

We strive to use recycled materials whenever possible. However, the production process and cleanliness standards limit this usage. During the year, we recovered and used 4,195 MT of urea dust, up from 6,071 MT in 2023. Our products dissolve during use and cannot be reclaimed, whereas the packaging is biodegradable and not reclaimable. Farmers repurpose the bags in their activities, which are broken down at the end of their life cycle.

# WATER IMPACT REDUCTION STRATEGY AND PERFORMANCE

Water stress is a major global issue that impacts the environment, health, and economy. With the increasing occurrence of weather events like droughts and floods, the availability of fresh, clean water is being compromised. Water is essential not just for our operations but also for farmers, who rely on it to grow their crops. We understand the consequences of water scarcity for our business and the communities we support. Therefore, we are improving our practices and building strong collaborations with the farming community to encourage efficient water use both now and in the future.

## Our actions and performance

### Mirpur Mathelo plant

#### Ammonia Process Condensate Recovery

Due to the high ammonia content during the fuel preheater's cleaning activities, ammonia condensate was previously diverted to an evaporation pond. A bypass arrangement has now been installed on the preheater, allowing continuous condensation recovery throughout the year and saving 4.3 ML of water.

#### Process water Recovery

The condensate collected from the CO<sub>2</sub> compressor's suction knock-out vessels has a high ammonia content, leading to higher wastewater ammonia levels. Following the installation of permanent piping, this water has been redirected to the Benfield section vessel for recovery. This change is expected to recycle 25 ML of water each year and lessen the burden on the evaporation pond.

#### Relocation of tube wells

Four new tube wells have been completed to improve water quality, reducing wastewater by 15 ML annually.

### Goth Machhi plant

#### Relocation of high chloride wells at Ahmed Pur Lamma

The FFC-GM complex fulfils its raw water needs using the canal and well water sourced from the Ahmed Pur Lamma (APL) well area. Unfortunately, groundwater quality in APL is steadily declining due to excessive extraction and insufficient recharge. Since the quality of well water significantly influences the performance and operational expenses of ion exchange resins and cooling towers, increasing the number of high-quality wells became crucial. As a solution, 11 new wells were installed in a region characterised by a low chloride profile.

## Future Actions

### Goth Machhi plant

#### Ensuring water supply (Phase-II)

To tackle the water quality challenge, initiatives such as expanding well zones, drilling new wells, and moving existing ones have been implemented. To ensure water availability and continuous supply, a new location has been chosen for relocating wells with high chloride levels. The area next to the well site has been leased, and 11 new wells have been successfully drilled during the year. Additionally, plans are in place to build 9 more wells on the leased land as part of the project's second phase.

#### Cooling Tower Biocide System Upgradation

Chlorine gas is a biocide in cooling water systems; however, its use presents several challenges. It adds extra chlorides to the system, which lowers the cycles of concentration (COC) and raises chemical demand (CD). As a result, there is increased usage of cooling water chemicals and wastage of water resources. Additionally, chlorine's effectiveness varies with pH, reducing its capability

for microbial control. Storing and handling chlorine gas cylinders also create health and safety hazards. The Nalco Water 'PURATE' system offers numerous benefits as a biocide, including better control of microbiological growth than chlorine while avoiding chloride accumulation. This improvement enhances COC and lowers chemical demand. Moreover, PURATE mitigates the safety risks of chlorine gas storage and handling. The proposed PURATE system aims to improve water and chemical conservation, raise net COC due to reduced chloride, conserve 280 ML of water each year, boost heat transfer efficiency by effectively controlling bacterial levels, and enhance the overall efficiency and reliability of the cooling water system.

We primarily use water for cooling and steam production, sourcing most of our requirements from underground, canal, and municipal water. We utilize potable water from wells for drinking and housekeeping at township and plant sites. The company has installed tube wells over a large area, and withdrawal from these wells does not significantly affect the water system. Canal and groundwater are treated with various filtration systems before being utilized in our processes. FFC's plants at Mir Pur Mathelo and Goth Machhi have a water intake of up to 18 cubic meters from a canal managed by the irrigation department. This volume is not considered significant, given the annual flow of the canal. FFC has an agreement with the department, and the meters they installed measure the water inflow. The canal does not support any protected species and is primarily used for irrigation. Water is not stored at the FFC plants and has no significant environmental impact. The Port Qasim plant has an agreement with KWSB for water

supply, and flow meters have been installed to measure the water inflow.

We routinely assess our plant locations to evaluate potential water-related risks while monitoring water withdrawal, usage, and discharges. Regular studies are conducted to uncover ways to reduce freshwater usage and improve recycling efforts.

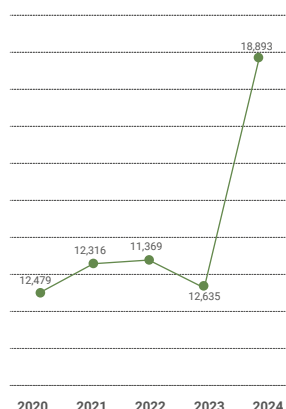
FFC employs cutting-edge machinery to continuously circulate and reclaim water after use for re-cooling and reuse. We adhered to our water withdrawal permit throughout the year with no non-compliance incidents. FFC has set goals for more efficient water use to lessen the impact on dwindling freshwater sources in Pakistan. The company collaborates

with partners throughout its value chain to minimize water-related consequences. FFC's plant sites also work with local communities and stakeholders to tackle water quality and availability concerns. The plant sites have established points for filtered fresh water in the communities to ensure clean water access.

| Water withdrawal by source in ML/year                  | 2024          | 2023          | 2022          | 2021          | 2020          |
|--------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| <b>Surface water</b>                                   |               |               |               |               |               |
| Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids) | 14,199        | 5,944         | 3,966         | 5,238         | 6,349         |
| Other water ( $>1,000$ mg/L Total Dissolved Solids)    | –             | –             | –             | –             | –             |
| <b>Ground water</b>                                    |               |               |               |               |               |
| Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids) | 9,552         | 8,898         | 11,538        | 10,304        | 8,381         |
| Other water ( $>1,000$ mg/L Total Dissolved Solids)    | –             | –             | –             | –             | –             |
| <b>Total water withdrawal</b>                          | <b>23,751</b> | <b>14,843</b> | <b>15,504</b> | <b>15,542</b> | <b>14,730</b> |

| Water consumption in ML/year    | 2024   | 2023   | 2022   | 2021   | 2020   |
|---------------------------------|--------|--------|--------|--------|--------|
| Total water consumption ML/year | 18,893 | 12,635 | 13,387 | 13,288 | 12,479 |

### Water Consumption (ML)



Water withdrawal and consumption figures were updated to correct rounding-off errors. Water withdrawal, consumption and discharge increased due to the inclusion of water data from the PQ plant.

## Wastewater/water discharge

Water becomes partially contaminated throughout production and requires treatment before being reused or released into the canal. This process ensures pollutants are diminished to acceptable levels by the National Environmental Quality Standards (NEQS) and provincial environmental authorities. The primary concerns regarding wastewater discharge include nitrogen and phosphate, which can cause eutrophication in water bodies. To treat the wastewater,

we implement oil skimming and neutralization techniques. When the canal is closed, water is stored in evaporation ponds. Conversely, cooling and rainwater are discharged directly into the canal without treatment, as they do not interact with chemicals.

Additionally, we repurpose the wastewater for horticulture at the plant sites. The wastewater discharged by FFC is mainly treated and does not negatively impact the environment. Moreover, compliance with water disposal regulations has been maintained throughout the year.

| Water discharge by destination in ML/year              | 2024  | 2023  | 2022  | 2021  | 2020  |
|--------------------------------------------------------|-------|-------|-------|-------|-------|
| <b>Surface water</b>                                   |       |       |       |       |       |
| Surface water                                          | 4,858 | 2,208 | 2,117 | 2,254 | 2,251 |
| Freshwater ( $\leq 1,000$ mg/L Total Dissolved Solids) | –     | –     | –     | –     | –     |
| Other water ( $>1,000$ mg/L Total Dissolved Solids)    | 4,858 | 2,208 | 2,117 | 2,254 | 2,251 |

# WASTE MANAGEMENT STRATEGY AND PERFORMANCE

The wastewater figures are estimated. The flow rate is derived from the wastewater disposal plant's operational pumping capacity. Discharge water quality is routinely monitored for pH, conductivity, ammonia, urea, COD, BOD, and suspended solids (SS). The discharged water had a Chemical Oxygen Demand (COD) value of 32 ppm and a Biological Oxygen Demand (BOD5) value of 18 ppm. Waste presents a significant risk to human health, biodiversity, and natural resources. Our production and business operations generate both hazardous and non-hazardous waste. We prioritise efficient waste management to mitigate the adverse effects of waste and its disposal.

## Our actions and performance

### Goth Machhi plant

#### Geo Membrane Lining of Evaporation Pond-II Extension

EP-I and EP-II evaporation ponds dispose of off-spec water from the plant. The contaminants in the wastewater, including ammonia, urea, sodium, and sulphates, pollute underground water through subsoil seepage. The population living near the evaporation ponds relies on underground water for drinking and other potable purposes. To prevent the contamination of underground water, impervious and chemical-resistant polymer sheets were installed on 55 and 25 acres of EP-II and EP-I, respectively. Additionally, the development of the newly acquired 17-acre land for the EP-II extension was completed.

### Mirpur Mathelo plant

#### Geo-membrane Lining

The geo-membrane lining project covering an extensive area of 9 acres in Evaporation Pond 'D' has been completed for PKR 147 million to enhance the durability and functionality of the pond by installing a high-quality geo-membrane liner.

## Future Actions

### Goth Machhi plant

#### Sewage Water Disposal

There are two main sanitary waste streams: Township sanitary waste and Plant site sanitary waste. The Plant site generates sewage at about 120 m<sup>3</sup>/day, released untreated into the evaporation pond (EP-I), leading to foul odours and potential groundwater contamination. Conversely, the Township's sanitary waste, roughly 1600 m<sup>3</sup>/day, is stored in a septic tank and then discharged onto neighboring agricultural land. This disposal method occurs due to the absence of a waste drain near the Goth Machhi Plant site. Sewage water from the Township and Plant site will be treated to render it suitable as makeup water for the cooling tower. Following this project, the discharge of FFC sewage water to local agricultural fields will cease, with it fully recovered in the Plant-I Cooling Tower..

Our approach is to minimize the waste produced by our operations and meticulously manage our waste streams to lessen environmental impacts. Waste management adheres to relevant regulations, with recycling being prioritized whenever feasible. We focus on preventing waste rather than recovery or disposal and advocate for waste prevention throughout our value chain. Nonetheless, any unavoidable production waste is either recycled or properly disposed of. Before classifying an item as waste, we conduct a thorough assessment at appropriate levels to ensure no potential use is missed. Items are declared waste and sent for disposal only when they have no useful purpose in our operations. Our procedures mandate accurate recording, analysis, and description of each waste type. Waste is appropriately documented in our internal records, detailing the waste's origin, quantities generated annually, classification as hazardous or non-hazardous, and potential disposal methods.

## Waste generation

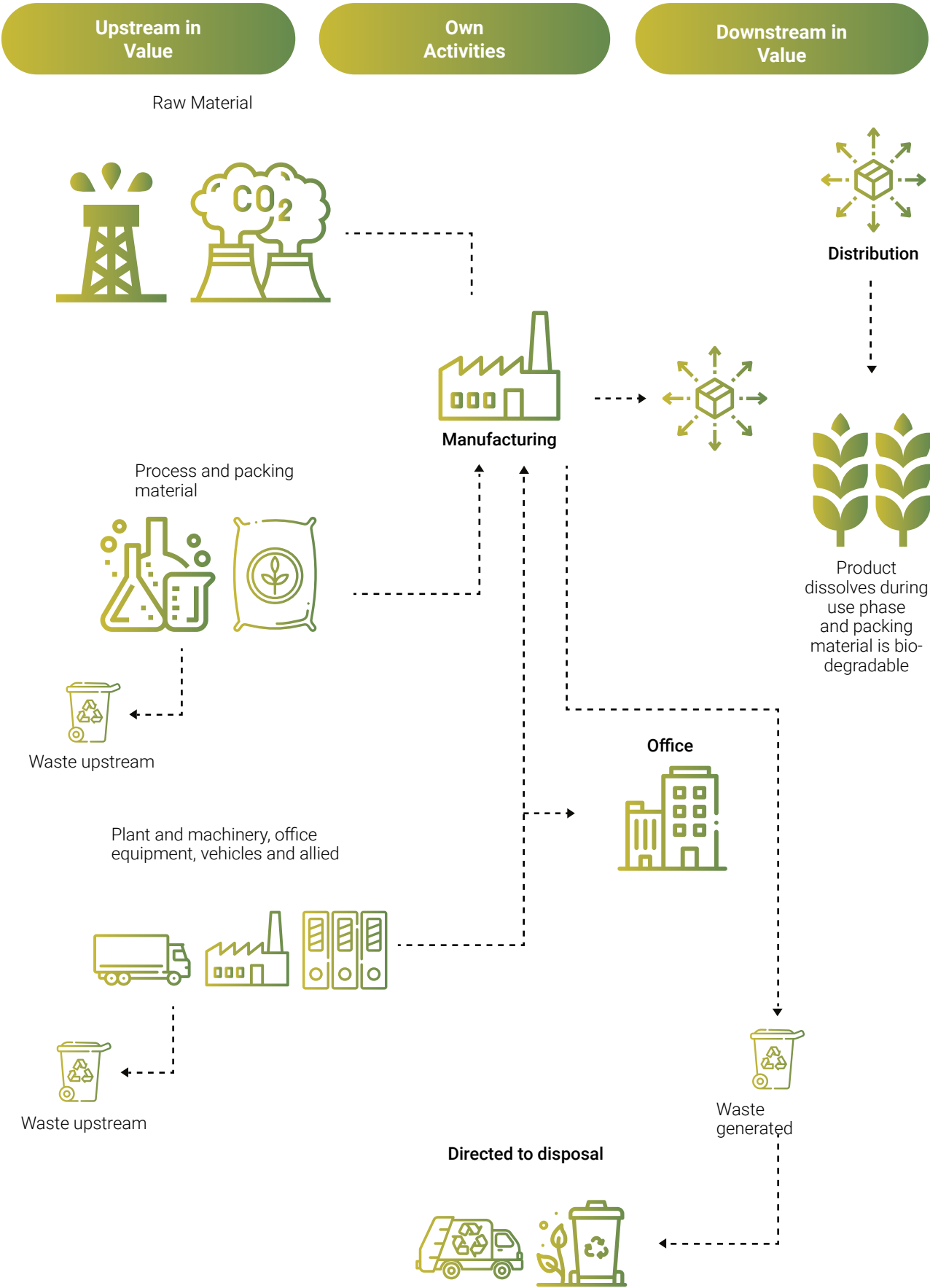
We produce our fertilisers using natural gas, water, and air. These raw materials are supplied via pipeline and compressor, respectively. The final product is prilled urea packed in an oxo-biodegradable liner and placed in a WPP bag. The product dissolves during use, ensuring there is no post-usage waste. The packaging material is biodegradable and does not contribute to waste generation. Furthermore, our manufacturing process does not produce any by-products.

Manufacturing and operational activities generate both hazardous and non-hazardous waste. This waste encompasses packing materials for various maintenance items and additional support services. Waste generated at plant sites includes materials such as resin, catalysts, chemical residues, and lube oil. Other types of waste include clinical waste, insulation materials, asbestos sheets, broken tube lights, toner cartridges, battery cells, used oil filters, lab bottles, empty chemical drums, and plastic and rubber. Each waste type possesses different properties, ranging from non-hazardous to hazardous. The volume of waste fluctuates annually, primarily influenced by investment, upgrades, and maintenance activities.

## Waste treatment

The plant site gathers waste until it reaches a considerable amount, which is disposed of using the most effective method. The main emphasis is on recycling or treating the waste, with only non-recyclable materials being sent to landfills, which are then provided to a carefully vetted supplier. All waste disposal is managed by contractors authorized by the Sindh Environmental Protection Agency and the Punjab Environmental Protection Agency. These provincial agencies regularly review and endorse the procedures followed by these suppliers. It is up to the contractors to decide if the waste will be recycled or sent to a landfill, adhering to the existing legislation.





# WASTE MANAGEMENT STRATEGY AND PERFORMANCE

## Waste by composition, in metric tons (t)

|                          | 2024            |                              |                            | 2023            |                              |                            | 2022            |                              |                            | 2021            |                              |                            | 2020            |                              |                            |
|--------------------------|-----------------|------------------------------|----------------------------|-----------------|------------------------------|----------------------------|-----------------|------------------------------|----------------------------|-----------------|------------------------------|----------------------------|-----------------|------------------------------|----------------------------|
|                          | Waste generated | Waste diverted from disposal | Waste directed to disposal | Waste generated | Waste diverted from disposal | Waste directed to disposal | Waste generated | Waste diverted from disposal | Waste directed to disposal | Waste generated | Waste diverted from disposal | Waste directed to disposal | Waste generated | Waste diverted from disposal | Waste directed to disposal |
| <b>Waste composition</b> |                 |                              |                            |                 |                              |                            |                 |                              |                            |                 |                              |                            |                 |                              |                            |
| Hazardous                | 229             | Nil                          | 229                        | 105             | Nil                          | 105                        | 125             | Nil                          | 125                        | 174             | Nil                          | 174                        | 153             | Nil                          | 153                        |
| Non-hazardous            | 981             | Nil                          | 981                        | 11,900          | Nil                          | 11,900                     | 10,715          | Nil                          | 10,715                     | 6,979           | Nil                          | 6,979                      | 7,074           | Nil                          | 7,074                      |
| <b>Total waste</b>       | <b>1,210</b>    | <b>Nil</b>                   | <b>1,210</b>               | <b>12,005</b>   | <b>Nil</b>                   | <b>12,005</b>              | <b>10,840</b>   | <b>Nil</b>                   | <b>10,840</b>              | <b>7,153</b>    | <b>Nil</b>                   | <b>7,153</b>               | <b>7,227</b>    | <b>Nil</b>                   | <b>7,227</b>               |

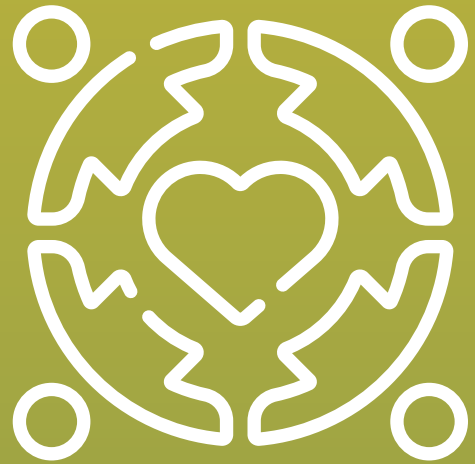
## Waste diverted to disposal-by-disposal operation, in metric tons (t)

|                                        | 2024       |            |            | 2023     |               |               | 2022     |               |               | 2021         |              |              | 2020         |              |              |
|----------------------------------------|------------|------------|------------|----------|---------------|---------------|----------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                        | Onsite     | Offsite    | Total      | Onsite   | Offsite       | Total         | Onsite   | Offsite       | Total         | Onsite       | Offsite      | Total        | Onsite       | Offsite      | Total        |
| <b>Hazardous waste</b>                 |            |            |            |          |               |               |          |               |               |              |              |              |              |              |              |
| Incineration (with energy recovery)    | -          | -          | -          | -        | -             | -             | -        | -             | -             | -            | -            | -            | -            | -            | -            |
| Incineration (without energy recovery) | -          | -          | -          | -        | -             | -             | 2        | -             | 2             | 2            | -            | 2            | 10           | -            | 10           |
| Landfill                               | -          | 2          | 2          | -        | -             | -             | -        | -             | -             | -            | -            | -            | -            | -            | -            |
| Other disposal operations              | 227        | -          | 227        | -        | 105           | 105           | -        | 123           | 123           | -            | 172          | 172          | -            | 143          | 143          |
| <b>Total</b>                           | <b>227</b> | <b>2</b>   | <b>229</b> | <b>-</b> | <b>105</b>    | <b>105</b>    | <b>2</b> | <b>123</b>    | <b>125</b>    | <b>2</b>     | <b>172</b>   | <b>174</b>   | <b>10</b>    | <b>153</b>   | <b>153</b>   |
| <b>Non-hazardous waste</b>             |            |            |            |          |               |               |          |               |               |              |              |              |              |              |              |
| Incineration (with energy recovery)    | -          | -          | -          | -        | -             | -             | -        | -             | -             | -            | -            | -            | -            | -            | -            |
| Incineration (without energy recovery) | -          | 204        | 204        | -        | -             | -             | -        | -             | -             | 1,749        | -            | 1,749        | 1,678        | -            | 1,678        |
| Landfill                               | -          | 770        | 770        | -        | 11,810        | 11,810        | -        | 10,582        | 10,582        | -            | 5,126        | 5,126        | -            | 5,249        | 5,249        |
| Other disposal operations              | -          | 7          | 7          | -        | 90            | 90            | -        | 133           | 133           | -            | 104          | 104          | -            | 147          | 147          |
| <b>Total</b>                           | <b>-</b>   | <b>981</b> | <b>981</b> | <b>-</b> | <b>11,900</b> | <b>11,900</b> | <b>-</b> | <b>10,715</b> | <b>10,715</b> | <b>1,749</b> | <b>5,230</b> | <b>6,979</b> | <b>1,678</b> | <b>6,396</b> | <b>7,074</b> |

The waste calculation methodology was revisited and aligned with industry practices. FFC withdraws water from the canal, which requires treatment before use in the plant. The treatment produces dry sludge, which was previously included in the waste generated. However, during the revision of the sustainability strategy, it was identified and concluded that this dry sludge should be excluded from the waste produced by FFC operations to align with industry practices.

# NURTURING PEOPLE, BUILDING THRIVING COMMUNITIES - IMPACT ON PEOPLE

## 04



### Human and Organizational Capital

| Contributing to SDGs: |     |                                         |                                                      |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|------------------------------------------------------|
| Activities            | Health and safety programs for healthy workplace                                                                                                                                                                                                                                                                                                        | Fair and equitable employment practices | Providing competitive salaries and benefits          |
|                       | Investing for training and development                                                                                                                                                                                                                                                                                                                  | Promoting diversity and inclusion       | Respecting and promoting human rights in value chain |
| Outputs               | Zero fatality                                                                                                                                                                                                                                                                                                                                           | Zero occupational disease               | Low injury rate                                      |
|                       | low staff turnover                                                                                                                                                                                                                                                                                                                                      | Skilled and well-equipped workforce     | Fair labour practices                                |
|                       | Compliance with labour and human rights laws                                                                                                                                                                                                                                                                                                            |                                         |                                                      |
| Value Created         | Decent and safe working conditions                                                                                                                                                                                                                                                                                                                      | Employee wellbeing                      | Future ready workforce                               |
|                       | Responsible value chain                                                                                                                                                                                                                                                                                                                                 |                                         |                                                      |

### Social and Relationship Capital

| Contributing to SDGs: |      |                                        |                    |  |  |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------|--|--|
| Activities            | Investing for community welfare                                                                                                                                                                                                                                                                                                                                                                                                               | Partnerships for inclusive development |                    |  |  |
| Outputs               | Education and Health for underprivileged                                                                                                                                                                                                                                                                                                                                                                                                      | Livelihood opportunities               | Skill development  |  |  |
| Value Created         | Thriving communities                                                                                                                                                                                                                                                                                                                                                                                                                          | Economic growth around plant sites     | Goodwill and trust |  |  |
|                       | Contribution towards SDGs                                                                                                                                                                                                                                                                                                                                                                                                                     |                                        |                    |  |  |

# MANAGING IMPACT & CREATING VALUE

**Our employees are vital to our success as their contributions drive our financial strength, competitiveness, and ability to generate and share value with our stakeholders. To uphold our reputation as an employer of choice, we continuously adapt our management practices, strategies, and approaches to meet the challenges of our operating environment. Our human resource practices promote equitable human capital management, ensuring adherence to laws, regulations, and our code of conduct. We focus on cultivating a culture of engagement, entrepreneurship, and diversity. In addition, we prioritise the physical and mental health and well-being of our team members at FFC.**

Our human resource (HR) policy is clearly defined to effectively manage our HR priorities, succession planning, recognition and reward for talented individuals and leadership development. We strive to attract the most talented and innovative professionals by offering opportunities for growth, nurturing their skills, and providing excellent facilities to showcase their talents. Our various programs focused on employee advancement and development provide a comprehensive range of services to help us achieve our objectives.

The General Manager (GM) human resources (HR) oversees employment and labour practices. HR heads at the manufacturing unit level report directly to the GM-HR, ensuring that all employment and labour practices are closely observed at the corporate and manufacturing levels. The HR department actively tracks any violations of these practices and commits to compliance with laws and regulations through regular discussions and quarterly reports to the Human Resources and Remuneration Committee of the Board.

Attracting skilled employees and offering continuous training and development are crucial to ensuring our value-creation ability. We provide our team with the necessary skills and resources to work effectively and creatively. Our extensive

training programs and top-tier in-house training center have already established industry benchmarks.

We regularly evaluate our management approach using feedback from employees and the Board's Human Resources and Remuneration Committee and complaints submitted through our grievance mechanisms. This input informs our evaluation against established objectives and policies, allowing us to make necessary adjustments to foster a productive and positive work environment for our team.





# COMMITTED TO HEALTH AND SAFETY

The health, safety, and well-being of our employees, contractors, and the communities surrounding our operations are paramount to us. We are committed to preventing all accidents and incidents. To support this commitment, we have established a comprehensive HSE system and processes to achieve our goals while ensuring compliance with all applicable laws and regulations.

## HSEQ Management System

### Our actions and performance

#### FFC Approach to Health and Safety Management



- The Board's System and Technology Committee oversees the HSE performance on an annual basis and assesses the improvement needs.
- The Board Committee is assisted by the plant executive committees which are supported by the working committees.
- Workers can bring up HSE issues and concerns in the HSE Working Committee through their department representative.
- HSE Working Committee members receive risk management training, conduct assessments for their operations, and attend refresher sessions periodically to stay updated with new developments.

The HSEQ system is based on industry best practices and international standards. It ensures workers' health, safety and well-being through risk assessment, preventing incidents and integrating continuous improvement within the HSE system. It complies with various regulations, including the Environmental Protection Act (EPA), Industrial Relations Act (IRA) and National Environmental Quality Standards (NEQS), as well as OSHA guidelines for noise and ammonia in the air and health and safety. The system clearly defines the responsibilities and expectations of managers, supervisors, employees and business partners. Health and safety practices are monitored and reviewed regularly at corporate and manufacturing locations. The GM M&O oversees the operational aspects of these practices in the manufacturing units. The HR head at the plant site implements fair labour practices, policies regarding

regulations and laws, and other initiatives that benefit employees. The management system covers all workers, including contract workers, working on FFC premises, activities and workplaces. HSEQ systems are subject to continuous review for improvement, and new industrial safety standards are adopted to eliminate or minimize potential harm.

#### Workers' participation in the health and safety system

The Works Council Committee operates under the Industrial Relations Act and comprises equal representation from workers and management. It functions at the facility level to ensure employee job security, monitor health and safety conditions and assess job satisfaction. Committee meetings are organized following the legal requirements. Additional committees and forums also exist to discuss and

address health and safety concerns. All employees are represented in these committees through their supervisors and line managers. Workers' participation is guaranteed through various initiatives, including hearing conservation, heat stress prevention, health and hygiene audits, ergonomics programs, workplace lighting and protection from exposure to hazardous substances.

The formal agreements with CBA include provisions related to health and safety, covering nearly 80% of all relevant topics. Additionally, all employees benefit from a comprehensive medical policy designed to meet the requirements of The Factories Act of 1934.

#### Hazards identification, risk assessment and investigations

Our well-established safety culture

incorporates a comprehensive reporting system for addressing process or plant safety concerns. We regularly identify work-related hazards and assess risks, employing HIRADC, HAZOP, Job Safety Analysis, Fault Tree Analysis, Safety Committee Meetings and HORC. We adhere to the hierarchy of controls to eliminate hazards and minimize risks, ensuring the prevention and mitigation of occupational health and safety impacts.

The system implements control measures to reduce risks and pinpoint improvement areas in health and safety management. Each unit conducts a Hazard Identification, Risk Assessment, and Determining Control (HIRADC) process, analyzing past incidents linked to specific hazards and any resulting injuries. Every unit reviews and refreshes its HIRADC at least annually. All risks are managed through control measures and recommendations from the Health, Safety, and Environment (HSE) department, with follow-up actions monitored in the SOC.

A comprehensive work permit procedure is strictly adhered to. Workers are advised to cease working under unsafe conditions and are encouraged to report incidents. They are not penalized for reporting safety risks and incidents. HSE work procedures clearly outline the incident reporting mechanism, which is consistently followed. Safety observations and traffic violations are recorded on STOP cards. Traffic violation cards and recommendations are submitted anonymously to the relevant units. We monitor incidents and complaints from stakeholders

and take prompt action to address them as necessary. Over the past year, no process safety or transport incidents have occurred.

We organize safety talks and awareness sessions to ensure our processes are of high quality and that the individuals involved are competent. Work permit tests and management safety audits also assist us in guaranteeing the competence of personnel. We review relevant KPIs for safety and occupational health quarterly during SOC meetings. Preventing workplace accidents is vital to our production activities, and we consistently encourage our employees to realize this objective. Owing to our firm commitment to health and safety, the number of incidents related to health and safety has decreased over the years, resulting in our plants achieving records for safe man-hours. As of December 31, 2024, we completed 71.29 million man-hours of safe operations for employees and 37.4 million man-hours of safe operations for contractor employees at our plants.

### Promotion of workers' health

At FFC, we prioritize our workers' health and safety. Our Occupational Health and Industrial Hygiene services aim to identify, assess and mitigate potential workplace health risks. The occupational health physician at our plant leads the development, implementation, and oversight of our occupational health program, ensuring employees are fit for duty, reporting occupational illnesses correctly, and providing adequate first aid as needed.

We regularly conduct technical checks to ensure our employees' safety in the workplace. Moreover, our production staff undergo routine health assessments to monitor their health status. FFC offers discounted health programs to enhance the health and well-being of our employees. Our township Medical Centers provide a wide range of health services, including health promotion activities, lectures and awareness campaigns on non-work-related health matters. We take our employees' safety seriously and strive to maintain an accident-free workplace.

### Training on health and safety

We regularly conduct training sessions covering various safety topics in line with our commitment to workplace safety. These focused courses equip employees with the necessary knowledge and skills to maintain safety and prevent accidents. Line managers are tasked with training their teams on safety measures and evaluating their understanding of safety procedures. Their involvement in the training process underscores the significance of this crucial aspect. Over the year, employees participated in training on emergency response and planning, process safety management, IOSH managing safety-UK, risk assessment, CPR, first aid, rescue, chemical handling, scaffolding, firefighting and specific topics related to work-related hazards outlined by the HSE schedule.

### Number and rate of fatality as a result of work-related injury

|                      | 2024 |            | 2023         |              |
|----------------------|------|------------|--------------|--------------|
|                      | FFC  | Contractor | FFC          | Contractor   |
| Mirpur Mathelo plant | Nil  | Nil        | Nil          | Nil          |
| Goth Machhi plant    | Nil  | Nil        | Nil          | Nil          |
| Port Qasim Plant     | Nil  | Nil        | -            | -            |
| Other locations      | Nil  | Nil        | Not recorded | Not recorded |

### Number and rate of high-consequence work-related injuries

|                      | 2024 |            | 2023         |              |
|----------------------|------|------------|--------------|--------------|
|                      | FFC  | Contractor | FFC          | Contractor   |
| Mirpur Mathelo plant | Nil  | Nil        | Nil          | Nil          |
| Goth Machhi plant    | Nil  | Nil        | Nil          | Nil          |
| Port Qasim Plant     | Nil  | Nil        | -            | -            |
| Other locations      | Nil  | Nil        | Not recorded | Not recorded |

### Number and rate of recordable work-related injuries

|                      | 2024 |            | 2023         |              |
|----------------------|------|------------|--------------|--------------|
|                      | FFC  | Contractor | FFC          | Contractor   |
| Mirpur Mathelo plant | Nil  | Nil        | Nil          | Nil          |
| Goth Machhi plant    | Nil  | Nil        | Nil          | 01           |
| Port Qasim Plant     | Nil  | 02         | -            | -            |
| Other locations      | Nil  | Nil        | Not recorded | Not recorded |

### Number of fatalities as a result of work-related ill health

|                      | 2024 |            | 2023         |              |
|----------------------|------|------------|--------------|--------------|
|                      | FFC  | Contractor | FFC          | Contractor   |
| Mirpur Mathelo plant | Nil  | Nil        | Nil          | Nil          |
| Goth Machhi plant    | Nil  | Nil        | Nil          | Nil          |
| Port Qasim Plant     | Nil  | Nil        | -            | -            |
| Other locations      | Nil  | Nil        | Not recorded | Not recorded |

### Number of cases of recordable work-related ill health

|                      | 2024 |            | 2023         |              |
|----------------------|------|------------|--------------|--------------|
|                      | FFC  | Contractor | FFC          | Contractor   |
| Mirpur Mathelo plant | Nil  | Nil        | Nil          | Nil          |
| Goth Machhi plant    | Nil  | Nil        | Nil          | Nil          |
| Port Qasim Plant     | Nil  | Nil        | -            | -            |
| Other locations      | Nil  | Nil        | Not recorded | Not recorded |

The health and safety data of the PQ plant is included from this year following the merger of FFBL with FFC. FFC accounts for first aid injury in the injury rate. The fatality and injury rates for the company and contractor are calculated by considering the number of recordable injuries multiplied by 200,000 and divided by man-hours worked. In the calculation, 200,000 are the hours worked by 100 employees, averaging 40 hours per week over 50 weeks. 71.29 million man-hours of workers and 37.4 million man-hours of contractor workers worked during the year.

# HUMAN CAPITAL AND DEVELOPMENT

Digital transformation and collaboration have enhanced our working style and contributed to increased competitiveness and agility. Creating job opportunities, fostering a discrimination-free environment, and improving employee skills positively influence our culture, growth and capacity to generate value. A knowledgeable, engaged and dedicated workforce is essential for sustaining our market leadership and reaching our goals.

## Subtopics in this section

-  Job creation and employment
-  Fair and competitive remuneration
-  Benefits and welfare
-  Respect for collective bargaining rights
-  Training & development

## Our actions and performance

### Job Creation and Employment

Our operations employ 3,996 full-time staff across plants, marketing and head offices. In 2024, FFC brought on board 362 new employees, while 53 chose to leave the organization for other career opportunities. Currently, 645 of FFC's workforce consists of temporary employees who may transition to permanent status if certain conditions are met. During the year, the hiring rate remained at 9%, with a turnover rate also at 1%, compared with 5% and 8% last year. The hiring and attrition data of FFC excludes the impact of the FFBL merger.

FFC does not provide part-time positions; full-time staff carry out most tasks. Nevertheless, various functions—including administration, civil work, guest house/club/gym services, horticulture, janitorial work, medical services, workshops, security, technical support, pool transport, pre-production labour and daycare—are outsourced to contractors. These contractors hire workers who are not FFC employees. In 2024, 4,958 non-employee workers were employed at FFC, with this figure derived from contracts.

This employment data was gathered from our management information system, and no assumptions were made. We attract and retain talented individuals by offering competitive benefits and meaningful work and career advancement opportunities. We indirectly contribute contractors, suppliers, and dealers indirectly contribute to job creation.

### Total Number of Employees

3,272 2021

3,216 2022

3,209 2023

3,996 2024



Recruitment and Sourcing



Employee Engagement



Building Capability



Remuneration and Retention



| Below 30 Years Old |              | 30 -50 Years Old |              | Above 50 Years Old |              |
|--------------------|--------------|------------------|--------------|--------------------|--------------|
| Male               | 1,236        | Male             | 1,042        | Male               | 1,583        |
| Female             | 70           | Female           | 42           | Female             | 23           |
| <b>Total</b>       | <b>1,306</b> | <b>Total</b>     | <b>1,084</b> | <b>Total</b>       | <b>1,606</b> |

#### Total Employees Demographics (Full Time)

|                                                                                   |              |
|-----------------------------------------------------------------------------------|--------------|
|  | <b>135</b>   |
| Female                                                                            |              |
|  | <b>3,861</b> |
| Male                                                                              |              |

#### Number of Permanent Employees

|                                                                                   |              |
|-----------------------------------------------------------------------------------|--------------|
|  | <b>109</b>   |
| Female                                                                            |              |
|  | <b>3,242</b> |
| Male                                                                              |              |

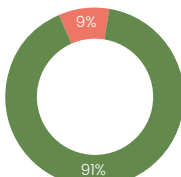
#### Number of Temporary Employees

|                                                                                     |            |
|-------------------------------------------------------------------------------------|------------|
|  | <b>26</b>  |
| Female                                                                              |            |
|  | <b>619</b> |
| Male                                                                                |            |

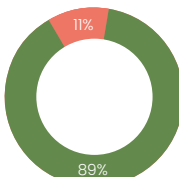
### Number of Employees by Employment contract broken by region

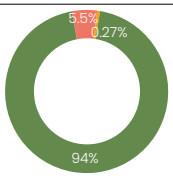
| Location                                    | 2024         |            |
|---------------------------------------------|--------------|------------|
|                                             | Permanent    | Temporary  |
| Head Office-Rawalpindi                      | 573          | 222        |
| Goth Machhi Plant                           | 877          | 190        |
| Mirpur Mathelo Plant                        | 682          | 21         |
| Port Qasim Plant including Islamabad office | 712          | 6          |
| Lahore                                      | 469          | 126        |
| Karachi                                     | 39           | 80         |
| <b>Total</b>                                | <b>3,351</b> | <b>645</b> |

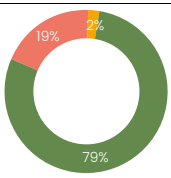
#### Employees Demographics New hires

|                                                                                     |            |                                                                                     |
|-------------------------------------------------------------------------------------|------------|-------------------------------------------------------------------------------------|
|  | <b>31</b>  |  |
| Female                                                                              | <b>9%</b>  |                                                                                     |
|  | <b>331</b> |                                                                                     |
| Male                                                                                | <b>91%</b> |                                                                                     |

#### Employees Demographics Attrition

|                                                                                     |            |                                                                                       |
|-------------------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------|
|  | <b>6</b>   |  |
| Female                                                                              | <b>11%</b> |                                                                                       |
|  | <b>47</b>  |                                                                                       |
| Male                                                                                | <b>89%</b> |                                                                                       |

|                    |       |     |                                                                                     |
|--------------------|-------|-----|-------------------------------------------------------------------------------------|
| Below 30 Years Old | 94%   | 341 |  |
| 30 -50 Years Old   | 5.5%  | 20  |                                                                                     |
| Above 50 Years Old | 0.27% | 1   |                                                                                     |

|                    |     |    |                                                                                       |
|--------------------|-----|----|---------------------------------------------------------------------------------------|
| Below 30 Years Old | 79% | 42 |  |
| 30 -50 Years Old   | 19% | 10 |                                                                                       |
| Above 50 Years Old | 2%  | 1  |                                                                                       |

### Employees Demographics New Hires

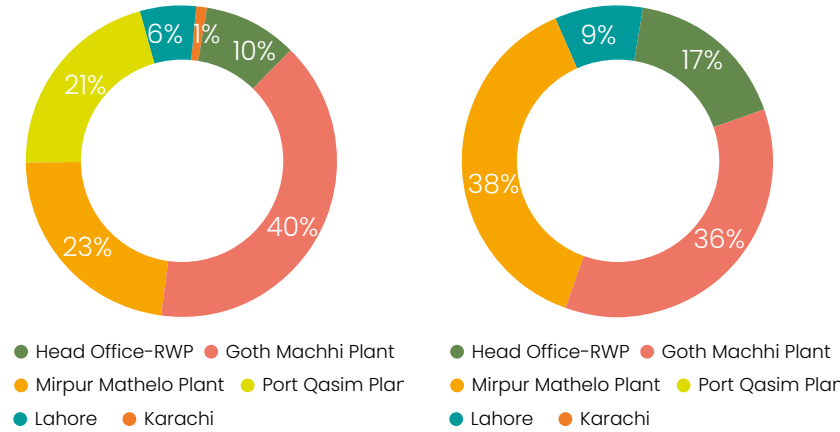
| Location                |            |            |
|-------------------------|------------|------------|
| Head Office- Rawalpindi | 10%        | 36         |
| Goth Machhi Plant       | 40%        | 146        |
| Mirpur Mathelo Plant    | 23%        | 83         |
| Port Qasim Plant        | 21%        | 75         |
| Lahore                  | 6%         | 20         |
| Karachi                 | 1%         | 2          |
| <b>Total</b>            | <b>100</b> | <b>362</b> |

### Employees Demographics Attrition

| Location                |            |           |
|-------------------------|------------|-----------|
| Head Office- Rawalpindi | 17%        | 9         |
| Goth Machhi Plant       | 36%        | 19        |
| Mirpur Mathelo Plant    | 38%        | 20        |
| Port Qasim Plant        | -          | -         |
| Lahore                  | 9%         | 5         |
| Karachi                 | -          | -         |
| <b>Total</b>            | <b>176</b> | <b>53</b> |

### Fair and Competitive Remuneration

We provide competitive and equitable salaries to attract and retain exceptional talent, strengthening human resources. Regular market surveys are conducted to ensure our compensation packages meet industry standards. The HR department proposes compensation packages that the Board’s Human Resources and Remuneration Committee reviews, which makes recommendations to the Board. Additionally, we carry out employee engagement surveys to gather insights into how our staff views the compensation and rewards system. To assess employee performance, we implement a transparent and structured annual review system that



| Benefits*                      | Management   | Staff        |
|--------------------------------|--------------|--------------|
| Life insurance                 | Yes          | Yes          |
| Health care                    | 100%         | 100%         |
| Disability/Invalidity coverage | Yes          | Yes          |
| Parental leave                 | Only females | Only females |
| Retirement provision           | Yes          | Yes          |
| Stock ownership                | No           | No           |

| Workforce Salaries and Benefits (Rs in millions) |        |        |
|--------------------------------------------------|--------|--------|
| 2024                                             | 2023   | 2022   |
| 19,697                                           | 13,742 | 10,500 |

| Defined Benefit Plan Obligations (Rs in millions) |      |      |
|---------------------------------------------------|------|------|
| 2024                                              | 2023 | 2022 |
| 444                                               | 722  | 402  |

is regularly evaluated for effectiveness improvement.

In 2024, we paid Rs.19,697 million in salaries and benefits to our employees, surpassing the Rs. 13,742 million disbursed in 2023. We ensure workers at all our operational sites receive minimum wages by directly paying them into their bank accounts. The ratio of standard entry-level wages to local minimum wages at all major operational sites was 1.21:1

### Benefits and Welfare

We provide comprehensive benefits and welfare initiatives, encompassing insurance, healthcare services and

parental leave for all full-time staff. We aim to cultivate a respectful and productive workplace where our employees can shine. Additionally, we strongly emphasize the well-being and safety of our workforce by implementing regular health assessments and ongoing health and safety training programs. These measures are essential for reducing stress and preventing injuries in both workplace and plant environments.

We provide pension and gratuity schemes for eligible employees, fully funded by the FFC, once they fulfil the required service period and age. The annual contributions to gratuity and pension funds are based on actuarial evaluations. A defined contributory provident fund is available to all eligible

employees, with FFC contributions totaling 10% of their basic salary. Employees are also required to contribute 10% of their basic salary to the provident fund. This fund can be reimbursed when an employee leaves the organization or is transferred, based on their preference. We continuously review benefit plan obligations to maintain relevance, compliance, cost-effectiveness, and stability while ensuring alignment with the operational context. In 2024, our expenditure on defined benefit plan obligations reached Rs. 444 million compared with Rs. 722 million in 2023.

## Respect for Collective Bargaining Rights

FFC is dedicated to safeguarding the essential rights of all employees, including their freedom to associate and participate in representative organizations. The Industrial Relations Act allows trade unions to represent our workforce in collective negotiations and seek resolutions for disputes. We consistently collaborate with collective bargaining representatives, works councils, and other employee organizations to address concerns about working conditions, making improvements based on their feedback. Collective bargaining agreements encompass all staff, excluding management personnel. If necessary to relocate within plants, FFC provides employees with notice of fifteen days and three days to settle in after the move. This detail is not included in CBA agreements. FFC also adheres to all local legal and operational obligations concerning information provision to employees' representatives and employees.

## Training and Development

Investing in talent development is essential for retaining top performers, attracting new talent, and creating a skilled workforce. In 2024, FFC incurred Rs. 550 million for workforce training and development, providing a total of 71,942 training hours. Each employee averaged 18 hours of training.

### Leadership Development and Succession Planning

Our leadership development program aims to empower high-potential employees to enhance their leadership and management capabilities, transforming them into impactful leaders. We provide diverse specialized training and interdisciplinary qualification opportunities to all employees to cultivate their talent and broaden their knowledge.

Our HR development framework is designed to foster employee growth by providing training, education, reskilling, and upskilling opportunities. The process consists of three steps: assessing each employee's competencies, following with role-specific training, and encouraging further growth through education. This framework allows us to pinpoint skill gaps within the organization and tackle them, ensuring we place the right individuals in the right roles to support the company's long-term sustainability.

| Investment in Developing Skills and Talent (Million PKR) |      |      |
|----------------------------------------------------------|------|------|
| 2024                                                     | 2023 | 2022 |
| 550                                                      | 682  | 275  |

## Career Development

We have a well-structured job rotation program designed to assist our employees in achieving personal and professional growth while gaining valuable experience and knowledge, enhancing job satisfaction, maximising employee potential and cultivating a more fulfilling career journey at FFC. It also facilitates efficient succession planning, especially for the company's senior and other strategic roles. Throughout their careers, the employees receive training to develop management skills. They are offered extended leave to bolster their professional qualifications and might be assigned to offshore technical tasks or seconded to various businesses. Although the company experiences a low attrition rate and employees typically retire at the age of superannuation, transition assistance programs have not been introduced.

### Major Training programs

Thrive with a Drive  
Behavioral Decision Making  
Communicate with Clarity and Impact  
Train the Trainer  
Drive for Result  
Dressing Etiquette  
Executive Presence Coaching Program  
Lego Serious Play  
Empathy: Trace your Greatness  
Contemporary Business  
Communication Skill  
Behavioral Interview Skills  
Emerging Leaders Program (ELP)

### Training Hours by Gender

|                                                                                                 |       |
|-------------------------------------------------------------------------------------------------|-------|
| <br>Female | 4.95  |
| <br>Male   | 18.45 |

### Training Hours by Employment Category

|                | Management | Staff |
|----------------|------------|-------|
| Training Hours | 21.2       | 15.8  |

# DIVERSITY, EQUITY, AND INCLUSION

**Promoting diversity, equity and inclusion, boosting women's representation in the workforce, and prioritising our employees' well-being generate positive impacts and enhance our value-creation ability.**

FFC boasts a diverse workforce spanning all age groups, strengthening our belief that diversity fosters innovation and improves decision-making.

We prioritize diversity within our workforce and aim to recruit the most qualified candidates for our job openings based on their skills and potential for future success, aligning with our corporate strategies and objectives. While we do not enforce hiring quotas, we make allowances for the local population when selecting junior staff or apprentices at our facilities. We also prefer local candidates for our marketing team to mitigate communication and language barriers. For senior management roles and the Executive Committee, we do not impose specific quotas for women, certain nationalities, ethnic minorities, or age groups. However, we are committed to providing job opportunities for individuals with disabilities, helping them integrate into society and fostering economic independence. No senior management hires were made from the plant site communities during the year.

At FFC, we uphold a non-discrimination policy concerning base salary and remuneration. Our compensation package is thoughtfully designed to reflect the nature of the employment contract, individual contributions and our team members' pivotal roles in driving the company's mission forward. Notably, the salary ratio between women and men is balanced, achieving a one-to-one ratio. Furthermore, in our commitment to transparency and fairness, every employee underwent a thorough performance appraisal in 2024, reinforcing our dedication to equitable evaluation and continuous improvement.

Female employees are eligible for parental leave. Out of four eligible female employees, all four took leave in 2024, compared to eight in 2023. Three female employees returned to work in 2024 after their leave ended, while one is expected to return in February 2025, compared to eight returning in 2023. The return-to-work and retention rate for employees' post-parental leave was 100%. Furthermore, the female employees who took parental leave and

returned to work remained employed for over 12 months post-return.

## Promoting DE&I

### PQ plant

- Innovative strategies, including Applicant Tracking Systems, gamification, and behaviour-based interviewing techniques designed to foster a fair and inclusive environment, have induced 26% of female trainees out of the total number of trainees, demonstrating our commitment to gender diversity.
- Received the GDEIB Best Practice Award for Recruitment and the Progressive Award for Learning and Development. (Award details)
- Conducted "Unconscious Bias" training for 24 People Managers at the Plant Site to improve their skills in identifying and addressing biases, promoting more fair and effective management of diverse teams.

### Employees by gender, age, and minority group

|        | Minority Group |            | Age Group |       |     |
|--------|----------------|------------|-----------|-------|-----|
|        | Muslim         | Non-Muslim | <30       | 30-50 | >50 |
| Male   | 99%            | 1%         | 32%       | 27%   | 41% |
| Female | 95%            | 5%         | 52%       | 31%   | 17% |

### Individuals in governance bodies by gender, age, and minority group

|                    | Gender |        | Minority Group |            | Age Group |       |      |
|--------------------|--------|--------|----------------|------------|-----------|-------|------|
|                    | Male   | Female | Muslim         | Non-Muslim | <30       | 30-50 | >50  |
| Board of Directors | 85%    | 15%    | 100%           | -          | -         | -     | 100% |

### Employees by employment category, gender, age, and minority group

|            | Gender |        | Minority Group |            | Age Group |       |     |
|------------|--------|--------|----------------|------------|-----------|-------|-----|
|            | Male   | Female | Muslim         | Non-Muslim | <30       | 30-50 | >50 |
| Management | 93%    | 7%     | 100%           | 0%         | 19%       | 41%   | 40% |
| Staff      | 98%    | 2%     | 5%             | 2%         | 42%       | 18%   | 40% |



# RESPECTING AND PROMOTING HUMAN RIGHTS

**Our activities and relationships directly impact the human rights of workers, communities, business partners and those within the value chain. As a leading fertilizer manufacturing company, we recognise our position and influence and take responsibility for upholding human rights and protecting individuals throughout our value chain.**

## Subtopics in this section



Non-discrimination



Child labour



Forced and Compulsory Labour

## Our actions and performance

### Human Rights Management System

FFC adheres to international human rights charters relevant to its operations. Since 2010, we have committed to the human rights and labour principles outlined in the United Nations Global Compact (UNGC). We have established policies to protect fundamental human rights, as detailed in key international documents like the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. These policies include our non-discrimination policy, forced and compulsory labour policy, child labour policy and anti-sexual harassment policy. Additionally, our employee code of conduct provides essential guidance regarding human rights.

### Responsibility

The General Manager (GM) HR oversees human rights issues and implements various human rights policies. A notification and reporting system is established to address complaints regarding human rights violations. Complaints may be

lodged through line managers or work councils. If the procedure fails to yield the desired outcome, it can be submitted to the HR department. The legal department reviews the complaints filed to seek an amicable resolution and assess potential legal action implications.

### Performance

At FFC, we are committed to fostering a diverse workforce and upholding a strict zero-tolerance policy against discrimination based on race, ethnicity, religion, beliefs, disabilities, age or sexual orientation. In 2024, we received no complaints related to human rights violations. We firmly believe in our employees' right to freedom of association and have had no reported incidents where this right was compromised or endangered.

Nonetheless, we currently lack reliable data regarding potential violations of the right to collective bargaining by our value chain partners. We unequivocally oppose all forms of child labour and forced labour, strictly adhering to local regulations on work permit age requirements. Within our company, there have been no reported incidents of child labour or forced labour. However, we acknowledge the absence of trustworthy data about

whether our value chain partners have been involved in such practices.

During the year, no training on human rights policies and procedures was carried out for employees. Keeping in view the level of compliance, we have not carried out any evaluation of our approach toward managing and respecting human rights.

### Promoting human rights in the value chain

We recognise that non-compliance with minimum human rights regulations by our value chain partners may have significant consequences, and we support and encourage our partners to adhere to human rights laws and adopt the best available practices in this regard.

 Refer to page 233 to read our work promoting sustainable value chain practices.

# INVESTING IN COMMUNITIES TO DRIVE SOCIAL IMPACT

Generating positive social impact requires collaborative efforts and investments across diverse ecosystems. Our initiatives positively impact communities through infrastructure development, shared resource management, economic development, skill building and job creation within the supply chain. By effectively overseeing these influences, we can enhance our ability to generate value and promote prosperity by supporting communities, alleviating inequality and assisting those in need.



## Our approach

Our community investment practices focused on the needs of local communities, identified through surveys, focus groups, and community consultations. Based on this information, we create interventions to maximize benefit and impact. Our comprehensive Corporate Social Responsibility (CSR) policy details our commitments, goals and responsibilities in managing our activities effectively. The Senior Manager CSR oversees the implementation and monitoring of our social initiatives, reviewing and analyzing progress each month. We utilize various tools, including independent monitors and internal reviews, to evaluate our performance and uphold our commitments to society. The performance and progress are regularly reported to senior management, and our strategies are adjusted as needed.

## Our actions and performance

We invest in multiple sectors, including healthcare, education, community welfare, donations, disaster relief and infrastructure development. We perform due diligence on all donation, partnership, or sponsorship requests. Based on needs assessments, we organize and execute activities that benefit the community, improve living standards in our operational areas, and create added value. Our healthcare, education, community welfare, and rural development initiatives are implemented through the Sona Welfare Foundation (SWF), a dedicated organization established by the FFC.

We consistently assess and monitor our initiatives to determine their effectiveness and uncover potential negative impacts. Based on these findings, we modify our policies and practices as necessary.

Our continuous monitoring and engagement revealed no significant adverse effects on local communities over the past year. In 2024, we conducted community engagement for all development programs at all operational sites.

## Healthcare

Our healthcare program provides quality facilities to local communities around our plant sites. We regularly organize medical camps in remote communities to address pressing healthcare issues faced by underprivileged groups, ensuring everyone can access essential medical care.

### Hazrat Bilal Trust Hospital (HBTH) Goth Machhi

HBTH is a partner facility that provides quality health services at no cost to over 100,000 patients yearly in the surrounding areas of Goth Machhi, Rahim Yar Khan.

### **Sona Welfare Hospital (SWH), Mirpur Mathelo**

SWH is a premier healthcare initiative focused on assisting the underprivileged community of Mirpur Mathelo. It primarily offers free and subsidized medical services. SWH features advanced facilities, including a dedicated maternal and child health unit managed by a dedicated female physician. In 2024, over 30,000 patients received complimentary treatment. Due to its high standard of care, SWH is acknowledged as one of the top medical centers in the region.

### **Medical Camps, Mirpur Mathelo**

FFC continues its commitment to combat Hepatitis B and C as part of its vital CSR initiative. To support this effort, Sona Welfare Hospital (SWH) organized six medical camps in collaboration with the District Health Office, Ghotki, in and around Tehsil Mirpur Mathelo.

### **Breast Cancer Awareness Month**

FFC acknowledges the concerning rates of mortality and morbidity linked to breast cancer each year and celebrates Breast Cancer Awareness Month in October to express solidarity with women across Pakistan. The company has conducted awareness sessions for women at all FFC locations. In 2024, FFC funded the treatment of two cancer patients, contributing PKR 2.6 million to SKMH&RC in Lahore.

## **Education**

We are dedicated to enhancing the educational standards and socio-economic growth of the communities near our plant sites. Our multifaceted strategy is focused on providing

quality and affordable education for deserving students throughout Pakistan. FFC has founded the Mirpur Mathelo welfare school around plant sites and adopted government schools at Goth Machhi. Students from the local communities attend these institutions, benefitting from quality education at minimal cost.

### **Sona Public School & College (SPS&C)**

The Sona Public School & College, located in Mirpur Mathelo, provides quality education to poor and underprivileged children from the surrounding areas. Over the last two decades, it has positively impacted the education of children from disadvantaged backgrounds. The student population has grown from 586 to approximately 1,360 in the past four years. Our education program prioritizes female education, and to accommodate approximately 200 female students from economically disadvantaged backgrounds, the existing girls' section was extended last year. Furthermore, four classrooms for the junior section were constructed and opened in the previous year to address the lack of pre-junior education facilities near the plant site.

### **FFC School Adoption Program**

FFC, as part of a comprehensive program for adopted schools, provides infrastructure, education, study aid, and other administrative support to government schools and colleges in selected areas. The program operates in the Goth Machhi Sadiqabad area, where five government schools have been adopted. These schools benefit over 2,050 students: 600 boys and 1,450 girls.

### **Sona Ward of Farmers Scholarship (SWOF) program**

The program focuses on farmers in disadvantaged regions of Pakistan. 76 scholarships are awarded annually to deserving students across the country. In 2024, 392 students benefited from this initiative.

### **Merit Scholarship Scheme**

This program was launched in 2013, and twenty scholarships are provided exclusively to deserving students of the Rahim Yar Khan area every year. Till 2024, 170 students have availed themselves of this scholarship and completed their education.

## **Community uplift programs**

Our partnerships and programs alleviate poverty and uplift communities, contributing to the socio-economic development and prosperity of the surrounding areas.

### **Partnering with Akhuwat Foundation**

This year marked the completion of a five-year initiative between the Sona Welfare Foundation and the Akhuwat Foundation to promote financial inclusion and empower marginalized communities by providing interest-free loans. This initiative has supported individuals in starting or expanding small businesses, fostering self-sufficiency. The Sona Model Village was established in Mirpur Mathelo to stimulate social mobilization and developmental efforts. 2,174 loans worth Rs. 78.5 million have been provided in Mirpur Mathelo and surrounding areas, resulting in an impressive 99.97%



repayment rate. The loans benefited 78% female and 22% male borrowers. The program facilitated community participation, mobilized resources, and transformed neighbouring villages into modern, developed towns.

### Ladies Vocational Training Center

The Ladies Vocational Training Center (LVTC) in Jhampir was founded to combat poverty and empower women. Its extensive curriculum covers cutting, sewing, embroidery, and frill-making skills. The initiative aims to serve more than 600 women from nearby villages.

### Skill Improvement

- The Technical Training Center (TTC)—MM offers an internship program for university students at Daharki. A total of 84 participants, including 61 males and 23 females, took part in the program. Also, 40 students, including two females from TTC Daharki, participated in the program.
- TTC—MM provides trade apprenticeship training, a two-year program for FSC/Diploma holders. In 2024, 16 individuals finished their training, and 64 are currently undergoing it.

## Community uplift programs

Our partnerships and programs alleviate poverty and uplift communities, contributing to the socio-economic development and prosperity of the surrounding areas.



# FOOD SECURITY AND RESILIENT PRACTICES – IMPACT ON PROFIT AND VALUE

## 05



### Intellectual, Financial and Social and Relationship Capital

| Contributing to SDGs: |     |                                                |                                                       |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------|
| Activities            | Advising farmers for sustainable agriculture practices                                                                                                                                                                                                                                                                                          | Building partnerships                          | Customer satisfaction surveys                         |
|                       | Producing and selling quality fertilizers                                                                                                                                                                                                                                                                                                       | Diversification for sustained economic returns |                                                       |
| Outputs               | Improved farming techniques and balanced fertilizer use                                                                                                                                                                                                                                                                                         | Customer feedback                              | Enhanced outreach and promoting sustainable practices |
|                       | Contributing towards food security                                                                                                                                                                                                                                                                                                              | Sustained and strong economic returns          | Identifying and managing risks in value chain         |
| Value Created         | Increased yield                                                                                                                                                                                                                                                                                                                                 | Prosperous farming community                   | Improved return on investment                         |
|                       | Robust financial standing                                                                                                                                                                                                                                                                                                                       | Responsible value chain                        |                                                       |

# MANAGING IMPACT & CREATING VALUE

**FFC is a leading company in the manufacturing and marketing of fertilizers sector and well prepared to address the challenges in our operational landscape. Our priorities include enhancing profitability, diversifying our offerings, building partnerships for positive impact and investing in advisory services for farmers. We strive to deliver value to our farmers and society while ensuring consistent and healthy returns for our shareholders.**

Farmers are our product's primary users, vital to our long-term success. Our ongoing commitment and investment in farm advisory services have helped build a loyal customer base nationwide. This strategy enhances our brand visibility in the market and creates value for our company and the farmers we support. We aim to ensure food security and self-sufficiency by maximizing grain production nationwide. We have established policies and guidelines with specific targets for various outreach initiatives aimed at farmers. A senior manager oversees the implementation of these policies and evaluates performance against set targets.

The MD&CEO is responsible for the company's daily operations and financial performance. The Board evaluates quarterly performance and examines management's financial strategies against established targets. The outcomes of this evaluation are disclosed in the Directors' Report.

📖 Refer to pages 48-138 for the Directors' Report.

Our procurement practices aim to generate value for local partners while supporting the nation's economic

growth. The procurement department oversees supplier management at both the head office and plant sites. The Senior Manager Procurement ensures that the procurement processes are executed smoothly and align with the procurement manual and supplier selection criteria. We regularly review and update our management approach as necessary.





# GROWING FARM PRODUCTIVITY

Farmers primarily face challenges related to the cost and availability of fertilizers, low yields from traditional practices and climate change impacts. The shrinking land available for agriculture and various obstacles are putting pressure on food systems and worsening food insecurity. As a leading fertilizer company, we are well-placed to assist farmers in enhancing their productivity through our advisory services. Our initiatives bolster national food security, improve rural incomes and promote a promising future.

## Our actions and performance

### Farm Advisory Services

We operate a robust network of five Farm Advisory Centers (FACs) and 21 Agricultural Services Offices (ASOs). Each FAC boasts a dedicated team of experts backed by a state-of-the-art, computerized soil and water testing laboratory and a demonstration van equipped with cutting-edge audiovisual technology. Our FACs engage with local communities for four to five years, offering tailored guidance that empowers farmers based on the region's crop dynamics and unique socio-economic conditions.

Farm Advisory Services adopts an integrated approach encompassing agronomic, extension, and soil testing activities to enhance farmers' capacity. Our agronomic activities include establishing crop demonstration plots and conducting fertilizer trials in farmers' fields. Our extension activities comprise agricultural seminars, farmer meetings, group discussions, field days, training programs and farm visits.

Soil testing service provides essential insights into soil issues and supports the practical and balanced application of fertilizers. Our soil lab collaborates with the FAO and adheres to the GLOSOLAN framework to validate laboratory data, ensuring that soil management decisions are grounded in solid, trustworthy data.

Farm Advisory Services works with research organizations to share the most current findings with the farming community. We invite agricultural experts and professionals from government departments to engage in events designed to address farmers' challenges. Regular capacity-building programs for farmers aim to boost the

rural economy by introducing the latest recommended crop production technologies. This encompasses best management practices, 4R nutrient stewardship, and encouraging balanced fertilizer use to enhance farm productivity and increase farmers' income.

Number of farmers reached by Agri-services field activities

|                                                                       | 2024             | 2023          |
|-----------------------------------------------------------------------|------------------|---------------|
| Farmer Meetings                                                       | 275              | 266           |
| Blitz Program                                                         | 22               | 22            |
| Crop Seminars                                                         | 46               | 44            |
| Farm Visits                                                           | 5,355            | 5,208         |
| Training Programs                                                     | 48               | 44            |
| Crop Demonstrations                                                   | 135              | 127           |
| NPK Supervisory Plots                                                 | -                | 54            |
| Field Trials*                                                         | 54               |               |
| Specialized Stakeholders' Awareness Workshops (EEF)**                 | 44               |               |
| Field Days                                                            | 103              | 107           |
| Group discussions                                                     | 818              | 768           |
| Soil & Water Samples Tested                                           | 17,122           | 15,542        |
| <b>Total outreach through above mentioned Agri-service activities</b> | <b>62,242***</b> | <b>53,776</b> |

\* Field trials were conducted to test the efficiency of potential products in collaboration with T&E (R&D) & OCP Morocco.

\*\* Specialized awareness workshops were organized for Agri stakeholders (Agri Officials and Progressive Farmers) for Enhanced Efficiency Fertilizers.

\*\*\* Farmer outreach encompasses farmers involved in Stakeholder Awareness Workshops (EEF).



Harvests from the FFC demonstration plots in 2024 outperformed those from farmers' plots, with the average yield being 10-59% higher than the farmers' yield.



## Research and Development

At our Fertilizer Research Cenetr in Faisalabad, we are at the forefront of innovation and committed to rigorously testing and evaluating cutting-edge fertilizer products. We collaborate with a diverse array of esteemed national and international companies and prestigious academic institutions on groundbreaking R&D initiatives. We focus on developing high-value fertilizer solutions, including slow-release fertilizers, biologically enhanced fertilizers, micronutrient-infused fertilizers, and N-inhibitor fertilizers. We aim to empower farmers by optimizing farm economics while addressing our products' environmental footprint. Our R&D activities also prioritize controlling nitrogen release from granules to align with crop growth requirements, directly addressing the issue of planetary boundaries. Nine planetary boundaries must be respected for humanity to continue developing and thriving for generations. Crossing these boundaries could result in abrupt or irreversible environmental changes. By respecting these boundaries, we help reduce the risks to humanity associated with crossing these thresholds.

 Refer to pages 164 for the products aligned with nature.

### Crop literature and crop documentaries

The Agri-services department has produced informative materials in the national language encompassing comprehensive production technology for all significant crops, vegetables, and fruits cultivated in the country, including details on fertilizer dosage, timing, and application methods. This literature is regularly updated. The department has published 23 booklets and flyers, including the "Fertilizer Guide Book" and the "Fertilizer Recommendation Book."

| Distant advisory activity                                                         | Farmers' outreach in 2024 |
|-----------------------------------------------------------------------------------|---------------------------|
| Agri-booklets including Zarai reports distributed                                 | 8,758                     |
| Flyers, short text messages and crop advisory messages                            | 23,965                    |
| Toll-Free FFC Helpline Service for guidance about agriculture/crop-related issues | 64                        |

Additionally, quarterly agriculture newsletters in Urdu are distributed to reinforce farmers' understanding of seasonal and ongoing crop operations during various Agri-service events. These newsletters now cover new topics such as Sustainable Development Goals (SDGs), the significance of micronutrients and their application, and 4R nutrient stewardship. Farmers on the mailing list also receive Short Messages Service (SMS) updates

| No. of Messages           | Social Media Platforms |         |        |           |           |
|---------------------------|------------------------|---------|--------|-----------|-----------|
|                           | Facebook               |         |        | Youtube   | Instagram |
|                           | Views                  | Likes   | Shares | Views     | Views     |
| One Hundred & Seven (107) | 27,297,784             | 127,918 | 4,250  | 6,900,991 | 728,048   |

## Mobile App on Fertilizer Recommendations for Farmers

Our mobile application, Kashtkar Rahnuma, is available on the Google Play Store to help farmers promote balanced fertilizer use. The app offers predictive fertilizer

about agricultural topics and recommended practices. Furthermore, a dedicated helpline service (0800-00332) has been set up to enhance communication with the farming community, enabling quick responses to emerging field issues with practical solutions at the shortest notice.

Documentaries on crop production—including sugarcane, cotton, rice, maize, and wheat—have been updated to share diverse farming techniques. All documentaries were aired before crop seasons to educate farmers on proper fertilizer application and agricultural methods. The Agri-services team regularly joins various talk shows organized by radio and television stations and events organized by institutions that focus on production technology and balanced fertilizer use for essential crops. During the year, 107 advisory messages regarding different crops, farming practices, and fertilizer applications were disseminated to registered growers across multiple social media channels

recommendations for those who cannot access soil analysis facilities. Additionally, farmers can reach a helpline called Kashtkar Desk and access meteorological data, crop brochures, details of fertilizer dealers, and information on local markets through the app.



### Value Cost Ratio

We rigorously assess the effectiveness of our products and activities by analyzing their profound impact on the value-cost ratio (VCR) for both major and minor crops. The VCR is a crucial tool in evaluating the production costs and net income derived from the crops cultivated in our demonstration plots throughout the marketing area. A higher VCR signifies an increased value creation for farmers, amplifying their success and sustainability in agriculture.

## Customer Satisfaction Survey

Every year, customer satisfaction surveys are conducted biannually to evaluate satisfaction regarding quality, operations, and products. These surveys focus on the entire product portfolio within Pakistan's marketing network. In 2024, they were conducted in January and June. Dealers across various regions were selected as a sample, including all 13 FFC regions throughout Pakistan's marketing area.

### Value Cost Ratio (VCR)

|                                                                                            | 2024    | 2023    | 2022      |
|--------------------------------------------------------------------------------------------|---------|---------|-----------|
| Major crops (Wheat, Rice, Maize, Cotton, Sugarcane)                                        | 1.9-2.5 | 2.3-2.7 | 2.2 – 3.1 |
| Minor crops (Sunflower, Tobacco, Potato, Citrus, Peas, Sugarbeat, Groundnut, Mango, Olive) | 2.8-5.6 | 1.8-5.4 | 2.0 - 4.7 |

### Value Cost Ratio (VCR)

|                                                  | June 2024 | June 2023 | January 2024 | January 2023 |
|--------------------------------------------------|-----------|-----------|--------------|--------------|
| Customers' overall satisfaction - Sona Urea (P)  | 9.50      | 9.37      | 9.58         | 8.39         |
| Customers' overall satisfaction - Sona Urea (NC) | 9.43      | 9.51      | 9.51         | 8.43         |

87% growers followed FFC's Agri. Services experts' advice and 37% of those who followed the advice witnessed substantially increased yields, whereas 54% of growers witnessed moderately increased yields.

100% of viewing farmers (Tele Survey 2024) expressed that crop documentaries were extra-ordinary effective in sharing the latest information about crop cultivation methods and maximizing yield.

# SONA CENTRES

## A Significant Step in Supporting Farmers and Encouraging Fair Practices

Fauji Fertilizer Company (FFC) has consistently shown its dedication to uplifting Pakistan's agricultural community through innovative and effective initiatives. A key part of this effort is the creation of Sona Centres—a retail sales network comprising over 70 locations across the country—aimed at providing equitable access to fertilizers and fostering a strong support system for farmers.

Sona Centres were established to serve a specific goal: shielding farmers from exploitative practices, particularly the illegal inflation of fertilizer costs. By providing fertilizers exclusively at the Maximum Retail Price (MRP) to registered farmers, these centres have effectively alleviated the financial burden and manipulation imposed by middlemen.

Sona Centres has enlisted over 80,000 farmers across Pakistan, spanning over 1,000,000 acres of farmland. This broad reach ensures that farmers can obtain high-quality fertilizers at precise and controlled prices, no matter where they are located. By creating this fair distribution system, FFC has protected farmers' interests and bolstered their economic resilience in a challenging market landscape.

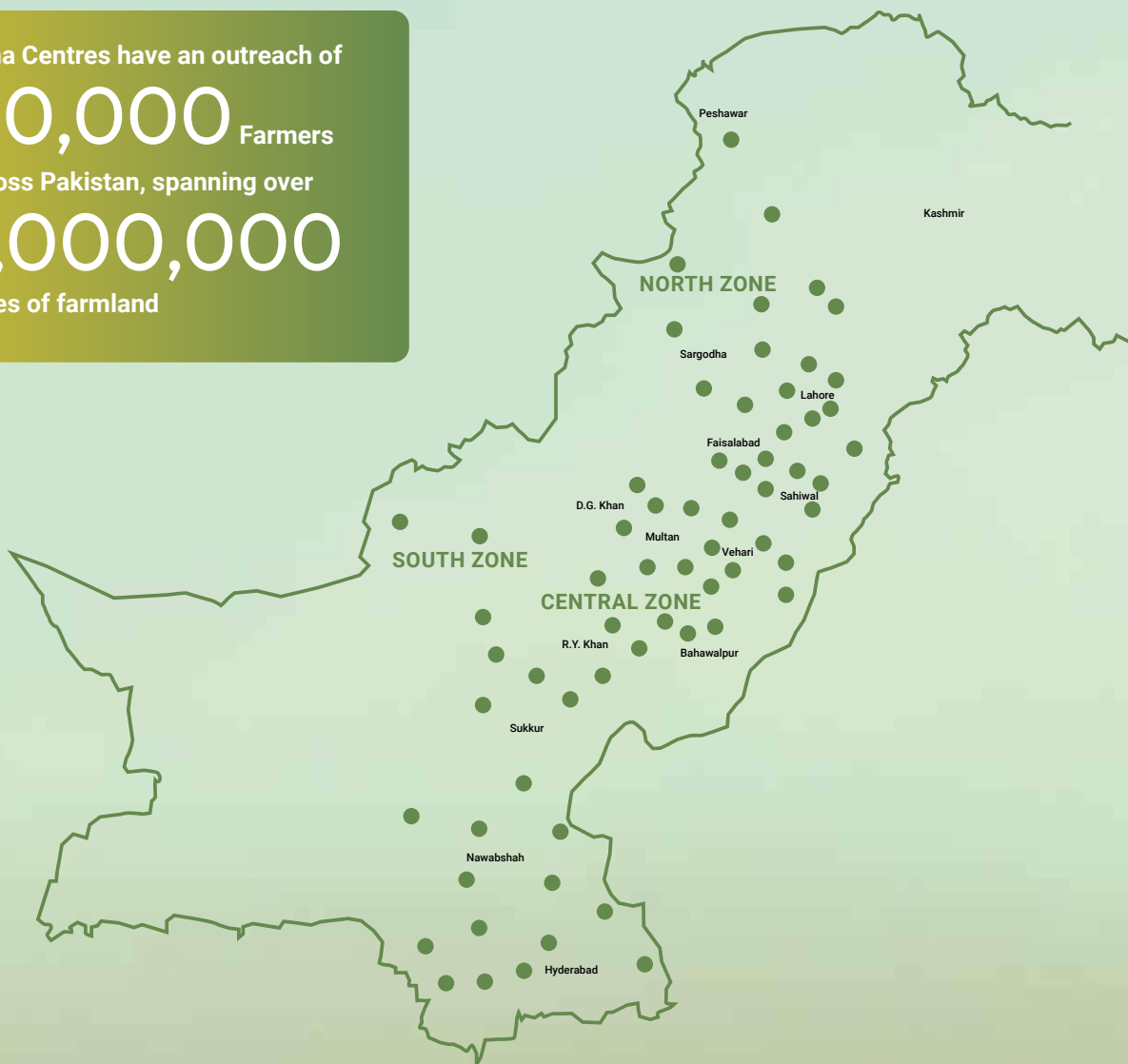
Sona Centres have an outreach of

**80,000** Farmers

across Pakistan, spanning over

**1,000,000**

acres of farmland



## Future Actions

FFC envisions Sona Centres evolving into comprehensive resource hubs with plans to expand their functions beyond simply distributing fertilizers to include additional services, including:

- Digital advisory platforms for real-time farming solutions.
- Advanced tools and equipment supporting precision agriculture.
- Training initiatives aimed at providing farmers with modern sustainable farming techniques.



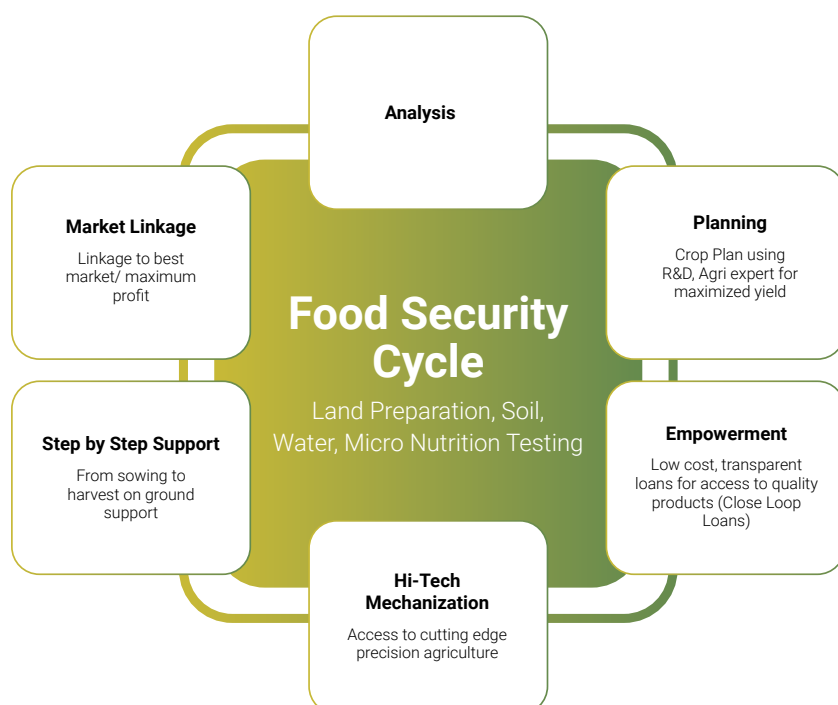


# FOOD SECURITY AND SUSTAINABLE AGRICULTURE

In 2019, FFC proudly introduced its flagship initiative, the Food Security and Agriculture Center of Excellence (FACE), in alignment with its bold vision to transcend traditional business boundaries and reaffirm its strong dedication to nation-building. This transformative project was launched to address the critical challenges faced by the agricultural sector, enhance access to vital financial resources and ultimately realize national food security and zero hunger.

FACE is at the forefront of innovation, utilizing a groundbreaking model that unites national and international partner organizations under a single, collaborative umbrella to deliver comprehensive, cutting-edge solutions tailored to the diverse needs of the farming community. By demonstrating its practical operations and innovative approach, FACE aspires to become a benchmark for agricultural advancement and tackle food insecurity in developing countries worldwide.

The program covers the entire Food Security Cycle while tackling food security and sustainable agriculture challenges. It offers farmers various services, including



land preparation, soil and water analysis, and crop planning through Agri-Services. Additionally, the program facilitates low-cost loans, promotes advanced agricultural techniques, and establishes market linkages to help farmers secure improved crop yields and prices.

The social welfare benefits for farmers, households, and the public encompass access to quality education, healthcare, vocational training programs, women's empowerment initiatives, livestock management services, and dairy processing. These food security services, combined with the elements of social welfare, enhance the well-being and prosperity of farmers by providing these essential services at the center.

The FACE program operates in the Southern Punjab region, which includes the areas of Ahmedpur Lamma and Rahim Yar Khan.



## FACE Initiatives in 2024



### Anti-Smog Measures

To mitigate agriculture's adverse effects on the climate and raise farmers' awareness of the drawbacks of burning rice crop stubble, FACE introduced "Zero Tillage," accompanied by innovative Super Seeder technology. This practice eliminates crop stubble burning, incorporates crop residue into the soil to enhance organic matter, and simultaneously sows the next crop.

FACE demonstrated "Zero Tillage" at 10 strategic locations along the ISB-LHR motorway, covering 120 acres and educating over 1000 farmers.

### Promotion of Precision Farming

Local farmers are increasingly turning to precision farming services as they face challenges from climate change and growing input costs. FACE has delivered precision services over more than 18,000 acres, helping various crops such as sugarcane, potatoes, wheat, maize, rice, and sesame through precision spraying.



### Recycling of Woven Polypropylene Bags

"Recycle-WPP Project" was launched to explore the recycling potential of used woven polypropylene (WPP) fertilizer bags produced by WPP manufacturers, aiming to minimize environmental impact. This initiative commenced in the Faisalabad region and enables farmers to exchange 55 empty bags for one filled urea bag. The collected empty bags are sent to WPP manufacturers for recycling. The project will be extended based on feedback from farmers.

### Water Management and Conservation

Precision land levelling services are introduced to enhance irrigation efficiency, as Pakistan is among the leading countries facing water stress globally. This technology enables farmers to conserve 20-30% more water during irrigation, improving crop yield and quality. In 2024, field demonstrations covering 125 acres were conducted, and 500 farmers received training on the benefits of laser levelling.



### Enhancing Soil Health through Vermicomposting

FACE has established a pilot vermicomposting unit in Sahiwal to promote climate-resilient agriculture. The project aims to improve soil health and enhance soil fertility and productivity. Two additional units are scheduled to be established at FACE Sahiwal in 2025.



### Food Security

To address the shortage of quality seeds in Pakistan and replace the farmer-owned seeds that have lost their vigour, become susceptible to diseases, and yield poorly, FACE provided certified wheat seeds for 6,400 acres of wheat farmers at a substantial subsidy cost.

### Seminar Series on Climate Change, Adaptation and Resilience through National Adaptation Plan (NAP)

FACE is assisting the government of Pakistan in promoting awareness of implementing the NAP at the district level through seminars in the Rahim Yar Khan, Sahiwal and Rajanpur districts. This initiative seeks to foster collaboration between local government, civil society, academia, and the farming community to develop localized adaptation strategies and combine resources for improved resilience.



### Agriculture Efficiency Improvement

Specialized training sessions on "Agricultural Efficiency Improvement" were organized, engaging officials from the Punjab Agriculture Department, field staff, the farming community, academia and civil society organizations. The seminars took place in Lahore and Multan. Dr. Upendra Singh, Vice President of Research and Chief Scientist at IFDC-USA, facilitated these in-person sessions, focusing on knowledge sharing and the latest agricultural and climate-smart practices.

### Promotion of Climate Smart Agriculture among Farmers

To promote sustainable agriculture through focused, high-impact training initiatives for farmers, 48 carefully crafted training sessions were organized, involving 1,594 participants. Farmers learned to implement innovative agricultural practices on their land through these sessions. By empowering farmers through these capacity-building programs, FACE boosts productivity and fosters Pakistan's agricultural sector's long-term resilience and growth.





# BUILDING PARTNERSHIPS

**Creating positive impacts and pursuing the sustainable development agenda involves building partnerships that apply collective knowledge and expertise for the greater good. These collaborations support our value-creation activities and enhance our impact on the Agri-value chain, benefiting the farming community and national food security.**

## Collaboration to Promote Precision Farming

The Precision Farming Project demonstrates FFC's commitment to innovation in agriculture, emphasizing sustainable resource management and profitability. The project promotes technologies, including drone and satellite sensing and data analytics, that enhance the accuracy and efficiency of farming practices. These technologies

optimize inputs such as water, fertilizers and pesticides, thus reducing waste and boosting crop yields. Furthermore, the project seeks to bolster the agricultural sector's resilience against climate change, resource constraints and market fluctuations, particularly amid rising input costs and unpredictable commodity prices.

FFC has partnered with AgriLift for drone-based technological services across 18,000 acres, which includes 7,500 acres from Fauji Fresh n Freeze

growers, aimed at enhancing the value of the potato crop. The FFC Agri Services team has successfully launched a pilot project in collaboration with AgriLift, covering 11,758 acres digitized from 102 farmers across 7 clusters in all FFC marketing area agroecological zones, exceeding the target of 10,500 acres. A drone pilot was also conducted in coordination with Fauji Fresh n Freeze for the value addition of the potato crop in 6 clusters, encompassing 6,350 acres involving 82 farmers.



FFC has collaborated with Farmdar for precision agricultural services across 6,000 acres, while 7,265 acres from 76 farmers were digitized as part of a satellite-based technological intervention in four clusters.



To support the initiative, town hall meetings were conducted to strengthen capacity. These were supplemented by area geofencing, soil sampling and analysis, productivity zone reports, crop germination and health assessments to improve per-acre yield.

FFC contributes to developing more efficient farming methods and paves the way for Pakistan's greener, more sustainable agricultural future. After completing pilot projects, FFC seeks to significantly scale up these Agri-Tech initiatives, gradually covering over 100,000 acres. This expansion will be supported by remote sensing technologies, NIR-based soil sampling and analysis and drone applications to enhance tech-driven agriculture in Pakistan.

## Sustainability Award for Precision Farming

FFC has been awarded the Sustainability Award in the Agri-Tech & Food Security category, presented by the Sustainable Development Policy Institute at the 2nd Sustainability Award Ceremony and the inaugural Sustainability Investment Expo.

The award was conferred based on the FFC Agri-Tech Pilot Project, which has increased crop yields by 7-10%, positively impacting 260 farmers across 24,000 acres. This initiative has reduced chemical usage by 20% and led to a 15% reduction in water use through improved resource management, promoting significant environmental conservation. Additionally, the project has enhanced soil health, decreased greenhouse gas emissions and fostered sustainable farming practices, ensuring enduring economic and environmental benefits for the community.

## Visit to AgriLift Soil Analysis LAB

To explore new technologies that would enhance the efficiency of FFC's soil sampling facility, the Agri Services team visited the Soil Analysis Laboratory of AgriLift in Lahore, which was established under US funding. Representatives of AgriLift briefed the team on the equipment and scope of the established labs for calibrating towards NIR-based analysis.

Collaborations with local partner Farmdar and international labs, namely Doktor, Chrysalab and Agrocare, were started to expedite soil sampling and analysis facilities using NIR technology. FFC aims to begin the NIR pilot in 2025.



## Partnering with Institutions - Kashkari Tahafuz Program

FFC Sona Centres has teamed up with multiple banks to offer easier payment options and with insurance companies to provide automatic coverage for accidental death or disability with every bag purchased by farmers. We are also approaching the finalization of crop insurance provisions for farmers, which will give them peace of mind and enable them to concentrate on what truly matters.

 Refer to page 224 for information regarding Sona Centres.





## Participation In the World Ag-Tech Innovation Summit in London, UK

To engage with Agri-Tech partners and kickstart precision farming projects, the FFC team from the Sustainability and Innovation and Agri-services departments participated in the World Agri-Tech Innovation Summit held in London from September 30 to October 1, 2024. This event brought together more than 2,000 professionals from the agri-food industry, including leaders in agribusiness, policymakers, investors, and tech startups. The two-day summit allowed the FFC team to connect with global leaders, fostering progress in sustainable agriculture and establishing new alliances. Expert panels offered valuable insights into the latest advancements in Artificial Intelligence (AI), robotics, biologicals, genomics, and sensors.

## Visit to Yara Research Facility, UK

The FFC team, comprising members from the Sustainability, Innovation, and Agri-services departments, visited Yara's research facility in York, UK, to explore collaborative business opportunities in Pakistan. The team visited the training center, biological formulation plant, global soil analysis lab, and indoor product trials and testing facility. Following this initial engagement, the Yara delegation visited FFC Pakistan to discuss further potential partnerships focused on enhanced-efficiency fertilizers, biologicals, and sustainable solutions in Pakistan's agricultural sector.



# DELIVERING SUSTAINED ECONOMIC RETURNS

**Creating long-term value, integrating sustainability and delivering healthy returns to our investors require a strategic and efficient use of our capitals. Our value creation strategy fosters ethical conduct in all our business dealings and relationships, thereby cultivating trust with our stakeholders while engaging in value creation activities and contributing to economic development. As a frontrunner in the fertilizer industry, we are uniquely positioned to provide stable financial returns and contribute significantly to food security initiatives.**

## Subtopics in this section



Economic performance



Ani-corruption

## Our actions and performance

### Financial returns to investors

Our ability to create value, financial strength, and capacity to deliver sustained economic returns to our shareholders and lenders have secured us top positions on the PSX's list of top-performing companies over the years. Our robust governance and management practices enable us to proactively and sustainably pursue our strategic objectives. We have set clear revenue, costs, production, sales and profit goals and have implemented policies, procedures and resources to support them. Our state-of-the-art business management systems assist operational management in achieving outstanding results.

 Refer to pages 48-138 of the Annual Report to read the Directors' Report and overview of our financial performance.

In 2024, the FFC received no direct or indirect financial support from the government besides subsidies and tax credits as allowed by applicable laws.

 Refer to pages 52-83 of the Annual Report for detailed financial results.

### Fair business transactions and relationships

Our code of conduct prohibits corrupt practices in business operations and relationships. Our robust risk management systems identify potential corruption risks and establish mitigation measures to address them. The internal audit function reports to the Board Audit Committee and regularly investigates corruption risks. Over the past year, we conducted a risk assessment for corruption across all operations, adhering to our risk management framework, and found no significant corruption-related risks or incidents. Consequently, we did not implement targeted training on anti-corruption policies and procedures.

The code of conduct and policies are communicated to all directors and employees across all operational locations. We also provide orientation for new hires, which includes a briefing on anti-corruption policies and procedures. Additionally, we inform all business partners of our anti-corruption policies and procedures during the engagement process. Our official slogan, "Say no to corruption," is used in all our

official correspondence, reinforcing our commitment to a zero-tolerance approach to corruption.

FFC is committed to producing and supplying top-notch products that meet global standards. To ensure the quality of our fertilizers, we regularly conduct quality evaluations on product samples, assessing aspects such as average prill size, biuret concentrations, moisture levels, crushing strength and overall effectiveness. Furthermore, we utilize specialized security labels known as 'Pehchan' stickers, complemented by coloured stitching that alters after a specific duration to prevent product dumping, malpractice and theft. At FFC, we adhere to voluntary guidelines that foster fair competition, uphold ethics, reflect social norms, respect cultural values, and ensure product advantages and characteristics transparency. Our distribution network simplifies the buying process for customers, offering pricing, shipping information, online ordering and payment processing through SMS and the ASKSONA Card for both our dealers and customers.

# INTEGRATING SUSTAINABILITY INTO THE VALUE CHAIN

Our operations and business relationships have far-reaching impacts beyond our operational boundaries, encompassing the value chain. Our strategy to manage our impact and create value for our stakeholders seeks to promote economic development within the country by sourcing materials and services from local suppliers wherever possible. To effectively manage our impacts and share best practices, we collaborate with value chain partners on key areas of environmental stewardship, health and safety, labour practices and human rights.

## Subtopics in this section



Procurement Practices



Supply chain impacts

## Our actions and performance

### Procuring locally

In 2024, 27% of our goods and services were sourced locally, compared to 49% in 2023. The remaining 73% were sourced from foreign suppliers, compared to 51% in 2023. The FFC supply chain comprises 1,284 suppliers, including 435 foreign suppliers and 849 local suppliers.

We prioritize sourcing most of our materials from the regions where our facilities operate, ensuring they align with our quality standards, are technically viable and offer economic justification. By doing so, we contribute to the economic development of the surrounding areas. Our suppliers are comprised of both local and foreign sources. We acquire primary raw materials and other components readily available in Pakistan from local suppliers. However, we obtain materials and components that are not locally sourced from foreign suppliers.

### Promoting sustainability in the value chain

Our approach to sustainability management extends beyond our traditional operational boundaries and encompasses our value chain partners to address the impacts within the value

chain. We integrate sustainability criteria when selecting and collaborating with our value chain partners to mitigate exposure to unexpected events and adverse environmental and social consequences while fostering long-term core competencies and effective management within the value chain. The value chain's negative environmental and social impacts encompass greenhouse gas emissions from product transportation, labour and human rights violations, health and safety issues of value chain workers and societal repercussions. Our relationships with our value chain partners transcend the commercial realm and entail a shared understanding to promote best practices and pursue responsible and sustainable development.

The procurement manual guides collaborating with suppliers, dealers, outsourcing partners and service providers. It encompasses sustainability-specific requirements, and the selection criteria consider sustainability factors such as environmental management, working conditions, labour-management practices, respect for human rights, safety standards, societal impacts and financial creditworthiness. Our approach involves informing our supply chain partners about our sustainability criteria and ensuring compliance among the respective partners, which may include third-party verifications. The

strategy also involves on-site audits for major suppliers in future, if necessary. Our criteria are designed to enhance our efforts and serve as a reference framework for social and environmental protection within the value chain. As part of our commitment to a sustainable value chain, we routinely share best practices and provide training for our haulage contractors and dealers.

Our procurement portal mandates that all value chain partners submit their environmental, labour and human rights policies. Additionally, our code of conduct necessitates a commitment to comply with relevant labour and human rights legislation to qualify as a partner. To promote sustainability, we assess new suppliers based on sustainability standards. In 2024, we evaluated all 78 suppliers that applied and registered against these standards.

We do not collect data on our supply chain's environmental and social impacts due to unreliable information. Consequently, we are unaware of any adverse effects on our supplier's operations during the year. However, we are confident that implementing our sustainability strategy for the supply chain will enable us to gather information about future supply chain impacts.



# FORWARD LOOKING STATEMENT

Our unique approach to sustainability sets us apart from competitors and underscores our commitment to long-term success. We are committed to generating and delivering value to our stakeholders by fortifying our position, seizing opportunities and mitigating risks in our operational environment. Our ability to utilize our capital efficiently, minimize impairment and preserve and enhance our capital stocks is vital. We strive to align our strategy and policies with the relevant Sustainable Development Goals (SDGs) to effectively contribute towards sustainable development while creating value for our stakeholders.

Despite significant challenges such as economic disruptions, diminished agricultural growth and decreasing natural gas reserves, we remain confident in our ability to achieve our future goals. As a company deeply connected to the agricultural sector, we contend with the issues of low farm productivity, rising input costs and food security. Nevertheless, our strategic approach to exploring alternative fuels, conducting research and development to offer fertilizers that are in harmony with nature and pursuing diversification instil confidence in our capacity to surmount these challenges.

Climate change, water scarcity, waste buildup and biodiversity loss are pressing environmental challenges that necessitate conserving and restoring natural resources. To reduce our environmental impact, we are focused on enhancing our infrastructure, implementing cleaner technologies, shifting towards renewable energy sources and efficiently managing water resources. We are also working to align with climate science to reduce GHG emissions. Even with the complexities of our operations and the lack of reliable energy sources, we diligently seek solutions to these issues, reiterating our dedication to sustainability.

The quality of our human capital, which encompasses various forms of capital, drives our company's capacity to create value. The knowledge and skills of our workforce form the foundation of our success as a leading organization. We are committed to recruiting highly qualified, motivated, and diverse individuals, nurturing their talents and providing a fair and productive work environment that showcases their abilities.

Low yields, high prices, food insecurity and affordability have worsened malnutrition, leading to health issues. We are committed to enhancing farmers' skills, promoting innovative farming techniques and advising using balanced fertilizer for improved yields. We urge the government to create supportive agricultural policies to tackle hunger and inequality. Through our CSR program, we are committed to enhancing health and educational facilities and empowering disadvantaged communities for socio-economic development near our plant sites and beyond.

As a responsible corporate entity in Pakistan, we are dedicated to implementing best-in-class governance practices and transparently communicating risks, opportunities, and impacts to serve as a role model for the corporate sector. We seek to engage with our stakeholders on matters of interest and take a leading role in encouraging peer companies to contribute to sustainable development.





# APPENDICES

07



|                                  |     |
|----------------------------------|-----|
| Independent External Review..... | 236 |
| GRI Content Index .....          | 239 |
| UNGC COP .....                   | 247 |
| SASB Content Index.....          | 248 |
| SDGs .....                       | 249 |
| PSX SDGs Index .....             | 251 |
| Glossary & Acronyms .....        | 255 |

# INDEPENDENT EXTERNAL REVIEW 2024

## For the Fauji Fertilizer Company Limited Sustainability Report 2024

FERSO ESG performed an independent review of the Fauji Fertilizer Company Limited (FFC) Sustainability Report 2024 (the report), referring to the period from 1st January 2024 to 31st December 2024. The report was prepared in accordance with Global Reporting Initiative's (GRI) Standards 2021 and was also guided by the Integrated Reporting (<IR>) framework. Furthermore, the report applied the Sustainability Accounting Standard Board's (SASB) Chemical Industry Standard. The objective of the critical review is to provide FFC's stakeholders with an independent opinion about the quality of the report and the adherence to the AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact, as well as an evaluation against principles and elements of the Integrated Reporting (<IR>) framework and the associated multi-capital concept.

### Independence

We work independently and ensure that none of FERSO staff members maintained or maintains business ties with FFC.

### Our Qualification

FERSO ESG is a firm specialized in sustainability advisory and report assurance and is licensed as assurance provider by AccountAbility under license number 000-845. The review process was conducted by a professional with experience in independent assurance and sustainability reporting.

### Responsibilities of FFC and FERSO ESG

The management of FFC has prepared the Sustainability Report 2024 and is responsible for all its content. FERSO ESG was responsible for the independent review and expressed an independent conclusion on the Sustainability Report. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance placed on the report by any third party is entirely at its own risk.

### Scope of Assurance

The scope of our work covers all information included in the FFC Sustainability Report 2024, referring to the period from January 1st, 2024, through December 31st, 2024, and considered the requirements of the International Standard on Assurance Engagement (ISAE) 3000-Revised (Assurance Engagements Other Than Audits or Reviews of Historical Financial Information), being co-reviewed by Nadeem Safdar and Co., Chartered Accountants.

FERSO ESG was asked to express an opinion in relation to the review scope, which includes the following aspects:

- Review of qualitative and quantitative information reported and referenced in the report.

- Evaluation of the disclosed information in the report to check adherence to the GRI 2021 Standard GRI1.
- Analysis of evidence provided by the reporting organization to corroborate the reported content.
- Adherence to the AA1000APS-principles of Inclusivity, Materiality and Responsiveness and Impact.
- Adherence of the review process to the International Standard on Assurance Engagement (ISAE) 3000 (Revised), "Assurance Engagements other than audits or reviews of historical financial information" to provide limited assurance on performance data within the Sustainability Report.
- Evaluation against principles and elements of the Integrated Reporting (<IR>) framework and the associated multi-capital concept.
- Review of the Sustainable Development Goals (SDGs) linkage with GRI Standards reported in the SDG Index.

### Methodology

The methodology applied was a desk review of the report drafts as well as the final report. The following approach and procedures were developed during the review process:

- Critical review of the FFC Sustainability Report 2024 final draft version and the respective Content Index to check consistency with the provided content.

- Evaluation of the adherence of the FFC Sustainability Report 2024 to the GRI Standards 2021.
- Analysis against the Integrated Reporting principles, content elements and the concept of the six capitals.
- Selection of items and solicitation of evidence to verify reported data and content
- Adjustments reports and final review of the report.
- Analysis of the report content against AccountAbility's Principles of Inclusivity, Materiality, Responsiveness and Impact.
- Elaboration of the Independent Review Statement.

The work was planned and carried out to provide a level of limited assurance and we believe that the desk review of the FFC Sustainability Report completed by FERSO ESG provides an appropriate basis for our conclusions.

## Statement of Conclusions

### Use of GRI Standards 2021 and Integrated Reporting

FFC declares the report to be in accordance with the GRI Standards 2021. FERSO ESG reviewed the use of the GRI Standards GRI1, 2 and 3. Minor recommendations to adjust parts of the content have been made. The company has integrated our recommendations, and we can confirm that the report is in accordance with the requirements of the GRI Standards 2021, considering the elements reported both in the

Sustainability Report 2024 and referred to in the Annual Report 2024. Furthermore, the report can be considered in line with the provisions of the IIRC Guiding Principles and Content Elements, offering insight in how the company creates and shares value through its business activities and delivering a business model that includes the flow of inputs and outputs the IR-frameworks expects companies to present.

## Main Conclusions

Based on the analysis of evidence carried out to verify selected indicators, we briefly present the following main conclusions:

- FERSO ESG solicited evidence for and verified the following selected items: 305-5 Reduction of GHG emissions; 303-1 Interactions with water as a shared resource; 306-3 Waste generated; 403-4 Worker participation, consultation, and communication on occupational health and safety; 2-29 Approach to stakeholder engagement; 308-1 New suppliers that were screened using environmental criteria; 414-1 New suppliers that were screened using social criteria; 204-1 Proportion of spending on local suppliers; 404-1 Average hours of training per year per employee as well as the GRI Principle of Sustainability context. Information related to these indicators and topics has been timely made available by the company, and additional evidence, if necessary to

corroborate the data and textual information, was provided in due time.

- FERSO ESG requested data and textual adjustments to the draft versions of the report, which were implemented by the company. These adjustments were mainly intended to provide more transparency, and some of the suggested improvements in data disclosure will be addressed by the company to be included in next year's report.
- FFC's Sustainability Report 2024 addresses material topics and related impacts of its operation. The topics are grouped and treated in different sections of the report, supported with information on the management systems and completed with data which provide a balanced view of the company's performance in relation to the topics.
- To strengthen the governance of its sustainability management, FFC created a Sustainability & Innovation department to centrally and effectively guide sustainability activities and projects within the company. Under the new structure and considering having achieved most its eight existing sustainability targets, the company reformulated its goals and set new goals for 2030 for six areas: GHG Emissions, Energy Intensity, Water management, Waste Management, DEI (Diversity, Equity and Inclusion) and Nutrient Stewardship.

- The newly set six goals will help the company to focus its efforts and increase performance at the necessary pace to achieve the targets in 2030. We recommend – although the company has achieved the overall goal to provide at least 10 hours of training per employee – to monitor the gap in training hours between male and female employees in consideration of its objective of creating gender equity.
- In 2024, FFC's Agri-Service increased its direct engagement with farmers from 53,776 to 62,242 reinforcing its impact on good farming practices. At the same time, the customer satisfaction rate reached a new record both in the June and January surveys, reaching a peak of 9.58 in January 2024.
- FFC has voluntarily adopted IFRS S1 and S2 with identification of sustainability and climate-

related risks and opportunities, disclosed governance practices and aligned with metrics and targets. The company also responds the SASB Chemical Industry Standard indicators except for the subset of RT-CH-410 indicators. For the next reporting cycle, we recommend including responses to RT-CH-410b.1 and RT-CH-410b.2 related to Product Stewardship which we consider relevant given the fact that one of the new targets for 2030 has been set for Nutrient Stewardship.

## Limitation and exclusions

The verification of financial figures and sustainability performance data was not object of FERSO ESG's work and the review of the Annual

Report, which is referenced in the Sustainability Report 2024, was not in the scope of the engagement.

## Final Considerations

FFC has delivered its Sustainability Report 2024 in compliance with GRI Standard 2021 GRI1. Based on the scope of our work and the review procedures we performed using the ISAE 3000 (Revised) 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information', we conclude that nothing has come to our attention that causes us to believe that the information in FFC's Sustainability Report 2024 is not fairly stated in all material aspects.

São Paulo, February 17, 2025



**Beat Grüninger,**  
 **AA1000**  
 Licensed Assurance Provider  
 257

Islamabad: February 17, 2025



**Nadeem Safdar**  
 Managing Partner, Nadeem Safdar & Co.,  
 Chartered Accountants, Pakistan ICAP  
 Membership No. 2396



# GRI CONTENT INDEX

The following table has been provided to help the reader locate content within the document, specifies each of the GRI Standards used, and lists all disclosures included in the report. Each disclosure is followed by referencing the appropriate pages in the 2024 Sustainability Report or other publicly available sources.

## Key

|                                       |                                                                                                 |
|---------------------------------------|-------------------------------------------------------------------------------------------------|
| <b>Statement of use</b>               | FFC has reported in accordance with the GRI Standards for the period 1 Jan 2024 to 31 Dec 2024. |
| <b>GRI 1 used</b>                     | GRI 1: Foundation 2021                                                                          |
| <b>Applicable GRI Sector Standard</b> | No sector standard is available for our sector.                                                 |

|                                        |                                                                                  | Omission |                        |        |             |
|----------------------------------------|----------------------------------------------------------------------------------|----------|------------------------|--------|-------------|
| GRI Standard/Other Source              | Disclosure                                                                       | Location | Requirement(s) Omitted | Reason | Explanation |
| <b>General Disclosures</b>             |                                                                                  |          |                        |        |             |
| <b>Gri 2: General Disclosures 2021</b> | 2-1 Organizational details                                                       | 162      |                        |        |             |
|                                        | 2-2 Entities included in the organization's sustainability reporting             | 04       |                        |        |             |
|                                        | 2-3 Reporting period, frequency and contact point                                | 04       |                        |        |             |
|                                        | 2-4 Restatements of information                                                  | 04, 236  |                        |        |             |
|                                        | 2-5 External assurance                                                           | 162      |                        |        |             |
|                                        | 2-6 Activities, value chain and other business relationships                     | 210-211  |                        |        |             |
|                                        | 2-7 Employees                                                                    | 210      |                        |        |             |
|                                        | 2-8 Workers who are not employees                                                | 188      |                        |        |             |
|                                        | 2-9 Governance structure and composition                                         | 188      |                        |        |             |
|                                        | 2-10 Nomination and selection of the highest governance body                     | 188      |                        |        |             |
|                                        | 2-11 Chair of the highest governance body                                        | 167      |                        |        |             |
|                                        | 2-12 Role of the highest governance body in overseeing the management of impacts | 188      |                        |        |             |
|                                        | 2-13 Delegation of responsibility for managing impacts                           | 167      |                        |        |             |
|                                        | 2-14 Role of the highest governance body in sustainability reporting             | 188      |                        |        |             |
|                                        | 2-15 Conflicts of interest                                                       | 190      |                        |        |             |
|                                        | 2-16 Communication of critical concerns                                          | 167      |                        |        |             |
|                                        | 2-17 Collective knowledge of the highest governance body                         | 189      |                        |        |             |
|                                        | 2-18 Evaluation of the performance of the highest governance body                | 33       |                        |        |             |

# GRI CONTENT INDEX

| GRI Standard/Other Source                 | Disclosure                                                                           | Omission |                        |                       |             |
|-------------------------------------------|--------------------------------------------------------------------------------------|----------|------------------------|-----------------------|-------------|
|                                           |                                                                                      | Location | Requirement(s) Omitted | Reason                | Explanation |
|                                           | 2-19 Remuneration policies                                                           | 190      |                        |                       |             |
|                                           | 2-20 Process to determine remuneration                                               | 190      |                        |                       |             |
|                                           | 2-21 Annual total compensation ratio                                                 | -        | a, b, c                | Sensitive information |             |
|                                           | 2-22 Statement on sustainable development strategy                                   | 165-166  |                        |                       |             |
|                                           | 2-23 Policy commitments                                                              | 191      |                        |                       |             |
|                                           | 2-24 Embedding policy commitments                                                    | 191      |                        |                       |             |
|                                           | 2-25 Processes to remediate negative impacts                                         | 191      |                        |                       |             |
|                                           | 2-26 Mechanisms for seeking advice and raising concerns                              | 190-191  |                        |                       |             |
|                                           | 2-27 Compliance with laws and regulations                                            | 189      |                        |                       |             |
|                                           | 2-28 Membership associations                                                         | 163      |                        |                       |             |
|                                           | 2-29 Approach to stakeholder engagement                                              | 176-177  |                        |                       |             |
|                                           | 2-30 Collective bargaining agreements                                                | 213      |                        |                       |             |
| <b>Material Topics</b>                    |                                                                                      |          |                        |                       |             |
| <b>GRI 3: Material Topics 2021</b>        | 3-1 Process to determine material topics                                             | 168      |                        |                       |             |
|                                           | 3-2 List of material topics                                                          | 169      |                        |                       |             |
| <b>Economic Performance</b>               |                                                                                      |          |                        |                       |             |
| <b>GRI 3: Material Topics 2021</b>        | 3-3 Management of material topics                                                    | 220, 232 |                        |                       |             |
| <b>GRI 201: Economic Performance 2016</b> | 201-1 Direct economic value generated and distributed                                | 141      |                        |                       |             |
|                                           | 201-2 Financial implications and other risks and opportunities due to climate change | 170-175  |                        |                       |             |

| GRI Standard/Other Source                  | Disclosure                                                                         | Omission |                        |        |             |
|--------------------------------------------|------------------------------------------------------------------------------------|----------|------------------------|--------|-------------|
|                                            |                                                                                    | Location | Requirement(s) Omitted | Reason | Explanation |
|                                            | 201-3 Defined benefit plan obligations and other retirement plans                  | 212-213  |                        |        |             |
|                                            | 201-4 Financial assistance received from government                                | 232      |                        |        |             |
| <b>Market Presence</b>                     |                                                                                    |          |                        |        |             |
| <b>GRI 3: Material Topics 2021</b>         | 3-3 Management of material topics                                                  | 206, 210 |                        |        |             |
| <b>GRI 202: Market Presence 2016</b>       | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | 212      |                        |        |             |
|                                            | 202-2 Proportion of senior management hired from the local community               | 214      |                        |        |             |
| <b>Procurement Practices</b>               |                                                                                    |          |                        |        |             |
| <b>GRI 3: Material Topics 2021</b>         | 3-3 Management of material topics                                                  | 220, 233 |                        |        |             |
| <b>GRI 204: Procurement Practices 2016</b> | 204-1 Proportion of spending on local suppliers                                    | 233      |                        |        |             |
| <b>Anti-corruption</b>                     |                                                                                    |          |                        |        |             |
| <b>GRI 3: Material Topics 2021</b>         | 3-3 Management of material topics                                                  | 220, 232 |                        |        |             |
| <b>GRI 205: Anti-corruption 2016</b>       | 205-1 Operations assessed for risks related to corruption                          | 232      |                        |        |             |
|                                            | 205-2 Communication and training about anti-corruption policies and procedures     | 232      |                        |        |             |
|                                            | 205-3 Confirmed incidents of corruption and actions taken                          | 232      |                        |        |             |
| <b>Farmer Advisory</b>                     |                                                                                    |          |                        |        |             |
| <b>GRI 3: Material Topics 2021</b>         | 3-3 Management of material topics                                                  | 220-221  |                        |        |             |
| <b>FFC Disclosure</b>                      | Farmers' outreach through Agri-services                                            | 221      |                        |        |             |
| <b>FFC Disclosure</b>                      | Value cost ratio for minor and major crops                                         | 223      |                        |        |             |

# GRI CONTENT INDEX

|                             |                                                                                       | Omission |                        |                |                                                                                                                                                                                |
|-----------------------------|---------------------------------------------------------------------------------------|----------|------------------------|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI Standard/Other Source   | Disclosure                                                                            | Location | Requirement(s) Omitted | Reason         | Explanation                                                                                                                                                                    |
| Emissions                   |                                                                                       |          |                        |                |                                                                                                                                                                                |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics                                                     | 194      |                        |                |                                                                                                                                                                                |
| GRI 305: Emissions 2016     | 305-1 Direct (Scope 1) GHG emissions                                                  | 196      |                        |                |                                                                                                                                                                                |
|                             | 305-2 Energy indirect (Scope 2) GHG emissions                                         | 196      |                        |                |                                                                                                                                                                                |
|                             | 305-3 Other indirect (Scope 3) GHG emissions                                          | -        | a-g                    | Information    | FFC does not calculate the Scope 3 emission as FFC identified that the indirect greenhouse gases (Scope 3) emissions caused by FFC are not significant in the overall context. |
|                             | 305-4 GHG emissions intensity                                                         | 197      |                        |                |                                                                                                                                                                                |
|                             | 305-5 Reduction of GHG emissions                                                      | 197      |                        |                |                                                                                                                                                                                |
|                             | 305-6 Emissions of ozone-depleting substances (ODS)                                   | -        |                        | Not Applicable | FFC business does not include production, transportation or ODS.                                                                                                               |
|                             | 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | 197      |                        |                |                                                                                                                                                                                |



|                                   |                                                                 | Omission |                        |                                     |                                                                                                                                                           |
|-----------------------------------|-----------------------------------------------------------------|----------|------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI Standard/Other Source         | Disclosure                                                      | Location | Requirement(s) Omitted | Reason                              | Explanation                                                                                                                                               |
| Energy                            |                                                                 |          |                        |                                     |                                                                                                                                                           |
| GRI 3: Material Topics 2021       | 3-3 Management of material topics                               | 194      |                        |                                     |                                                                                                                                                           |
| GRI 302: Energy 2016              | 302-1 Energy consumption within the organization                | 198      |                        |                                     |                                                                                                                                                           |
|                                   | 302-2 Energy consumption outside of the organization            | -        | a, b, c                | Information unavailable/ incomplete | FFC does not calculate the energy consumption outside the organization as FFC identified that such information is not significant in the overall context. |
|                                   | 302-3 Energy intensity                                          | 198      |                        |                                     |                                                                                                                                                           |
|                                   | 302-4 Reduction of energy consumption                           | 198      |                        |                                     |                                                                                                                                                           |
|                                   | 302-5 Reduction in energy requirements of products and services | -        |                        | Not applicable                      | FFC products are dissolved in the soil and does not require energy in use phase.                                                                          |
|                                   | Materials                                                       |          |                        |                                     |                                                                                                                                                           |
| GRI 3: Material Topics 2021       | 3-3 Management of material topics                               | 194      |                        |                                     |                                                                                                                                                           |
| GRI 301: Materials 2016           | 301-1 Materials used by weight or volume                        | 199      |                        |                                     |                                                                                                                                                           |
|                                   | 301-2 Recycled input materials used                             | 199      |                        |                                     |                                                                                                                                                           |
|                                   | 301-3 Reclaimed products and their packaging materials          | 199      |                        |                                     |                                                                                                                                                           |
| Water                             |                                                                 |          |                        |                                     |                                                                                                                                                           |
| GRI 3: Material Topics 2021       | 3-3 Management of material topics                               | 194, 200 |                        |                                     |                                                                                                                                                           |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource              | 200-201  |                        |                                     |                                                                                                                                                           |
|                                   | 303-2 Management of water discharge-related impacts             | 201      |                        |                                     |                                                                                                                                                           |
|                                   | 303-3 Water withdrawal                                          | 201      |                        |                                     |                                                                                                                                                           |
|                                   | 303-4 Water discharge                                           | 201      |                        |                                     |                                                                                                                                                           |
|                                   | 303-5 Water consumption                                         | 201      |                        |                                     |                                                                                                                                                           |

# GRI CONTENT INDEX

|                                                 |                                                                                                          | Omission |                        |                                    |                                                                                |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------|------------------------|------------------------------------|--------------------------------------------------------------------------------|
| GRI Standard/Other Source                       | Disclosure                                                                                               | Location | Requirement(s) Omitted | Reason                             | Explanation                                                                    |
| Waste                                           |                                                                                                          |          |                        |                                    |                                                                                |
| GRI 3: Material Topics 2021                     | 3-3 Management of material topics                                                                        | 194, 202 |                        |                                    |                                                                                |
| GRI 306: Waste 2020                             | 306-1 Waste generation and significant waste-related impacts                                             | 202      |                        |                                    |                                                                                |
|                                                 | 306-2 Management of significant waste-related impacts                                                    | 202      |                        |                                    |                                                                                |
|                                                 | 306-3 Waste generated                                                                                    | 204      |                        |                                    |                                                                                |
|                                                 | 306-4 Waste diverted from disposal                                                                       | 204      |                        |                                    |                                                                                |
|                                                 | 306-5 Waste directed to disposal                                                                         | 204      |                        |                                    |                                                                                |
| Supply Chain Impacts                            |                                                                                                          |          |                        |                                    |                                                                                |
| GRI 3: Material Topics 2021                     | 3-3 Management of material topics                                                                        | 220, 233 |                        |                                    |                                                                                |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria                                      | 233      |                        |                                    |                                                                                |
|                                                 | 308-2 Negative environmental impacts in the supply chain and actions taken                               | -        | a-e                    | Information unavailable/incomplete | FFC does not collect such information due to non-availability and reliability. |
| GRI 3: Material Topics 2021                     | 414-1 New suppliers that were screened using social criteria                                             | 233      |                        |                                    |                                                                                |
| GRI 308: Supplier Environmental Assessment 2016 | 414-2 Negative social impacts in the supply chain and actions taken                                      | -        | a-e                    | Information unavailable/incomplete | FFC does not collect such information due to non-availability and reliability. |
| Employment and Labor Relations                  |                                                                                                          |          |                        |                                    |                                                                                |
| GRI 3: Material Topics 2021                     | 3-3 Management of material topics                                                                        | 206      |                        |                                    |                                                                                |
| GRI 401: Employment 2016                        | 401-1 New employee hires and employee turnover                                                           | 211-212  |                        |                                    |                                                                                |
|                                                 | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 212      |                        |                                    |                                                                                |
|                                                 | 401-3 Parental leave                                                                                     | 214      |                        |                                    |                                                                                |

| GRI Standard/Other Source                                             | Disclosure                                                                                                           | Location | Omission               |        |             |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|----------|------------------------|--------|-------------|
|                                                                       |                                                                                                                      |          | Requirement(s) Omitted | Reason | Explanation |
| <b>GRI 402: Labor Management Relations 2016</b>                       | 402-1 Minimum notice periods regarding operational changes                                                           | 213      |                        |        |             |
| <b>GRI 405: Diversity and Equal Opportunity 2016</b>                  | 405-1 Diversity of governance bodies and employees                                                                   | 214      |                        |        |             |
|                                                                       | 405-2 Ratio of basic salary and remuneration of women to men                                                         | 214      |                        |        |             |
| <b>GRI 406: Non-discrimination 2016</b>                               | 406-1 Incidents of discrimination and corrective actions taken                                                       | 215      |                        |        |             |
| <b>GRI 407: Freedom of Association and Collective Bargaining 2016</b> | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 215      |                        |        |             |
| <b>Health and Safety</b>                                              |                                                                                                                      |          |                        |        |             |
| <b>GRI 3: Material Topics 2021</b>                                    | 3-3 Management of material topics                                                                                    | 206-207  |                        |        |             |
| <b>GRI 403: Occupational Health and Safety 2018</b>                   | 403-1 Occupational health and safety management system                                                               | 207      |                        |        |             |
|                                                                       | 403-2 Hazard identification, risk assessment, and incident investigation                                             | 208      |                        |        |             |
|                                                                       | 403-3 Occupational health services                                                                                   | 208      |                        |        |             |
|                                                                       | 403-4 Worker participation, consultation, and communication on occupational health and safety                        | 207      |                        |        |             |
|                                                                       | 403-5 Worker training on occupational health and safety                                                              | 208      |                        |        |             |
|                                                                       | 403-6 Promotion of worker health                                                                                     | 208      |                        |        |             |
|                                                                       | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships  | 208      |                        |        |             |
|                                                                       | 403-8 Workers covered by an occupational health and safety management system                                         | 207      |                        |        |             |
|                                                                       | 403-9 Work-related injuries                                                                                          | 209      |                        |        |             |
|                                                                       | 403-10 Work-related ill health                                                                                       | 209      |                        |        |             |

# GRI CONTENT INDEX

|                                          |                                                                                                | Omission |                        |        |             |
|------------------------------------------|------------------------------------------------------------------------------------------------|----------|------------------------|--------|-------------|
| GRI Standard/Other Source                | Disclosure                                                                                     | Location | Requirement(s) Omitted | Reason | Explanation |
| Training                                 |                                                                                                |          |                        |        |             |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics                                                              | 206, 213 |                        |        |             |
| GRI 404: Training and Education 2016     | 404-1 Average hours of training per year per employee                                          | 213      |                        |        |             |
|                                          | 404-2 Programs for upgrading employee skills and transition assistance programs                | 213      |                        |        |             |
|                                          | 404-3 Percentage of employees receiving regular performance and career development reviews     | 214      |                        |        |             |
| Human Rights                             |                                                                                                |          |                        |        |             |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics                                                              | 215      |                        |        |             |
| GRI 408: Child Labor 2016                | 408-1 Operations and suppliers at significant risk for incidents of child labor                | 215      |                        |        |             |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 215      |                        |        |             |
| Local Communities                        |                                                                                                |          |                        |        |             |
| GRI 3: Material Topics 2021              | 3-3 Management of material topics                                                              | 216      |                        |        |             |
| GRI 413: Local Communities 2016          | 413-1 Operations with local community engagement, impact assessments, and development programs | 216-218  |                        |        |             |
|                                          | 413-2 Operations with significant actual and potential negative impacts on local communities   | 216      |                        |        |             |



| Principle    | Statement                                                                                                                | Page No.                               | Gri Standards Disclosure                                                                                                                                                     |
|--------------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principle 1  | Businesses should support and respect the protection of internationally proclaimed human rights.                         | 216-218                                | 413-1, 413-2                                                                                                                                                                 |
| Principle 2  | Businesses should make sure that they are not complicit in human rights abuses.                                          | 216-218, 233                           | 413-1, 414-1, 414-2                                                                                                                                                          |
| Principle 3  | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 213, 215                               | 2-30, 402-1, 407-1                                                                                                                                                           |
| Principle 4  | Businesses should uphold the elimination of all forms of forced and compulsory labor.                                    | 215                                    | 409-1                                                                                                                                                                        |
| Principle 5  | Businesses should uphold the effective abolition of child labor.                                                         | 215                                    | 408-1                                                                                                                                                                        |
| Principle 6  | Businesses should uphold the elimination of discrimination in respect of employment and occupation.                      | 210-211, 212, 214, 215                 | 2-7, 2-8, 202-1, 202-2, 401-1, 401-3, 404-1, 404-3, 405-2, 406-1                                                                                                             |
| Principle 7  | Businesses should support a precautionary approach to environmental challenges.                                          | 170-175, 196, 197, 198, 199, 201       | 201-2, 301-1, 302-1, 303-3, 305-1, 305-2, 305-3, 305-6, 305-7                                                                                                                |
| Principle 8  | Businesses should undertake initiatives to promote greater environmental responsibility.                                 | 189, 196, 198, 199, 201, 202, 204, 233 | 2-27, 301-1, 301-2, 302-1, 302-2, 302-3, 302-4, 302-5, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1, 308-2 |
| Principle 9  | Businesses should encourage the development and diffusion of environmentally friendly technologies.                      | 197, 198                               | 302-4, 302-5, 305-5                                                                                                                                                          |
| Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery.                             | 190, 191, 232                          | 2-23, 2-26, 205-1, 205-2                                                                                                                                                     |

# SASB CONTENT INDEX

| Topic                                                 | Disclosure                                                                                                                                                                           | Page No.     |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Chemical Industry Standard                            |                                                                                                                                                                                      |              |
| Greenhouse Gas Emissions                              | RT-CH-110a.1. Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations                                                                                | 196          |
|                                                       | RT-CH-110a.2. Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets | 180-183, 196 |
| Air Quality                                           | RT-CH-120a.1. Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)            | 196          |
| Energy Management                                     | RT-CH-130a.1. (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy                                                  | 198          |
| Water Management                                      | RT-CH-140a.1. (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress                                   | 201          |
|                                                       | RT-CH-140a.2. Number of incidents of non-compliance associated with water quality permits, standards, and regulations                                                                | 201          |
|                                                       | RT-CH-140a.3. Description of water management risks and discussion of strategies and practices to mitigate those risks                                                               | 200          |
| Hazardous Waste Management                            | RT-CH-150a.1. Amount of hazardous waste generated; percentage recycled                                                                                                               | 204          |
| Community Relations                                   | RT-CH-210a.1. Discussion of engagement processes to manage risks and opportunities associated with community interests                                                               | 216          |
| Workforce Health & Safety                             | RT-CH-320a.1. (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees                                                    | 209          |
|                                                       | RT-CH-320a.2. Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks                                   | 207-208      |
| Management of the Legal & Regulatory Environment      | RT-CH-530a.1. Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry       | 188          |
| Operational Safety, Emergency Preparedness & Response | RT-CH-540a.1. Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)                                   | 207-209      |
|                                                       | RT-CH-540a.2. Number of transport incidents                                                                                                                                          | 208          |

# SUSTAINABLE DEVELOPMENT GOALS

| SDGs                                                                                |                                                                                              | Page No.                                                   | GRI Standards Disclosure                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | End poverty in all its forms everywhere                                                      | 212, 216                                                   | 202-1, 413-2                                                                                                                                                                                                               |
|    | End hunger, achieve food security and improved nutrition and promote sustainable agriculture | 141, 216                                                   | 201-1, 413-2                                                                                                                                                                                                               |
|    | Ensure healthy lives and promote well-being for all at all ages                              | 196, 197, 202, 204, 207, 209                               | 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 403-8, 403-9                                                                                                                                                |
|    | Ensure inclusive and quality education for all and promote lifelong learning                 | 267, 213                                                   | 2-17, 404-1                                                                                                                                                                                                                |
|   | Achieve gender equality and empower all women and girls                                      | 141, 188, 211, 212, 213, 214, 214, 215, 233                | 2-9, 2-10, 201-1, 202-1, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1, 414-1, 414-2                                                                                                                                     |
|  | Ensure access to water and sanitation for all                                                | 201, 202, 204                                              | 303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5                                                                                                                                                                     |
|  | Ensure access to affordable, reliable, sustainable, and modern energy for all                | 141, 198                                                   | 201-1, 302-1, 302-2, 302-3, 302-4, 302-5                                                                                                                                                                                   |
|  | Promote inclusive and sustainable economic growth, employment, and decent work for all       | 141, 198, 199, 201, 207, 209, 211, 212, 213, 214, 215, 233 | 2-7, 2-8, 2-30, 201-1, 202-1, 202-2, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 303-5, 401-1, 401-2, 401-3, 402-1, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, 407-1, 408-1, 409-1, 414-1, 414-2 |
|  | Build resilient infrastructure, promote sustainable industrialization, and foster innovation | 141                                                        | 201-1                                                                                                                                                                                                                      |

# SUSTAINABLE DEVELOPMENT GOALS

| SDGs                                                                                |                                                                                                               | Page No.                                    | GRI Standards Disclosure                                                                                                     |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
|    | Reduce inequality within and among countries                                                                  | 214                                         | 204-1, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4 |
|    | Make cities inclusive, safe, resilient, and sustainable                                                       | -                                           | 201-2, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4                                                         |
|    | Ensure sustainable consumption and production patterns                                                        | 196, 197, 198, 199, 202, 204, 233           | 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5                                                                |
|    | Take urgent action to combat climate change and its impacts                                                   | 170-175, 196, 197, 198                      | 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5                                                                       |
|  | Conserve and sustainably use the oceans, seas, and marine resources                                           | 196, 197, 202, 204                          | 2-9, 2-10, 2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 406-1, 408-1, 414-1, 414-2                         |
|  | Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss | 196, 197, 204                               | Not applicable                                                                                                               |
|  | Promote just, peaceful, and inclusive societies                                                               | 167, 188, 189, 190, 191, 215, 192, 232, 233 | 2-9, 2-10, 2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 406-1, 408-1, 414-1, 414-2, 416-2, 417-2, 417-3    |
|  | Strengthen the means of implementation and revitalize the global partnership for sustainable development      | -                                           | Not applicable                                                                                                               |



# PSX SDGs

Our performance covers all SDGs and related indicators defined under PSX-defined minimum SDGs for listed companies. However, we don't have targets against all PSX SDGs in place. The targets shall be defined once our work on embedding SDGs into our corporate strategy and policies is accomplished.

 Refer to page 165 for our work on embedding SDGs.

## Governance and Strategy

Our governance and strategy related to SDGs are discussed in the "Governance and Strategy and Resource Allocation" sections of the report, which contain how our governance systems support SDGs and how we consider SDGs while devising our strategies and allocating resources.

 Refer to pages 165, 167 and 189 for our governance and page 192 for our strategy and resource allocation.

## Management Approach

Relevant sections of the report discuss our approach to managing our impacts on SDGs and making meaningful contributions. These sections contain details of our policies, procedures, and responsibilities, a review of the management approach for effectiveness, and necessary adjustments where required.

 Refer to pages 194, 200, 202, 206, 207, 215, 216, 220, 221, 232, 233 for our management approach to managing our impacts on SDGs.

## Performance

Our performance is discussed in different sections of the report and linked to different SDGs where we are making an impact, either by managing our negative impacts or contributing to SDGs. However, we present our performance against the minimum SDGs and indicators defined by PSX for listed companies for conciseness and relevance. In case detailed performance information is required for complete context, a reference to the report section or page is mentioned at relevant places.

| SDG and Target                                                                                                                                                                       | Company Performance Target | Performance Indicator                                                                                                                                                              | Status (2024)                                                                                                                                                             | Status (2023)                                                                                                                                                             | Status (2022)                                                                                                                                                             | Business Action                                                                                                    | Future Business Action                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
|  <b>Target 5.1</b><br>End all forms of discrimination against women and girls everywhere          | -                          | Existence of policies to promote, enforce and monitor equality and non-discrimination on the basis of gender                                                                       | Policies exist to promote, enforce, and monitor equality and non-discrimination based on gender                                                                           | Policies exist to promote, enforce, and monitor equality and non-discrimination based on gender                                                                           | Policies exist to promote, enforce, and monitor equality and non-discrimination based on gender                                                                           | Promote, enforce, and monitor equality and non-discrimination                                                      | Promote, enforce, and monitor equality and non-discrimination                                                      |
|                                                                                                                                                                                      |                            |  Refer to pages 206, 214 and 215 to read details about the management approach and performance  |                                                                                                                                                                           |                                                                                                                                                                           |                                                                                                                                                                           |                                                                                                                    |                                                                                                                    |
| <b>Target 5.2</b><br>Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation | -                          | Existence of sexual harassment, physical harassment, psychological harassment policies and grievances solving mechanism relevant to sexual, physical, and psychological violence   | Sexual harassment, physical harassment, psychological harassment policies and grievances solving mechanism relevant to sexual, physical, and psychological violence exist | Sexual harassment, physical harassment, psychological harassment policies and grievances solving mechanism relevant to sexual, physical, and psychological violence exist | Sexual harassment, physical harassment, psychological harassment policies and grievances solving mechanism relevant to sexual, physical, and psychological violence exist | Enforce policies and grievances solving mechanism relevant to prevent sexual, physical, and psychological violence | Enforce policies and grievances solving mechanism relevant to prevent sexual, physical, and psychological violence |
|                                                                                                                                                                                      |                            | Proportion of female employees at your company aged 15 years and older subjected to physical, sexual, or psychological violence                                                    | FFC does not employ young female workers aged 15 years. No complaint of physical, sexual, or psychological violence filed.                                                | FFC does not employ young female workers aged 15 years. No complaint of physical, sexual, or psychological violence filed.                                                | FFC does not employ young female workers aged 15 years. No complaint of physical, sexual, or psychological violence filed.                                                | Enforce policies and grievances solving mechanism relevant to prevent sexual, physical, and psychological violence | Enforce policies and grievances solving mechanism relevant to prevent sexual, physical, and psychological violence |
|                                                                                                                                                                                      |                            |  Refer to pages 206, 214 and 215 to read details about the management approach and performance. |                                                                                                                                                                           |                                                                                                                                                                           |                                                                                                                                                                           |                                                                                                                    |                                                                                                                    |

# PSX SDGs

| SDG and Target                                                                                                                                                                                                                                                                                                                                                              | Company Performance Target                                              | Performance Indicator                                                                                   | Status (2024)                                                                                                                                                                                                                                                                                                                                         | Status (2023)                                                                                            | Status (2022)                                                  | Business Action                                                                                     | Future Business Action                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
|  <b>Target 6.4</b><br>By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity                            | Target 2026<br>Limit increase in water intake to 3% from the 2018 level | Total water withdrawal by source                                                                        | The 6.58% decrease in water intake from 2018 level is on track to achieve the 2026 target.                                                                                                                                                                                                                                                            | The 4.26% decrease in water intake compared to the previous year is on track to achieve the 2026 target. | 5% increase in water intake due to deteriorating water quality | Increased water efficiency and recycling                                                            | Promote water efficiency and water recycling to limit the increase in water intake to 3% of the 2018 level by 2026.      |
|                                                                                                                                                                                                                                                                                                                                                                             |                                                                         |                                                                                                         | Fresh water consumption per MT                                                                                                                                                                                                                                                                                                                        | Fresh water consumption per MT                                                                           | Fresh water consumption per MT                                 |                                                                                                     |                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                             |                                                                         |                                                                                                         | 4.83 liter per MT                                                                                                                                                                                                                                                                                                                                     | 5.01 liter per MT                                                                                        | 5.57 liter per MT                                              |                                                                                                     |                                                                                                                          |
|  <b>Target 7.2</b><br>By 2030, increase substantially the share of renewable energy in the global energy mix                                                                                                                                                                               | -                                                                       | Renewable energy share in the total final energy consumption                                            | 2.2 MW on grid solar system. The share of renewable energy is insignificant.                                                                                                                                                                                                                                                                          | 02 MW on grid solar system completed                                                                     | 02 MW on grid solar system                                     | FFC is exploring different renewable energy options to include renewable energy in total energy mix | Promotion of renewable energy to decrease environmental footprint                                                        |
| <b>Target 7.b</b><br>By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries and small island developing states                                                                                                                                 | -                                                                       | Value of investment to enhance energy efficiency at company in PKR                                      | PKR 286 million                                                                                                                                                                                                                                                                                                                                       | PKR 347 million                                                                                          | PKR 94.14 million                                              | Continuous investment in new technologies to enhance energy efficiency                              | Continuous investment in new technologies to enhance energy efficiency to cut costs and decrease environmental footprint |
|  <b>Target 8.3</b><br>Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization of growth micro-/small/medium size enterprises including access to financial services | -                                                                       | Proportion of informal (contract, casual and daily wage) employment in non-agriculture areas at company | FFC strictly complies with applicable laws governing employment practices and adheres to international conventions. No informal employment practices exist at FFC.<br><br> Refer to page 206 and 215 to read details about the management approach and performance |                                                                                                          |                                                                | Compliance with applicable laws and adherence to international charters                             | Compliance with applicable laws and adherence to international charters                                                  |

| SDG and Target                                                                                                                                                                                                                                                                                                                                                                                                        | Company Performance Target | Performance Indicator                                                                                                                               | Status (2024)                                                                                                                                                                                                    |       |        | Status (2023) |       |        | Status (2022)                                     |                                                                                | Business Action                                                                 | Future Business Action                             |        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|--------|---------------|-------|--------|---------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------|--------|
| <b>Target 8.5</b><br>By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value                                                                                                                                                                                                           | -                          | Average hourly earnings of managerial and non-managerial employees, by gender<br>(Based on Average Basic Pay Scale)<br><br>M = Manager<br>S = Staff | 2024                                                                                                                                                                                                             |       |        | 2023          |       |        | 2022                                              |                                                                                | Compliance with applicable laws                                                 | Compliance with applicable laws                    |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                                                                                                                                     |                                                                                                                                                                                                                  | Male  | Female |               | Male  | Female |                                                   | Male                                                                           |                                                                                 |                                                    | Female |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                                                                                                                                     | M                                                                                                                                                                                                                | 1,660 | 1,660  | M             | 1,423 | 1,423  | M                                                 | 1,308                                                                          |                                                                                 |                                                    | 1,308  |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                                                                                                                                     | S                                                                                                                                                                                                                | 186   | 186    | S             | 150   | 150    | S                                                 | 137                                                                            |                                                                                 |                                                    | 137    |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                            | Average hourly earnings of managerial and non-managerial employees with disabilities, by gender<br><br>M = Manager<br>S = Staff                     | 2024                                                                                                                                                                                                             |       |        | 2023          |       |        | 2022                                              |                                                                                | Compliance with applicable laws                                                 | Compliance with applicable laws                    |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                                                                                                                                     | Same as above                                                                                                                                                                                                    |       |        |               |       |        |                                                   |                                                                                |                                                                                 |                                                    |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                            | Minimum wage of employees                                                                                                                           | 2024                                                                                                                                                                                                             |       |        | 2023          |       |        | 2022                                              |                                                                                | Compliance with applicable laws                                                 | Compliance with applicable laws                    |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                                                                                                                                     | 37,000                                                                                                                                                                                                           |       |        | 32,000        |       |        | 28,922                                            |                                                                                |                                                                                 |                                                    |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                            | Number of net new jobs created at your company, by gender and persons with disabilities                                                             | 2024                                                                                                                                                                                                             |       |        | 2023          |       |        | 2022                                              |                                                                                | -                                                                               | -                                                  |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                       |                            |                                                                                                                                                     | We are an equal-opportunity company. Jobs are created as per company requirements and not by gender and disability. All qualified persons can apply for them and be selected regardless of gender or disability. |       |        |               |       |        |                                                   |                                                                                |                                                                                 |                                                    |        |
| 📄 Refer to page 211-212 to read details about hiring and attrition details.                                                                                                                                                                                                                                                                                                                                           |                            |                                                                                                                                                     |                                                                                                                                                                                                                  |       |        |               |       |        |                                                   |                                                                                |                                                                                 |                                                    |        |
| Proportion of your employees with disabilities                                                                                                                                                                                                                                                                                                                                                                        |                            |                                                                                                                                                     |                                                                                                                                                                                                                  |       |        |               |       |        |                                                   |                                                                                |                                                                                 |                                                    |        |
| <b>Target 8.8</b><br>Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment                                                                                                                                                                                                               | -                          | Frequency rates of fatal and non-fatal occupational injuries at your company, by gender and migrant status                                          | 📄 Refer to page 209 to read details about performance                                                                                                                                                            |       |        |               |       |        |                                                   | Promote culture of safety to prevent fatal and non-fatal occupational injuries | Promote culture of safety to prevent fatal and non-fatal occupational injuries  |                                                    |        |
| Compliance with labour rights based on national and provincial legislation                                                                                                                                                                                                                                                                                                                                            |                            | FFC is compliant with labour rights based on national and provincial legislation as well as international charters                                  |                                                                                                                                                                                                                  |       |        |               |       |        | Ensure compliance of applicable laws and charters | Ensure compliance of applicable laws and charters                              |                                                                                 |                                                    |        |
| <br><b>Target 9.4</b><br>By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities |                            | CO <sub>2</sub> emissions per MT of urea                                                                                                            | 2024                                                                                                                                                                                                             |       |        | 2023          |       |        | 2022                                              |                                                                                | Continuous investment in cleaner technologies to reduce environmental footprint | Maintain emissions intensity at 2020 level by 2026 |        |
| 0.57                                                                                                                                                                                                                                                                                                                                                                                                                  |                            |                                                                                                                                                     | 0.74                                                                                                                                                                                                             |       |        | 0.77          |       |        |                                                   |                                                                                |                                                                                 |                                                    |        |

| SDG and Target                                                                                                                                                                                                                                                                                                                                                                                                    | Company Performance Target | Performance Indicator                                                                                                                                                                          | Status (2024)                                                                                                                                                             | Status (2023) | Status (2022) | Business Action                                                                                 | Future Business Action                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
|  <b>Target 12.4</b><br>By 2020, achieve the environmentally sound management of chemicals and all waste throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in-order to minimize their adverse impacts on human health and environment | -                          | Quantity of hazardous waste generated and treated<br><br>Does FFC treat its hazardous waste in accordance with the international multilateral agreements signed by the Government of Pakistan? |  Refer to pages 202 to 204 to read details about our management approach and waste data. |               |               | Compliance with applicable laws for handling and treatment of hazardous waste                   | Compliance with applicable laws for handling and treatment of hazardous waste                   |
| <b>Target 12.5</b><br>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse                                                                                                                                                                                                                                                                                           | -                          | Quantity of waste material generated and recycled                                                                                                                                              |  Refer to page 202 to 204 to read details about waste data.                              |               |               | Promote waste prevention over recycling where possible. Explore recycling options               | Promote waste prevention over recycling where possible. Explore recycling options               |
| <b>Target 12.6</b><br>Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability reporting in their reporting cycle                                                                                                                                                                                                                        | -                          | 1. Does FFC publish sustainability report?<br>2. Does FFC report on SDG?                                                                                                                       | FFC has been publishing an annual sustainability report since 2011. FFC also reports on its contributions and impacts on SDGs.                                            |               |               | Adopt best sustainability practices and embed SDGs into operations for better managing impacts. | Adopt best sustainability practices and embed SDGs into operations for better managing impacts. |



# GLOSSARY AND ACRONYMS

|                             |                                                                                                  |
|-----------------------------|--------------------------------------------------------------------------------------------------|
| <b>AMCON</b>                | Annual Management Conference                                                                     |
| <b>CBA</b>                  | Collective Bargaining Agent                                                                      |
| <b>CSR</b>                  | Corporate Social Responsibility                                                                  |
| <b>DAP</b>                  | Di-ammonium Phosphate, a chemical composition of Nitrogen (18%) and Phosphorus (46%) fertilizers |
| <b>GIDC</b>                 | Gas Infrastructure Development Cess                                                              |
| <b>EEF</b>                  | Enhanced Efficiency Fertilizers                                                                  |
| <b>ERC</b>                  | Environment Review Committee                                                                     |
| <b>FAC</b>                  | Farmer Advisory Center                                                                           |
| <b>FAS</b>                  | Farmer Advisory Services                                                                         |
| <b>GRI</b>                  | Global Reporting Initiative                                                                      |
| <b>GHG</b>                  | Green House Gases                                                                                |
| <b>HIRADC</b>               | Hazard Identification Risk Assessment and Determining Control                                    |
| <b>HAZOP</b>                | Hazard and Operability                                                                           |
| <b>HORC</b>                 | Hazard Observation and Review Committee                                                          |
| <b>HSE</b>                  | Health Safety and Environment                                                                    |
| <b>ICAP</b>                 | Institute of Chartered Accountants of Pakistan                                                   |
| <b>ICMAP</b>                | Institute of Cost & Management Accountants of Pakistan                                           |
| <b>IFA</b>                  | International Fertilizer Association                                                             |
| <b>MMSCF</b>                | Million Standard Cubic Feet                                                                      |
| <b>M&amp;O</b>              | Manufacturing and Operations                                                                     |
| <b>MW</b>                   | Mega Watt                                                                                        |
| <b>NIAB</b>                 | Nuclear Institute for Agriculture and Biology                                                    |
| <b>NCU</b>                  | Neem Coated Urea                                                                                 |
| <b>NEQS</b>                 | National Environmental Quality Standards                                                         |
| <b>NGO</b>                  | Non-Government Organization                                                                      |
| <b>OHSAS</b>                | Occupational Health and Safety Management System                                                 |
| <b>PSX</b>                  | Pakistan Stock Exchange                                                                          |
| <b>SAARC</b>                | South Asian Association for Regional Cooperation                                                 |
| <b>SAFA</b>                 | South Asian Federation of Accountants                                                            |
| <b>SIGNIFICANT LOCATION</b> | Significant location of operations means locations where offices and plants are located          |
| <b>SOC</b>                  | Safe Operation Committee                                                                         |
| <b>SOP</b>                  | Sulphate of Potash. Primarily a Potassic fertilizer                                              |
| <b>TCFD</b>                 | Task Force on Climate-Related Financial Disclosures                                              |
| <b>TRI</b>                  | Total Recordable Injury                                                                          |
| <b>UNGC</b>                 | United Nations Global Compact                                                                    |





# 04

## FINANCIAL STATEMENTS

Financial Statements of the Company along with Reports by the Audit Committee and Independent External Auditors

|                                                                                                                                                   |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Report of the Audit Committee on Listed Companies (Code of Corporate Governance) Regulations, 2019                                                | 258 |
| Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019                                                    | 261 |
| Independent Auditor's Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 | 264 |
| Independent Auditor's Report on the Audit of the Financial Statements                                                                             | 265 |
| Financial Statements                                                                                                                              | 268 |

# REPORT OF THE AUDIT COMMITTEE

on Listed Companies (Code of Corporate Governance) Regulations, 2019

## Composition of The Audit Committee

Audit Committee of FFC Board of Directors comprises of four directors. Two members of the Committee including the Chairman are independent non-executive directors, whereas the other two members are non-executive directors. All the Committee members are financially literate, who possess significant acumen related to finance, economics and business management. The names and profiles of the Audit Committee members are given on Pages 30 to 37 of the Report.

Chief Financial Officer of the Company attends the meeting of Audit Committee on invitation; internal auditors are present in all the Committee meetings whereas External Auditors attend the meetings on requirement basis.

## Financial Statements

- The Committee has concluded its annual review of the Company's standalone and consolidated performance, financial position and cash flows during 2024, and reports that:
- FFBL was amalgamated with and into FFC, effective July 1 2024, as a result, all assets and liabilities of FFBL are vested with the Company. Consequently, FFBL stands dissolved without winding up. The merger scheme was approved by the members of both companies in their Extra Ordinary General Meetings, which was sanctioned by Honorable High Court, Rawalpindi bench. The Scheme complies with the provisions of sections 279 to 283 and 285(8) of the Companies Act, 2017 (the Act).
- In the financial statements, the amalgamation has been accounted for using predecessor method of accounting in accordance with "Accounting for Common Control Transactions" Standard as notified by SECP under SRO 53 (I)/2022 dated January 12, 2022. The details have been explained in note 1.2 of financial statements.
- The separate and consolidated financial statements of FFC for the year ended December 31, 2024 have been prepared on a going concern basis under requirements of the Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the state of affairs of the Company, results of operations, profits, cash flows and changes in equity of the Company and its subsidiaries for the year under review.
- The auditors have issued unmodified audit reports in respect of the above financial statements in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP.
- Appropriate accounting policies have been consistently applied, which have been appropriately disclosed in the financial statements.
- The Chairman of the Board, Chief Executive Officer, one director and the Chief Financial Officer have endorsed the separate and consolidated financial statements of the Company, while the Directors' Report is signed by Chairman and Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- All related party transactions have been reviewed by the Committee prior to approval by the Board.
- Statement of Compliance with the Code of Corporate Governance has also been reviewed and certified by the External Auditors of the Company.



- Understanding and compliance with the codes and policies of the Company has been affirmed by the members of the Board, the management and employees of the Company. Equitable treatment of shareholders has also been ensured.
- Trading and holding of Company's shares by Directors & Executives or their spouses and dependent children were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction, which were notified by the Company Secretary to the Board. All such holdings have been disclosed in the Pattern of Shareholding. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- 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.

### **Risk Management and Internal Control**

- The Company has developed a mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Audit Committee for information and review.
- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function.
- The Internal Audit function is responsible for providing assurance on the effectiveness and adequacy of internal control and risk management framework in managing risks within acceptable levels throughout the Company.
- The Company's approach towards risk management has been disclosed in the Risk and Opportunity section of this Report.

### **Internal Audit**

- The Company's system of internal controls is sound in design and is continually evaluated for effectiveness and adequacy.
- 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 shareholders' wealth, through assurances provided by internal audit function.
- The Internal Audit function has carried out its assignments in accordance with annual audit plan approved by the Audit Committee. The Committee has reviewed material Internal Audit findings, taken appropriate actions where necessary or brought the matters to the Board's attention where required.
- Audit Committee has provided proper arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives including a reliable financial reporting system.

# REPORT OF THE AUDIT COMMITTEE

on Listed Companies (Code of Corporate Governance) Regulations, 2019

## External Auditors

- The statutory Auditors of the Company, A. F. Ferguson & Co., Chartered Accountants, have completed their audit assignment of the Company's Financial Statements, the Consolidated Financial Statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended December 31, 2024 and shall retire on the conclusion of the 47th Annual General Meeting of the Company.
- The Audit Committee has discussed the audit process and the observations, if any, of the auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.
- The Auditors either attended or were available for discussions, during the audit committee meetings where their reports were discussed. The Auditors confirmed their attendance of the 47th Annual General Meeting scheduled for March 25, 2025.
- A. F. Ferguson & Co., Chartered Accountants also provide taxation services to the Company. The firm has no financial or other relationship of any kind with the Company except that of External Auditor and Taxation Consultant.
- Being eligible, A. F. Ferguson & Co., Chartered Accountants have offered themselves to be reappointed as auditors for the financial year 2025 for an audit fee of upto Rs 10 million.
- The Committee is satisfied with the performance of the External Auditors. The engagement partner on the audit was Mr. Aftab Ahmed being eligible for reappointment as Auditors of the Company, the Audit Committee has recommended the appointment of A. F. Ferguson & Co., Chartered Accountants as External Auditors of the Company for the year ending December 31, 2025 for an audit fee of upto Rs 10 million.

## Annual Integrated Report 2024

- The Company has issued a comprehensive Annual Integrated Report 2024, which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses information and explanation relating to the Capitals, much in excess of the regulatory requirements to offer an in depth understanding about the management style, governance, the policies set in place by the Company, overview of its value creating business model, discloses matters related to long term sustainability and presents fairly the integrated performance during the year, and future prospects to various stakeholders of the Company.
- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Audit Committee believes that the Annual Integrated Report 2024 has been prepared on the basis and guidelines of International Integrated Reporting Framework.

## The Audit Committee

- The Audit Committee believes that it has carried out responsibilities to the full, in accordance with Terms of Reference approved by the Board, which included principally the items mentioned above and the actions taken by the Audit Committee in respect of each of these responsibilities. Evaluation of the Board's performance, which also included members of the Audit Committee was carried out separately and is detailed in this Report.



**Saad Amanullah Khan**

Chairman Audit Committee

Rawalpindi

January 27, 2025

# STATEMENT OF COMPLIANCE

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

**Name of Company:** Fauji Fertilizer Company Limited

**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 13 as per the following:

|    |         |    |
|----|---------|----|
| a. | Male:   | 11 |
| b. | Female: | 02 |

2. The composition of the Board is as follows:

|      |                                                        |                                                                                                                                                                                                                                                                                 |
|------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i)   | Independent Directors*<br>(excluding Female Directors) | Mr. Saad Amanullah Khan<br>Mr. Farhad Shaikh Mohammad                                                                                                                                                                                                                           |
| ii)  | Non-Executive Directors                                | Lt. Gen Anwar Ali Hyder, HI(M) (Retired) - Chairman<br>Syed Bakhtiyar Kazmi<br>Mr. Shoaib Javed Hussain<br>Mr. Yassir Ghiyati Ibn Ziyad<br>Mr. Qamar Haris Manzoor<br>Mr. Saif Anjum<br>Mr. Mazhar Abbas Hasnani<br>Maj. Gen Muhammad Aneeq Ur Rehman Malik,<br>HI(M) (Retired) |
| iii) | Executive Director                                     | Mr. Jahangir Piracha                                                                                                                                                                                                                                                            |
| iv)  | Female Directors<br>(Independent Directors)*           | Ms. Maryam Aziz<br>Dr. Shamshad Akhtar                                                                                                                                                                                                                                          |

\*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company (13) adequately meets this requirement. Further, existing independent directors play an effective part within the Board and make valuable contributions. Therefore, the fraction (4.33) for independent directors has not been rounded up.

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;
- The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
- 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;
- The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
- The Board had arranged Directors' Training program as follows;

## IN PRIOR YEARS:

- Syed Bakhtiyar Kazmi
- Mr. Qamar Haris Manzoor
- Mr. Shoaib Javed Hussain

# STATEMENT OF COMPLIANCE

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

## DURING CURRENT YEAR:

- Lt. Gen Anwar Ali Hyder, HI(M) (Retired) – Chairman
- Maj. Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired)
- Mr. Yassir Ghiyati Ibn Ziyad

Mr. Jahangir Piracha, Mr. Saad Amanullah Khan, Mr. Mazhar Abbas Hasnani, Dr. Shamshad Akhtar, Ms. Maryam Aziz and Mr. Farhad Shaikh Mohammad have already obtained director's training certifications prior to their appointment on the Board of Directors.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

### A. Audit Committee

|                                                  |          |
|--------------------------------------------------|----------|
| Mr. Saad Amanullah Khan, Independent Director    | Chairman |
| Mr. Mazhar Abbas Hasnani                         | Member   |
| Syed Bakhtiyar Kazmi                             | Member   |
| Mr. Farhad Shaikh Mohammad, Independent Director | Member   |

### B. Human Resource and Remuneration Committee

|                                                        |          |
|--------------------------------------------------------|----------|
| Mr. Farhad Shaikh Mohammad, Independent Director       | Chairman |
| Mr. Saad Amanullah Khan, Independent Director          | Member   |
| Maj Gen Muhammad Aneeq Ur Rehman Malik HI(M) (Retired) | Member   |
| Mr. Qamar Haris Manzoor                                | Member   |

### C. System and Technology Committee

|                                               |          |
|-----------------------------------------------|----------|
| Mr. Yassir Ghiyati Ibn Ziyad                  | Chairman |
| Mr. Saad Amanullah Khan, Independent Director | Member   |
| Ms. Maryam Aziz, Independent Director         | Member   |
| Mr. Qamar Haris Manzoor                       | Member   |

### D. Strategy and Investment Committee

|                                           |             |
|-------------------------------------------|-------------|
| Dr. Shamshad Akhtar, Independent Director | Chairperson |
| Ms. Maryam Aziz, Independent Director     | Member      |
| Syed Bakhtiyar Kazmi                      | Member      |
| Mr. Mazhar Abbas Hasnani                  | Member      |

### E. Sustainability Committee

|                                                        |          |
|--------------------------------------------------------|----------|
| Mr. Saad Amanullah Khan, Independent Director          | Chairman |
| Maj Gen Muhammad Aneeq Ur Rehman Malik HI(M) (Retired) | Member   |
| Mr. Yassir Ghiyati Ibn Ziyad                           | 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 committees were as per following:



|    | Committee                                 | Frequency         | Meetings During The Year                                                                         |
|----|-------------------------------------------|-------------------|--------------------------------------------------------------------------------------------------|
| a. | Audit Committee                           | Quarterly         | 5                                                                                                |
| b. | Human Resource and Remuneration Committee | On required basis | 3                                                                                                |
| c. | System and Technology Committee           | On required basis | 5                                                                                                |
| d. | Strategy and Investment Committee         | On required basis | Nil (3 Joint sessions for Audit and Strategy and Investment Committee were held during the year) |
| e. | Sustainability Committee                  | On required basis | 2                                                                                                |

**Joint Sessions:**

|                                           |   |
|-------------------------------------------|---|
| Audit and Strategy & Investment Committee | 3 |
|-------------------------------------------|---|

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

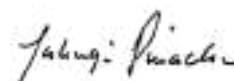
The broad functions of Nomination Committee and Risk Management Committee are already being performed by other committees. The BOD is therefore of the opinion that separate committees for Nomination and Risk Management are not required.

Currently, 12 out of 13 directors have obtained director's training certifications. Mr. Saif Anjum joined as a Director on October 9, 2024 and is allowed as per regulation no. 19(2) to acquire the said training, within a period of one year from the date of appointment as director. The Company will arrange training for him in next year to comply with the requirements.

Eight (08) directors attended the 46th Annual General Meeting (AGM) of the Company. Remaining directors provided reasonable cause for not attending the AGM.



**Lieutenant General Anwar Ali Hyder,**  
**Hilal-e-Imtiaz (Military) (Retired)**  
Chairman



**Mr. Jahangir Piracha**  
Managing Director & Chief Executive Officer

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Fauji Fertilizer Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

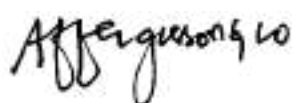
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Fauji Fertilizer Company Limited (the Company) for the year ended December 31, 2024 in accordance with the requirements 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

Islamabad

Date: February 28, 2025

UDIN: CR202410610dL9QfN81C

# INDEPENDENT AUDITOR'S REPORT

## To the members of Fauji Fertilizer Company Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of Fauji 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 profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Following are the key audit matters:

| S. No. | Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | <p><b>Revenue recognition</b></p> <p>(Refer notes 3.12 and 26 to the financial statements)</p> <p>The Company is engaged in production and sale of fertilizers. The Company recognized revenue from the sale of fertilizers amounting to Rs 373,537 million for the year ended December 31, 2024.</p> <p>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Company.</p> <p>Accordingly, it was considered as a key audit matter.</p> | <p><b>Our procedures in relation to this matter included, amongst others:</b></p> <ul style="list-style-type: none"><li>- Obtained understanding of the process relating to recognition of revenue and checked the design, implementation and operating effectiveness of relevant internal controls over recording of revenue;</li><li>- Performed verification of sample of revenue transactions with underlying documentation including delivery documents and sales invoices;</li><li>- Performed cut-off procedures on sample basis to ensure revenue has been recorded in the correct period;</li><li>- Verified that sales prices are approved by appropriate authority; and</li><li>- Checked that revenue has been recognized in accordance with Company's accounting policy and the applicable accounting and financial reporting framework.</li></ul> |

# INDEPENDENT AUDITOR'S REPORT

## To the members of Fauji Fertilizer Company Limited Report on the Audit of the Financial Statements

| S. No. | Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2      | <p><b>Merger/ amalgamation of Fauji Fertilizer Bin Qasim Limited (FFBL) with and into the Company</b></p> <p>(Refer notes 1.2 and 3.15.2 to the financial statements)</p> <p>During the year, a Scheme of Arrangement (the Scheme) for merger/ amalgamation of FFBL with and into the Company has been approved by the Board of Directors and thereafter by the members of the Company. The Scheme has also been sanctioned by the Honorable Lahore High Court, Rawalpindi Bench, and is effective from July 1, 2024, i.e. the date at which all assets and liabilities of FFBL are vested with the Company. The consideration agreed is 150.87 million fully paid ordinary shares of Rs 10 each be issued to the shareholders of FFBL (other than the Company) in accordance with the approved swap ratio.</p> <p>We considered merger/ amalgamation of FFBL with and into the Company to be a key audit matter as this was a significant transaction during the year.</p> | <p><b>Our procedures in relation to this matter included, amongst others:</b></p> <ul style="list-style-type: none"> <li>- Inspected minutes of the meeting of the Board of Directors and shareholders of the Company for the approval of the transaction;</li> <li>- Inspected the approved Scheme of Arrangement of merger/ amalgamation, sanction order of Lahore High Court, and other relevant documents to obtain an understanding of the transaction, establish transaction date and other key terms;</li> <li>- Analyzed the financial impacts and the related accounting treatment of the transaction in the financial statements;</li> <li>- Traced assets acquired and liabilities assumed with FFBL's audited financial statements as of the effective date of merger/ amalgamation;</li> <li>- Checked shares issued to the shareholders of FFBL against consideration agreed in accordance with the approved swap ratio;</li> <li>- Assessed whether appropriate accounting treatment has been applied to the transaction in the financial statements in accordance with Company's accounting policy and the applicable accounting and financial reporting framework; and</li> <li>- Assessed the adequacy and appropriateness of the related disclosures in the financial statements for compliance with the requirement of the applicable financial reporting framework.</li> </ul> |

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and consolidated financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.



### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



Chartered Accountants  
Islamabad

Date: February 28, 2025  
UDIN: AR202410610qmVyCF3MI

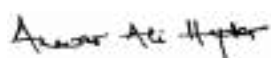
# STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

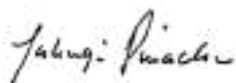
|                                                                        | Note | 2024        | 2023        |
|------------------------------------------------------------------------|------|-------------|-------------|
|                                                                        |      | Rs '000     | Rs '000     |
| <b>EQUITY AND LIABILITIES</b>                                          |      |             |             |
| <b>EQUITY AND RESERVES</b>                                             |      |             |             |
| Share capital                                                          | 5    | 14,231,086  | 12,722,382  |
| Capital reserves                                                       | 6    | 28,000,080  | 160,000     |
| Revenue reserves                                                       |      |             |             |
| General reserves                                                       |      | 8,802,360   | 8,802,360   |
| Unappropriated profit                                                  |      | 80,749,891  | 40,272,228  |
|                                                                        |      | 89,552,251  | 49,074,588  |
| Surplus/ (deficit) on remeasurement of investments to fair value – net |      | 96,700      | (104,460)   |
|                                                                        |      | 131,880,117 | 61,852,510  |
| <b>NON – CURRENT LIABILITIES</b>                                       |      |             |             |
| Long term borrowings – secured                                         | 7    | 31,300,000  | 18,200,000  |
| Deferred liabilities                                                   | 8    |             |             |
| – Deferred taxation                                                    |      | 7,452,030   | 2,275,925   |
| – Compensated leave absences                                           |      | 2,614,823   | 1,735,749   |
|                                                                        |      | 41,366,853  | 22,211,674  |
| <b>CURRENT LIABILITIES</b>                                             |      |             |             |
| Current portion of long term borrowings – secured                      | 7    | 6,900,000   | 6,095,000   |
| Current portion of lease liabilities                                   |      | –           | 17,437      |
| Trade and other payables                                               | 9    | 186,051,998 | 108,256,161 |
| Mark-up and profit accrued                                             | 10   | 923,406     | 1,304,263   |
| Short term borrowings – secured                                        | 11   | 31,278,908  | 13,737,746  |
| Unclaimed dividend                                                     |      | 662,885     | 516,867     |
| Provision for taxation                                                 |      | 17,887,555  | 9,289,030   |
|                                                                        |      | 243,704,752 | 139,216,504 |
| <b>TOTAL LIABILITIES</b>                                               |      | 285,071,605 | 161,428,178 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |      | 416,951,722 | 223,280,688 |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                   | 12   |             |             |

The annexed notes 1 to 45 form an integral part of these financial statements.

|                                        | Note | 2024               | 2023               |
|----------------------------------------|------|--------------------|--------------------|
|                                        |      | Rs '000            | Rs '000            |
| <b>ASSETS</b>                          |      |                    |                    |
| <b>NON – CURRENT ASSETS</b>            |      |                    |                    |
| Property, plant and equipment          | 13   | 58,210,729         | 40,223,171         |
| Intangible assets                      | 14   | 1,571,651          | 1,571,908          |
| Long term investments                  | 15   | 76,780,298         | 48,720,461         |
| Long term loans and advances – secured | 16   | 1,785,266          | 2,629,638          |
| Long term deposits and prepayments     | 17   | 91,874             | 12,378             |
|                                        |      | 138,439,818        | 93,157,556         |
| <b>CURRENT ASSETS</b>                  |      |                    |                    |
| Stores, spares and loose tools         | 18   | 14,027,639         | 7,784,354          |
| Stock in trade                         | 19   | 23,744,157         | 2,067,922          |
| Trade debts                            | 20   | 943,632            | 48,503             |
| Loans and advances – secured           | 21   | 4,617,195          | 3,415,379          |
| Deposits and prepayments               | 22   | 1,058,628          | 711,006            |
| Other receivables                      | 23   | 17,746,496         | 20,500,720         |
| Short term investments                 | 24   | 203,982,113        | 94,736,901         |
| Cash and bank balances                 | 25   | 12,392,044         | 858,347            |
|                                        |      | 278,511,904        | 130,123,132        |
| <b>TOTAL ASSETS</b>                    |      | <b>416,951,722</b> | <b>223,280,688</b> |



Chairman



Chief Executive



Director



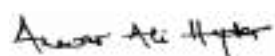
Chief Financial Officer

# STATEMENT OF PROFIT OR LOSS

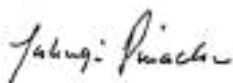
For the year ended December 31, 2024

|                                                 | Note    | 2024               | 2023              |
|-------------------------------------------------|---------|--------------------|-------------------|
|                                                 |         | Rs '000            | Rs '000           |
| Turnover – net                                  | 26      | 373,536,920        | 159,471,951       |
| Cost of sales                                   | 27      | (246,364,351)      | (95,219,741)      |
| <b>GROSS PROFIT</b>                             |         | <b>127,172,569</b> | <b>64,252,210</b> |
| Distribution cost                               | 28      | (29,363,654)       | (12,683,864)      |
|                                                 |         | 97,808,915         | 51,568,346        |
| Finance costs                                   | 29      | (6,523,895)        | (5,623,775)       |
| Other losses                                    |         |                    |                   |
| – Unwinding of GIDC liability                   |         | (212,406)          | (1,160,336)       |
| – Loss allowance on subsidy receivable from GoP |         | (1,203,000)        | (2,900,000)       |
| – Impairment loss on investment in a subsidiary | 15.13.1 | (4,000,000)        | –                 |
|                                                 |         | (5,415,406)        | (4,060,336)       |
| Other expenses                                  | 30      | (9,988,622)        | (5,433,935)       |
| Other income                                    | 31      | 35,231,337         | 17,096,950        |
| <b>PROFIT BEFORE INCOME TAX AND FINAL TAX</b>   |         | <b>111,112,329</b> | <b>53,547,250</b> |
| Final taxes – levies                            | 32      | (2,028,474)        | (2,856,821)       |
| <b>PROFIT BEFORE INCOME TAX</b>                 |         | <b>109,083,855</b> | <b>50,690,429</b> |
| Provision for taxation                          | 33      | (44,352,416)       | (21,017,081)      |
| <b>PROFIT FOR THE YEAR</b>                      |         | <b>64,731,439</b>  | <b>29,673,348</b> |
| Earnings per share – basic and diluted (Rupees) | 34      | 45.49              | 23.32             |

The annexed notes 1 to 45 form an integral part of these financial statements.



Chairman



Chief Executive



Director



Chief Financial Officer

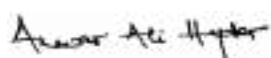


# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

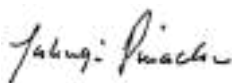
For the year ended December 31, 2024

|                                                                               | 2024       | 2023       |
|-------------------------------------------------------------------------------|------------|------------|
|                                                                               | Rs '000    | Rs '000    |
| <b>PROFIT FOR THE YEAR</b>                                                    | 64,731,439 | 29,673,348 |
| <b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>                                     |            |            |
| Items that may be subsequently reclassified to profit or loss:                |            |            |
| Surplus on re-measurement of investments to fair value – net of tax           | 201,160    | 10,428     |
| Items that will not be subsequently reclassified to profit or loss:           |            |            |
| Gain/ (loss) on re-measurement of staff retirement benefit plans – net of tax | 682,093    | (167,884)  |
| <b>OTHER COMPREHENSIVE INCOME/ (LOSS) – NET OF TAX</b>                        | 883,253    | (157,456)  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                | 65,614,692 | 29,515,892 |

The annexed notes 1 to 45 form an integral part of these financial statements.



Chairman



Chief Executive



Director



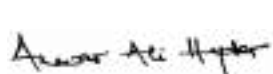
Chief Financial Officer

# STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

|                                                             | Note | 2024         | 2023         |
|-------------------------------------------------------------|------|--------------|--------------|
|                                                             |      | Rs '000      | Rs '000      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |      |              |              |
| Cash generated from operations                              | 37   | 147,704,750  | 85,853,236   |
| Finance cost paid                                           |      | (7,441,365)  | (5,822,890)  |
| Income taxes paid                                           |      | (44,508,737) | (17,444,204) |
| levies paid                                                 |      | (1,208,555)  | (1,707,984)  |
|                                                             |      | (53,158,657) | (24,975,078) |
| Net cash generated from operating activities                |      | 94,546,093   | 60,878,158   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |      |              |              |
| Fixed capital expenditure                                   |      | (12,136,171) | (15,120,161) |
| Proceeds from disposal of property, plant and equipment     |      | 62,341       | 90,065       |
| Proceeds from disposal of investment property               |      | 855,958      | –            |
| Investment in Fauji Fresh n Freeze Limited                  |      | (5,000,000)  | –            |
| Investment in Agritech Limited                              |      | (10,992,049) | –            |
| Investment in Thar Energy Limited                           |      | –            | (226,908)    |
| Investment in OLIVE Technical Services (Private) Limited    |      | (80,000)     | –            |
| Other investments – net                                     |      | 14,004,560   | 6,259,785    |
| Interest and profit received                                |      | 3,283,618    | 1,337,024    |
| Dividend received                                           |      | 10,828,748   | 1,800,000    |
| Net cash generated from/ (used in) investing activities     |      | 827,005      | (5,860,195)  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |      |              |              |
| Long term financing:                                        |      |              |              |
| Draw-downs                                                  |      | 20,000,000   | 8,000,000    |
| Repayments                                                  |      | (19,178,333) | (5,445,000)  |
| Repayment of lease liabilities                              |      | (18,147)     | (18,301)     |
| Dividend paid                                               |      | (24,927,681) | (18,460,152) |
| Net cash (used in) financing activities                     |      | (24,124,161) | (15,923,453) |
| Net increase in cash and cash equivalents                   |      | 71,248,937   | 39,094,510   |
| <b>Cash and cash equivalents at beginning of the year</b>   |      | 79,766,068   | 39,784,483   |
| Effect of exchange rate changes                             |      | (249,807)    | 887,075      |
| Acquisition of cash and cash equivalents pursuant to merger | 1.2  | 25,949,860   | –            |
| <b>Cash and cash equivalents at end of the year</b>         |      | 176,715,058  | 79,766,068   |
| <b>CASH AND CASH EQUIVALENTS</b>                            |      |              |              |
|                                                             | 25.6 |              |              |
| Short term highly liquid investments                        |      | 201,707,910  | 92,645,467   |
| Cash and bank balances                                      |      | 12,392,044   | 858,347      |
| Short term borrowings                                       |      | (31,278,908) | (13,737,746) |
| Bank balance under lien                                     |      | (6,105,988)  | –            |
|                                                             |      | 176,715,058  | 79,766,068   |

The annexed notes 1 to 45 form an integral part of these financial statements.



Chairman



Chief Executive



Director



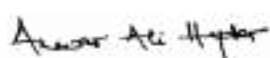
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

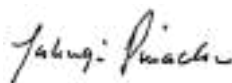
For the year ended December 31, 2024

|                                                    | Share capital | Capital reserves |                                  |                | Revenue reserves    |                          | Surplus/<br>(deficit) on<br>remeasurement<br>of investments<br>to fair value<br>- net | Total        |
|----------------------------------------------------|---------------|------------------|----------------------------------|----------------|---------------------|--------------------------|---------------------------------------------------------------------------------------|--------------|
|                                                    |               | Share premium    | Capital<br>redemption<br>reserve | Merger reserve | General<br>reserves | Unappropriated<br>profit |                                                                                       |              |
|                                                    | Rs '000       |                  |                                  |                |                     |                          |                                                                                       |              |
| Balance as at January 1, 2023                      | 12,722,382    | 40,000           | 120,000                          | –              | 8,802,360           | 29,265,107               | (114,888)                                                                             | 50,834,961   |
| Total comprehensive income for the year            |               |                  |                                  |                |                     |                          |                                                                                       |              |
| Profit for the year                                | –             | –                | –                                | –              | –                   | 29,673,348               | –                                                                                     | 29,673,348   |
| Other comprehensive (loss)/ income – net of tax    | –             | –                | –                                | –              | –                   | (167,884)                | 10,428                                                                                | (157,456)    |
|                                                    | –             | –                | –                                | –              | –                   | 29,505,464               | 10,428                                                                                | 29,515,892   |
| Transactions with owners of the Company            |               |                  |                                  |                |                     |                          |                                                                                       |              |
| Distributions:                                     |               |                  |                                  |                |                     |                          |                                                                                       |              |
|                                                    |               |                  |                                  |                |                     |                          |                                                                                       |              |
| Final dividend 2022: Rs 3.15 per share             | –             | –                | –                                | –              | –                   | (4,007,550)              | –                                                                                     | (4,007,550)  |
| First interim dividend 2023: Rs 4.26 per share     | –             | –                | –                                | –              | –                   | (5,419,735)              | –                                                                                     | (5,419,735)  |
| Second interim dividend 2023: Rs 3.15 per share    | –             | –                | –                                | –              | –                   | (4,007,550)              | –                                                                                     | (4,007,550)  |
| Third interim dividend 2023: Rs 3.98 per share     | –             | –                | –                                | –              | –                   | (5,063,508)              | –                                                                                     | (5,063,508)  |
|                                                    | –             | –                | –                                | –              | –                   | (18,498,343)             | –                                                                                     | (18,498,343) |
| Balance as at December 31, 2023                    | 12,722,382    | 40,000           | 120,000                          | –              | 8,802,360           | 40,272,228               | (104,460)                                                                             | 61,852,510   |
| Transactions pursuant to merger of FFBL – note 1.2 |               |                  |                                  |                |                     |                          |                                                                                       |              |
|                                                    |               |                  |                                  |                |                     |                          |                                                                                       |              |
| Issuance of shares as consideration – note 1.2.1   | 1,508,704     | –                | –                                | –              | –                   | –                        | –                                                                                     | 1,508,704    |
| Merger reserve – note 1.2.3                        | –             | –                | –                                | 27,840,080     | –                   | –                        | –                                                                                     | 27,840,080   |
|                                                    | 1,508,704     | –                | –                                | 27,840,080     | –                   | –                        | –                                                                                     | 29,348,784   |
| Total comprehensive income for the year            |               |                  |                                  |                |                     |                          |                                                                                       |              |
| Profit for the year                                | –             | –                | –                                | –              | –                   | 64,731,439               | –                                                                                     | 64,731,439   |
| Other comprehensive income – net of tax            | –             | –                | –                                | –              | –                   | 682,093                  | 201,160                                                                               | 883,253      |
|                                                    | –             | –                | –                                | –              | –                   | 65,413,532               | 201,160                                                                               | 65,614,692   |
| Transactions with owners of the Company            |               |                  |                                  |                |                     |                          |                                                                                       |              |
| Distributions:                                     |               |                  |                                  |                |                     |                          |                                                                                       |              |
|                                                    |               |                  |                                  |                |                     |                          |                                                                                       |              |
| Final dividend 2023: Rs 4.10 per share             | –             | –                | –                                | –              | –                   | (5,216,177)              | –                                                                                     | (5,216,177)  |
| First interim dividend 2024: Rs 5.50 per share     | –             | –                | –                                | –              | –                   | (6,997,310)              | –                                                                                     | (6,997,310)  |
| Second interim dividend 2024: Rs 10 per share      | –             | –                | –                                | –              | –                   | (12,722,382)             | –                                                                                     | (12,722,382) |
|                                                    | –             | –                | –                                | –              | –                   | (24,935,869)             | –                                                                                     | (24,935,869) |
| Balance as at December 31, 2024                    | 14,231,086    | 40,000           | 120,000                          | 27,840,080     | 8,802,360           | 80,749,891               | 96,700                                                                                | 131,880,117  |

The annexed notes 1 to 45 form an integral part of these financial statements.



Chairman



Chief Executive



Director



Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 1. CORPORATE AND GENERAL INFORMATION

### 1.1 The Company and its operations

Fauji Fertilizer Company Limited (the Company) is a public company incorporated in Pakistan under the Companies Act, 1913, (now the Companies Act, 2017) and its shares are quoted on the Pakistan Stock Exchange. The Company is domiciled in Rawalpindi. The principal activity of the Company is manufacturing, purchasing and marketing of fertilizers and chemicals, including investment in other fertilizer, chemical, cement, energy generation, food processing and banking operations. The Company is a subsidiary of Fauji Foundation (FF), which is also its ultimate parent entity.

The business units of the Company include the following:

| Business unit                     | Geographical location                                                              |
|-----------------------------------|------------------------------------------------------------------------------------|
| <b>Registered office</b>          | Sona Tower, 156 – The Mall, Rawalpindi Cantt, Punjab                               |
| <b>Production plants</b>          |                                                                                    |
| Goth Machhi                       | Goth Machhi, Sadiqabad (District: Rahim Yar Khan), Punjab                          |
| Mirpur Mathelo                    | Mirpur Mathelo (District: Ghotki), Sindh                                           |
| Karachi                           | Plot No. EZ/I/P-1 Eastern Zone, Port Qasim, Karachi                                |
| Karachi office                    | B-35, KDA Scheme No. 1, Karachi, Sindh                                             |
| Islamabad office                  | FFBL Tower, C1/C2, Sector B, Jinnah Boulevard DHA Phase II, Islamabad              |
| <b>Marketing division</b>         | Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore, Punjab                  |
| <b>Zonal marketing offices</b>    |                                                                                    |
| North zone                        | Lahore Trade Centre, 11 Sharah-e-Aiwan-e-Tijarat Lahore, Punjab                    |
| Central zone                      | Ali Maskan, District Jail Road, Multan, Punjab                                     |
| South zone                        | B-35, KDA Scheme # 1, Karsaz, Karachi, Sindh                                       |
| <b>Regional marketing offices</b> |                                                                                    |
| Faisalabad region                 | House No. 786, Street No. 5, Zia Town, East Canal Road, Faisalabad                 |
| Sahiwal region                    | 77-B, Canal Colony, Off Farid Town Road, Sahiwal, Punjab                           |
| Lahore region                     | Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore, Punjab                  |
| Sarghodha region                  | House No.35, Shah Muhammad Colony, Main Faisalabad Road, Sargodha Cantt            |
| Peshawar region                   | 9-B, Rafiqui Lane, Peshawar Cantt, Khyber Pakhtunkhwa                              |
| Bahawalpur region                 | House No. 39-A Tipu Shaheed Road, Model Town A, Bahawalpur, Punjab                 |
| D. G. Khan region                 | FFC Regional Office, House No. 46 – B, Gulberg Colony, Multan Road, DG Khan        |
| Multan region                     | Ali-Maskan, District Jail Road, Multan, Punjab                                     |
| Rahim Yar Khan region             | 37-A, Ali Block, Abbasia Town, Rahim Yar Khan, Punjab                              |
| Vehari region                     | House No.48 Quaid e Azam Block Ludden Road, Tariq Bin Ziyad Colony, Vehari, Punjab |
| Hyderabad region                  | Bungalow No. 208, DHA, Phase-2, Hyderabad, Sindh                                   |
| Sukkur region                     | FFC Regional Office, B-248 Awakhat Nagar, Airport Road, Sukkur                     |
| Nawabshah region                  | House No. A-11, Housing Society, Near Thalassemia Hospital, Nawabshah, Sindh       |

The Company has district marketing offices, warehouses and sona centres located across Pakistan, the region-wise details of which are listed below:



|                       | No. of<br>district offices | No. of<br>warehouses | No. of<br>sona centres |
|-----------------------|----------------------------|----------------------|------------------------|
| Faisalabad region     | 5                          | 12                   | 5                      |
| Sahiwal region        | 4                          | 9                    | 4                      |
| Lahore region         | 6                          | 13                   | 8                      |
| Sarghodha region      | 5                          | 9                    | 8                      |
| Peshawar region       | 5                          | 9                    | 6                      |
| Bahawalpur region     | 4                          | 8                    | 5                      |
| D. G. Khan region     | 4                          | 9                    | 5                      |
| Multan region         | 4                          | 8                    | 5                      |
| Rahim Yar Khan region | 4                          | 5                    | 4                      |
| Vehari region         | 4                          | 11                   | 4                      |
| Hyderabad region      | 6                          | 11                   | 6                      |
| Sukkur region         | 7                          | 14                   | 10                     |
| Nawabshah region      | 5                          | 9                    | 5                      |
|                       | 63                         | 127                  | 75                     |

## 1.2 Merger/ amalgamation of Fauji Fertilizer Bin Qasim Limited with and into the Company

Fauji Fertilizer Bin Qasim Limited (FFBL) was a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 (now replaced by Companies Act, 2017 with effect from May 31, 2017). The shares of FFBL were quoted on Pakistan Stock Exchange. The principal objective of FFBL was manufacturing, purchasing and marketing of fertilizers. The registered office of FFBL was situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA Phase II, Islamabad, Pakistan. FFBL commenced its commercial production effective January 1, 2000 and had a manufacturing plant in Port Qasim, Karachi.

During the year, a Scheme of Arrangement (the Scheme) for merger/ amalgamation of FFBL with and into the Company was approved through resolutions passed by Board of Directors of both the companies during their meetings held on September 20, 2024. The Scheme was also approved by the members of both companies in their Extra Ordinary General Meetings held on November 4, 2024. The Scheme was sanctioned by the Honourable Lahore High Court, Rawalpindi Bench (the Court) in its court hearing dated November 18, 2024 and through its certified order dated December 11, 2024. The Scheme complies with the provisions of sections 279 to 283 and 285(8) of the Companies Act, 2017 (the Act). The effective date of merger/ amalgamation is July 1, 2024 i.e the date at which all assets and liabilities of FFBL are vested with the Company. Consequently, FFBL stands dissolved without winding up.

The consideration transferred is 150.87 million fully paid ordinary shares of Rs 10 each issued to the shareholders of FFBL (other than the Company) in accordance with the approved swap ratio (i.e. 1 share of the Company to be issued for 4.29 shares of FFBL). The swap ratio was determined based on values and calculations set forth in the Swap Computation Letter dated September 20, 2024, issued by M/s KPMG Taseer Hadi & Co., Chartered Accountants, and was approved by the Board of Directors of both companies.

In these financial statements, aforementioned merger/ amalgamation of FFBL with and into the Company has been accounted for using predecessor method of accounting in accordance with the requirements of accounting standard issued by the Institute of Chartered Accountants of Pakistan on "Accounting for Common Control Transactions" as notified by Securities and Exchange Commission (SECP) under SRO 53 (I)/2022 dated January 12, 2022.

FFBL's assets and liabilities as of July 1, 2024 i.e. the effective date of merger/ amalgamation have been amalgamated on a line-by-line basis in the Company's financial statements at their respective carrying amounts and the difference in the value of net assets acquired and the consideration transferred to the shareholders of FFBL (other than the Company) has been recognised as a "Merger reserve" directly within equity in the financial statements of the Company. Furthermore, the items appearing in the statement

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

of profit or loss and the statement of profit or loss and other comprehensive income of FFBL are incorporated prospectively from the effective date of merger/ amalgamation into the financial statements of the Company. Consequently, these financial statements do not reflect the results of FFBL for the period before the merger transaction occurred and the corresponding amounts for the previous year presented are not restated.

## 1.2.1 Consideration transferred

|                                                                                     |             |
|-------------------------------------------------------------------------------------|-------------|
| Fully paid up ordinary shares of the Company having<br>par value of Rs 10 per share |             |
| issued to FFBL shareholders other than the Company (No.)                            | 150,870,449 |
| Nominal value (Rs/ per share)                                                       | 10          |
| Total nominal value of consideration transferred (Rupees '000)                      | 1,508,704   |

## 1.2.2 FFBL's assets acquired and liabilities assumed

The details of FFBL's balances, based on audited financial statements as of June 30, 2024 which have been merged/ amalgamated into the Company, are as follows:

| Carrying amounts<br>as on merger date     |                    |
|-------------------------------------------|--------------------|
| Rs '000                                   |                    |
| <b>ASSETS</b>                             |                    |
| <b>Non-current assets</b>                 |                    |
| Property, plant and equipment             | 9,456,408          |
| Investment property                       | 270,242            |
| Long term investments                     | 25,139,282         |
| Long term advances                        | 221,787            |
| Long term deposits                        | 78,643             |
|                                           | 35,166,362         |
| <b>Current assets</b>                     |                    |
| Stores and spares                         | 2,774,950          |
| Stock in trade                            | 28,172,859         |
| Trade debts                               | 1,785,285          |
| Advances                                  | 1,847,087          |
| Trade deposits and short term prepayments | 7,385              |
| Other receivables                         | 13,375,740         |
| Sales tax refundable – net                | 7,601,270          |
| Short term investments                    | 29,854,746         |
| Cash and bank balances                    | 22,913,552         |
|                                           | 108,332,874        |
| <b>Total assets</b>                       | <b>143,499,236</b> |

| <b>LIABILITIES</b>                                            |                      |
|---------------------------------------------------------------|----------------------|
| <b>Non-current liabilities</b>                                |                      |
| Long term loans                                               | (7,559,523)          |
| Deferred tax liabilities                                      | (1,683,355)          |
| Provision for compensated leave absences                      | (534,970)            |
|                                                               | (9,777,848)          |
| <b>Current liabilities</b>                                    |                      |
| Trade and other payables                                      | (58,810,029)         |
| Contract liabilities                                          | (4,155,947)          |
| Unpaid dividend                                               | (10,954)             |
| Unclaimed dividend                                            | (126,876)            |
| Provision for income tax                                      | (8,248,166)          |
| Accrued interest                                              | (537,323)            |
| Short term borrowings                                         | (19,806,806)         |
| Current portion of long term loans                            | (5,523,810)          |
|                                                               | (97,219,911)         |
| <b>Total liabilities</b>                                      | <b>(106,997,759)</b> |
| <b>Carrying amount of FFBL's net assets as on merger date</b> | <b>36,501,477</b>    |

|                                                                                                         | <b>Note</b> | <b>Rs '000</b> |
|---------------------------------------------------------------------------------------------------------|-------------|----------------|
| <b>1.2.3 Merger reserve</b>                                                                             |             |                |
| Merger reserve arising from the transaction has been recognized directly within the equity as follows : |             |                |
| Total nominal value of consideration transferred                                                        | 1.2.1       | (1,508,704)    |
| Company's existing stake/ investment in FFBL prior to merger – at cost                                  |             | (7,152,693)    |
|                                                                                                         |             | (8,661,397)    |
| Carrying amount of FFBL's net assets as on acquisition date                                             | 1.2.2       | 36,501,477     |
| Merger reserve                                                                                          |             | 27,840,080     |

- 1.2.4** Post merger/ amalgamation of FFBL with and into the Company, FFBL has contributed Rs 134,509,477 thousand in turnover, Rs 19,826,590 thousand in profit before income tax and Rs 11,210,004 thousand in profit for the year of the Company.

## **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 as applicable in Pakistan comprise of:

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

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at their fair values and obligations for staff retirement benefits which are carried at present values of defined benefit obligation net of fair value of plan assets determined through actuarial valuation.

These financial statements are the separate financial statements of the Company in which investments in subsidiary companies, associate and jointly controlled entities are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated financial statements are prepared separately.

## 2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pak Rupees, which is the Company's functional currency.

## 2.4 Use of accounting estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Employee retirement benefits – note 3.3, 8.2 and 9.4
- ii) Estimate of useful life of property, plant and equipment – note 3.5 and 13
- iii) Estimate of useful life of intangible assets – note 3.6 and 14
- iv) Estimate of fair value of investments through other comprehensive income – note 3.13 and 15
- v) Provisions and contingencies – note 3.1, 3.2 and 12
- vi) Impairment of non-financial assets – note 3.8
- vii) Estimate of recoverable amount of goodwill – note 3.6 and 14
- viii) Estimate of recoverable amount of investment in subsidiaries and associates – note 3.7 and 15
- ix) Provision for taxation – note 3.4 and 33
- x) Expected credit loss allowance – note 3.11, 20 and 23
- xi) Provision for slow moving spares and stock in trade – note 3.9, 3.10, 18 and 19
- xii) Assessment of significant influence in an associate and control over a subsidiary – note 3.7

## 2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.



When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### **3. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### **3.1 Provisions**

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risk specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

#### **3.2 Contingent liabilities**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

#### **3.3 Employee retirement benefits**

##### **3.3.1 Defined benefit plans**

###### **Funded gratuity schemes – I & II and pension scheme**

The Company operates two defined benefit funded gratuity schemes and a pension scheme for all eligible employees who complete the qualifying period of service and age. Pursuant to merger/ amalgamation of FFBL with and into the Company, as detailed in note 1.2, FFBL's gratuity scheme balances have been merged into the Company which has been presented as 'gratuity scheme – II' in these financial statements.

These funds are administered by trustees. Annual contributions to the gratuity and management staff pension funds are based on actuarial valuation using Projected Unit Credit Method, related details of which are given in note 9.4 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Charge for the year is recognized in profit or loss. Actuarial gain or losses arising on actuarial valuation are recorded directly in the other comprehensive income.

Calculation of gratuity and pension requires assumptions to be made of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

## 3.3.2 Defined contribution plan

### Provident funds

The Company operates two defined contribution provident funds for all eligible employees for which the Company's contributions are charged to profit or loss at the rate of 10% of basic salary.

## 3.3.3 Compensated leave absences schemes

The Company operates two compensated leave absences schemes, details of which are as follows :

### Scheme – I

The Company grants compensated absences to all its employees who have completed one year's working service with the Company in accordance with the rules. Under this scheme, employees are entitled to a maximum of 30 days leaves for each completed year of service. Provisions are made in accordance with the actuarial recommendation. Actuarial valuation is carried out using the Projected Unit Credit Method in respect of provision for compensated absences. Actuarial gains and losses are recognised in the profit or loss in the year in which they arise.

### Scheme – II

The Company grants compensated absences to all its permanent employees (who have been transferred from FFBL to the Company pursuant to the merger/ amalgamation of FFBL with and into the Company w.e.f July 1, 2024) in accordance with the rules of the Company. Under this unfunded scheme, regular employees are entitled to maximum 30 days privilege leave for each completed year of service. Unutilized privileged leaves accumulated as on April 30, 2021 are encashable at the time of separation from the service on the basis of last drawn gross salary. Unutilized privilege leaves available for a year (effective from May, 2021) lapse by end of next March and are encashable only upon separation of employee in the same year.

Provisions in respect of unutilized privileged leaves accrued as of April 30, 2021, are made in accordance with the actuarial recommendation. Actuarial valuation is carried out using the Projected Unit Credit Method in respect of provision for compensated absences. Actuarial gains and losses are recognized in income in the year in which they arise.

The Company revised its policy for compensated absences under this scheme in 2021. No further accumulation of annual leaves is allowed, however, annual leaves already accumulated (as of April 30, 2021) will be continued till the time these are consumed by the individual otherwise it will be encashed on current gross at the time of separation.

## 3.4 Taxation

Income tax expense comprises current and deferred tax.

### **Current tax**

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's views differ from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

### **Deferred tax**

Deferred tax is recognized using balance sheet method in respect of 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 taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized 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 assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

#### **3.4.1 Accounting guidance issued by ICAP on accounting for minimum taxes and final taxes**

Institute of Chartered Accountants of Pakistan (ICAP) issued a guidance "Application Guidance on Accounting for Minimum Taxes and Final Taxes" through circular No. 07/2024 dated May 15, 2024. In light of the said guidance, as the minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS – 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/ IFRIC 21 as levies (though these are charged under tax law) and not under IAS – 12 as income taxes. Based on the guidance, the minimum taxes under ITO, 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies) and final taxes fall under levy within the scope of IAS 37/ IFRIC 21.

The aforesaid guidance has been applied retrospectively by the Company and the comparative information has been reclassified, which has not affected current or prior years' net turnover, profit for the year, equity and cash flows. Impact as of January 1, 2023 is not material to these financial statements and accordingly, a third statement of financial position has not been presented. The effects of the amounts reclassified are as follows:

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                        | Balance before<br>reclassification | Impact      | Balance after<br>reclassification |
|----------------------------------------|------------------------------------|-------------|-----------------------------------|
|                                        |                                    |             | Rs '000                           |
| <b>Statement of financial position</b> |                                    |             |                                   |
| <b>December 31, 2023</b>               |                                    |             |                                   |
| Current liabilities                    |                                    |             |                                   |
| Provision for taxation                 | 10,678,645                         | (1,389,615) | 9,289,030                         |
| Trade and other payables               | 106,866,546                        | 1,389,615   | 108,256,161                       |

## Statement of profit or loss

In the statement of profit or loss, the final taxes previously presented as income taxes have now been reclassified as "final taxes – levies" under IAS 37/ IFRIC 21, amounting to Rs 2,856,821 thousand for the year ended December 31, 2023.

Accordingly, reclassification have also been made in the statement of cash flows to conform to the current year's presentation.

## 3.5 Property, plant and equipment and capital work in progress

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses, except freehold land and capital work in progress, which are stated at cost less impairment losses, if any. Cost comprises acquisition and other directly attributable costs.

Depreciation is provided on a straight-line basis and charged to profit or loss to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note 13 to the financial statements. Depreciation on addition in property, plant and equipment is charged from the date when the asset becomes available for use upto the date of its disposal.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized, if any. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

The Company reviews the useful life and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

## 3.6 Intangible assets

### Goodwill

Goodwill arises on the acquisition of subsidiaries or businesses and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the profit or loss.



For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense in profit or loss and is not subsequently reversed.

#### **With finite useful life**

Intangibles are stated at the cash price equivalent of the consideration given less accumulated amortization and impairment loss, if any. Intangibles with finite useful lives are amortized over the period of their useful lives. Rates for amortization are disclosed in note 14 in the financial statements. Amortization is charged on a straight line basis over the estimated useful life and is included in the profit or loss.

### **3.7 Investment in subsidiaries, associates and joint arrangements**

#### **i) In subsidiary entities**

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investment in subsidiary is initially recognized at cost, which is the fair value of the consideration paid / payable on acquisition of the subsidiary. At subsequent reporting date, recoverable amounts are estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment losses are recognized as an expense in profit or loss. Where impairment loss subsequently reverses, the carrying amount of investment is increased to its revised recoverable amount but limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the profit or loss.

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 recognized in other income. Gains and losses on disposal of investment is included in other income. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost.

#### **ii) In associates**

Associates are entities in which the Company has significant influence but not control over the financial and operating policies. Investments in associates are initially recognized at cost. At subsequent 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 recognized as expense in the profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit or loss.

The profits and losses of associates are carried forward in their financial statements and not dealt within these financial statements except to the extent of dividend declared by the associates which are recognized in other income. Gains and losses on disposal of investment is included in other income.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## iii) Interest in joint arrangements

A joint arrangement is one in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures, depending on the contractual rights and obligations that each investor has, rather than the legal structure of the joint arrangement.

### Joint operations

The Company reports its interests in joint operations using proportionate consolidation – the Company's share of the assets, liabilities, income and expenses of the joint operations are combined with the equivalent items in the financial statements on a line-by-line basis. Where the Company transacts with its joint operations, unrealised profits and losses are eliminated to the extent of the Company's interest in the joint operation.

### Joint ventures

Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost. At subsequent 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 recognized as expense in the profit or loss. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the profit or loss.

The profits and losses of joint ventures are carried forward in their financial statements and not dealt within these financial statements except to the extent of dividend declared by the associates which are recognized in other income. Gains and losses on disposal of investment is included in other income.

## 3.8 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment loss recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 3.9 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated net realizable value. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and as appropriate, these are written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and / or physical form of related inventory.

### 3.10 Stock in trade

Stocks are valued at the lower of cost and net realizable value.

#### Cost is determined as follows:

|                                    |                                                                                           |
|------------------------------------|-------------------------------------------------------------------------------------------|
| Raw materials                      | at weighted average purchase cost                                                         |
| Work in process and finished goods | at weighted average cost of purchase, raw materials and applicable manufacturing expenses |

Cost of raw material, work in process and finished goods comprises of direct materials, labor and appropriate manufacturing overheads. Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The Company reviews the carrying amount of stock in trade on a regular basis and as appropriate, these are written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and / or physical form of related inventory.

### 3.11 Trade debts

These are recognized and carried at the original invoice amounts, being the fair value, 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. IFRS 9 introduces the Expected Credit Loss (ECL) model which requires the Company to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 120 days past due.

### 3.12 Turnover

Turnover 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, government levies and volume rebates. Turnover is recognized when or as performance obligations are satisfied by transferring control of promised goods to a customer and control transfers at a point in time generally on the dispatch of the goods to the customer except for direct sales where the control is transferred upon delivery of goods to the customer.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The credit limits in contracts with customers normally ranges from 30 days to 180 days, and is secured against bank guarantee. The Company's remaining sales are against advance payment from its customers. In determining the transaction price for the sale of fertilizer, the Company considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer, if any.

## **(i) Post-sales incentives**

These post-sales incentives are based on monthly volume of purchases made by individual customers and is settled in cash, within 30 days of the month to which it relates to. Accordingly, no estimation uncertainty arises and the amount of payable is set off against the related trade debts.

## **(ii) Financing component**

The Company allows credit period of 30 days to 180 days to its certain customers, for the sale of fertilizer, against a credit charge determined based upon volume of sales and period of credit. There is a financing component for these contracts considering the prevailing interest rate in the market.

Government subsidy on sale of fertilizer is recognised when the right to receive such subsidy has been established and the underlying conditions are met. Government subsidy is recognised in other income.

Scrap sales and miscellaneous receipts are recognized on realized amounts.

### **3.13 Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

#### **(a) 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 profit or loss or OCI. 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 profit or loss.

## **Debt instruments**

### **Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

### **Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in profit or loss. 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 separate line item in the profit or loss.

### **Fair value through profit and 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 profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

## **Equity instruments**

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 profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in 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 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 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 and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company recognises life time ECL for trade debts and other receivables, 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 receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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.

## **Recognition of loss allowance**

The Company recognizes an impairment gain or loss in the 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 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.

## **Write-off**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

## **Significant increase in credit risk**

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

## **Definition of default**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

**(b) Financial liabilities**

**Classification, initial recognition and subsequent measurement**

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized 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:

**(i) 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.

**(ii) Other financial liabilities**

After initial recognition, other financial liabilities which are interest bearing are subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognised in profit or loss.

**Off-setting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liability simultaneously.

**3.14 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, short term borrowings and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

**3.15 Business combinations**

- 3.15.1** Business combinations, other than merger/ amalgamation under common control, are accounted for by applying the acquisition method of accounting. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Company's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the profit and loss account.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

- 3.15.2** Merger/ amalgamation under common control are accounted for by applying predecessor method of accounting in accordance with the requirements of the accounting standard 'Accounting for Common Control Transactions' developed by the Institute of Chartered Accountants of Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022.

As of the date of common control transaction, the Company recognises the assets acquired and liabilities assumed of the transferring entity. The Company recognises as part of applying the predecessor method only the consideration transferred for the transferring entity and the assets acquired and liabilities assumed in exchange for the transferring entity.

The Company measures the assets acquired and liabilities assumed of the transferring entity at their carrying amounts as reflected in the financial statements of the transferring entity, at the date of common control transaction. No fair-value adjustments to the assets and liabilities of the transferring entity; or recognition of new assets or liabilities for the transferring entity are recorded in the financial statements.

## **4. SUMMARY OF OTHER ACCOUNTING POLICIES**

Other than material accounting policies applied in the preparation of these financial statements are set out below for ease of user's understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

### **4.1 Foreign currency transaction and translation**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the year end are translated in Pakistan Rupees at exchange rates ruling at the reporting date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of transaction. Exchange differences are included in profit or loss for the year.

### **4.2 Dividend distribution**

Dividend is recognized as a liability in the period in which it is declared. Movement in reserves is recognized in the year in which it is approved. Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

### **4.3 Trade and other payables**

Liabilities for trade and other payables are carried at amortised cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

### **4.4 Contract liability**

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related good. Contract liabilities are recognized as revenue when the Company performs under the contract (i.e., transfers control of the related goods to the customer).

### **4.5 Deposits and other receivables**

These are recognized at cost, which is the fair value of the consideration given. For measurement of loss allowance for advances, deposits and other receivables, the Company applies the IFRS 9 simplified approach to measure the expected credit losses.

### **4.6 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized



as part of the cost of the respective assets. All other borrowing costs are expensed out in the year they occur.

#### **4.7 Research and development costs**

Research and development costs are charged to profit or loss as and when incurred.

#### **4.8 Finance income and finance costs**

Finance income comprises interest income on funds invested (financial assets), dividend income, gain on disposal of financial assets, commission income and changes in fair value of investments. Interest income is recognized as it accrues in profit or loss, using effective interest method.

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through profit or loss and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using effective interest method.

Foreign currency gains and losses are reported on a net basis.

#### **4.9 Dividend income**

Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

#### **4.10 Basis of allocation of common expenses**

Prior to merger/ amalgamation of Fauji Fertilizer Bin Qasim Limited (FFBL) with and into the Company as detailed in note 1.2, distribution cost was allocated to FFBL, in proportion to the sales volume handled on its behalf under the Inter Company Services Agreement.

#### **4.11 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

#### **4.12 Leases**

##### **4.12.1 Right of use asset**

The Company assesses whether a contract is or contains a lease at inception of the contract. If the Company assesses contract contains a lease and meets requirements of IFRS 16, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to 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 the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 4.12.2 Lease liability

If applicable, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Through S.R.O No. 986(I)/2019, dated September 2, 2019, the SECP has granted an exemption from the requirements of International Financial Reporting Standard (IFRS) – 16 "Leases" to all companies that have executed their power purchase agreement before 2019. Accordingly, the Company does not apply lease accounting to its' agreements with FFBL Power Company Limited (FPCL).

In 2017, FFBL Power Company Limited (FPCL), a subsidiary company, achieved Commercial Operation Date (COD) on May 19, 2017. Under Power Purchase Agreement (PPA), dated April 15, 2016, FPCL has agreed to provide, on an exclusive basis, 48,000 kWh electricity, with an 85% dependable capacity, for 30 years to the Company, from its two Steam Turbine Generators (STG-1 and STG-2, with STG-3 remaining on standby) at 60Hz. As a consideration, the Company is liable to pay Capacity Price and Energy Price.

Lease payments in the measurement of the lease liability comprise the following:

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a 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 a lease unless the Company is reasonably certain not to terminate early.

Under Power Purchase Agreement with FPCL, the Company is liable to pay capacity price and energy price and under Steam Purchase Agreement with FPCL, the Company is liable to pay capacity price and steam price. The Company has assessed that the exemption available to power purchase agreement under the above mentioned SRO is also applicable to its steam purchase agreement as the term power includes steam. The Company has elected to account for the transactions under PPA and SPA on executory contract basis, in accordance with the provisions of IAS 37 "Provisions, contingent liabilities and contingent assets".

The lease liability is measured at amortised cost using the effective interest 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, extension 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 profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Company has opted not to recognize right of use assets for short-term leases i.e. leases with a term of twelve (12) months or less. The payments associated with such leases are recognized in profit or loss when incurred.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

#### **4.13 New and amended standards and interpretations**

**4.13.1** There are certain amendments to the accounting and reporting standards which became applicable to the Company on January 1, 2024. However, these amendments do not have any significant impact on the Company's financial statements, hence, are not detailed here.

**4.13.2** The following standards, interpretations and amendments as notified under Companies Act, 2017 are effective for accounting periods beginning from the dates specified below and have not been early adopted by the Company:

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', – lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after January 1, 2026 with early adoption available). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business. This standard is not likely to have any impact on the Company's financial statements.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

**4.13.3** Other than the aforementioned standards, interpretations and amendments, IASB has also issued the following standards and interpretations, which have not been notified locally or declared exempt by SECP as at December 31, 2024:

IFRS 1 (First Time Adoption of International Financial Reporting Standards)

IFRS 18 (Presentation and Disclosure in Financial Statements)

IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

IFRIC 12 (Service Concession Arrangements)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 5. SHARE CAPITAL

### Authorised share capital

This represents 3,000,000,000 (2023: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 30,000,000 thousand (2023: Rs 15,000,000 thousand).

Pursuant to merger/ amalgamation of FFBL with and into the Company, as detailed in note 1.2, authorised share capital of FFBL amounting to Rs 15,000,000 thousand divided into 1,500,000,000 ordinary shares of Rs 10 each, has been merged/ combined with the authorised share capital of the Company.

### Issued, subscribed and paid up share capital

|                                                                               | 2024                 | 2023                 | 2024              | 2023              |
|-------------------------------------------------------------------------------|----------------------|----------------------|-------------------|-------------------|
|                                                                               | Numbers              | Numbers              | Rs '000           | Rs '000           |
| Fully paid in cash                                                            | 256,495,902          | 256,495,902          | 2,564,959         | 2,564,959         |
| Fully paid bonus shares                                                       | 1,015,742,345        | 1,015,742,345        | 10,157,423        | 10,157,423        |
| Shares issued pursuant to merger of FFBL with and into the Company – note 1.2 | 150,870,449          | –                    | 1,508,704         | –                 |
|                                                                               | <u>1,423,108,696</u> | <u>1,272,238,247</u> | <u>14,231,086</u> | <u>12,722,382</u> |

5.1 Fauji Foundation (FF) holds 43.51% (2023: 44.35%) ordinary shares of the Company at the year end.

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.

### 5.3 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements. The Company is required to comply with certain debt covenants related to long / short term borrowings.

|                            | Note | 2024              | 2023           |
|----------------------------|------|-------------------|----------------|
|                            |      | Rs '000           | Rs '000        |
| <b>6. CAPITAL RESERVES</b> |      |                   |                |
| Share premium              | 6.1  | 40,000            | 40,000         |
| Capital redemption reserve | 6.2  | 120,000           | 120,000        |
| Merger reserve             | 6.3  | 27,840,080        | –              |
|                            |      | <u>28,000,080</u> | <u>160,000</u> |

### 6.1 Share premium

This represents premium of Rs 5 per share received on public issue of 8,000,000 ordinary shares of Rs 10 each in 1991.



## 6.2 Capital redemption reserve

This represents reserve set up on redemption of preference shares of Rs 120,000 thousand in 1996.

## 6.3 Merger reserve

This represents the difference between the consideration transferred to the shareholders of FFBL (other than the Company) and the carrying amounts of assets acquired and liabilities assumed as of the effective date of merger/ amalgamation of FFBL with and into the Company i.e. July 1, 2024, recognised in accordance with the predecessor method of accounting, as detailed in note 1.2 to the financial statements.

|                                                                 | Note | 2024<br>Rs '000 | 2023<br>Rs '000 |
|-----------------------------------------------------------------|------|-----------------|-----------------|
| <b>7. LONG TERM BORROWINGS – SECURED</b>                        |      |                 |                 |
| <b>Borrowings from banking companies</b>                        | 7.1  |                 |                 |
| <b>From conventional banks</b>                                  |      |                 |                 |
| The Bank of Punjab (BOP-1)                                      |      | –               | 220,000         |
| The Bank of Punjab (BOP-2)                                      |      | 350,000         | 700,000         |
| Allied Bank Limited (ABL-1)                                     |      | –               | 375,000         |
| Allied Bank Limited (ABL-2)                                     |      | 500,000         | 1,000,000       |
| Allied Bank Limited (ABL-3)                                     |      | 1,000,000       | 1,500,000       |
| Allied Bank Limited (ABL-4)                                     |      | 600,000         | 900,000         |
| Allied Bank Limited (ABL-5)                                     |      | 2,250,000       | 3,000,000       |
| Allied Bank Limited (ABL-6)                                     |      | 3,000,000       | 3,000,000       |
| Allied Bank Limited (ABL-7)                                     |      | 5,000,000       | –               |
| Bank Al-Habib Limited (BAH-1)                                   |      | 2,000,000       | –               |
| Industrial and Commercial Bank of China (ICBC-2)                |      | –               | 600,000         |
|                                                                 |      | 14,700,000      | 11,295,000      |
| Mark-up accrued on conventional borrowings                      | 10   | 151,713         | 243,495         |
|                                                                 |      | 14,851,713      | 11,538,495      |
| <b>From Islamic banks</b>                                       |      |                 |                 |
| Meezan Bank Limited (MBL-1)                                     |      | 1,000,000       | 1,500,000       |
| Meezan Bank Limited (MBL-2)                                     |      | 1,500,000       | 2,250,000       |
| Meezan Bank Limited (MBL-3)                                     |      | 1,500,000       | 2,250,000       |
| Meezan Bank Limited (MBL-4)                                     |      | 1,500,000       | 2,000,000       |
| Meezan Bank Limited (MBL-5)                                     |      | 5,000,000       | 5,000,000       |
| Meezan Bank Limited (MBL-6)                                     |      | 8,000,000       | –               |
| MCB Islamic Bank Limited (MCBIL-1)                              |      | 3,000,000       | –               |
| Dubai Islamic Bank Limited (DIB-1)                              |      | 2,000,000       | –               |
|                                                                 |      | 23,500,000      | 13,000,000      |
| Profit accrued on Islamic borrowings                            | 10   | 565,959         | 732,342         |
|                                                                 |      | 24,065,959      | 13,732,342      |
| <b>Less: Current portion shown under current liabilities</b>    |      |                 |                 |
| From conventional banks                                         |      | 3,150,000       | 3,595,000       |
| From Islamic banks                                              |      | 3,750,000       | 2,500,000       |
|                                                                 |      | 6,900,000       | 6,095,000       |
| <b>Less: Mark-up and profit accrued on long term borrowings</b> |      |                 |                 |
|                                                                 |      | 717,672         | 975,837         |
|                                                                 |      | 31,300,000      | 18,200,000      |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 7.1 Terms and conditions of these borrowings are as follows:

| Lenders | Mark-up / profit rate p.a. (%) | No. of installments outstanding | Date of final repayment |
|---------|--------------------------------|---------------------------------|-------------------------|
|---------|--------------------------------|---------------------------------|-------------------------|

### From conventional banks

|        |                     |               |                           |
|--------|---------------------|---------------|---------------------------|
| BOP-1  | 6 months KIBOR+0.10 | Nil           | Paid on December 18, 2024 |
| BOP-2  | 6 months KIBOR+0.10 | 2 half yearly | August 31, 2025           |
| ABL-1  | 6 months KIBOR+0.15 | Nil           | Paid on December 24, 2024 |
| ABL-2  | 6 months KIBOR+0.08 | 2 half yearly | December 30, 2025         |
| ABL-3  | 6 months KIBOR+0.08 | 4 half yearly | September 20, 2026        |
| ABL-4  | 6 months KIBOR+0.08 | 4 half yearly | September 30, 2026        |
| ABL-5  | 6 months KIBOR+0.05 | 6 half yearly | December 27, 2027         |
| ABL-6  | 6 months KIBOR+0.03 | 8 half yearly | December 19, 2028         |
| ABL-7  | 6 months KIBOR-0.50 | 8 half yearly | December 15, 2029         |
| BAH-1  | 6 months KIBOR-0.50 | 8 half yearly | December 10, 2029         |
| ICBC-2 | 6 months KIBOR+0.05 | Nil           | Paid on December 28, 2024 |

### From Islamic banks

|         |                     |               |                    |
|---------|---------------------|---------------|--------------------|
| MBL-1   | 6 months KIBOR+0.10 | 4 half yearly | September 29, 2026 |
| MBL-2   | 6 months KIBOR+0.10 | 4 half yearly | July 5, 2026       |
| MBL-3   | 6 months KIBOR+0.10 | 4 half yearly | September 29, 2026 |
| MBL-4   | 6 months KIBOR+0.00 | 6 half yearly | September 30, 2027 |
| MBL-5   | 6 months KIBOR+0.01 | 8 half yearly | November 16, 2028  |
| MBL-6   | 6 months KIBOR-0.15 | 8 half yearly | October 30, 2029   |
| MCBIL-1 | 6 months KIBOR-0.50 | 8 half yearly | November 29, 2029  |
| DIB-1   | 6 months KIBOR-0.25 | 8 half yearly | December 30, 2029  |

- 7.1.1** These borrowings are secured by way of hypothecation of Company assets including plant, machinery, tools & spares and other moveable properties, ranking pari passu with each other with 25% margin.

|            |                                                                                          | Note | 2024        | 2023        |
|------------|------------------------------------------------------------------------------------------|------|-------------|-------------|
|            |                                                                                          |      | Rs '000     | Rs '000     |
| <b>8.</b>  | <b>DEFERRED LIABILITIES</b>                                                              |      |             |             |
|            | Deferred taxation - net                                                                  | 8.1  | 7,452,030   | 2,275,925   |
|            | Provision for compensated leave absences / retirement benefits                           | 8.2  | 2,614,823   | 1,735,749   |
|            |                                                                                          |      | 10,066,853  | 4,011,674   |
| <b>8.1</b> | <b>Deferred taxation – net</b>                                                           |      |             |             |
|            | <b>The balance of deferred tax is in respect of the following temporary differences:</b> |      |             |             |
|            | Accelerated depreciation / amortisation                                                  |      | 8,015,054   | 5,244,000   |
|            | Provision for slow moving spares, loss allowance, and investments etc.                   |      | (2,756,447) | (2,990,178) |
|            | Remeasurement gain on GIDC                                                               |      | –           | 80,000      |
|            | Re-measurement of investments                                                            |      | 2,193,423   | (57,897)    |
|            |                                                                                          |      | 7,452,030   | 2,275,925   |
|            | <b>The gross movement in the deferred tax liability during the year is as follows:</b>   |      |             |             |
|            | Balance at the beginning                                                                 |      | 2,275,925   | 1,740,435   |
|            | Acquisition pursuant to merger of FFBL                                                   | 1.2  | 1,683,355   | –           |
|            | Tax charge recognized in profit or loss                                                  |      | 3,364,140   | 528,822     |
|            | Tax charge recognised in other comprehensive income                                      |      | 128,610     | 6,668       |
|            | Balance at the end                                                                       |      | 7,452,030   | 2,275,925   |

**8.2 The main assumptions used for actuarial valuation are as follows:**

|                                       | Scheme - I     | Scheme - II | 2023           |
|---------------------------------------|----------------|-------------|----------------|
|                                       | 2024           |             |                |
| Discount rate – per annum             | 12.25%         | 12.25%      | 16.00%         |
| Expected rate of increase in salaries |                |             |                |
| Management                            | 13.25%         | 13.00%      | 16.00%         |
| Non-Management                        | 14.25%         | 13.00%      | 16.00%         |
| Mortality table                       | SLIC (2001-05) |             | SLIC (2001-05) |
| Withdrawal factor                     | Light          | Moderate    | Moderate       |
| Number of employees                   | 2,654          | 868         | 2,734          |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|            |                                                                                                                     | Note  | 2024        | 2023        |
|------------|---------------------------------------------------------------------------------------------------------------------|-------|-------------|-------------|
|            |                                                                                                                     |       | Rs '000     | Rs '000     |
| <b>9.</b>  | <b>TRADE AND OTHER PAYABLES</b>                                                                                     |       |             |             |
|            | Creditors                                                                                                           |       |             |             |
|            | – GIDC payable                                                                                                      | 9.1   | 84,977,267  | 62,437,223  |
|            | – Others                                                                                                            | 9.2   | 18,012,691  | 7,988,789   |
|            |                                                                                                                     |       | 102,989,958 | 70,426,012  |
|            | Accrued liabilities                                                                                                 |       | 33,207,435  | 16,403,515  |
|            | Consignment account prior to merger/ amalgamation of Fauji Fertilizer Bin Qasim Limited (related party) – unsecured |       | –           | 4,874,328   |
|            | Deposits                                                                                                            | 9.3   | 285,040     | 319,894     |
|            | Retention money                                                                                                     |       | 337,193     | 303,052     |
|            | Workers' Welfare Fund                                                                                               |       | 4,641,900   | 2,136,652   |
|            | Workers' Profit Participation Fund                                                                                  |       | –           | 17,138      |
|            | Federal excise duty payable                                                                                         |       | 51,524      | 645,919     |
|            | Payable to gratuity fund – I (related party)                                                                        | 9.4   | 504,575     | 997,592     |
|            | Payable to provident fund (related party)                                                                           |       | 22          | –           |
|            | Payable to Fauji Foundation (related party)                                                                         |       | 835,271     | –           |
|            | Payable to FFBL Power Company Limited (related party)                                                               |       | 2,298,127   | –           |
|            | Payable to Pakistan Maroc Phosphore S.A. (related party)                                                            |       | 22,278,496  | –           |
|            | Payable to Foundation Wind Energy Limited I (related party)                                                         |       | 43,240      | –           |
|            | Contract liabilities – advances from customers                                                                      | 9.6   | 12,818,489  | 9,828,891   |
|            | Provision for final tax levies                                                                                      |       | 2,711,888   | 1,389,615   |
|            | Other liabilities                                                                                                   |       | 3,048,840   | 913,553     |
|            |                                                                                                                     |       | 186,051,998 | 108,256,161 |
| <b>9.1</b> | <b>Gas Infrastructure Development Cess (GIDC) payable</b>                                                           |       |             |             |
|            | Balance at the beginning                                                                                            |       | 62,437,223  | 61,276,887  |
|            | Acquisition pursuant to merger of FFBL                                                                              | 1.2   | 22,327,638  | –           |
|            | Unwinding of GIDC liability – charge to profit or loss                                                              |       | 212,406     | 1,160,336   |
|            |                                                                                                                     | 9.1.1 | 84,977,267  | 62,437,223  |

**9.1.1** This represents amount payable on account of Gas Infrastructure Development Cess (GIDC) under Gas Infrastructure Development Cess Act, 2015 (GIDC Act) up to July 31, 2020. The Company along with other industrial gas consumers had previously challenged the GIDC Act on constitutional grounds. The Honorable Supreme Court of Pakistan (SCP) in its judgment dated August 13, 2020 declared GIDC Act a valid legislation. As per the latest orders from Government of Pakistan (GoP), this cess is recoverable in 48 equal monthly installments, instead of 24 equal monthly installments. The Company also filed a suit with the Sindh High Court (SHC) in September 2020 against collection of GIDC, and SHC granted a stay against recovery of GIDC from the Company, till the finalisation of matter by SHC. The matter is currently pending in Sindh High Court.

During the year, no payments were made by the Company on account of GIDC due to the stay granted by SHC. Further, the Company has also contested and not accounted for late payment surcharge in these financial statements, on GIDC payments against recovery stay granted by SHC.



**9.2** This includes sales tax on GIDC payable to Mari Petroleum Company Limited and Sui Southern Gas Company Limited amounting to Rs 2,474,978 thousand (2023: Rs 2,474,978 thousand) and Rs 2,308,324 thousand (2023: Nil), respectively.

**9.3** These represent unutilizable amounts received as security deposits from dealers and suppliers of the Company, and are kept in separate bank accounts.

|                                                                                              | Funded<br>gratuity - I | Funded<br>gratuity - II | Funded<br>pension | 2024<br>Total | 2023<br>Total |
|----------------------------------------------------------------------------------------------|------------------------|-------------------------|-------------------|---------------|---------------|
|                                                                                              | Rs '000                | Rs '000                 | Rs '000           | Rs '000       | Rs '000       |
| <b>9.4 Retirement Benefit Funds</b>                                                          |                        |                         |                   |               |               |
| <b>9.4.1 The amounts recognized in the statement of financial position are as follows:</b>   |                        |                         |                   |               |               |
| Present value of defined benefit obligation                                                  | 5,076,827              | 1,108,253               | 3,285,784         | 9,470,864     | 6,489,927     |
| Fair value of plan assets                                                                    | (4,572,252)            | (1,289,419)             | (4,198,409)       | (10,060,080)  | (5,858,017)   |
| Liability/ (asset)                                                                           | 504,575                | (181,166)               | (912,625)         | (589,216)     | 631,910       |
| <b>9.4.2 Amounts recognised in the profit or loss are as follows:</b>                        |                        |                         |                   |               |               |
| Current service cost                                                                         | 225,778                | 25,354                  | 97,772            | 348,904       | 264,222       |
| Past service cost                                                                            | –                      | –                       | –                 | –             | 465,958       |
| Net interest cost                                                                            | 159,337                | (9,535)                 | (54,324)          | 95,478        | (7,780)       |
|                                                                                              | 385,115                | 15,819                  | 43,448            | 444,382       | 722,400       |
| <b>9.4.3 The movements in the present value of defined benefit obligation is as follows:</b> |                        |                         |                   |               |               |
| Present value of defined benefit obligation at beginning                                     | 4,111,367              | –                       | 2,378,560         | 6,489,927     | 7,349,114     |
| Acquisition pursuant to merger of FFBL – note 1.2                                            | –                      | 987,597                 | –                 | 987,597       | –             |
| Current service cost                                                                         | 225,778                | 25,354                  | 97,772            | 348,904       | 264,222       |
| Past service cost                                                                            | –                      | –                       | –                 | –             | 465,958       |
| Interest cost                                                                                | 649,360                | 72,393                  | 366,837           | 1,088,590     | 1,023,490     |
| Benefits paid                                                                                | (349,987)              | (26,065)                | (292,298)         | (668,350)     | (2,965,655)   |
| Re-measurement of defined benefit obligation                                                 | 440,309                | 48,974                  | 734,913           | 1,224,196     | 352,798       |
| Present value of defined benefit obligation at end                                           | 5,076,827              | 1,108,253               | 3,285,784         | 9,470,864     | 6,489,927     |
| <b>9.4.4 The movement in fair value of plan assets:</b>                                      |                        |                         |                   |               |               |
| Fair value of plan assets at beginning                                                       | 3,113,775              | –                       | 2,744,242         | 5,858,017     | 7,448,490     |
| Acquisition pursuant to merger of FFBL – note 1.2                                            | –                      | 1,106,356               | –                 | 1,106,356     | –             |
| Expected return on plan assets                                                               | 490,023                | 81,928                  | 421,161           | 993,112       | 1,031,270     |
| Contributions                                                                                | 385,115                | –                       | 43,448            | 428,563       | 266,333       |
| Benefits paid                                                                                | (349,987)              | (26,065)                | (292,298)         | (668,350)     | (2,965,655)   |
| Re-measurement of plan assets                                                                | 933,326                | 127,200                 | 1,281,856         | 2,342,382     | 77,579        |
| Fair value of plan assets at end                                                             | 4,572,252              | 1,289,419               | 4,198,409         | 10,060,080    | 5,858,017     |
| <b>9.4.5 Actual return on plan assets and others</b>                                         | 1,423,349              | 209,129                 | 1,703,017         | 3,335,495     | 1,108,849     |
| <b>9.4.6 Contributions expected to be paid to the plan during the next year</b>              | 394,051                | 38,087                  | 28,507            | 460,645       | 428,563       |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                       | Funded<br>gratuity - I | Funded<br>gratuity - II | Funded<br>pension | 2024<br>Total | 2023<br>Total |
|---------------------------------------|------------------------|-------------------------|-------------------|---------------|---------------|
|                                       | Rs '000                | Rs '000                 | Rs '000           | Rs '000       | Rs '000       |
| <b>9.4.7 Plan assets comprise of:</b> |                        |                         |                   |               |               |
| <b>Quoted:</b>                        |                        |                         |                   |               |               |
| Investment in debt securities         | 1,602,568              | 916,914                 | 1,824,248         | 4,343,730     | 3,424,616     |
| Investment in equity securities       | 1,486,204              | 286,667                 | 1,511,300         | 3,284,171     | 1,659,586     |
| Mutual funds                          | 1,501,659              | 56,251                  | 801,339           | 2,359,249     | 205,650       |
| <b>Un-quoted:</b>                     |                        |                         |                   |               |               |
| Deposits with banks                   | 33,189                 | 29,587                  | 53,709            | 116,485       | 568,165       |
| Others                                | (51,368)               | –                       | 7,813             | (43,555)      | –             |
|                                       | 4,572,252              | 1,289,419               | 4,198,409         | 10,060,080    | 5,858,017     |

**9.4.8** The expected return on plan assets is based on the market expectations and depend upon the asset portfolio of the Funds, at the beginning of the year, for returns over the entire life of the related obligations.

|                                                                                               | Funded<br>gratuity - I | 2024<br>Funded<br>gratuity - II | Funded<br>pension | 2023<br>Funded<br>gratuity - I | 2023<br>Funded<br>pension |
|-----------------------------------------------------------------------------------------------|------------------------|---------------------------------|-------------------|--------------------------------|---------------------------|
|                                                                                               | Rs '000                | Rs '000                         | Rs '000           | Rs '000                        | Rs '000                   |
| <b>9.4.9 Movement in liability/ (asset) recognised in statement of financial position:</b>    |                        |                                 |                   |                                |                           |
| Opening liability/ (asset)                                                                    | 997,592                | –                               | (365,682)         | 659,625                        | (759,001)                 |
| Acquisition pursuant to merger of FFBL – note 1.2                                             | –                      | (118,759)                       | –                 | –                              | –                         |
| Cost for the year recognised in profit or loss                                                | 385,115                | 15,819                          | 43,448            | 266,333                        | 456,067                   |
| Employer's contribution during the year                                                       | (385,115)              | –                               | (43,448)          | (266,333)                      | –                         |
| Total amount of re-measurement recognised in Other Comprehensive Income (OCI) during the year | (493,017)              | (78,226)                        | (546,943)         | 337,967                        | (62,748)                  |
| Closing liability/ (asset)                                                                    | 504,575                | (181,166)                       | (912,625)         | 997,592                        | (365,682)                 |
| <b>9.4.10 Re-measurements recognised in OCI during the year:</b>                              |                        |                                 |                   |                                |                           |
| Re-measurement loss / (gain) on obligation                                                    |                        |                                 |                   |                                |                           |
| Due to change in financial assumptions                                                        | 543,295                | 7,503                           | 781,439           | 145,829                        | (265,890)                 |
| Due to change in demographic assumptions                                                      | 40,145                 | 11,861                          | 63,773            | –                              | –                         |
| Due to change in experience adjustments                                                       | (143,131)              | 29,610                          | (110,299)         | 491,802                        | (18,943)                  |
|                                                                                               | 440,309                | 48,974                          | 734,913           | 637,631                        | (284,833)                 |
| Re-measurement loss / (gain) on plan assets                                                   |                        |                                 |                   |                                |                           |
| Actual return on plan assets                                                                  | (1,406,694)            | (209,129)                       | (1,282,947)       | (735,349)                      | (424,419)                 |
| Interest income on plan assets                                                                | 490,023                | 81,929                          | 421,161           | 357,122                        | 674,148                   |
| Others                                                                                        | (16,655)               | –                               | (420,070)         | 78,563                         | (27,644)                  |
|                                                                                               | (933,326)              | (127,200)                       | (1,281,856)       | (299,664)                      | 222,085                   |
| Re-measurement (gain)/ loss recognised in OCI                                                 | (493,017)              | (78,226)                        | (546,943)         | 337,967                        | (62,748)                  |

|                                                                                                | Funded<br>gratuity - I | 2024<br>Funded<br>gratuity - II | Funded<br>pension | Funded<br>gratuity - I | 2023<br>Funded<br>pension |
|------------------------------------------------------------------------------------------------|------------------------|---------------------------------|-------------------|------------------------|---------------------------|
|                                                                                                | (Percentage)           | (Percentage)                    | (Percentage)      | (Percentage)           | (Percentage)              |
| <b>9.4.11 Principal actuarial assumptions used in the actuarial valuations are as follows:</b> |                        |                                 |                   |                        |                           |
| Discount rate                                                                                  | 12.25                  | 12.25                           | 12.25             | 16.00                  | 16.00                     |
| Expected rate of salary growth – short term                                                    |                        |                                 |                   |                        |                           |
| Management                                                                                     | 13.25                  | 13.00                           | 13.25             | 16.00                  | 16.00                     |
| Non-Management                                                                                 | 14.25                  | –                               | –                 | 16.00                  | –                         |
| Expected rate of salary growth – long term                                                     |                        |                                 |                   |                        |                           |
| Management                                                                                     | 13.25                  | 13.00                           | 13.25             | 16.00                  | 16.00                     |
| Non-Management                                                                                 | 14.25                  | –                               | –                 | 16.00                  | –                         |
| Expected rate of return on plan assets                                                         | 12.25                  | 12.25                           | 12.25             | 16.00                  | 16.00                     |
| Expected rate of increase in post retirement pension                                           |                        |                                 |                   |                        |                           |
| Short term                                                                                     |                        |                                 | 6.00              |                        | 6.00                      |
| Long term                                                                                      |                        |                                 | 6.00              |                        | 6.00                      |
| Maximum pension limit increase rate                                                            |                        |                                 | 6.00              |                        | 6.00                      |
| Minimum pension limit increase rate                                                            |                        |                                 | 6.00              |                        | 6.00                      |
| <b>Demographic assumptions</b>                                                                 |                        |                                 |                   |                        |                           |
| Mortality rates (for death in service)                                                         |                        | SLIC (2001–05)–1                |                   | SLIC (2001–05)–1       |                           |
| Rates of employee turnover                                                                     |                        |                                 |                   |                        |                           |
| Management                                                                                     | Light                  | Moderate                        | Light             | Moderate               | Moderate                  |
| Non-Management                                                                                 | Light                  | –                               | –                 | Light                  | –                         |

#### 9.4.12 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

|                      | 2024<br>Defined benefit<br>obligation |                                    | 2023<br>Defined benefit<br>obligation |                                    |
|----------------------|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|
|                      | Effect of 1<br>percent<br>increase    | Effect of 1<br>percent<br>decrease | Effect of 1<br>percent<br>increase    | Effect of 1<br>percent<br>decrease |
|                      | Rs '000                               | Rs '000                            | Rs '000                               | Rs '000                            |
| Discount rate        | (740,523)                             | 858,473                            | (410,373)                             | 465,371                            |
| Future salary growth | 556,057                               | (495,338)                          | 324,239                               | (290,301)                          |
| Future pension       | 338,140                               | (293,317)                          | 183,748                               | (164,566)                          |

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                                                                  | Funded<br>gratuity - I | 2024<br>Funded<br>gratuity - II | Funded<br>pension | Funded<br>gratuity - I | 2023<br>Funded<br>pension |
|--------------------------------------------------------------------------------------------------|------------------------|---------------------------------|-------------------|------------------------|---------------------------|
|                                                                                                  | Years                  | Years                           | Years             | Years                  | Years                     |
| <b>9.4.13 The weighted average number of years of defined benefit obligation is given below:</b> |                        |                                 |                   |                        |                           |
| Plan duration                                                                                    | 8.47                   | 7.61                            | 7.92              | 7.13                   | 5.68                      |

|                                                                         | Funded<br>gratuity - I | 2024<br>Funded<br>gratuity - II | Funded<br>pension | Funded<br>gratuity - I | 2023<br>Funded<br>pension |
|-------------------------------------------------------------------------|------------------------|---------------------------------|-------------------|------------------------|---------------------------|
|                                                                         | Rs '000                | Rs '000                         | Rs '000           | Rs '000                | Rs '000                   |
| <b>9.4.14 Analysis of present value of defined benefit obligations:</b> |                        |                                 |                   |                        |                           |
| Vested / non – vested                                                   |                        |                                 |                   |                        |                           |
| Vested                                                                  | 5,035,826              | 1,037,150                       | –                 | 4,071,543              | –                         |
| Non – vested                                                            | 41,001                 | 71,103                          | –                 | 39,824                 | –                         |
|                                                                         | 5,076,827              | 1,108,253                       | –                 | 4,111,367              | –                         |
| Types of members                                                        |                        |                                 |                   |                        |                           |
| Active                                                                  | –                      | –                               | 3,083,657         | –                      | 2,224,808                 |
| Retirees                                                                | –                      | –                               | 202,127           | –                      | 153,752                   |
|                                                                         | –                      | –                               | 3,285,784         | –                      | 2,378,560                 |
| Types of benefits earned to date                                        |                        |                                 |                   |                        |                           |
| Accumulated benefit obligation                                          | 2,128,624              | 466,959                         | 2,379,901         | 1,654,885              | 2,066,969                 |
| Amount attributed to future salary increases                            | 2,948,203              | 641,294                         | 905,883           | 2,456,482              | 311,591                   |
|                                                                         | 5,076,827              | 1,108,253                       | 3,285,784         | 4,111,367              | 2,378,560                 |

**9.4.15** The Company contributes to the pension and gratuity funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday.

|                                                           | Funded<br>gratuity - I | 2024<br>Funded<br>gratuity - II | Funded<br>pension | Funded<br>gratuity - I | 2023<br>Funded<br>pension |
|-----------------------------------------------------------|------------------------|---------------------------------|-------------------|------------------------|---------------------------|
|                                                           | Rs '000                | Rs '000                         | Rs '000           | Rs '000                | Rs '000                   |
| <b>9.4.16 Distribution of timing of benefit payments:</b> |                        |                                 |                   |                        |                           |
| 1 year                                                    | 464,281                | 86,805                          | 326,053           | 335,580                | 276,048                   |
| 2 years                                                   | 566,291                | 115,319                         | 400,667           | 612,067                | 424,354                   |
| 3 years                                                   | 463,898                | 93,512                          | 330,940           | 574,321                | 372,960                   |
| 4 years                                                   | 555,663                | 123,800                         | 384,512           | 569,926                | 354,493                   |
| 5 years                                                   | 624,155                | 103,502                         | 310,881           | 670,657                | 416,522                   |
| 6–10 years                                                | 3,557,974              | 1,118,725                       | 2,082,935         | 4,200,074              | 2,267,490                 |

**9.4.17 Retirement benefit plans are exposed to the following risks:**

## **Mortality risks**

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

## **Investment risks**

The risk of the investment underperforming and not being sufficient to meet the liabilities.

The Company ensures that the assets in the fund are managed within an asset–liability matching framework. Within this framework, the Company's objective is to match assets to the defined benefit



obligations by investing in liquid assets including units of mutual funds and bank deposits that match the benefit payments as they fall due. The Company actively monitors that the duration and the expected yield of the investments are matching the expected cash outflows arising from the defined benefit obligations.

#### Final salary risks

The risk that the final salary at the time of cessation of service is higher than what we assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

#### Withdrawal / mortality risk

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

**9.4.18** "Salaries, wages and benefits" expense, stated in notes 27 and 28 include retirement benefits in respect of gratuity fund, provident fund, pension plan and compensated absences amounting to Rs 387,133 thousand, Rs 265,311 thousand, Rs 37,989 thousand and Rs 533,873 thousand, respectively (2023: Rs 253,058 thousand, Rs 217,346 thousand, Rs 789,482 thousand and Rs 471,699 thousand respectively). These amounts are reduced by the amount of charges debited to Fauji Fertilizer Bin Qasim Limited, for the six-month period prior to merger/ amalgamation of FFBL with and into the Company, and to FFC Energy Limited under Inter Company Services Agreements.

#### 9.5 Defined contribution plan

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 the purpose.

|                                                           | Note  | 2024          | 2023          |
|-----------------------------------------------------------|-------|---------------|---------------|
|                                                           |       | Rs '000       | Rs '000       |
| <b>9.6 Contract liabilities – advances from customers</b> |       |               |               |
| Balance at beginning                                      |       | 9,828,891     | 12,719,702    |
| Acquisition pursuant to merger of FFBL                    | 1.2   | 4,155,947     | –             |
| Revenue recognised during the year                        |       | (396,242,811) | (145,185,051) |
| Advance received during the year                          |       | 395,076,462   | 142,294,240   |
| Balance at end                                            | 9.6.1 | 12,818,489    | 9,828,891     |

**9.6.1** This represents payment received by the Company from its customers before the related goods are transferred. Advances from customer are recognised as revenue when the performance obligation in accordance with the policy as described in note 3.12 and note 4.4 to these financial statements is satisfied. Revenue for an amount of Rs 9,389,599 thousand (2023: Rs 12,661,953 thousand) has been recognised in current year in respect of advances from customers at the beginning of year.

|                                       | 2024    | 2023      |
|---------------------------------------|---------|-----------|
|                                       | Rs '000 | Rs '000   |
| <b>10. MARK-UP AND PROFIT ACCRUED</b> |         |           |
| <b>On long term borrowings</b>        |         |           |
| From conventional banks               | 151,713 | 243,495   |
| From Islamic banks                    | 565,959 | 732,342   |
|                                       | 717,672 | 975,837   |
| <b>On short term borrowings</b>       |         |           |
| From conventional banks               | 113,220 | 194,514   |
| From Islamic bank                     | 92,514  | 133,912   |
|                                       | 205,734 | 328,426   |
|                                       | 923,406 | 1,304,263 |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 11. SHORT TERM BORROWINGS – SECURED

The Company has obtained short-term running finance facilities from various banks, under separate terms and agreements. The total amounts outstanding against each facility at the year end and the terms of each facility are given below:

|                                                            | Note | 2024       | 2023       |
|------------------------------------------------------------|------|------------|------------|
|                                                            |      | Rs '000    | Rs '000    |
| <b>Lending Institutions</b>                                |      |            |            |
| <b>From conventional banks</b>                             | 11.1 |            |            |
| National Bank of Pakistan                                  |      | 2,044,793  | 37,259     |
| Bank Al-Habib Limited                                      |      | 24,052     | 21,445     |
| United Bank Limited                                        |      | 1,061,488  | 74,368     |
| Askari Bank Limited (related party)                        |      | 17,954,517 | 8,092,980  |
| Allied Bank Limited                                        |      | 1,416      | –          |
| Bank Alfalah Limited                                       |      | –          | 481,565    |
| Habib Bank Limited                                         |      | 2,159,653  | 87,357     |
| The Bank of Punjab                                         |      | 530,769    | 33,115     |
| MCB Bank Limited                                           |      | 1,478,549  | –          |
| Samba Bank Limited                                         |      | 964        | –          |
| Soneri Bank Limited                                        |      | 760,962    | –          |
| Habib Metropolitan Bank Limited                            |      | 1,515,574  | –          |
|                                                            |      | 27,532,737 | 8,828,089  |
| Mark-up accrued on conventional borrowings                 | 10   | 113,220    | 194,514    |
|                                                            |      | 27,645,957 | 9,022,603  |
| <b>From Islamic bank</b>                                   | 11.2 |            |            |
| Meezan Bank Limited                                        |      | 2,204,367  | 4,909,657  |
| BankIslami Pakistan Limited                                |      | 1,500,000  | –          |
| Faysal Bank Limited                                        |      | 41,804     | –          |
|                                                            |      | 3,746,171  | 4,909,657  |
| Profit accrued on Islamic borrowings                       | 10   | 92,514     | 133,912    |
|                                                            |      | 3,838,685  | 5,043,569  |
| Less : Mark-up and profit accrued on short term borrowings |      | 205,734    | 328,426    |
|                                                            |      | 31,278,908 | 13,737,746 |

**11.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 58,177,000 thousand (2023: Rs 21,018,000 thousand) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto July 31, 2025 (2023: December 27, 2024). The per annum rates of mark-up are 1 month KIBOR plus 0.05% to 0.5% and 3 month KIBOR minus 2% to plus 0.45% (2023: 1 month KIBOR + 0% to 0.25% and 3 month KIBOR + 0.10% to 0.35%).

The facilities are secured by pari passu / ranking hypothecation charges on assets of the Company besides lien on mutual funds and PIBs in certain cases.

**11.2** Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 16,200,000 thousand (2023: Rs 7,000,000 thousand). These facilities have maturity dates upto June 30, 2025 (2023: May 31, 2024). The per annum rates of profit are 3 month KIBOR minus 3.70% to plus 0.2% (2023: 1 month KIBOR minus 0.10%).

These facilities are secured by ranking hypothecation charge on assets of the Company besides lien over PIBs in certain cases.

|                                                                                     | 2024       | 2023       |
|-------------------------------------------------------------------------------------|------------|------------|
|                                                                                     | Rs '000    | Rs '000    |
| <b>12. CONTINGENCIES AND COMMITMENTS</b>                                            |            |            |
| <b>12.1 Contingencies:</b>                                                          |            |            |
| i) Guarantees issued by banks on behalf of the Company                              | 13,365,563 | 10,828,877 |
| ii) Claims against the Company and / or potential exposure not acknowledged as debt | 50,696     | 50,696     |

iii) The Company has issued corporate bank guarantee and letters of comfort in favour of its subsidiary company i.e. Fauji Fresh n Freeze Limited amounting to Rs 4,077,552 thousand (2023: Rs 4,101,304 thousand).

iv) Penalty of Rs 5,500,000 thousand (2023: Rs 5,500,000 thousand) imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, which was set aside by the Competition Appellate Tribunal, in appeal filed by the Company, who also remanded the case back to CCP to decide the case afresh under guidelines provided by the Tribunal. CCP did not challenge this order before the Supreme Court of Pakistan in appeal within the stipulated time, thus making the appeal time barred. However, in prior years, CCP under the said Tribunal guidelines resumed the proceedings and the Company duly joined these proceedings through counsel. The Company filed writ petition before Islamabad High Court which was disposed of, directing CCP to proceed with regular hearings. CCP is yet to initiate its proceedings and the Company is awaiting hearing notice. The Company remains confident of successfully defending these unreasonable claims.

v) The Company has provided financial guarantees, obtained from commercial banks, in the name of Excise and Taxation Department, Government of Sindh, with an aggregate amount of Rs 7,262 million, representing unpaid levy due under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (Sindh Cess Act); deposited pursuant to instructions of the Honorable Sindh High Court (SHC) under a petition filed by the Company (along with various other importers of goods) challenging the constitutionality of the power exercised by the provincial legislature to levy the Cess. The Company was also depositing the 50% levy, in cash, on monthly basis since June 2011. On June 4, 2021, SHC has upheld the Sindh Cess Act as valid legislation, retrospectively with effect from July, 1, 1994. On the advice of its legal counsel, the Company filed an appeal against the decision, with the Honorable Supreme Court of Pakistan (SCP) and obtained stay order from the SCP against the decision, on September 1, 2021.

As a matter of prudence, the Company is recognizing the provision at the time of the activity that triggers the payment of the levy in accordance with the Sindh Cess Act; amounting to Rs 7,262 million as of December 31, 2024. During the year, the Company has recognized the levy amounting to Rs 1,045 million fully covered by bank guarantee.

vi) The Company was liable to repay loans originally obtained from Export Credit Agencies (ECA), amounting to Rs. 9,723 million to the Government of Pakistan (GoP), in 15 annual equal installments, with a 1-year grace period, at zero percent, effective November 30, 2001. As per the restructuring agreement, the final installment was paid in June 2017.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

These loans from ECA, which were assumed by the GoP, were initially secured with a guarantee issued by Habib Bank Limited (HBL) on behalf of a local syndicate of banks and financial institutions. The guarantee was secured by a first equitable mortgage created on all immovable properties of the Company, and by way of hypothecation of movable properties of the Company. The charge ranked pari passu with the charges to be created in favor of other foreign and local lenders. The local syndicate had requested the Company to obtain an indemnity from the GoP confirming that it is GoP's absolute obligation to indemnify and keep related banks and financial institutions harmless from any possible exposure on this account. Accordingly, on December 16, 2002, the GoP had conveyed its agreement by assuming the ECA loan liabilities by absolving related banks and financial institutions of their liabilities, for which they earlier issued guarantees to the ECA. As a result, three ECAs have released the guarantee of HBL and have returned the original documents.

Since one ECA is yet to release HBL from its responsibility as guarantor, therefore the charge related to the portion of the said guarantee on the assets of the Company, has not been vacated up to December 31, 2024. The Company is making efforts in getting this guarantee released.

|                                                                                                                                                                                                | 2024       | 2023       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                                                                                                | Rs '000    | Rs '000    |
| <b>12.2 Commitments in respect of:</b>                                                                                                                                                         |            |            |
| i) Capital expenditure commitments (including share of commitments amounting to Rs 14,236,243 thousand (2023: Rs 1,330,224 thousand) relating to PEF joint operations as disclosed in note 42. | 23,945,484 | 10,954,052 |
| ii) Purchase of fertilizer, stores, spares and other operational items                                                                                                                         | 26,760,469 | 4,387,767  |
| iii) Investment in Thar Energy Limited                                                                                                                                                         | 89,232     | 90,423     |
| iv) Contracted out services                                                                                                                                                                    | 507,895    | 723,753    |
| v) Revolving credit facilities to:                                                                                                                                                             |            |            |
| - Foundation Wind Energy - I Limited                                                                                                                                                           | 1,500,000  | 1,500,000  |
| - FFC Energy Limited                                                                                                                                                                           | 1,700,000  | 1,700,000  |
| - Fauji Fresh N Freeze Limited                                                                                                                                                                 | 1,750,000  | —          |



### 13. PROPERTY, PLANT AND EQUIPMENT

|                                                   | Freehold land | Lease hold land | Building and structures on freehold land | Building and structures on leasehold land | Railway siding | Plant and machinery | Catalysts   | Office and electrical equipment | Furniture and fixtures | Vehicles    | Maintenance and other equipment | Library books | Right of use asset | Capital work in progress (note 13.4) | Total        |
|---------------------------------------------------|---------------|-----------------|------------------------------------------|-------------------------------------------|----------------|---------------------|-------------|---------------------------------|------------------------|-------------|---------------------------------|---------------|--------------------|--------------------------------------|--------------|
| Rs '000                                           |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                    |                                      |              |
| <b>As at January 1, 2023</b>                      |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                    |                                      |              |
| Cost                                              | 396,147       | 209,959         | 5,424,446                                | 2,008,937                                 | 26,517         | 47,714,884          | 3,023,383   | 1,638,202                       | 689,211                | 982,571     | 3,107,583                       | 28,516        | 150,156            | 2,297,168                            | 67,697,680   |
| Accumulated depreciation                          | -             | (180,225)       | (3,512,595)                              | (1,001,888)                               | (26,517)       | (27,628,540)        | (2,531,896) | (1,179,528)                     | (399,024)              | (728,388)   | (2,716,901)                     | (28,135)      | (132,992)          | -                                    | (40,066,629) |
| <b>Net Book Value</b>                             | 396,147       | 29,734          | 1,911,851                                | 1,007,049                                 | -              | 20,086,344          | 491,487     | 458,674                         | 290,187                | 254,183     | 390,682                         | 381           | 17,164             | 2,297,168                            | 27,631,051   |
| <b>Year ended December 31, 2023</b>               |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                    |                                      |              |
| Opening net book value                            | 396,147       | 29,734          | 1,911,851                                | 1,007,049                                 | -              | 20,086,344          | 491,487     | 458,674                         | 290,187                | 254,183     | 390,682                         | 381           | 17,164             | 2,297,168                            | 27,631,051   |
| Additions                                         | 509,656       | -               | 664,568                                  | -                                         | -              | 3,917,732           | -           | 256,512                         | 138,369                | 97,766      | 407,222                         | -             | -                  | 9,631,738                            | 15,623,563   |
| Disposals                                         | -             | -               | -                                        | -                                         | -              | -                   | -           | -                               | -                      | -           | -                               | -             | -                  | -                                    | -            |
| Cost                                              | -             | -               | -                                        | -                                         | -              | (9,993)             | (131,019)   | (51,994)                        | (14,845)               | (49,660)    | (29,937)                        | -             | -                  | -                                    | (287,448)    |
| Depreciation                                      | -             | -               | -                                        | -                                         | -              | 9,993               | 131,019     | 51,989                          | 14,818                 | 46,879      | 29,937                          | -             | -                  | -                                    | 284,635      |
| Transfers                                         | -             | -               | -                                        | -                                         | -              | -                   | -           | (5)                             | (27)                   | (2,781)     | -                               | -             | -                  | -                                    | (2,813)      |
| Depreciation charge                               | -             | (1,951)         | (216,577)                                | (98,355)                                  | -              | (1,580,105)         | (137,523)   | (126,161)                       | (50,131)               | (95,652)    | (204,623)                       | (233)         | (11,161)           | -                                    | (2,522,472)  |
| <b>Balance as at December 31, 2023</b>            | 905,803       | 27,783          | 2,359,842                                | 908,694                                   | -              | 22,423,971          | 353,964     | 589,020                         | 378,398                | 253,516     | 593,281                         | 148           | 6,003              | 11,422,748                           | 40,223,171   |
| <b>As at January 1, 2024</b>                      |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                    |                                      |              |
| Cost                                              | 905,803       | 209,959         | 6,089,014                                | 2,008,937                                 | 26,517         | 51,622,623          | 2,892,364   | 1,842,720                       | 812,735                | 1,030,677   | 3,484,868                       | 28,516        | 150,156            | 11,422,748                           | 82,527,637   |
| Accumulated depreciation                          | -             | (182,176)       | (3,729,172)                              | (1,100,243)                               | (26,517)       | (29,198,652)        | (2,538,400) | (1,253,700)                     | (434,337)              | (777,161)   | (2,891,587)                     | (28,368)      | (144,153)          | -                                    | (42,304,466) |
| <b>Net Book Value</b>                             | 905,803       | 27,783          | 2,359,842                                | 908,694                                   | -              | 22,423,971          | 353,964     | 589,020                         | 378,398                | 253,516     | 593,281                         | 148           | 6,003              | 11,422,748                           | 40,223,171   |
| <b>Year ended December 31, 2024</b>               |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                    |                                      |              |
| Opening net book value                            | 905,803       | 27,783          | 2,359,842                                | 908,694                                   | -              | 22,423,971          | 353,964     | 589,020                         | 378,398                | 253,516     | 593,281                         | 148           | 6,003              | 11,422,748                           | 40,223,171   |
| Acquisition pursuant to merger of FFBL – note 1.2 | -             | -               | -                                        | -                                         | -              | -                   | -           | -                               | -                      | -           | -                               | -             | -                  | -                                    | -            |
| Cost                                              | 120,000       | 200,095         | 1,047,884                                | 2,730,436                                 | -              | 29,173,917          | 670,716     | 1,031,859                       | 124,233                | 573,329     | 573,064                         | 2,406         | -                  | 171,113                              | 36,419,052   |
| Depreciation                                      | -             | (109,816)       | (246,277)                                | (1,395,782)                               | -              | (23,006,308)        | (572,661)   | (783,178)                       | (97,432)               | (296,389)   | (452,395)                       | (2,406)       | -                  | -                                    | (26,962,644) |
| 120,000                                           | 90,279        | 801,607         | 1,334,654                                | -                                         | 6,167,609      | 98,055              | 248,681     | 26,801                          | 276,940                | 120,669     | -                               | -             | -                  | 171,113                              | 9,456,408    |
| Additions                                         | -             | -               | 426,940                                  | 58,923                                    | -              | 6,155,144           | 677,133     | 306,641                         | 155,905                | 367,577     | 1,456,075                       | -             | -                  | 6,130,587                            | 15,734,925   |
| Disposals                                         | -             | -               | -                                        | -                                         | -              | -                   | -           | -                               | -                      | -           | -                               | -             | -                  | -                                    | -            |
| Cost                                              | -             | -               | (463)                                    | -                                         | -              | (73,629)            | (381,452)   | (52,648)                        | (8,478)                | (79,639)    | (31,686)                        | -             | -                  | -                                    | (627,995)    |
| Depreciation                                      | -             | -               | 44                                       | -                                         | -              | 72,597              | 381,452     | 52,454                          | 8,472                  | 70,079      | 31,285                          | -             | -                  | -                                    | 616,383      |
| Transfers                                         | -             | -               | (419)                                    | -                                         | -              | (1,032)             | -           | (194)                           | (6)                    | (9,560)     | (401)                           | -             | -                  | -                                    | (11,612)     |
| Depreciation charge                               | -             | (3,555)         | (252,685)                                | (139,464)                                 | -              | (2,137,921)         | (232,979)   | (186,012)                       | (64,820)               | (175,108)   | (392,904)                       | (137)         | (6,003)            | -                                    | (3,591,588)  |
| <b>Balance as at December 31, 2024</b>            | 1,025,803     | 114,507         | 3,335,285                                | 2,162,807                                 | -              | 32,607,771          | 896,173     | 958,136                         | 496,278                | 713,365     | 1,776,720                       | 11            | -                  | 14,123,873                           | 58,210,729   |
| <b>As at December 31, 2024</b>                    |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                    |                                      |              |
| Cost                                              | 1,025,803     | 410,054         | 7,563,375                                | 4,798,296                                 | 26,517         | 86,878,055          | 3,858,761   | 3,128,572                       | 1,084,395              | 1,891,944   | 5,482,321                       | 30,922        | 150,156            | 14,123,873                           | 130,453,044  |
| Accumulated depreciation                          | -             | (295,547)       | (4,228,090)                              | (2,635,489)                               | (26,517)       | (54,270,284)        | (2,962,588) | (2,170,436)                     | (588,117)              | (1,178,579) | (3,705,601)                     | (30,911)      | (150,156)          | -                                    | (72,242,315) |
| <b>Net Book Value</b>                             | 1,025,803     | 114,507         | 3,335,285                                | 2,162,807                                 | -              | 32,607,771          | 896,173     | 958,136                         | 496,278                | 713,365     | 1,776,720                       | 11            | -                  | 14,123,873                           | 58,210,729   |
| <b>Rate of depreciation in %</b>                  | -             | 6.25 to 9.25    | 5 to 10                                  | 5                                         | 5              | 5                   | 5           | 15                              | 10                     | 20          | 15 to 33.33                     | 30            | 20                 | -                                    | -            |

Financial Statement

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|             |                                                                                                                        | Note | 2024      | 2023      |
|-------------|------------------------------------------------------------------------------------------------------------------------|------|-----------|-----------|
|             |                                                                                                                        |      | Rs '000   | Rs '000   |
| <b>13.1</b> | <b>Depreciation charge has been allocated as follows:</b>                                                              |      |           |           |
|             | Cost of sales                                                                                                          | 27   | 3,451,191 | 2,426,562 |
|             | Distribution cost                                                                                                      | 28   | 130,582   | 80,597    |
|             | Other expenses                                                                                                         |      | 2,167     | 1,286     |
|             | Charged to FFBL under Inter Company Services Agreement prior to merger/ amalgamation of FFBL with and into the Company |      | 7,648     | 14,027    |
|             |                                                                                                                        |      | 3,591,588 | 2,522,472 |

## 13.2 Details of assets disposed off having net-book value in excess of Rs 500,000:

| Sold to                                              |                         | Cost    | Book Value | Sale Proceeds | Gain    |
|------------------------------------------------------|-------------------------|---------|------------|---------------|---------|
|                                                      |                         | Rs '000 | Rs '000    | Rs '000       | Rs '000 |
| <b>Vehicles – as per company policy to employees</b> |                         |         |            |               |         |
| Suzuki Cultus                                        | Maqsood Ahmed           | 2,259   | 1,249      | 1,548         | 299     |
| Suzuki Cultus                                        | Samhan Khan             | 2,259   | 1,249      | 1,531         | 282     |
| Suzuki Cultus                                        | Muhammad Ali Sheikh     | 2,259   | 1,249      | 1,548         | 299     |
| Suzuki Cultus                                        | Ibrahim Naveed          | 1,670   | 759        | 969           | 210     |
| Suzuki Cultus                                        | Shafiq Ahmed Maqsood    | 1,915   | 589        | 844           | 255     |
| Alto VXR                                             | Muhammad Zuakafal Naeem | 1,447   | 1,222      | 1,227         | 5       |
|                                                      |                         | 11,809  | 6,317      | 7,667         | 1,350   |

## 13.3 Details of immovable property (land and building) in the name of the Company:

| Location                                                              | Usage                                           | Area                                |
|-----------------------------------------------------------------------|-------------------------------------------------|-------------------------------------|
| Sona Tower, 156 – The Mall, Rawalpindi Cantt, Punjab                  | Head office building                            | 16 kanals and 7.5 marlas            |
| C1/C2, Sector B, Jinnah Boulevard DHA Phase II, Islamabad             | Islamabad office building                       | 2 acres                             |
| Plot no 1 – H, Gulberg – II, Lahore                                   | Marketing office land                           | 3 kanals, 14 marlas and 160.63 sqft |
| Goth Machhi, Sadiqabad (District: Rahim Yar Khan), Punjab             | Manufacturing plant including allied facilities | 1,285 acres, 5 kanals and 7 marlas  |
| Mirpur Mathelo (District: Ghotki), Sindh                              | Manufacturing plant including allied facilities | 575 acres, 4 kanals and 16 marlas   |
| Plot No. EZ/I/P–1 Eastern Zone, Port Qasim, Karachi                   | Manufacturing plant including allied facilities | 250 acres                           |
| Plot No. OZ/I/P–53, South Western Zone, Port Qasim, Karachi           | Tank farm area                                  | 8 acres                             |
| Near Rangers Check Post, Opposite Naval Marine Base, National Highway | Manufacturing plant including allied facilities | 202.2 acres                         |

| Location                                                                                            | Usage      | Area                            |
|-----------------------------------------------------------------------------------------------------|------------|---------------------------------|
| FFC Warehouse, G T Road Adda<br>Yousafwala, (District: Sahiwal), Punjab                             | Warehouse  | 3 acres, 2 kanals and 11 marlas |
| FFC Warehouse Opposite Chiniot<br>Railway Station Bypass Road Chiniot<br>(District Chiniot), Punjab | Warehouse  | 5 acres, 2 kanals and 3 marlas  |
| FFC Warehouse Main Highway Road<br>Dhabeji (District: Thatta), Sindh                                | Warehouse  | 16 marlas and 136 sqft          |
| 18 Khaira Gali (District: Abbottabad),<br>Khyber Pakhtunkhwa                                        | Guesthouse | 1 kanal and 3 marlas            |

|                                                  | 2024              | 2023              |
|--------------------------------------------------|-------------------|-------------------|
|                                                  | Rs '000           | Rs '000           |
| <b>13.4 Capital work in progress</b>             |                   |                   |
| Civil works                                      | 5,675,836         | 3,684,023         |
| Plant and machinery (including-in-transit items) | 8,448,037         | 7,738,725         |
|                                                  | <u>14,123,873</u> | <u>11,422,748</u> |

**13.5** Capital work in progress include Rs 2,400,058 thousand (2023: Rs 1,618,248 thousand) being Company's share in Joint operation related to Gas Pressure Enhancement Facility (PEF), as disclosed in note 42 to the financial statements.

|                                                    | Note | 2024             | 2023             |
|----------------------------------------------------|------|------------------|------------------|
|                                                    |      | Rs '000          | Rs '000          |
| <b>14. INTANGIBLE ASSETS</b>                       |      |                  |                  |
| Computer software                                  | 14.1 | 2,417            | 2,674            |
| Goodwill                                           | 14.2 | 1,569,234        | 1,569,234        |
|                                                    |      | <u>1,571,651</u> | <u>1,571,908</u> |
| <b>14.1 Computer software</b>                      |      |                  |                  |
| Balance at the beginning                           |      | 2,674            | 3,909            |
| Additions during the year                          |      | 1,821            | 2,756            |
| Amortisation charge for the year                   |      | (2,078)          | (3,991)          |
| Balance at the end                                 |      | <u>2,417</u>     | <u>2,674</u>     |
| Amortisation rate                                  |      | <u>33 1/3%</u>   | <u>33 1/3%</u>   |
| Amortisation charge has been allocated as follows: |      |                  |                  |
| Cost of sales                                      | 27   | 1,497            | 2,997            |
| Distribution cost                                  | 28   | 581              | 994              |
|                                                    |      | <u>2,078</u>     | <u>3,991</u>     |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 14.2 Goodwill

This represents excess of the amount paid over fair value of net assets of Pak Saudi Fertilizer Company Limited (PSFL) on its acquisition. The recoverable amount of goodwill was tested for impairment by allocating the amount of goodwill to respective assets on which it arose, based on value in use in accordance with IAS-36 "Impairment of Assets". The value in use calculations are based on cash flow projections. These are then extrapolated for a period of 5 years using a steady long term expected demand growth of 2% and terminal value determined based on long term earning multiples. The cash flows are discounted using a discount rate of 16.31%. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

|                                                    | Note    | 2024        | 2023        |
|----------------------------------------------------|---------|-------------|-------------|
|                                                    |         | Rs '000     | Rs '000     |
| <b>15. LONG TERM INVESTMENTS</b>                   |         |             |             |
| <b>Investments held at cost</b>                    |         |             |             |
| <b>In associates (Quoted)</b>                      |         |             |             |
| Fauji Cement Company Limited (FCCL)                | 15.1    | 1,500,000   | 1,500,000   |
| Fauji Fertilizer Bin Qasim Limited (FFBL)          | 15.2    | –           | 7,152,693   |
| Askari Bank Limited (AKBL)                         | 15.3    | 15,692,912  | 10,461,921  |
| Agritech Limited (AGL):                            | 15.4    |             |             |
| Investment at cost                                 |         | 4,855,105   | –           |
| Advance against issue of shares                    |         | 69,644      | –           |
|                                                    |         | 4,924,749   | –           |
|                                                    |         | 22,117,661  | 19,114,614  |
| <b>In associate (Unquoted)</b>                     |         |             |             |
| Thar Energy Limited (TEL)                          | 15.5    | 5,986,908   | 5,986,908   |
| <b>In joint venture (Unquoted)</b>                 |         |             |             |
| Pakistan Maroc Phosphore S.A., Morocco (PMP)       | 15.6    | 2,117,075   | 705,925     |
| <b>In subsidiary company (Quoted)</b>              |         |             |             |
| Fauji Foods Limited (FFL)                          |         |             |             |
| Investment at cost                                 | 15.7    | 14,055,516  | –           |
| Less: Impairment loss                              |         | (1,999,000) | –           |
|                                                    |         | 12,056,516  | –           |
| <b>In subsidiary companies (Unquoted)</b>          |         |             |             |
| FFC Energy Limited (FFCEL)                         | 15.8    | 2,438,250   | 2,438,250   |
| Foundation Wind Energy– I Limited (FWEL–I)         | 15.9    | 7,493,051   | 7,493,051   |
| Foundation Wind Energy– II Limited (FWEL–II)       | 15.10   | 6,019,288   | 6,019,288   |
| OLIVE Technical Services (Private) Limited (OLIVE) | 15.11   | 100,000     | 20,000      |
| FFBL Power Company Limited (FPCL)                  | 15.12   | 6,440,625   | –           |
| Fauji Fresh n Freeze Limited (FFF)                 |         |             |             |
| Investment at cost                                 | 15.13   | 11,335,500  | 6,335,500   |
| Less: Impairment loss                              | 15.13.1 | (6,100,000) | (2,100,000) |
|                                                    |         | 5,235,500   | 4,235,500   |
|                                                    |         | 27,726,714  | 20,206,089  |



|                                                                                                                            | Note  | 2024       | 2023       |
|----------------------------------------------------------------------------------------------------------------------------|-------|------------|------------|
|                                                                                                                            |       | Rs '000    | Rs '000    |
| <b>Other long term investments</b>                                                                                         |       |            |            |
| Arabian Sea Country Club Limited                                                                                           | 15.14 | –          | –          |
|                                                                                                                            |       | 70,004,874 | 46,013,536 |
| <b>Investments – fair value through profit or loss (FVTPL)</b>                                                             | 15.15 |            |            |
| Investment in listed preference shares                                                                                     |       | 1,715,978  | –          |
| Advance against issue of privately placed term finance certificates (PPTFCs)                                               |       | 1,020,171  | –          |
|                                                                                                                            |       | 2,736,149  | –          |
| <b>Investments – fair value through other comprehensive income (FVTOCI)</b>                                                | 15.16 |            |            |
| Term Deposit Receipts – from conventional bank                                                                             |       | –          | 32,899     |
| Bank Alfalah Term Finance Certificates                                                                                     |       | 300,000    | 498,865    |
| Pakistan Investment Bonds                                                                                                  |       | 2,714,385  | 4,266,595  |
|                                                                                                                            |       | 3,014,385  | 4,798,359  |
| <b>Investments – amortized cost (AC)</b>                                                                                   | 15.17 |            |            |
| Investment in un-listed preference shares                                                                                  |       | 3,299,093  | –          |
|                                                                                                                            |       | 79,054,501 | 50,811,895 |
| <b>Less: Current portion shown under – Short term investments – fair value through other comprehensive income (FVTOCI)</b> |       |            |            |
| Term Deposit Receipts – from conventional bank                                                                             |       | –          | 32,899     |
| Bank Alfalah Term Finance Certificates                                                                                     |       | –          | 198,865    |
| Pakistan Investment Bonds                                                                                                  |       | 2,274,203  | 1,859,670  |
|                                                                                                                            | 24    | 2,274,203  | 2,091,434  |
|                                                                                                                            |       | 76,780,298 | 48,720,461 |

#### 15.1 Investment in FCCL – at cost

Investment in FCCL represents 105,469 thousand (2023: 105,469 thousand) fully paid ordinary shares of Rs 10 each representing 4.29% (2023: 4.29%) of share capital of FCCL as at December 31, 2024. Market value of the Company's investment as at December 31, 2024 was Rs 3,858,056 thousand (2023: Rs 1,995,469 thousand). FCCL is an associate due to representation on the Board of Directors.

#### 15.2 Investment in FFBL – at cost

Prior to merger/ amalgamation of FFBL with and into the Company, investment in FFBL represented 644,019 thousand fully paid ordinary shares of Rs 10 each representing 49.88% of FFBL's share capital.

Pursuant to aforementioned merger/ amalgamation, existing investment in FFBL amounting to Rs 7,152,693 thousand has been fully derecognised during the year, as detailed in note 1.2 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 15.3 Investment in AKBL – at cost

Investment in AKBL represents 938,000 thousand (2023: 625,333 thousand) fully paid ordinary shares of Rs 10 each representing 64.72% (2023: 43.15%) of AKBL's share capital. Market value of the Company's investment as at December 31, 2024 was Rs 35,897,254 thousand (2023: Rs 15,458,237 thousand). Pursuant to merger/ amalgamation of FFBL with and into the Company, as detailed in note 1.2, investment/ equity interest in AKBL has increased by 21.57% amounting to Rs 5,230,991 thousand during the year.

Pursuant to an agreement dated October 16, 2014, and amendment agreement dated December 16, 2024, Fauji Foundation (FF) controls the composition of the Board of Directors of AKBL and exercises and controls the voting securities of the Company in AKBL.

At year end, 938,000 thousand (2023: 625,333 thousand) shares owned by the Company are held in blocked account with Central Depository Company of Pakistan. No withdrawal/ sale from such blocked account is allowed without the prior approval of the State Bank of Pakistan.

## 15.4 Investment in AGL – at cost

Investment in AGL represents 122,541 thousand (2023: Nil) fully paid ordinary shares of Rs 10 each, representing 28.86% of AGL's share capital. Market value of the Company's investment in the ordinary shares of AGL as at December 31, 2024, was Rs 4,654,111 thousand.

## 15.5 Investment in TEL – at cost

Investment in TEL represents 598,691 thousand (2023: 598,691 thousand) fully paid ordinary shares of Rs 10 each. The Company currently holds 30% shareholding interest in TEL. TEL is a public limited company. TEL is the subsidiary of the HUB Power Company Limited. The principal activities of TEL are owning, operating and maintaining a 1 x 330 MW mine-mouth coal fired power plant established at Thar Block II, Thar Coal Mine, Sindh. At year end, 598,691 thousand (2023: 598,691 thousand) shares owned by the Company are pledged against security trustee of lenders of TEL.

## 15.6 Investment in PMP – at cost

Investment in PMP represents 37.5% (2023: 12.5%) equity participation in PMP, amounting to Moroccan Dirhams (MAD) 300,000 thousand (2023: Moroccan Dirhams (MAD) 100,000 thousand) equivalent to Rs 2,117,075 thousand (2023: Rs 705,925 thousand). Pursuant to merger/ amalgamation of FFBL with and into the Company, as detailed in note 1.2, investment in PMP has increased by 25% amounting to Rs 1,411,150 thousand during the year.

PMP is a joint venture between the Company, Fauji Foundation (FF) and Office Cherifien Des Phosphates, Morocco. The principal activity of PMP is to manufacture and market Phosphoric acid, fertilizer and other related products in Morocco and abroad.

According to the Shareholders' agreement, if any legal restriction is laid on dividends by PMP, the investment will be converted to interest bearing loan. The Company has also committed not to pledge shares of PMP without prior consent of PMPs' lenders.

Following particulars relate to investment made in the foreign company:

| Particulars                                        | Pakistan Maroc Phoshore S.A., Morocco                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name and jurisdiction of associated company        | Pakistan Maroc Phosphore S.A., Morocco                                                                                                                                                                                                                                                                                                                                        |
| Name and address of beneficial owner               | Fauji Fertilizer Company Limited located at 156, The Mall Rawalpindi Cantt, Pakistan<br><br>Fauji Foundation located at 68 Tipu Road, Chaklala, Rawalpindi, Pakistan<br><br>Office Cherifien Des Phosphates located at Hay Erraha. 2, Rue Al Abtal, Casablanca, Morocco                                                                                                       |
| Amount of investment                               | Rs 2,117,075 thousand (MAD 300,000 thousand)                                                                                                                                                                                                                                                                                                                                  |
| Terms and conditions of investment                 | Equity investment                                                                                                                                                                                                                                                                                                                                                             |
| Amount of return received                          | Dividend 2009 Rs 42,563 thousand<br>Dividend 2015 Rs 50,911 thousand<br>Dividend 2016 Rs 55,720 thousand<br>Dividend 2017 Rs 262,551 thousand<br>Dividend 2018 Rs 144,061 thousand<br>Dividend 2019 Rs 371,638 thousand<br>Dividend 2020 Rs 335,525 thousand<br>Dividend 2021 Rs 518,962 thousand<br>Dividend 2022 Rs 1,349,419 thousand<br>Dividend 2024 Rs 936,806 thousand |
| Details of litigations                             | None                                                                                                                                                                                                                                                                                                                                                                          |
| Details of default / breach relating to investment | None                                                                                                                                                                                                                                                                                                                                                                          |
| Gain / loss on disposal of investment              | Not applicable                                                                                                                                                                                                                                                                                                                                                                |

#### 15.7 Investment in FFL – at cost

Investment in FFL represents 1,205,576 thousand (2023: Nil) fully paid ordinary shares of Rs 10 each representing 47.84% (2023: Nil) of share capital of FFL as at December 31, 2024. Market value of the Company's investment as at December 31, 2024 was Rs 21,615,982 thousand (2023: Nil). Pursuant to merger/ amalgamation of FFBL with and into the Company, as detailed in note 1.2, the Company has gained control over FFL, via its direct holding interest of 47.84% and through shares held by its subsidiary companies i.e FPCL with an interest of 15.87% and FFCEL with an interest of 18.45%. Total shareholding interest of the Company in FFL as at year end is 82.16%.

FFL is engaged in process and sale of toned milk, milk powder, fruit juices, allied dairy and food products with shares listed on the Pakistan Stock Exchange Limited. At year end, 70,875 thousand shares are held in a freeze account with Central Depository Company of Pakistan.

#### 15.8 Investment in FFCEL – at cost

Investment in FFCEL represents 243,825 thousand (2023: 243,825 thousand) fully paid ordinary shares of Rs 10 each. FFCEL has been incorporated for the purpose of implementing a project comprising establishment and operation of wind power generation facility and supply of electricity. The Company currently holds 100% shareholding interest in FFCEL, out of which 70,000 shares amounting to Rs 700,000 are held in the name of seven nominee directors of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## **15.9 Investment in FWEL – I – at cost**

Investment in FWEL – I represents 350,249 thousand (2023: 350,249 thousand) fully paid ordinary shares of Rs 10 each. The Company was established with the primary objective to undertake the business of power generation and sale. The Company currently holds 100% shareholding interest in FWEL – I. Shares of FWEL – I have been pledged by the Company in favor of project lenders, till discharge of its debt obligations. Also refer note 15.10.1 to the financial statements.

## **15.10 Investment in FWEL – II – at cost**

Investment in FWEL – II represents 282,215 thousand (2023: 282,215 thousand) fully paid ordinary shares of Rs 10 each. The Company was established with the primary objective to undertake the business of power generation and sale. The Company currently holds 80% shareholding interest in FWEL – II. Shares of FWEL – II have been pledged by the Company in favor of project lenders, till discharge of its debt obligations. Also refer note 15.10.1 to the financial statements.

**15.10.1** In accordance with the Share Purchase Agreement, the Company, in the year 2021, has paid base payment amount net of payment amount adjustments of Rs 7,493,051 thousand and Rs 6,019,288 thousand, in full for acquisition of shares of FWEL – I and FWEL – II, respectively, to its previous owners i.e. FF and FFBL (prior to merger/ amalgamation of FFBL with and into the Company). Further, the Company is also liable to pay additional consideration to its previous owners as and when FWEL – I & FWEL – II receive Delayed Payment Surcharge (DPS), under their respective EPAs. The management of the Company based on its assessment performed believes that the amount of contingent consideration due to previous owners would be immaterial in overall context of the financial statements and has not recognised the same in these financial statements.

## **15.11 Investment in OLIVE Technical Services (Private) Limited (OLIVE)**

Investment in OLIVE represents investment in 10,000 thousand (2023: 2,000 thousand) fully paid ordinary shares of Rs 10 each. The Company currently holds 100% shareholding interest in OLIVE. OLIVE is a private limited company incorporated in Pakistan under Companies Act, 2017. The principal line of business of the Company is to provide technical and engineering services.

## **15.12 Investment in FPCL – at cost**

Investment in FPCL represents 644,063 thousand (2023: Nil) fully paid ordinary shares of Rs 10 each. Pursuant to merger/ amalgamation of FFBL with and into the Company, as detailed in note 1.2, the Company has gained control over FPCL with its holding interest of 75% . The principal objective of FPCL is to set up and operate a 118 MW power project. FPCL has commenced commercial production on May 19, 2017. The principal place of business of FPCL is Eastern Industrial Zone of Port Qasim, Karachi.

## **15.13 Investment in FFF – at cost**

Investment in FFF represents 1,123,960 thousand (2023: 623,960 thousand) fully paid ordinary shares of Rs 10 each. The Company currently holds 100% shareholding interest in FFF, out of which 8,000 shares amounting to Rs 80,000 are held in the name of eight nominee directors of the Company.

The Company management has carried out an impairment analysis of this investment, based on future expected cash flows for the future years and technical values. The future cash flows has been discounted at weighted average cost of capital of 15.47% (2023: 17.36%) per annum and terminal growth rate of 3% (2023: 2.5%). Based on this analysis, a further impairment loss amounting to Rs 4,000,000 thousand (2023: Nil) has been recognised during the year and the management believes that carrying value of the investment is recoverable in full.



|                                                   | 2024      | 2023      |
|---------------------------------------------------|-----------|-----------|
|                                                   | Rs '000   | Rs '000   |
| <b>15.13.1 Movement of impairment loss in FFF</b> |           |           |
| Balance at the beginning                          | 2,100,000 | 2,100,000 |
| Charge for the year                               | 4,000,000 | –         |
| Balance at the end                                | 6,100,000 | 2,100,000 |

#### **15.14 Investment in Arabian Sea Country Club Limited – at cost**

Pursuant to merger/ amalgamation of FFBL with and into the Company, as detailed in note 1.2, the Company holds 300,000 ordinary shares of Rs. 10 each representing equity interest of 3.87% in Arabian Sea Country Club Limited. The breakup value based on audited accounts for the year ended June 30, 2018, was negative Rs. 10.67 per ordinary share. This investment is fully impaired.

#### **15.15 Investments at fair value through profit and loss (FVTPL)**

##### **Listed preference shares**

This represents investment in listed, cumulative, non-voting and convertible preference shares of AGL having par value of Rs 10 each. These shares are convertible into variable number of ordinary shares at the discretion of its holder. The preference shareholders have a preferred right to dividend at the rate of 11% per annum on a cumulative basis (on an annual basis).

##### **Advance against issue of privately placed Term Finance Certificate (PPTFCs)**

This represents advance against issue of AGL's zero coupon privately placed term finance certificate (PPTFCs) having par value of Rs 5,000 each. PPTFCs are payable to the instrument holders in the form of a bullet payment in 2026. These have been recognised by discounting future cashflows over a period of two years using a rate of 20.52% per annum.

#### **15.16 Investments at fair value through other comprehensive income (FVTOCI)**

##### **Term Deposit Receipts (TDR)**

As at December 31, 2023, this represented placement in Term Deposit Receipts with financial institution having tenure from one to five years with returns ranging from 9.34% to 9.70% per annum. TDRs have been matured during the year.

##### **Term Finance Certificates (TFCs)**

This represents investments in Bank Alfalah Term Finance Certificate amounting to Rs. 300,000 thousand (2023: Rs. 198,865 thousand & Rs. 300,000 thousand) holding tenure of perpetuity with floating return of 6MK+2% per annum.

##### **Pakistan Investment Bonds**

Pakistan Investment Bonds with 3, 5 and 10 years tenure having aggregate face value of Rs 2.78 billion (2023: Rs 4.79 billion) and are due to mature within a period of 4 years. Profit on fixed rate PIBs is payable on half yearly basis with coupon rates ranging from 7.50% to 10.00% per annum and floating rate PIB at weighted average 6–Months T–Bill yield + 0.70%. The Pakistan Investment Bonds are placed with banks as collateral to secure borrowing facilities.

#### **15.17 Investments at amortized cost**

##### **Un-listed preference shares**

This represents investment in un-listed, cumulative, non-convertible preference shares of AGL having par value of Rs 10 each. These shares have limited voting rights and carry dividend at KIBOR + 4.00 % and can be redeemed, in full or in part, at the option of AGL. These have been recognised by discounting future contractual cashflows using a rate of 20.52% per annum.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                                               | Note | 2024      | 2023      |
|-------------------------------------------------------------------------------|------|-----------|-----------|
|                                                                               |      | Rs '000   | Rs '000   |
| <b>16. LONG TERM LOANS AND ADVANCES – SECURED</b>                             |      |           |           |
| Loans and advances – considered good, to:                                     |      |           |           |
| Executives                                                                    |      |           |           |
| Interest bearing                                                              |      | 1,599,691 | 1,166,120 |
| Non-interest bearing                                                          |      | 1,288,302 | 1,049,782 |
|                                                                               |      | 2,887,993 | 2,215,902 |
| Other employees                                                               |      |           |           |
| Interest bearing                                                              |      | 960,314   | 728,417   |
| Non-interest bearing                                                          |      | 572,272   | 494,891   |
|                                                                               |      | 1,532,586 | 1,223,308 |
|                                                                               |      | 4,420,579 | 3,439,210 |
| Less: Impact of present value of loans and advances to employees              |      | 1,600,000 | –         |
|                                                                               |      | 2,820,579 | 3,439,210 |
| Less: Amount due within twelve months, shown under current loans and advances | 21   |           |           |
| Interest bearing                                                              |      | 432,111   | 335,366   |
| Non-interest bearing                                                          |      | 603,202   | 474,206   |
|                                                                               |      | 1,035,313 | 809,572   |
|                                                                               |      | 1,785,266 | 2,629,638 |

## 16.1 Reconciliation of gross carrying amount of loans and advances:

|                               | 2024       |                 | 2023        |           |
|-------------------------------|------------|-----------------|-------------|-----------|
|                               | Executives | Other employees | Total       | Total     |
|                               | Rs '000    | Rs '000         | Rs '000     | Rs '000   |
| <b>Balance at January 1</b>   | 2,215,902  | 1,223,308       | 3,439,210   | 2,560,708 |
| Adjustments                   | 153,580    | (153,580)       | –           | –         |
| Disbursements                 | 1,423,390  | 866,423         | 2,289,813   | 1,745,055 |
|                               | 3,792,872  | 1,936,151       | 5,729,023   | 4,305,763 |
| Repayments                    | (904,879)  | (403,565)       | (1,308,444) | (866,553) |
| <b>Balance at December 31</b> | 2,887,993  | 1,532,586       | 4,420,579   | 3,439,210 |

These subsidized and interest free loans and advances are granted to employees as per the Company's policy and are repayable within one to ten years. House building loans carry mark-up at 4% per annum and are secured against the underlying assets.

The maximum amount of loans and advances to executives outstanding at the end of any month during the year was Rs 2,954,113 thousand (2023: Rs 2,324,943 thousand).

From the current year, management has recognised loans and advances at their present value of future cashflows in these financial statements.

## 16.2 Loans and advances to employees exceeding Rs 1 million

| Category                                   | 2024             |           | 2023             |           |
|--------------------------------------------|------------------|-----------|------------------|-----------|
|                                            | No. of employees | Amount    | No. of employees | Amount    |
|                                            |                  | Rs '000   |                  | Rs '000   |
| Rs 1 million to Rs 2 million               | 164              | 226,962   | 209              | 292,278   |
| Exceeding Rs 2 million upto Rs 3 million   | 136              | 343,366   | 116              | 289,631   |
| Exceeding Rs 3 million upto Rs 5 million   | 273              | 1,009,651 | 226              | 875,842   |
| Exceeding Rs 5 million upto Rs 10 million  | 173              | 1,199,444 | 56               | 321,988   |
| Exceeding Rs 10 million upto Rs 25 million | 97               | 1,473,886 | 142              | 1,557,274 |
|                                            | 843              | 4,253,309 | 749              | 3,337,013 |

| Note                                                     |      | 2024        | 2023      |
|----------------------------------------------------------|------|-------------|-----------|
|                                                          |      | Rs '000     | Rs '000   |
| <b>17. LONG TERM DEPOSITS AND PREPAYMENTS</b>            |      |             |           |
| Non-interest bearing deposits                            |      | 91,021      | 12,378    |
| Prepayments                                              |      | 853         | –         |
|                                                          |      | 91,874      | 12,378    |
| <b>18. STORES, SPARES AND LOOSE TOOLS</b>                |      |             |           |
| Stores                                                   |      | 2,115,072   | 999,563   |
| Spares                                                   |      | 10,375,332  | 6,170,464 |
| Provision for slow moving spares                         | 18.1 | (1,005,641) | (634,216) |
|                                                          |      | 9,369,691   | 5,536,248 |
| Loose tools                                              |      | 34,040      | 24,428    |
| Items in transit                                         |      | 2,508,835   | 1,224,115 |
|                                                          |      | 14,027,638  | 7,784,354 |
| <b>18.1 Movement of provision for slow moving spares</b> |      |             |           |
| Balance at the beginning                                 |      | 634,216     | 599,931   |
| Acquisition pursuant to merger of FFBL                   | 1.2  | 289,368     | –         |
| Provision during the year                                | 27.1 | 82,057      | 36,451    |
| Reversal during the year                                 |      | –           | (2,166)   |
| Balance at the end                                       |      | 1,005,641   | 634,216   |
| <b>19. STOCK IN TRADE</b>                                |      |             |           |
| Raw materials                                            |      | 4,502,232   | 603,713   |
| Raw materials in transit                                 |      | 11,729,164  | –         |
| Work in process                                          |      | 685,989     | 174,232   |
| Finished goods                                           |      |             |           |
| Manufactured fertilizer                                  |      | 1,904,359   | 744,590   |
| Purchased fertilizer                                     |      | 4,922,413   | 545,387   |
|                                                          |      | 6,826,772   | 1,289,977 |
|                                                          |      | 23,744,157  | 2,067,922 |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|            |                           | Note | 2024    | 2023    |
|------------|---------------------------|------|---------|---------|
|            |                           |      | Rs '000 | Rs '000 |
| <b>20.</b> | <b>TRADE DEBTS</b>        |      |         |         |
|            | Considered good – secured | 20.1 | 943,632 | 48,503  |
|            | Considered doubtful       |      | 1,758   | 1,758   |
|            |                           |      | 945,390 | 50,261  |
|            | Loss allowance            |      | (1,758) | (1,758) |
|            |                           |      | 943,632 | 48,503  |

**20.1** These debts are secured by way of bank guarantees.

|            |                                                  | Note | 2024      | 2023      |
|------------|--------------------------------------------------|------|-----------|-----------|
|            |                                                  |      | Rs '000   | Rs '000   |
| <b>21.</b> | <b>LOANS AND ADVANCES – SECURED</b>              |      |           |           |
|            | Current portion of long term loans and advances  | 16   | 1,035,313 | 809,572   |
|            | Loans and advances to employees – unsecured      |      |           |           |
|            | – considered good, non-interest bearing          |      |           |           |
|            | Executives                                       |      | 102,517   | 223,949   |
|            | Others                                           |      | 185,648   | 100,870   |
|            | Advance to subsidiary company – interest bearing |      |           |           |
|            | Fauji Fresh N Freeze Limited (FFF)               | 21.1 | 50,000    | 1,800,000 |
|            | Advances to suppliers – considered good          |      | 2,812,573 | 266,655   |
|            | Advances for PEF project                         | 21.3 | 431,144   | 214,333   |
|            |                                                  |      | 4,617,195 | 3,415,379 |

**21.1** This represents revolving credit facility provided to Fauji Fresh n Freeze Limited, a related party, to support its cashflow requirements under markup arrangement at the Company's weighted average cost of debt plus 0.10% per annum. The maximum amount of advance to FFF outstanding at the end of any month during the year was Rs 1,800,000 thousand (2023: Rs 1,800,000 thousand).

## **21.2 Loans and advances to employees exceeding Rs 1 million**

| Category                                   | 2024             |         | 2023             |         |
|--------------------------------------------|------------------|---------|------------------|---------|
|                                            | No. of employees | Amount  | No. of employees | Amount  |
|                                            |                  | Rs '000 |                  | Rs '000 |
| Rs 1 million to Rs 2 million               | 41               | 59,168  | 41               | 56,039  |
| Exceeding Rs 2 million upto Rs 3 million   | 11               | 24,522  | 10               | 24,203  |
| Exceeding Rs 3 million upto Rs 5 million   | 5                | 19,223  | 5                | 18,544  |
| Exceeding Rs 10 million upto Rs 25 million | –                | –       | 1                | 5,221   |
|                                            | 57               | 102,913 | 57               | 104,007 |

**21.3** This represents advance paid to Mari Petroleum Company Limited, a related party, in relation to PEF project, as disclosed in note 42 to the financial statements.



|                                                                | Note | 2024              | 2023              |
|----------------------------------------------------------------|------|-------------------|-------------------|
|                                                                |      | Rs '000           | Rs '000           |
| <b>22. DEPOSITS AND PREPAYMENTS</b>                            |      |                   |                   |
| Non-interest bearing deposits                                  |      | 8,938             | 242,607           |
| Prepayments                                                    |      | 1,049,690         | 468,399           |
|                                                                |      | <b>1,058,628</b>  | <b>711,006</b>    |
| <b>23. OTHER RECEIVABLES</b>                                   |      |                   |                   |
| Accrued income on investments and bank deposits:               |      |                   |                   |
| – Pakistan Investment Bonds                                    |      | 112,169           | 169,692           |
| – Conventional banks                                           |      | 219,403           | 54,354            |
| – Islamic banks                                                |      | 402               | 183               |
| Accrued income on receivable from subsidiary                   |      | 390,585           | 453,669           |
| Sales tax receivable – net                                     | 23.1 | 13,146,272        | 16,866,320        |
| Advance tax                                                    | 23.2 | 322,368           | 322,368           |
| Subsidy receivable from Government agencies                    | 23.3 | 10,122,870        | 6,961,878         |
| Receivable from subsidiary companies (related parties)         | 23.4 |                   |                   |
| – FFC Energy Limited – unsecured                               |      | 163,635           | 40,796            |
| – Fauji Fresh n Freeze Limited – unsecured                     |      | 36,319            | 8,434             |
| – FFBL Power Company Limited – unsecured                       |      | 215,256           | –                 |
| – Fauji Foods Limited – unsecured                              |      | 6,986             | –                 |
| – OLIVE Technical Services (Private) Limited – unsecured       |      | 126,938           | 93,129            |
| – Foundation Wind Energy Limited II – unsecured                |      | 1,506             | 6,046             |
| Receivable from Fauji Fertilizer Bin Qasim Limited – unsecured |      | –                 | 378,035           |
| Receivable from Fauji Meat Limited – unsecured                 |      | 28,487            | –                 |
| Receivable from Joint Operators – PEF project                  |      | 196               | 196               |
| Workers' Profit Participation Fund                             |      | 540,819           | –                 |
| Receivable from pension fund (related party)                   | 9.4  | 912,625           | 365,682           |
| Receivable from gratuity fund – II (related party)             | 9.4  | 181,166           | –                 |
| Other receivables                                              |      | 1,301,890         | 499,342           |
| Loss allowance                                                 | 23.5 | (10,083,396)      | (5,719,404)       |
|                                                                |      | <b>17,746,496</b> | <b>20,500,720</b> |

**23.1** Sales tax receivable is net-off provision for input tax disallowance amounting to Rs 25,231,061 thousand (2023: Rs 4,717,000 thousand). Provision for input tax disallowance amounting to Rs 8,110,058 thousand has been acquired pursuant to merger/ amalgamation of FFBL with and into the Company, as disclosed in note 1.2 to the financial statements.

**23.2** This represents tax paid by PSFL in excess of admitted tax liabilities net of adjustments of determined refunds. The Company intends to adjust the remaining amount after finalisation of pending re-assessments by the taxation authorities.

**23.3** This represents subsidy receivable on sale of Di-Ammonium Phosphate (DAP) fertilizer under schemes announced on October 25, 2015 @ Rs 500 per 50 kg bag and on June 25, 2016 @ Rs 300 per 50 kg bag respectively and subsidy receivable on sale of Urea under scheme announced on June 25, 2016 @ Rs 156 per 50 kg bag under notifications issued by Ministry of National Food Security & Research, Government of Pakistan. Finance Act, 2017 revoked subsidy on sale of DAP and also reduced Urea subsidy to Rs 100 per 50 kg bag for the financial year 2017-18.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

- 23.4** The maximum amount of receivable from FFCEL, FFF, OLIVE, FFBL, FWEL, FPCL, FML and FFL during the year was Rs 163,635 thousand (2023: Rs 102,944 thousand), Rs 495,964 thousand (2023: Rs 8,579 thousand), Rs 127,724 thousand (2023: Rs 93,129 thousand), Rs 17,701 thousand (2023: Rs 376,554 thousand), Rs 12,094 thousand (2023: Rs 29,149 thousand), Rs 261,073 thousand (2023: Nil), Rs 28,487 thousand (2023: Nil) and Rs 19,237 thousand (2023: Nil) respectively.

|                                        | Note   | 2024       | 2023      |
|----------------------------------------|--------|------------|-----------|
|                                        |        | Rs '000    | Rs '000   |
| <b>23.5 Movement of loss allowance</b> |        |            |           |
| Balance at the beginning               |        | 5,719,404  | 2,819,404 |
| Acquisition pursuant to merger of FFBL | 1.2    | 3,160,992  | –         |
| Charge for the year                    |        | 1,203,000  | 2,900,000 |
| Balance at the end                     | 23.5.1 | 10,083,396 | 5,719,404 |

- 23.5.1** As required under IFRS - 9, an entity is required to assess changes in credit risk by taking into account the time value of money, reasonable and supportable assumptions regarding past events, current conditions, forecast of future events and economic conditions attached to its receivables and recognise expected credit loss, if any. Based on this, the Company has recomputed expected credit loss on subsidy receivable from GoP giving due consideration to the time value of money based on expected recovery of the subsidy receivable. The Company, however, is confident of full recovery of the subsidy amount from GoP.

|                                                         | Note | 2024        | 2023       |
|---------------------------------------------------------|------|-------------|------------|
|                                                         |      | Rs '000     | Rs '000    |
| <b>24. SHORT TERM INVESTMENTS</b>                       |      |             |            |
| <b>Amortised cost – conventional investments</b>        | 24.1 |             |            |
| Term deposits with banks and financial institutions     |      |             |            |
| Local currency                                          |      | 1,000,000   | –          |
| Foreign currency                                        |      | 5,258,558   | 4,956,685  |
|                                                         |      | 6,258,558   | 4,956,685  |
| <b>Investments at fair value through profit or loss</b> | 24.2 |             |            |
| Conventional investments                                |      | 115,866,035 | 59,203,333 |
| Shariah compliant investments                           |      | 79,583,317  | 28,485,449 |
|                                                         |      | 195,449,352 | 87,688,782 |
| <b>Current maturity of long term investments</b>        |      |             |            |
| Fair value through OCI                                  | 15   | 2,274,203   | 2,091,434  |
|                                                         |      | 203,982,113 | 94,736,901 |

- 24.1** These represent investments having maturities ranging between 1 to 3 months and are being carried at amortized cost.

- 24.2** Fair values of these investments are determined using quoted repurchase price.

- 24.2.1** The details of investment in mutual funds are as follows:

|                         | 2024            |             | 2023            |            |
|-------------------------|-----------------|-------------|-----------------|------------|
|                         | Number of units | Fair value  | Number of units | Fair value |
|                         | In '000         | Rs '000     | In '000         | Rs '000    |
| Money Market Funds      | 3,565,563       | 104,222,055 | 1,967,352       | 58,912,156 |
| Income Funds            | 532,168         | 11,643,980  | 28,993          | 291,176    |
| Shariah Compliant Funds | 1,586,615       | 79,583,317  | 881,640         | 28,485,450 |
|                         | 5,684,346       | 195,449,352 | 2,877,985       | 87,688,782 |

|                                                       | Note | 2024       | 2023    |
|-------------------------------------------------------|------|------------|---------|
|                                                       |      | Rs '000    | Rs '000 |
| <b>25. CASH AND BANK BALANCES</b>                     |      |            |         |
| At banks                                              |      |            |         |
| Local currency                                        |      |            |         |
| Current account – Conventional banking                |      | 321,938    | 65,578  |
| Current account – Islamic banking                     |      | 126,835    | 16,661  |
| Deposit account – Conventional banking                | 25.1 | 11,587,772 | 423,812 |
| Deposit account – Islamic banking                     | 25.2 | 213,929    | 20,097  |
|                                                       |      | 12,250,474 | 526,148 |
| Foreign currency                                      |      |            |         |
| Deposit account (2024: US\$ 19,993;<br>2023: US\$ 70) |      | 5,545      | 20      |
|                                                       | 25.3 | 12,256,019 | 526,168 |
| Drafts in hand and in transit                         |      |            |         |
| Cash in transit                                       | 25.4 | 135,040    | 332,179 |
| Cash in hand                                          |      | 985        | –       |
|                                                       |      | 12,392,044 | 858,347 |

**25.1** Balances with banks carry markup upto 13.50% (2023: 20.50%) per annum.

**25.2** Balances with banks carry profit ranging from 4.70% to 14.25% (2023: 6.75% to 11.01%) per annum.

**25.3** Balances with banks include Rs 285,040 thousand (2023: Rs 319,894 thousand) in respect of security deposits received.

**25.4** These represent demand drafts held by the Company at year end.

**25.5** This includes balances of Rs 6,105,988 thousand (2023: Nil) held under lien.

|                                                                                                     | Note | 2024         | 2023         |
|-----------------------------------------------------------------------------------------------------|------|--------------|--------------|
|                                                                                                     |      | Rs '000      | Rs '000      |
| <b>25.6 Cash and cash equivalents</b>                                                               |      |              |              |
| Cash and cash equivalents included in<br>the statement of cash flows comprise<br>of the following : |      |              |              |
| Cash and bank balances                                                                              | 25   | 12,392,044   | 858,347      |
| Short term borrowings                                                                               | 11   | (31,278,908) | (13,737,746) |
| Short term highly liquid investments                                                                | 24   | 201,707,910  | 92,645,467   |
| Bank balances held under lien                                                                       |      | (6,105,988)  | –            |
|                                                                                                     |      | 176,715,058  | 79,766,068   |
| <b>26. TURNOVER – NET</b>                                                                           |      |              |              |
| Manufactured fertilizers                                                                            |      | 354,802,952  | 136,637,495  |
| Purchased and packaged fertilizers                                                                  |      | 44,799,510   | 28,013,216   |
|                                                                                                     |      | 399,602,462  | 164,650,711  |
| Sales tax and excise duty                                                                           |      | (26,065,542) | (5,178,760)  |
|                                                                                                     |      | 373,536,920  | 159,471,951  |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|            |                                                                                                                   | Note | 2024        | 2023       |
|------------|-------------------------------------------------------------------------------------------------------------------|------|-------------|------------|
|            |                                                                                                                   |      | Rs '000     | Rs '000    |
| <b>27.</b> | <b>COST OF SALES</b>                                                                                              |      |             |            |
|            | Raw materials consumed                                                                                            |      | 124,307,301 | 27,773,339 |
|            | Fuel and power                                                                                                    |      | 34,251,183  | 15,958,056 |
|            | Chemicals and supplies                                                                                            |      | 1,637,135   | 1,259,633  |
|            | Salaries, wages and benefits                                                                                      |      | 15,060,444  | 11,318,140 |
|            | Training and employees welfare                                                                                    |      | 1,604,812   | 1,595,143  |
|            | Rent, rates and taxes                                                                                             |      | 198,164     | 49,017     |
|            | Insurance                                                                                                         |      | 1,425,949   | 722,479    |
|            | Travel and conveyance                                                                                             |      | 1,850,643   | 1,123,300  |
|            | Repairs and maintenance (includes stores and spares consumed of Rs 1,752,522 thousand; 2023: Rs 939,389 thousand) |      | 4,578,301   | 3,681,751  |
|            | Depreciation                                                                                                      | 13.1 | 3,451,191   | 2,426,562  |
|            | Amortisation                                                                                                      | 14.1 | 1,497       | 2,997      |
|            | Communication and other expenses                                                                                  | 27.1 | 7,764,043   | 5,418,404  |
|            |                                                                                                                   |      | 196,130,663 | 71,328,821 |
|            | Opening stock – work in process                                                                                   |      | 174,232     | 120,594    |
|            | Acquisition pursuant to merger of FFBL                                                                            | 1.2  | 337,626     | –          |
|            | Closing stock – work in process                                                                                   |      | (685,989)   | (174,232)  |
|            |                                                                                                                   |      | (174,131)   | (53,638)   |
|            | Cost of goods manufactured                                                                                        |      | 195,956,532 | 71,275,183 |
|            | Opening stock – manufactured goods                                                                                |      | 744,590     | 285,104    |
|            | Acquisition pursuant to merger of FFBL                                                                            | 1.2  | 11,847,004  | –          |
|            | Closing stock – manufactured goods                                                                                |      | (1,904,359) | (744,590)  |
|            |                                                                                                                   |      | 10,687,235  | (459,486)  |
|            | Cost of sales – manufactured goods                                                                                |      | 206,643,767 | 70,815,697 |
|            | Opening stock – purchased fertilizers                                                                             |      | 545,387     | 18,745,746 |
|            | Purchase of fertilizers for resale                                                                                |      | 44,097,610  | 6,203,685  |
|            | Closing stock – purchased fertilizers                                                                             |      | (4,922,413) | (545,387)  |
|            | Cost of sales – purchased fertilizers                                                                             |      | 39,720,584  | 24,404,044 |
|            |                                                                                                                   |      | 246,364,351 | 95,219,741 |

**27.1** This includes provision for slow moving spares amounting to Rs 82,057 thousand (2023: Rs 34,285 thousand).



|            |                                                                                                                                                                                                                          | Note | 2024              | 2023              |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------|-------------------|
|            |                                                                                                                                                                                                                          |      | Rs '000           | Rs '000           |
| <b>28.</b> | <b>DISTRIBUTION COST</b>                                                                                                                                                                                                 |      |                   |                   |
|            | Product transportation                                                                                                                                                                                                   |      | 19,750,666        | 7,927,294         |
|            | Salaries, wages and benefits                                                                                                                                                                                             |      | 4,636,510         | 2,424,425         |
|            | Training and employees welfare                                                                                                                                                                                           |      | 404,538           | 270,602           |
|            | Rent, rates and taxes                                                                                                                                                                                                    |      | 333,020           | 220,798           |
|            | Insurance                                                                                                                                                                                                                |      | 68,196            | 28,711            |
|            | Technical services to farmers                                                                                                                                                                                            |      | 36,796            | 14,218            |
|            | Travel and conveyance                                                                                                                                                                                                    |      | 845,737           | 445,596           |
|            | Sale promotion and advertising                                                                                                                                                                                           |      | 614,950           | 253,546           |
|            | Communication and other expenses                                                                                                                                                                                         |      | 2,219,374         | 840,381           |
|            | Warehousing expenses                                                                                                                                                                                                     |      | 322,704           | 176,702           |
|            | Depreciation                                                                                                                                                                                                             | 13.1 | 130,582           | 80,597            |
|            | Amortisation                                                                                                                                                                                                             | 14.1 | 581               | 994               |
|            |                                                                                                                                                                                                                          |      | <u>29,363,654</u> | <u>12,683,864</u> |
| <b>29.</b> | <b>FINANCE COST</b>                                                                                                                                                                                                      |      |                   |                   |
|            | Mark-up / profit on long term borrowings                                                                                                                                                                                 |      |                   |                   |
|            | Conventional banking                                                                                                                                                                                                     |      | 2,687,402         | 2,108,269         |
|            | Islamic banking                                                                                                                                                                                                          |      | 2,828,574         | 1,938,773         |
|            |                                                                                                                                                                                                                          |      | <u>5,515,976</u>  | <u>4,047,042</u>  |
|            | Mark-up / profit on short term borrowings                                                                                                                                                                                |      |                   |                   |
|            | Conventional banking                                                                                                                                                                                                     |      | 470,785           | 839,901           |
|            | Islamic banking                                                                                                                                                                                                          |      | 282,822           | 468,657           |
|            |                                                                                                                                                                                                                          |      | <u>753,607</u>    | <u>1,308,558</u>  |
|            | Bank and other charges                                                                                                                                                                                                   |      | 254,312           | 268,175           |
|            |                                                                                                                                                                                                                          |      | <u>6,523,895</u>  | <u>5,623,775</u>  |
| <b>30.</b> | <b>OTHER EXPENSES</b>                                                                                                                                                                                                    |      |                   |                   |
|            | Research and development                                                                                                                                                                                                 |      | 1,927,680         | 1,625,277         |
|            | Workers' Profit Participation Fund                                                                                                                                                                                       |      | 5,956,317         | 2,866,400         |
|            | Workers' Welfare Fund                                                                                                                                                                                                    |      | 1,991,863         | 914,369           |
|            | Auditor's Remuneration                                                                                                                                                                                                   |      |                   |                   |
|            | Audit fee                                                                                                                                                                                                                |      | 6,816             | 3,180             |
|            | Fee for half yearly review, audit of consolidated financial statements, audit of employee retirement benefit funds, review of Code of Corporate Governance and other certifications in the capacity of external auditors |      | 5,617             | 2,378             |
|            | Special purpose audits and other certifications                                                                                                                                                                          |      | 23,800            | –                 |
|            | Taxation and other advisory services                                                                                                                                                                                     |      | 75,612            | 21,766            |
|            | Out of pocket expenses                                                                                                                                                                                                   |      | 917               | 565               |
|            |                                                                                                                                                                                                                          |      | <u>112,762</u>    | <u>27,889</u>     |
|            |                                                                                                                                                                                                                          |      | <u>9,988,622</u>  | <u>5,433,935</u>  |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                                                                     | 2024       | 2023       |
|-----------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                     | Rs '000    | Rs '000    |
| <b>31. OTHER INCOME</b>                                                                             |            |            |
| <b>Income from financial assets</b>                                                                 |            |            |
| Income on loans, deposits and investments in:                                                       |            |            |
| – Pakistan Investment Bonds                                                                         | 376,329    | 481,110    |
| – Conventional banks                                                                                | 2,623,584  | 756,787    |
| – Islamic banks                                                                                     | 174,926    | 3,159      |
| Gain on investments:                                                                                |            |            |
| – Conventional mutual funds                                                                         | 1,588,971  | 1,841,183  |
| – Shariah compliant mutual funds                                                                    | 1,537,141  | 243,632    |
| Gain on re-measurement of investments classified as fair value through profit of loss on:           |            |            |
| – Conventional mutual funds                                                                         | 6,036,560  | 306,455    |
| – Shariah compliant mutual funds                                                                    | 2,696,087  | 68,229     |
| Dividend income on:                                                                                 |            |            |
| – Conventional mutual fund                                                                          | 4,336,251  | 7,748,893  |
| – Shariah compliant mutual fund                                                                     | 3,777,644  | 2,219,141  |
| Exchange (loss) / gain on foreign currency balances                                                 | (249,807)  | 887,075    |
|                                                                                                     | 22,897,686 | 14,555,664 |
| <b>Income from subsidiaries, associates and joint venture</b>                                       |            |            |
| <b>Dividend from subsidiaries</b>                                                                   |            |            |
| – FWEL-I                                                                                            | 2,626,871  | 1,000,000  |
| – FWEL-II                                                                                           | 3,245,475  | 800,000    |
| – FFCEL                                                                                             | 1,706,775  | –          |
|                                                                                                     | 7,579,121  | 1,800,000  |
| <b>Dividend from associates</b>                                                                     |            |            |
| – FFBL                                                                                              | 644,019    | –          |
| – AKBL                                                                                              | 1,563,333  | –          |
| – FCCL                                                                                              | 105,469    | –          |
|                                                                                                     | 2,312,821  | –          |
| <b>Dividend from joint venture</b>                                                                  |            |            |
| – PMP                                                                                               | 936,806    | –          |
| <b>Income from revolving credit facility to FFF</b>                                                 | 64,911     | 325,674    |
| <b>Income from non – financial assets</b>                                                           |            |            |
| Gain on disposal of property, plant and equipment                                                   | 50,729     | 87,252     |
| Gain on disposal of investment property                                                             | 585,716    | –          |
| Commission on sale of FFBL products prior to merger/ amalgamation of FFBL with and into the Company | 11,337     | 24,367     |
|                                                                                                     | 647,782    | 111,619    |
| <b>Other income</b>                                                                                 |            |            |
| Scrap sales                                                                                         | 152,472    | 140,753    |
| Income on house building loan                                                                       | 88,529     | 67,475     |
| Others                                                                                              | 551,209    | 95,765     |
|                                                                                                     | 792,210    | 303,993    |
|                                                                                                     | 35,231,337 | 17,096,950 |

## 32. FINAL TAXES – LEVIES

This represents final taxes paid under section 5 and section 8 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IAS 37/ IFRIC 21.

### 32.1 Reconciliation between current tax and levy:

Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the profit and loss account is as follows:

|                                                                                                                 | Note | 2024         | 2023         |
|-----------------------------------------------------------------------------------------------------------------|------|--------------|--------------|
|                                                                                                                 |      | Rs '000      | Rs '000      |
| Current tax liability for the year as per applicable tax laws                                                   |      | 43,016,750   | 23,345,080   |
| Less:                                                                                                           |      |              |              |
| Portion of current tax liability as per tax laws representing income tax under IAS 12                           | 33   | (40,988,276) | (20,488,259) |
| Portion of current tax computed as per tax laws, representing levy in terms of requirements of IAS 37/ IFRIC 21 |      | (2,028,474)  | (2,856,821)  |
|                                                                                                                 |      | –            | –            |

**32.2** The aggregate of final tax and income tax amounting to Rs 43,016,750 thousand (2023: Rs 23,345,080 thousand) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

|                                                                      | 2024        | 2023       |
|----------------------------------------------------------------------|-------------|------------|
|                                                                      | Rs '000     | Rs '000    |
| <b>33. PROVISION FOR TAXATION</b>                                    |             |            |
| Current tax                                                          |             |            |
| Current year                                                         | 40,988,276  | 18,349,104 |
| Prior year                                                           | –           | 2,139,155  |
|                                                                      | 40,988,276  | 20,488,259 |
| Deferred tax                                                         | 3,364,140   | 528,822    |
|                                                                      | 44,352,416  | 21,017,081 |
| <b>33.1 Reconciliation between tax expense and accounting profit</b> |             |            |
| Profit before income tax                                             | 109,083,855 | 50,690,429 |

|                                                                 | 2024   | 2023   |
|-----------------------------------------------------------------|--------|--------|
|                                                                 | %      | %      |
| Applicable tax rate                                             | 29.00  | 29.00  |
| Tax effect of income that is exempt or taxable at reduced rates | (3.43) | (1.34) |
| Effect of permanent differences                                 | 6.54   | 2.23   |
| Effect of super tax                                             | 10.06  | 11.57  |
| Prior year charge – super tax                                   | –      | 4.52   |
| Effect of final tax levies                                      | (1.62) | (4.28) |
| Others                                                          | 0.11   | (0.24) |
| Average effective tax rate charged on income                    | 40.66  | 41.46  |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                                           | 2024    | 2023      |
|---------------------------------------------------------------------------|---------|-----------|
|                                                                           | Rs '000 | Rs '000   |
| <b>33.2 Tax impacts on items recognised in other comprehensive income</b> |         |           |
| Tax impact on:                                                            |         |           |
| Surplus on re-measurement of investments to fair value                    | 128,610 | 6,668     |
| Gain/ (loss) on re-measurement of staff retirement benefit plans          | 436,092 | (107,335) |
|                                                                           | 564,702 | (100,667) |

|                                                          | 2024       | 2023       |
|----------------------------------------------------------|------------|------------|
| <b>34. EARNINGS PER SHARE – BASIC AND DILUTED</b>        |            |            |
| Profit for the year (Rupees '000)                        | 64,731,439 | 29,673,348 |
| Weighted average number of shares in issue (Number '000) | 1,423,109  | 1,272,238  |
| Basic and diluted earnings per share (Rupees)            | 45.49      | 23.32      |

There is no dilutive effect on the basic earnings per share of the Company.

## 35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements in respect of remuneration including benefits applicable to the chief executive, directors and executives of the Company are given below:

|                                                         | 2024            |            | 2023            |            |
|---------------------------------------------------------|-----------------|------------|-----------------|------------|
|                                                         | Chief Executive | Executives | Chief Executive | Executives |
|                                                         | Rs '000         |            | Rs '000         |            |
| Managerial remuneration                                 | 78,437          | 3,576,033  | 50,656          | 2,406,840  |
| Contribution to provident fund                          | 5,409           | 202,746    | 3,494           | 150,245    |
| Bonus and other awards                                  | 37,420          | 1,385,931  | 28,570          | 501,781    |
| Good performance award                                  | –               | 1,297,665  | –               | 1,077,350  |
| Allowances and contribution to retirement benefit plans | 32,546          | 4,466,204  | 15,844          | 4,085,291  |
| Total                                                   | 153,812         | 10,928,579 | 98,564          | 8,221,507  |
| No. of person(s)                                        | 2               | 875        | 1               | 586        |

The above were provided with medical facilities; the chief executive and certain executives were also provided with some furnishing items and vehicles in accordance with the Company's policy. Gratuity is payable to the Chief Executive in accordance with the terms of employment while contributions for executives in respect of gratuity and pension are based on actuarial valuations. Leave encashment of Rs. 9,749 thousand (2023: Rs. Nil thousand) and Rs. 96,638 thousand (2023: Rs. 37,017 thousand) were paid to chief executive and executives respectively on separation, in accordance with the Company's policy.



Executive means an employee whose basic salary exceeds Rs 1,200 thousand (2023: Rs 1,200 thousand) during the year.

In addition, 24 (2023: 17) directors were paid aggregate fee of Rs. 54,300 thousand (2023: Rs. 27,400 thousand). Directors are not paid any remuneration except meeting fee.

### 36. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

|                                                 | Long term borrowings | Lease Liabilities | Unclaimed dividend | Total             |
|-------------------------------------------------|----------------------|-------------------|--------------------|-------------------|
|                                                 | Rs '000              | Rs '000           | Rs '000            | Rs '000           |
| <b>Balance at January 1, 2024</b>               | 24,295,000           | 17,437            | 516,867            | 24,829,304        |
| <b>Changes from financing cash flows</b>        |                      |                   |                    |                   |
| Draw-downs                                      | 20,000,000           | –                 | –                  | 20,000,000        |
| Repayments                                      | (19,178,333)         | –                 | –                  | (19,178,333)      |
| Repayment of lease liability - net              | –                    | (18,147)          | –                  | (18,147)          |
| Dividend paid                                   | –                    | –                 | (24,927,681)       | (24,927,681)      |
|                                                 | 821,667              | (18,147)          | (24,927,681)       | (24,124,161)      |
| <b>Other changes</b>                            |                      |                   |                    |                   |
| Dividend declared                               | –                    | –                 | 24,935,869         | 24,935,869        |
| Additions pursuant to merger of FFBL - note 1.2 | 13,083,333           | –                 | 137,830            | 13,221,163        |
| Interest expense on lease liability             | –                    | 710               | –                  | 710               |
|                                                 | 13,083,333           | 710               | 25,073,699         | 38,157,742        |
| <b>Balance at December 31, 2024</b>             | <b>38,200,000</b>    | <b>–</b>          | <b>662,885</b>     | <b>38,862,885</b> |

|                                          | Long term borrowings | Lease Liabilities | Unclaimed dividend | Total             |
|------------------------------------------|----------------------|-------------------|--------------------|-------------------|
|                                          | Rs '000              | Rs '000           | Rs '000            | Rs '000           |
| <b>Balance at January 1, 2023</b>        | 21,740,000           | 33,180            | 478,676            | 22,251,856        |
| <b>Changes from financing cash flows</b> |                      |                   |                    |                   |
| Draw-downs                               | 8,000,000            | –                 | –                  | 8,000,000         |
| Repayments                               | (5,445,000)          | –                 | –                  | (5,445,000)       |
| Repayment of lease liability – net       | –                    | (18,301)          | –                  | (18,301)          |
| Dividend paid                            | –                    | –                 | (18,460,152)       | (18,460,152)      |
|                                          | 2,555,000            | (18,301)          | (18,460,152)       | (15,923,453)      |
| <b>Other changes</b>                     |                      |                   |                    |                   |
| Dividend declared                        | –                    | –                 | 18,498,343         | 18,498,343        |
| Amortisation of government grant         | –                    | 2,558             | –                  | 2,558             |
|                                          | –                    | 2,558             | 18,498,343         | 18,500,901        |
| <b>Balance at December 31, 2023</b>      | <b>24,295,000</b>    | <b>17,437</b>     | <b>516,867</b>     | <b>24,829,304</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                            | Note    | 2024         | 2023        |
|------------------------------------------------------------|---------|--------------|-------------|
|                                                            |         | Rs '000      | Rs '000     |
| <b>37. CASH GENERATED FROM OPERATIONS</b>                  |         |              |             |
| <b>Profit before income tax</b>                            |         | 109,083,855  | 50,690,429  |
| <b>Adjustments for:</b>                                    |         |              |             |
| Unwinding of GIDC liability                                | 9.1     | 212,406      | 1,160,336   |
| Loss allowance on subsidy receivable from GoP              | 23.5    | 1,203,000    | 2,900,000   |
| Impairment loss on investment in a subsidiary              | 15.13.1 | 4,000,000    | –           |
| Impact of present value of loans and advances to employees | 16      | 1,600,000    | –           |
| Provision for input tax disallowance                       | 23.1    | 12,404,003   | 1,510,000   |
| Depreciation                                               | 13.1    | 3,583,940    | 2,508,445   |
| Amortization                                               | 14.1    | 2,078        | 3,991       |
| Provision for slow moving spares                           | 27.1    | 82,057       | 34,285      |
| Finance cost                                               | 29      | 6,523,895    | 5,623,775   |
| Income on loans, deposits and investments                  |         | (3,328,279)  | (1,634,205) |
| Gain on investments at fair value through profit or loss   |         | (11,858,759) | (2,459,499) |
| Dividend income                                            | 31      | (10,828,748) | (1,800,000) |
| Final taxes – levies                                       |         | 2,028,474    | 2,856,821   |
| Exchange loss / (gain) – net                               | 31      | 249,807      | (887,075)   |
| Gain on disposal of investment property                    | 31      | (585,716)    | –           |
| Gain on disposal of property, plant and equipment          | 31      | (50,729)     | (87,252)    |
|                                                            |         | 5,237,429    | 9,729,622   |
|                                                            |         | 114,321,284  | 60,420,051  |
| <b>Changes in working capital:</b>                         |         |              |             |
| <b>(Increase) / decrease in current assets</b>             |         |              |             |
| Stores, spares and loose tools                             |         | (3,550,392)  | (1,517,553) |
| Stock in trade                                             |         | 6,496,624    | 17,419,879  |
| Trade debts                                                |         | 890,156      | 323,037     |
| Loans and advances                                         |         | 867,058      | (2,462,833) |
| Deposits and prepayments                                   |         | (340,237)    | (409,679)   |
| Other receivables                                          |         | (1,033,787)  | 2,021,078   |
| Bank balance under lien                                    |         | 905,644      | –           |
| <b>Increase / (decrease) in current liabilities</b>        |         |              |             |
| Trade and other payables                                   |         | 29,560,777   | 7,929,538   |
|                                                            |         | 33,795,843   | 23,303,467  |
| Changes in long term loans and advances                    |         | (755,628)    | 1,925,942   |
| Changes in long term deposits and prepayments              |         | (853)        | –           |
| Changes in compensated leave absences                      |         | 344,104      | 203,776     |
|                                                            |         | 147,704,750  | 85,853,236  |

### 38. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act ,2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

| Description                                                   | Explanation       | Note | 2024        | 2023        |
|---------------------------------------------------------------|-------------------|------|-------------|-------------|
|                                                               |                   |      | Rs '000     | Rs '000     |
| <b>STATEMENT OF FINANCIAL POSITION</b>                        |                   |      |             |             |
| <b>Assets</b>                                                 |                   |      |             |             |
| Long term investments                                         | Shariah compliant | 15   | 54,311,962  | 35,551,615  |
| Loans and advances                                            | Shariah compliant | 16   | 1,257,372   | 1,070,467   |
| Short term investments                                        | Shariah compliant | 24   | 79,583,317  | 28,485,449  |
| Bank balances / instruments                                   | Shariah compliant | 25   | 476,789     | 368,937     |
| <b>Liabilities</b>                                            |                   |      |             |             |
| Long term borrowings – secured<br>(including current portion) | Shariah compliant | 7    | 23,500,000  | 13,000,000  |
| Short term borrowings – secured                               | Shariah compliant | 11   | 3,746,171   | 4,909,657   |
| Mark-up and profit accrued                                    | Shariah compliant | 10   | 658,473     | 866,254     |
| <b>STATEMENT OF PROFIT OR LOSS</b>                            |                   |      |             |             |
| Turnover                                                      | Shariah compliant | 26   | 373,536,920 | 159,471,951 |
| <b>Sources and detailed breakup of other income</b>           |                   |      |             |             |
| Income on loans, deposits<br>and investments                  | Non – shariah     |      | 2,999,913   | 1,237,897   |
|                                                               | Shariah compliant |      | 174,926     | 3,159       |
|                                                               |                   | 31   | 3,174,839   | 1,241,056   |
| Gain on investments                                           | Non – shariah     |      | 1,588,971   | 1,841,183   |
|                                                               | Shariah compliant |      | 1,537,141   | 243,632     |
|                                                               |                   | 31   | 3,126,112   | 2,084,815   |
| Gain on re-measurement<br>of investments                      | Non – shariah     |      | 6,036,560   | 306,455     |
|                                                               | Shariah compliant |      | 2,696,087   | 68,229      |
|                                                               |                   | 31   | 8,732,647   | 374,684     |
| Dividend income                                               | Non – shariah     |      | 5,899,584   | 7,748,893   |
|                                                               | Shariah compliant |      | 13,043,059  | 4,019,141   |
|                                                               |                   | 31   | 18,942,643  | 11,768,034  |
| Other income / (loss)                                         | Non – shariah     |      | (96,367)    | 1,280,224   |
|                                                               | Shariah compliant |      | 1,351,463   | 348,137     |
|                                                               |                   | 31   | 1,255,096   | 1,628,361   |

#### Relationship with Shariah-compliant financial institutions

The Company has relationships with banks, having Islamic window of operations, in respect of bank balances / instruments amounting to Rs 476,789 thousand (2023: Rs 368,937 thousand) and availed borrowing facilities amounting to Rs 27,904,644 thousand (2023: Rs 18,775,911 thousand). The Company also has relationships with Shariah compliant financial institutions, Asset Management Companies (AMCs), in respect of investment in mutual funds amounting to Rs 79,583,317 thousand (2023: 28,485,449 thousand).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 39. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 39.1 Financial instruments by category

|                                | Amortised<br>cost | Fair value<br>through<br>profit or<br>loss | Fair value<br>through other<br>comprehensive<br>income | Total              |
|--------------------------------|-------------------|--------------------------------------------|--------------------------------------------------------|--------------------|
|                                | Rs '000           | Rs '000                                    | Rs '000                                                | Rs '000            |
| <b>December 31, 2024</b>       |                   |                                            |                                                        |                    |
| Financial assets:              |                   |                                            |                                                        |                    |
| <b>Maturity up to one year</b> |                   |                                            |                                                        |                    |
| Trade debts                    | 943,632           | –                                          | –                                                      | 943,632            |
| Loans and advances             | 1,373,478         | –                                          | –                                                      | 1,373,478          |
| Deposits                       | 8,938             | –                                          | –                                                      | 8,938              |
| Other receivables              | 2,643,246         | –                                          | –                                                      | 2,643,246          |
| Short term investments         | 6,258,558         | 195,449,352                                | 2,274,203                                              | 203,982,113        |
| Cash and bank balances         | 12,392,044        | –                                          | –                                                      | 12,392,044         |
| <b>Maturity after one year</b> |                   |                                            |                                                        |                    |
| Long term investments          | 3,299,093         | 2,736,149                                  | 740,182                                                | 6,775,424          |
| Long term loans and advances   | 1,785,266         | –                                          | –                                                      | 1,785,266          |
| Long term deposits             | 91,021            | –                                          | –                                                      | 91,021             |
|                                | <u>28,795,276</u> | <u>198,185,501</u>                         | <u>3,014,385</u>                                       | <u>229,995,162</u> |

|                                         | Amortised<br>Cost  |
|-----------------------------------------|--------------------|
|                                         | Rs '000            |
| <b>Financial liabilities:</b>           |                    |
| <b>Maturity up to one year</b>          |                    |
| Current portion of long term borrowings | 6,900,000          |
| Trade and other payables                | 160,280,647        |
| Markup and profit accrued               | 923,406            |
| Short term borrowings                   | 31,278,908         |
| Unclaimed dividend                      | 662,885            |
| <b>Maturity after one year</b>          |                    |
| Long term borrowings                    | 31,300,000         |
|                                         | <u>231,345,846</u> |



|                                         | Amortised<br>cost | Fair value<br>through<br>profit or<br>loss | Fair value<br>through other<br>comprehensive<br>income | Total              |
|-----------------------------------------|-------------------|--------------------------------------------|--------------------------------------------------------|--------------------|
|                                         | Rs '000           | Rs '000                                    | Rs '000                                                | Rs '000            |
| <b>December 31, 2023</b>                |                   |                                            |                                                        |                    |
| Financial assets:                       |                   |                                            |                                                        |                    |
| <b>Maturity up to one year</b>          |                   |                                            |                                                        |                    |
| Trade debts                             | 48,503            | –                                          | –                                                      | 48,503             |
| Loans and advances                      | 2,934,391         | –                                          | –                                                      | 2,934,391          |
| Deposits                                | 242,607           | –                                          | –                                                      | 242,607            |
| Other receivables                       | 2,946,350         | –                                          | –                                                      | 2,946,350          |
| Short term investments                  | 4,956,685         | 87,688,782                                 | 2,091,434                                              | 94,736,901         |
| Cash and bank balances                  | 858,347           | –                                          | –                                                      | 858,347            |
| <b>Maturity after one year</b>          |                   |                                            |                                                        |                    |
| Long term investments                   | –                 | –                                          | 2,706,925                                              | 2,706,925          |
| Long term loans and advances            | 2,629,638         | –                                          | –                                                      | 2,629,638          |
| Long term deposits                      | 12,378            | –                                          | –                                                      | 12,378             |
|                                         | <u>14,628,899</u> | <u>87,688,782</u>                          | <u>4,798,359</u>                                       | <u>107,116,040</u> |
|                                         |                   |                                            |                                                        |                    |
|                                         |                   |                                            |                                                        | Amortised<br>Cost  |
|                                         |                   |                                            |                                                        | Rs '000            |
| <b>Financial liabilities:</b>           |                   |                                            |                                                        |                    |
| <b>Maturity up to one year</b>          |                   |                                            |                                                        |                    |
| Current portion of long term borrowings |                   |                                            |                                                        | 6,095,000          |
| Current portion of lease liabilities    |                   |                                            |                                                        | 17,437             |
| Trade and other payables                |                   |                                            |                                                        | 90,550,373         |
| Markup and profit accrued               |                   |                                            |                                                        | 1,304,263          |
| Short term borrowings                   |                   |                                            |                                                        | 13,737,746         |
| Unclaimed dividend                      |                   |                                            |                                                        | 516,867            |
| <b>Maturity after one year</b>          |                   |                                            |                                                        |                    |
| Long term borrowings                    |                   |                                            |                                                        | 18,200,000         |
|                                         |                   |                                            |                                                        | <u>130,421,686</u> |

### 39.2 Credit quality of financial assets

The credit quality of Company's financial assets have been assessed below by reference to external credit rating of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR – VIS Credit Rating Company Limited (JCR – VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any default in meeting obligations.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

| Rating                                         |              | 2024        | 2023       |
|------------------------------------------------|--------------|-------------|------------|
|                                                |              | Rs '000     | Rs '000    |
| <b>Trade Debts</b>                             |              |             |            |
| Counterparties without external credit ratings |              |             |            |
| Existing customers with no default in the past |              | 943,632     | 48,503     |
| <b>Loans and advances</b>                      |              |             |            |
| Counterparties without external credit ratings |              |             |            |
| Loans and advances                             |              | 1,373,478   | 2,934,391  |
| <b>Deposits</b>                                |              |             |            |
| Counterparties without external credit ratings |              |             |            |
| Others                                         |              | 8,938       | 242,607    |
| <b>Other receivables</b>                       |              |             |            |
| Counterparties with external credit ratings    | A1+ / A1+    |             |            |
|                                                | A1 / A1      | 331,974     | 224,229    |
| Counterparties without external credit ratings |              |             |            |
| Balances with related parties                  |              | 969,908     | 1,345,791  |
| Others                                         |              | 1,341,364   | 1,376,330  |
|                                                |              | 2,643,246   | 2,946,350  |
| <b>Short term investments</b>                  |              |             |            |
| Counterparties with external credit ratings    | A1+/A-1+     | 6,258,558   | 5,188,449  |
|                                                | AM1          | 176,873,816 | 64,594,569 |
|                                                | AM2++/AM2    |             |            |
|                                                | /AM2+        | 18,575,536  | 23,094,213 |
| Counterparties without external credit ratings |              |             |            |
| PIBs issued by the Government of Pakistan      |              | 2,274,203   | 1,859,670  |
|                                                |              | 203,982,113 | 94,736,901 |
| <b>Bank balances</b>                           |              |             |            |
| Counterparties with external credit ratings    | A-1+/A1+/P-1 | 11,496,006  | 858,286    |
|                                                | A1/A-1       | 875,567     | 51         |
|                                                | A-2          | 20,468      | 9          |
|                                                | A-3          | 3           | 1          |
|                                                |              | 12,392,044  | 858,347    |
| <b>Long term investments</b>                   |              |             |            |
| Counterparties with external credit ratings    |              | AA +        | 300,000    |
| Counterparties without external credit ratings |              |             |            |
| PIBs issued by the Government of Pakistan      |              | 440,182     | 2,406,925  |
| Others                                         |              | 6,035,242   | -          |
|                                                |              | 6,775,424   | 2,706,925  |
| <b>Long term loans and advances</b>            |              |             |            |
| Counterparties without external credit ratings |              | 1,785,266   | 2,629,638  |
| <b>Long term deposits</b>                      |              |             |            |
| Counterparties without external credit ratings |              | 91,021      | 12,378     |

### 39.3 Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and can arise from investments, loans and advances, deposits, trade debts, other receivables, short term investments and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|                        | 2024               | 2023               |
|------------------------|--------------------|--------------------|
|                        | Rs '000            | Rs '000            |
| Long term investments  | 6,775,424          | 2,706,925          |
| Loans and advances     | 3,158,744          | 5,564,029          |
| Deposits               | 99,959             | 254,985            |
| Trade debts            | 943,632            | 48,503             |
| Other receivables      | 2,643,246          | 2,946,350          |
| Short term investments | 203,982,113        | 94,736,901         |
| Bank balances          | 12,392,044         | 858,347            |
|                        | <u>229,995,162</u> | <u>107,116,040</u> |

Geographically, there is no concentration of credit risk.

The maximum exposure to credit risk for trade debts at the reporting date are with dealers within the Country.

The Company's most significant financial asset is from an Asset Management Company which amounts to Rs 25,786,126 thousand (2023: Rs 11,206,111 thousand). This is included in total carrying amount of investments as at reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

Trade debts amounting to Rs 943,632 thousand (2023: Rs 48,503 thousand) are secured against letter of guarantee. The Company has placed funds in financial institutions with high credit ratings. The Company assesses the credit quality of the counter parties as satisfactory. The Company does not hold any collateral as security against any of its financial assets other than trade debts.

The Company limits its exposure to credit risk by investing only in liquid securities and only with counterparties that have high credit rating. Management actively monitors credit ratings and given that the Company only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

## Impairment losses

The aging of trade debts at the reporting date was:

|                     | 2024    |            | 2023    |            |
|---------------------|---------|------------|---------|------------|
|                     | Gross   | Impairment | Gross   | Impairment |
|                     | Rs '000 |            | Rs '000 |            |
| Not yet due         | 858,546 | –          | 26,047  | –          |
| Past due 1–30 days  | 85,086  | –          | 22,456  | –          |
| Past due 31–60 days | –       | –          | –       | –          |
| Past due 61–90 days | –       | –          | –       | –          |
| Over 90 days        | 1,758   | 1,758      | 1,758   | 1,758      |
|                     | 945,390 | 1,758      | 50,261  | 1,758      |

The management believes that no impairment allowance is necessary in respect of trade debts since significant amount of past due debts are secured by way of bank guarantees.

## b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Company monitors rolling forecasts of the liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet the cash flow requirements and maintaining the debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date, to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows and also include the impact of estimated future interest payments.



|                                            | Carrying<br>amount | Within 1<br>year   | 1 to 5<br>years               | More than<br>5 years |
|--------------------------------------------|--------------------|--------------------|-------------------------------|----------------------|
|                                            | Rs '000            | Rs '000            | Contractual Amount<br>Rs '000 | Rs '000              |
| <b>December 31, 2024</b>                   |                    |                    |                               |                      |
| Long term borrowings and accrued interest  | 38,917,672         | 7,617,672          | 31,300,000                    | –                    |
| Trade and other payables                   | 160,280,647        | 160,280,647        | –                             | –                    |
| Unclaimed dividend                         | 662,885            | 662,885            | –                             | –                    |
| Short term borrowings and accrued interest | 31,484,642         | 31,484,642         | –                             | –                    |
|                                            | <u>231,345,846</u> | <u>200,045,846</u> | <u>31,300,000</u>             | <u>–</u>             |
| <b>December 31, 2023</b>                   |                    |                    |                               |                      |
| Long term borrowings and accrued interest  | 25,270,837         | 7,070,837          | 18,200,000                    | –                    |
| Lease liabilities                          | 17,437             | 17,437             | –                             | –                    |
| Trade and other payables                   | 90,550,373         | 90,550,373         | –                             | –                    |
| Unclaimed dividend                         | 516,867            | 516,867            | –                             | –                    |
| Short term borrowings and accrued interest | 14,066,172         | 14,066,172         | –                             | –                    |
|                                            | <u>130,421,686</u> | <u>112,221,686</u> | <u>18,200,000</u>             | <u>–</u>             |

The contractual cash flow relating to long and short term borrowings have been determined on the basis of expected mark up rates.

**c) Market risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

**i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions of receivables and payables that exist due to transactions in foreign currencies.

**Exposure to Currency Risk**

The Company is exposed to currency risk on bank balance and investments which are denominated in currency other than the functional currency of the Company. The Company's exposure to foreign currency risk is as follows:

|                                     | 2024      |          | 2023      |          |
|-------------------------------------|-----------|----------|-----------|----------|
|                                     | Rs '000   | USD '000 | Rs '000   | USD '000 |
| Bank balance                        | 5,545     | 19.92    | 20        | 0.07     |
| Investments (Term deposit receipts) | 5,258,558 | 18,892   | 4,956,685 | 17,589   |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

The following significant exchange rates applied during the year:

|            | 2024<br>Average rate | 2023   | 2024<br>Reporting date rate | 2023   |
|------------|----------------------|--------|-----------------------------|--------|
| US Dollars | 273.81               | 282.40 | 278.35                      | 281.80 |

## Sensitivity analysis

A 10% strengthening of the functional currency against foreign currencies at December 31 would have decreased profit after tax by Rs 321,110 thousand (2023: Rs 302,359 thousand). A 10% weakening of the functional currency against foreign currencies at December 31 would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant.

## ii) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings, long term borrowings, long term investments, loans and advances, short term investments and deposits with banks. At the reporting date the interest rate risk profile of the Company's interest bearing financial instruments is:

|                                  | 2024<br>Carrying amount | 2023       |
|----------------------------------|-------------------------|------------|
|                                  | Rs '000                 | Rs '000    |
| <b>Fixed rate instruments</b>    |                         |            |
| Financial assets                 | 11,434,218              | 11,251,249 |
| <b>Variable rate instruments</b> |                         |            |
| Financial assets                 | 12,255,976              | 2,642,259  |
| Financial liabilities            | 69,478,908              | 38,032,746 |

## Fair value sensitivity analysis for fixed rate instruments

The Company is not exposed to variations in profit and loss on its fixed rate financial instruments.

## Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

|                                                          | 100 basis<br>points increase | 100 basis<br>points decrease |
|----------------------------------------------------------|------------------------------|------------------------------|
|                                                          | Rs '000                      | Rs '000                      |
| <b>December 31, 2024</b>                                 |                              |                              |
| <b>Cash flow sensitivity – Variable rate instruments</b> |                              |                              |
| Financial assets                                         | 74,761                       | (74,761)                     |
| Financial liabilities                                    | (423,821)                    | 423,821                      |
| <b>December 31, 2023</b>                                 |                              |                              |
| <b>Cash flow sensitivity – Variable rate instruments</b> |                              |                              |
| Financial assets                                         | 16,118                       | (16,118)                     |
| Financial liabilities                                    | (232,000)                    | 232,000                      |

### iii) Price risk

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.

#### Sensitivity analysis – price risk

For quoted investments classified as fair value through other comprehensive income, a 1% increase in market price at reporting date would have increased equity by Rs 18,388 thousand (2023: Rs 29,270 thousand); an equal change in the opposite direction would have decreased equity after tax by the same amount. For investments classified as fair value through profit or loss, the impact on profit would have been an increase or decrease by Rs 1,208,932 thousand (2023: Rs 534,902 thousand). The analysis is performed on the same basis for 2022 and assumes that all other variables remain the same.

### 39.4 Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.

### 39.5 Fair values

#### Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying values shown in the statement of financial position, are as follows:

|                                         | 2024               |                    | 2023              |                   |
|-----------------------------------------|--------------------|--------------------|-------------------|-------------------|
|                                         | Carrying value     | Fair value         | Carrying value    | Fair value        |
|                                         | Rs '000            |                    | Rs '000           |                   |
| <b>Assets carried at amortised cost</b> |                    |                    |                   |                   |
| Long term loans and advances            | 1,785,266          | 1,785,266          | 2,629,638         | 2,629,638         |
| Long term investments                   | 3,299,093          | 3,299,093          | –                 | –                 |
| Long term deposits                      | 91,021             | 91,021             | 12,378            | 12,378            |
| Trade debts                             | 943,632            | 943,632            | 48,503            | 48,503            |
| Loans and advances                      | 1,373,478          | 1,373,478          | 2,934,391         | 2,934,391         |
| Deposits                                | 8,938              | 8,938              | 242,607           | 242,607           |
| Other receivables                       | 2,643,246          | 2,643,246          | 2,946,350         | 2,946,350         |
| Short term investments                  | 6,258,558          | 6,258,558          | 4,956,685         | 4,956,685         |
| Cash and bank balances                  | 12,392,044         | 12,392,044         | 858,347           | 858,347           |
|                                         | <b>28,795,276</b>  | <b>28,795,276</b>  | <b>14,628,899</b> | <b>14,628,899</b> |
| <b>Assets carried at fair value</b>     |                    |                    |                   |                   |
| Long term investments                   | 3,476,331          | 3,476,331          | 2,706,925         | 2,706,925         |
| Short term investments                  | 197,723,555        | 197,723,555        | 89,780,216        | 89,780,216        |
|                                         | <b>201,199,886</b> | <b>201,199,886</b> | <b>92,487,141</b> | <b>92,487,141</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                              | 2024               |                    | 2023               |                    |
|----------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                              | Carrying value     | Fair value         | Carrying value     | Fair value         |
|                                              | Rs '000            |                    | Rs '000            |                    |
| <b>Liabilities carried at amortised cost</b> |                    |                    |                    |                    |
| Long term borrowings                         | 38,200,000         | 38,200,000         | 24,295,000         | 24,295,000         |
| Trade and other payables                     | 160,280,647        | 160,280,647        | 90,550,373         | 90,550,373         |
| Mark-up and profit accrued                   | 923,406            | 923,406            | 1,304,263          | 1,304,263          |
| Short term borrowings                        | 31,278,908         | 31,278,908         | 13,737,746         | 13,737,746         |
| Unclaimed dividend                           | 662,885            | 662,885            | 516,867            | 516,867            |
| Lease liabilities                            | –                  | –                  | 17,437             | 17,437             |
|                                              | <u>231,345,846</u> | <u>231,345,846</u> | <u>130,421,686</u> | <u>130,421,686</u> |

## Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows. There were no transfers amongst the levels during the year.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

|                                         | Level 1            | Level 2          | Level 3          |
|-----------------------------------------|--------------------|------------------|------------------|
|                                         | Rs '000            | Rs '000          | Rs '000          |
| <b>December 31, 2024</b>                |                    |                  |                  |
| Assets carried at fair value            |                    |                  |                  |
| Long term investments - FVTOCI & FVTPL  | 1,715,978          | 740,182          | 1,020,171        |
| Short term investments - FVTOCI & FVTPL | 195,449,352        | 2,274,203        | –                |
|                                         | <u>197,165,330</u> | <u>3,014,385</u> | <u>1,020,171</u> |
| <b>December 31, 2023</b>                |                    |                  |                  |
| Assets carried at fair value            |                    |                  |                  |
| Long term investments – FVTOCI          | –                  | 2,706,925        | –                |
| Short term investments – FVTOCI & FVTPL | 87,688,782         | 2,091,434        | –                |
|                                         | <u>87,688,782</u>  | <u>4,798,359</u> | <u>–</u>         |

## 39.5.1 Valuation techniques and significant unobservable inputs

Following table shows the valuation techniques used in measuring level 3 fair values, as well as significant unobservable inputs used.

| Type   | Valuation technique | Significant unobservable input | Sensitivity analysis   |                         |
|--------|---------------------|--------------------------------|------------------------|-------------------------|
|        |                     |                                | 1% increase<br>Rs '000 | 1 % decrease<br>Rs '000 |
| PPTFCs | DCF method          | Discount rate of 20.52% p.a.   | (10,202)               | 10,202                  |



|                                                     | 2024      | 2023    |
|-----------------------------------------------------|-----------|---------|
|                                                     | Rs '000   | Rs '000 |
| <b>39.5.2 Reconciliation of level 3 fair values</b> |           |         |
| Balance as at January 1,                            | —         | —       |
| Investment during the year                          | 1,020,171 | —       |
| Balance as at December 31,                          | 1,020,171 | —       |

### 39.5.3 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

#### Investment at fair value through profit and loss

The fair value of held for trading investment is determined by reference to their quoted closing repurchase price at the reporting date.

#### Investment at fair value through other comprehensive income

Investments at fair value through other comprehensive income are determined by reference to their quoted closing repurchase price at the reporting date and where applicable it is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

#### Investment in associate and subsidiary

The fair value of investment in listed associate and subsidiary is determined by reference to their quoted closing bid price at the reporting date. The fair value is determined for disclosure purposes.

#### Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

#### Non-derivative financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

## 40. RELATED PARTY TRANSACTIONS

40.1 Following are the related parties with whom the Company had entered into transactions during the year:

| Related party                               | Basis of relationship | Aggregate % age shareholding in the Company |
|---------------------------------------------|-----------------------|---------------------------------------------|
| Fauji Foundation                            | Holding company       | 43.51%                                      |
| Lt Gen Anwar Ali Hyder, HI(M) (Retired)     | Director              | —                                           |
| Mr. Jahangir Piracha                        | Director              | 0.00913%                                    |
| Maj Gen Zafar Ul Haq (Retired)              | Director              | —                                           |
| Mr. Saad Amanullah Khan                     | Director              | 0.00004%                                    |
| Ms. Maryam Aziz                             | Director              | 0.00001%                                    |
| Lt Gen Waheed Arshad, T.Bt, HI(M) (Retired) | Director              | —                                           |
| Mr. Yassir Ghiyati Ibn Ziyad                | Director              | —                                           |
| Mr. Qamar Haris Manzoor                     | Director              | 0.00056%                                    |
| Syed Bakhtiyar Kazmi                        | Director              | —                                           |

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

| Related party                                | Basis of relationship    | Aggregate % age shareholding in the Company |
|----------------------------------------------|--------------------------|---------------------------------------------|
| Mr. Shoaib Javed Hussain                     | Director                 | —                                           |
| Dr. Ayesha Khan                              | Director                 | 0.00001%                                    |
| Mr. Jehangir Shah                            | Director                 | —                                           |
| Mr. Waseem Ajmal Chaudhary                   | Director                 | —                                           |
| Mr. Waqar Ahmed Malik                        | Director                 | —                                           |
| Mr. Sarfaraz Ahmed Rehman                    | Director                 | —                                           |
| Dr. Nadeem Inayat                            | Director                 | —                                           |
| Mr. Rashid Mahmood Langrial                  | Director                 | —                                           |
| Mr. Asad Rehman Gillani                      | Director                 | —                                           |
| Maj. Gen Aneeq Ur Rehman Malik, HI(M) (Retd) | Director                 | —                                           |
| Mr. Mazhar Abbas Hasnani                     | Director                 | —                                           |
| Mr. Saif Anjum                               | Director                 | —                                           |
| Mr. Farhad Shaikh Mohammad                   | Director                 | 0.04567%                                    |
| Dr. Shamshad Akhtar                          | Director                 | 0.00001%                                    |
| Mr. Zulfiqar Ali Haider                      | Director                 | 0.00041%                                    |
| Mr. Syed Atif Ali                            | Key management personnel | —                                           |
| Mr. Arif Ur Rehman                           | Key management personnel | —                                           |
| Mr. Ather Javed                              | Key management personnel | —                                           |
| Mr. Wajid Ishaq Bhatti                       | Key management personnel | —                                           |
| Mr. Fakhar Ul Hasan Mahmood                  | Key management personnel | —                                           |
| Mr. Muhammad Abdullah                        | Key management personnel | —                                           |
| Syed Imran Shah                              | Key management personnel | —                                           |
| Syed Iftikhar Ahmad Kirmani                  | Key management personnel | —                                           |
| Syed Aamir Abbas                             | Key management personnel | —                                           |
| Mr. Aamer Fayyaz                             | Key management personnel | —                                           |
| Mr. Usman Ghani                              | Key management personnel | —                                           |
| Mr. Muhammad Tariq                           | Key management personnel | —                                           |
| Mr. Salar Malik                              | Key management personnel | —                                           |
| Mr. Muhammad Arif                            | Key management personnel | —                                           |
| Mr. Shahbaz Ahmad Khan                       | Key management personnel | —                                           |
| Mr. Sajjad Salim                             | Key management personnel | —                                           |
| Syed Farooq Ahmed Bokhari                    | Key management personnel | —                                           |
| Mr. Muhammad Qamar Ul Islam                  | Key management personnel | —                                           |
| Mr. Tauqeer Alam Gilani                      | Key management personnel | —                                           |
| Mr. Basharat Hussain                         | Key management personnel | —                                           |
| Mr. Faiz Ahmed                               | Key management personnel | —                                           |
| Mr. Zulfiqar Ali Haider                      | Key management personnel | —                                           |
| Syed Saleem Bacha                            | Key management personnel | —                                           |
| Mr. Ali Ashfaq                               | Key management personnel | —                                           |
| Mr. Masoom Hussain                           | Key Management Personnel | —                                           |
| Mr. Muhammad Abdul Bari                      | Key Management Personnel | —                                           |
| Mr. Sajid Majeed                             | Key Management Personnel | —                                           |
| Mr. Wasim Ejaz                               | Key Management Personnel | —                                           |
| Mr. Muhammad Javed Akhtar                    | Key Management Personnel | —                                           |
| Mr. Shakeel Ahmed                            | Key Management Personnel | —                                           |
| Brig Edgar Felix (Retd)                      | Key Management Personnel | —                                           |
| Brig Akhtar Nazir Khan (Retd)                | Key Management Personnel | —                                           |
| Brig Syed Haider Ali Naqvi (Retd)            | Key Management Personnel | —                                           |
| Col Muhammad Haseeb Azam (Retd)              | Key Management Personnel | —                                           |
| Brig Khurram Shahzada (Retd)                 | Key Management Personnel | —                                           |

| Related party                                        | Basis of relationship       | Aggregate % age shareholding in the Company |
|------------------------------------------------------|-----------------------------|---------------------------------------------|
| Fauji Foods Limited                                  | Subsidiary company          | 47.84%                                      |
| FFC Energy Limited                                   | Subsidiary company          | 100.00%                                     |
| Fauji Fresh n Freeze Limited                         | Subsidiary company          | 100.00%                                     |
| Foundation Wind Energy – I Limited                   | Subsidiary company          | 100.00%                                     |
| Foundation Wind Energy – II Limited                  | Subsidiary company          | 80.00%                                      |
| Olive Technical Services (Private) Limited           | Subsidiary company          | 100.00%                                     |
| FFBL Power Company Limited                           | Subsidiary company          | 75.00%                                      |
| Fauji Fertilizer Bin Qasim Limited (prior to merger) | Associated company          | 49.88%                                      |
| Askari Bank Limited                                  | Associated company          | 64.72%                                      |
| Agritech Limited                                     | Associated company          | 28.86%                                      |
| Thar Energy Limited                                  | Associated company          | 30.00%                                      |
| Fauji Meat Limited                                   | Common directorship         | 0.00%                                       |
| Pakistan Maroc Phosphore S.A., Morocco               | Common directorship         | 37.50%                                      |
| Fauji Cement Company Limited                         | Common directorship         | 4.29%                                       |
| Mari Petroleum Company Limited                       | Common directorship         | –                                           |
| Sona Welfare Foundation                              | Associated undertaking      | –                                           |
| Provident Fund Trust                                 | Contributory provident fund | –                                           |
| Gratuity Fund Trust                                  | Defined benefit fund        | –                                           |
| Pension Fund Trust                                   | Defined benefit fund        | –                                           |

**40.2** Following particulars relate to associated companies incorporated outside Pakistan with whom the Company had entered into transactions during the year:

| Particulars                                   | Pakistan Maroc Phosphore S.A., Morocco     |
|-----------------------------------------------|--------------------------------------------|
| Name of associated company                    | Pakistan Maroc Phosphore S.A.              |
| Basis of association                          | Joint Venture of OCP Group and Fauji Group |
| Aggregate %age of shareholding by the Company | 37.5% Equity Investment by the Company     |

**40.3** Fauji Foundation holds 43.51% (2023: 44.35%) shares of the Company at the year-end. Therefore all subsidiaries and associated undertakings of Fauji Foundation are related parties of the Company. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise influence, entities under common directorship and employees' funds. Material transactions with related parties and the balances outstanding at the year-end are given below. Loans and advances to executives and remuneration of chief executive, directors and executives are disclosed in notes 16, 21 and 35 to the financial statements respectively.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                                                        | 2024       | 2023        |
|----------------------------------------------------------------------------------------|------------|-------------|
|                                                                                        | Rs '000    | Rs '000     |
| <b>HOLDING COMPANY</b>                                                                 |            |             |
| Transactions                                                                           |            |             |
| Dividend paid                                                                          | 11,059,058 | 8,204,015   |
| Cost recharge                                                                          | 1,362,347  | 764,445     |
| Sale of investment property                                                            | 855,958    | –           |
| Sale of fertilizer                                                                     | 8,091      | 4,364       |
| Others                                                                                 | 83,039     | 1,439       |
| <b>Balances</b>                                                                        |            |             |
| Balance payable – unsecured                                                            | 835,271    | –           |
| <b>SUBSIDIARY COMPANIES</b>                                                            |            |             |
| Transactions                                                                           |            |             |
| (Decrease)/ increase in letters of comfort/ guarantees                                 | (23,752)   | 656,304     |
| Equity investment in Fauji Fresh n Freeze Limited                                      | 5,000,000  | –           |
| Equity investment in OLIVE Technical Services (Pvt) Limited                            | 80,000     | –           |
| Advance under revolving credit facility                                                | 1,547,500  | 1,800,000   |
| Payment received under revolving credit facility                                       | 3,297,500  | –           |
| Interest income                                                                        | 64,911     | 325,674     |
| Rental income                                                                          | 38,159     | 36,141      |
| Dividend income                                                                        | 7,579,121  | 1,800,000   |
| Services provided                                                                      | 644,028    | –           |
| Services received                                                                      | 12,373,992 | –           |
| Expenses incurred on behalf of subsidiary companies                                    | 176,649    | 203,536     |
| Receipt against expenses on behalf of subsidiary companies                             | 10,993     | 153,864     |
| Sale of fertilizer                                                                     | 77,111     | 33,923      |
| <b>Balances</b>                                                                        |            |             |
| Balances payable – unsecured                                                           | 2,341,368  | –           |
| Balance receivable – unsecured                                                         | 991,225    | 2,402,074   |
| <b>ASSOCIATED UNDERTAKINGS / COMPANIES DUE TO COMMON DIRECTORSHIP</b>                  |            |             |
| Transactions                                                                           |            |             |
| Expenses charged on account of marketing of fertilizer on behalf of associated company | 679,653    | 1,603,491   |
| Commission on sale of products                                                         | 11,337     | 24,367      |
| Sale of fertilizer                                                                     | 89,737     | 435,261     |
| Payments under consignment account – net                                               | 76,743,428 | 236,851,564 |
| Payments against purchase of gas and PEF project                                       | 57,452,107 | 37,209,281  |
| Purchase of raw materials and others                                                   | 43,231,373 | –           |
| Investment in Agritech Limited                                                         | 10,992,049 | –           |
| Equity investment                                                                      | –          | 1,158,208   |
| Services and materials provided                                                        | 39,304     | 61,167      |
| Services and materials received                                                        | 6,349      | –           |
| Donations                                                                              | 764,812    | 828,689     |
| Interest expense                                                                       | 238,185    | 463,933     |
| Interest income                                                                        | 881,177    | 6,803       |
| Dividend income                                                                        | 3,249,627  | –           |



|                                                                                            | 2024       | 2023       |
|--------------------------------------------------------------------------------------------|------------|------------|
|                                                                                            | Rs '000    | Rs '000    |
| <b>Balances</b>                                                                            |            |            |
| Long term investments                                                                      | –          | 32,899     |
| Short term borrowings                                                                      | 17,954,517 | 8,092,980  |
| Cash and Bank Balances                                                                     | 24,485     | –          |
| Balance receivable                                                                         | 465,280    | 607,914    |
| Balance payable                                                                            | 89,817,341 | 72,444,064 |
| <b>STAFF RETIREMENT BENEFITS</b>                                                           |            |            |
| Contribution                                                                               |            |            |
| Employees' Provident Fund Trust                                                            | 702,389    | 611,756    |
| Employees' Gratuity Fund – I Trust                                                         | 385,115    | 266,333    |
| Employees' Pension Fund Trust                                                              | 43,448     | –          |
| Employees' Funds as Dividend on equity holding<br>0.23% (2023: 0.25%)                      | 62,579     | 41,051     |
| <b>Balances</b>                                                                            |            |            |
| Balance payable – Gratuity Fund – I                                                        | 504,575    | 997,592    |
| Balance receivable – Gratuity Fund – II                                                    | 181,166    | –          |
| Balance receivable – Pension Fund Trust                                                    | 912,625    | 365,682    |
| <b>OTHERS</b>                                                                              |            |            |
| Transactions                                                                               |            |            |
| Remuneration and benefits of key management personnel<br>(No. of person(s): 37 (2023: 20)) | 1,210,004  | 674,438    |
| <b>Balances</b>                                                                            |            |            |
| Loans and advances                                                                         | 173,470    | 108,049    |

#### 41. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 26 to the financial statements.

#### 42. INTEREST IN JOINT ARRANGEMENTS

In the year 2022, the Company, Engro Fertilizer Company Limited (EFERT) and Fatima Fertilizer Company Limited (FATIMA) entered into a Framework Agreement (the Agreement) for Gas Pressure Enhancement Facilities (PEF) project dated November 30, 2022. Under the Agreement, the Company, EFERT and FATIMA have decided to jointly develop and install pressure enhancement facilities at the MPCL's delivery node to sustain the current level of pressure of gas supply from HRL reservoir of Mari Petroleum Company Limited (MPCL).

All decisions with respect to development and operations of PEF would be made only with unanimous consent of the Company, EFERT and FATIMA. 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, EFERT and FATIMA, 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, EFERT and FATIMA are 47.7%, 33.9% and 18.4%, respectively.

The Company has recognised its share of jointly held assets and liabilities of the joint operation under the appropriate heads and disclosed the same in related notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 43. NON ADJUSTING EVENTS AFTER REPORTING DATE

- 43.1 The Board of Directors in its meeting held on January 29, 2025 has proposed a final dividend of Rs 21 per share.

## 44. GENERAL

### 44.1 Production capacity

|                            | Note | Design capacity |       | Production    |       |
|----------------------------|------|-----------------|-------|---------------|-------|
|                            |      | 2024            | 2023  | 2024          | 2023  |
|                            |      | (Tonnes '000)   |       | (Tonnes '000) |       |
| <b>Urea</b>                |      |                 |       |               |       |
| Goth Machhi – Plant I      |      | 695             | 695   | 867           | 882   |
| Goth Machhi – Plant II     |      | 635             | 635   | 830           | 828   |
| Mirpur Mathelo – Plant III |      | 718             | 718   | 858           | 811   |
| Port Qasim – Plant IV      | 44.2 | 551             | –     | 286           | –     |
|                            |      | 2,599           | 2,048 | 2,841         | 2,521 |
| <b>DAP</b>                 |      |                 |       |               |       |
| Port Qasim – Plant IV      | 44.2 | 650             | –     | 452           | –     |

### 44.2 Design capacity and production

The design capacity reflects annual production/ design capacity whereas the actual production is for six months period only.

### 44.3 Facilities of letters of guarantee and letters of credit

Facilities of letters of credit and letters of guarantee amounting to Rs. 80,376,000 thousand and Rs. 8,256,000 thousand (2023: Rs. 19,074,000 thousand and Rs. 638,000 thousand) respectively are available to the Company against lien on shipping/title documents, and charge on assets of the Company. Facilities against letter of credit include Rs. 12,023,000 thousand and Rs. 2,175,000 thousand (2023: Rs. 12,032,000 thousand and Rs 3,175,000 thousand) limits assigned for issuance of SBLCs in relation to the Company's investment in Thar Energy Limited and Foundation Wind Energy Limited–I and Foundation Wind Energy Limited–II.

### 44.4 Donations

Cost of Sales and Distribution Cost include donations amounting to Rs 552,530 thousand (2023: Rs 629,586 thousand) and Rs 212,282 thousand (2023: Rs 199,103 thousand) respectively. These are disbursed through Sona Welfare Foundation, Sona Tower, 156, The Mall, Rawalpindi (associated undertaking). Interest of Mr. Jahangir Piracha in Sona Welfare Foundation is limited to the extent of his involvement in Sona Welfare Foundation as Chairman.

|                                              | 2024  | 2023  |
|----------------------------------------------|-------|-------|
| <b>44.5 Number of employees</b>              |       |       |
| Total number of employees at end of the year | 4,118 | 3,209 |
| Average number of employees for the year     | 3,680 | 3,221 |

### 44.6 Rounding-off

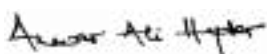
Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

#### **44.7 Corresponding figures**

- 44.7.1** Institute of Chartered Accountants of Pakistan (ICAP) issued a guidance "Application Guidance on Accounting for Minimum Taxes and Final Taxes" through circular No. 07/2024 dated May 15, 2024. In compliance of the foregoing, in the statement of financial position and statement of profit or loss, the final taxes previously presented as "provision for income taxes" and "taxation" have now been reclassified as "provision for final tax levies" in trade and other payables and "final taxes – levies" under IAS 37 / IFRIC 21, respectively. Accordingly, figures in the statement of cashflows have also been reclassified to conform to the current year's presentation.
- 44.7.2** In accordance with the requirements of applicable financial reporting framework, comparative figures for financial year 2023 have not been revised and represent the pre-merger/ amalgamation assets, liabilities and results of the Company only.
- 44.7.3** Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan.

#### **45. DATE OF AUTHORIZATION**

These Financial Statements have been authorized for issue by the Board of Directors of the Company on January 29, 2025.



**Chairman**



**Chief Executive**



**Director**



**Chief Financial Officer**







# 05

## CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements of the  
FFC Group along with Chairman's Review on  
the Group's performance

|                                                                                    |     |
|------------------------------------------------------------------------------------|-----|
| Group Structure                                                                    | 348 |
| Chairman's Review on the Consolidated Financial Statements                         | 350 |
| Directors' Report on the Consolidated Financial Statements                         | 351 |
| Independent Auditor's Report on the Audit of the Consolidated Financial Statements | 383 |
| Consolidated Financial Statements                                                  | 388 |

# GROUP STRUCTURE



Cement



Fertilizer



Banking



Energy



Investment

Rs 5.99 bn

FFC Share

30%



Food



Services





**A**

Investment

Rs **1.5** bn

FFC Share

**4.29%**



**JV**

Investment

Rs **2.12** bn

FFC Share

**37.50%**



**A**

Investment

Rs **4.92** bn

FFC Share

**28.86%**



**A**

Investment

Rs **15.69** bn

FFC Share

**64.72%**



**S**

Investment

Rs **7.49** bn

FFC Share

**100%**



**S**

Investment

Rs **6.02** bn

FFC Share

**80%**



**S**

Investment

Rs **2.44** bn

FFC Share

**100%**



**S**

Investment

Rs **6.44** bn

FFC Share

**75%**



**S**

Investment-net

Rs **5.24** bn

FFC Share

**100%**



**S**

Investment

Rs **12.06** bn

FFC Share

**82.16%**



**S**

Investment

Rs **100** mn

FFC Share

**100%**

Investment at cost in PKR  
(refer note 15, page 284 & 285)



# CHAIRMAN'S REVIEW

## on the Consolidated Financial Statements

### Dear Shareholders,

It is with profound satisfaction that I report the successful completion of another year for the FFC Group, marked by robust financial performance, strategic advancements, and sustainable growth, as we continue to solidify our position as a leader in the industry.

The merger of FFBL with and into FFC has significantly strengthened our strategic position as a leading business organization in the fertilizer sector. This integration has been further bolstered by the addition of Fauji Foods Limited (FFL) and FFBL Power Company Limited (FPCL) as newly acquired subsidiaries. Additionally, FFC's shareholding in its associated companies has increased to 64.72% in Askari Bank Limited (AKBL) and 37.5% in Pak Maroc Phosphore (PMP). The acquisition of a 28.86% shareholding in Agritech (AGL) Limited during the year further underscores our commitment to growth, sustainability, and long-term value creation for our esteemed shareholders.

Boards of all group companies diligently discharged their responsibilities with the highest standards of professionalism, characterized by exceptional transparency and good governance across the organizations.

The Group recorded a turnover of Rs 411 billion which comprises 91% of sale from fertilizer featuring pivotal role of this business in driving the group's success, while other subsidiaries and associated companies continued to play a key role in diversifying our portfolio and supporting long-term sustainability.

During the year the wind energy projects generated energy output of 264.56 Gwh, whereas lower wind speed led to a decline in revenue by 12% compared to last year, however lower finance cost and improved other income slightly compensated this decrease. The projects earned a net profit of Rs 11 billion and cash flow position improved owing to collections from receivable compared to last year.

As a result of the merger, the Group consolidated the financial results of FPCL's which added a Rs 3.4 billion to the bottom line of FFC group. The improvement in FPCL's profitability is driven by increased energy output of 483.6 Gwh during the year, an 18% increase compared to last year. During the year, FPCL also retired its entire long-term loan ahead of the schedule.

FFL, which is another of newly acquired subsidiary, recorded a profit of Rs 656 million, mainly due to growth in sales volume despite a challenging economic environment. During the year, FFL also completed the acquisition of Fauji Cereals and Fauji Infraavest Foods Limited. These additions, coupled with continued investment in brands and distribution infrastructure, will drive growth, synergies, and profitability in the coming years.

Fauji Fresh n Freeze Limited (FFF) achieved revenue of Rs 6.3 billion, reflecting 17% growth over the previous year. However, the Middle Eastern conflict, resulting in the boycott of international food chains, and inflationary pressures weighed on performance. Recent positive developments in the region, alongside some strategic measures within the group by overseeing through a Food Vertical is anticipated to enhance value creation.

Olive Technical Services (Private) Limited also recorded growth in both revenue and earnings while secured operation and maintenance (O&M) contract in the energy sector.

### Associated Companies

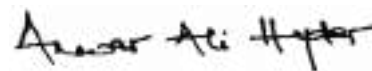
AKBL reported a profit of Rs 21 billion during the reporting period, compared to Rs 17.9 billion last year, driven by higher benchmark rates and volumetric growth that boosted net mark-up income. By focusing on market share expansion in the retail segment, particularly low-cost deposits and consumer products and through optimization and strategic branch expansion, the Bank is well positioned to sustain and enhance its profitability.

Share of profit from PMP also increased by 315% during the year due to improved profitability and increase in shareholding stake owing to merger. PMP is also executing a capacity enhancement project, which is expected to be completed in 2025 further augmenting the bottom line of group. Thar Energy Limited's share of profit amounted to Rs 2.2 billion which was lower by 17% compared to previous year.

AGL, a significant new acquisition, is primarily engaged in the production and sale of Urea and Single Super Phosphate (SSP). FFC has invested Rs 10.96 billion in AGL, including Rs 4.9 billion to acquire a 28.86% share capital. AGL has reported strong performance during last quarter amounting to Rs 1.7 billion in net profitability. Looking ahead, AGL is expected to further strengthen the Group's production capacity and market share by delivering high-quality fertilizer products at competitive prices.

The Group's financial results for 2024 incorporate FFBL's performance post-merger with and into FFC as well as the consolidation of the financial results of newly added subsidiaries in the second half of the year. The consolidated revenue stood at Rs 411 billion, marking a 127% increase from last year, while other income surged by 65% to Rs 27 billion. The share of profits from associates also increased by 111% to Rs 23.7 billion. These factors, combined with effective cost control measures and strategic alignments within the group, resulted in net profit of Rs 85.5 billion, an impressive 80% rise from Rs 47.5 billion last year. FFC, the parent company, announced an interim dividend of Rs 15.50 per share, revised to Rs 13.86 per share post merger. In addition, the Board of Directors has proposed a final dividend of Rs 21 per share.

We remain steadfast in our commitment to steer the Group through future challenges with resilience and foresight. The board is cognizant to the evolving needs of our stakeholders and dedicated to deliver sustained value, while ensuring long-term growth and exceptional returns to our shareholders.



**Lieutenant General Anwar Ali Hyder,  
Hilal-e-Imtiaz (Military) (Retired)**

Chairman

Rawalpindi  
January 29, 2025



# FINANCIAL PERFORMANCE OF THE GROUP

## Group Composition

FFC Group comprises the following companies:

### Holding Company

Fauji Fertilizer Company Limited (FFC)

### Subsidiary Companies

FFC Energy Limited (FFCEL)

Fauji Fresh n Freeze Limited (FFF)

Foundation Wind Energy – I Limited (FWEL-I)

Foundation Wind Energy – II Limited (FWEL-II)

OLIVE Technical Services (Private) Limited (Olive)

Fauji Foods Limited (FFL)

FFBL Power Company Limited (FPCL)

### Associated Companies

Askari Bank Limited (AKBL)

Fauji Cement Company Limited (FCCL)

Pak Maroc Phosphore S.A., Morocco (PMP)

Thar Energy Limited (TEL)

Agritech Limited (AGL)

The Group's financial results for 2024 incorporate FFBL's performance post-merger with and into FFC as well as the consolidation of newly added subsidiaries in the second half of the year under FFC. Correspondingly, the share of profit from associates is recorded in line with the respective equity stakes held in the first half (pre-merger) and in the second half (post-merger) of the year. The comparative figures pertain to the existing Group's results as reported for the year 2023.

## Profit or Loss Analysis

### Turnover

The Group achieved a record turnover of Rs 411 billion marking a 127% increase from the previous year, which primarily comprises of revenue of Rs 374 billion generated from the fertilizer business, Rs 19 billion earned from energy business (including FFCEL, FWEL I & II and newly acquired FPCL) and Rs 18 billion achieved from food business (including FFF and newly acquired FFL). The growth in revenue is mainly attributable to the fertilizer business.

### Cost of Sales

Cost of sales stood at Rs 268 billion, out of which Rs 247 billion is incurred by fertilizer business, Rs 4 billion by energy business and Rs 17 billion by food business. The increase is attributable to the impacts of inflation, escalated cost of raw materials and additional cost of sale of Port Qasim Plant related to post-merger period, which was not included in the comparable period.

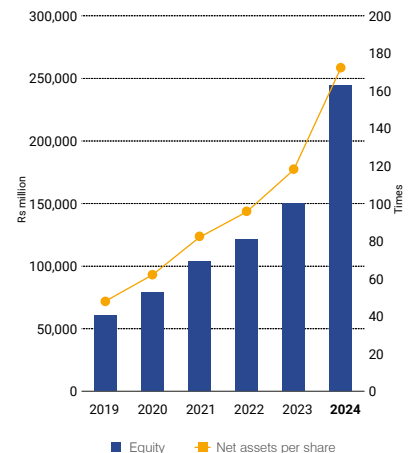
### Gross Profit

Gross profit of the Group thus stood at Rs 144 billion, improving by 87% compared to Rs 77 billion in 2023. Fertilizer, energy and food business contributed Rs 127 billion, Rs 15 billion and Rs 2 billion to gross profit for the year respectively.

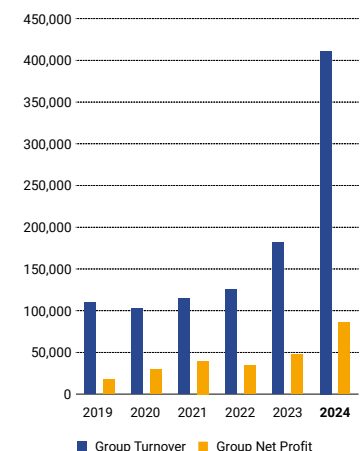
### Administrative and Distribution Expenses

Administrative and distribution expenses of Rs 32 billion increased by 132% compared to last year.

### Group Equity & Net Assets per Share



### Group Turnover & Profit (Rs million)



Fertilizer, energy and food business contributed Rs 29 billion, Rs 1 billion and Rs 2 billion to the administrative and distribution expenses for the year respectively.

### Finance Costs

Finance costs, including FPCL's interest expenditure of Rs 1 billion in second half of the year, stood at Rs 7.9 billion, which increased by Rs 1.3 billion only as compared Rs 6.6 billion in previous year, representing 20% increase.

# FINANCIAL PERFORMANCE OF THE GROUP

## Other Losses / Other Expenses

Other losses comprising of unwinding of GIDC liability of Rs 0.2 billion and provision for expected credit loss of Rs 1.2 billion on subsidy receivable from the Government were booked during the year. While other expenses increased by 89% to Rs 10 billion owing to higher charge of WPPF/WWF due to improved profitability.

## Other Income

Effective treasury management resulted in the other income of Rs 27 billion as compared to Rs 16.4 billion in the previous year, representing 65% increase.

## Share of Profit of Associates and Joint Venture

Share of profit from associates and the joint venture rose to Rs 23.7 billion, compared to Rs 11.24 billion last year. This increase primarily reflects higher profitability among associates, a turnaround in the joint venture's financial results, and an enhanced share of profit in PMP and AKBL, owing to the merger of FFBL with and into FFC.

## Provision for Taxation

The Group recorded a tax charge of Rs 57.4 billion, reflecting a 112% increase compared to 2023. This significant rise is mainly attributable to the Group's higher profitability.

## Profit for the Year

Consequently, the Group's profitability improved by 80% to Rs 85.5 billion with an earnings per share of Rs 60.10 compared to Rs 37.30 last year.

## Subsidiary Companies

### FFC Energy Limited

The pioneer wind power company FFCEL is a public unlisted Company and wholly owned subsidiary of FFC. Established with the primary objective to undertake the business of power generation and sale, FFCEL started its commercial operations in May 2013 and has a power generation capacity of 49.5 MW. FFC currently has an equity investment of Rs 2.44 billion in the company.

FFCEL's energy output relies heavily on consistent and robust wind speed to achieve optimal power generation. In 2024, low wind speed adversely impacted FFCEL's operations and profitability.

The Company's net profit was recorded at Rs 1.54 billion, marking a 24% decline from the previous year's Rs 2.03 billion. The shortfall is primarily linked to reduced power generation caused by lower wind speeds. However, better

receivables collection from the power purchaser significantly enhanced cash availability, enabling further investments and driving growth in other income.

The plant maintained strong operational performance by achieving an average availability factor of 98% and supplying 71.94 GWh of electricity to the National Grid—exceeding the established benchmark. Notably, this achievement came despite the challenges posed by unscheduled maintenance activities and the “once-in-10-year” preventive maintenance of the on-load tap changers (OLTC) on both 132kV power transformers.

FFCEL also focused on enhancing its technical capabilities by offering specialized training to its team and promoting broader industry skill development through various collaborations. Meanwhile, the company's dedication to corporate social responsibility remained evident through its ongoing involvement in a range of initiatives, including ladies' vocational training, education, water supply, and technical on-the-job training.

The Auditors of FFCEL have issued an unmodified opinion in their separate audit report on FFCEL's financial statements for the year ended December 31, 2024.

### Composition Of The Board

1. Mr. Jahangir Piracha
2. Maj Gen Saeed Akhtar (Retd)
3. Syed Bakhtiyar Kazmi
4. Maj Gen M. Aneeq Ur Rehman Malik (Retd)
5. Maj Gen Tariq Qaddus (Retd)
6. Syed Iftikhar Ahmad Kirmani
7. Mr. Adnan Samdani

### Board Meetings During the Year

| Name of Director                              | 24 Jan | 24 Apr   | 22 Jul | 20 Sep | 10 Oct | 18 Dec   | Meetings Attended |
|-----------------------------------------------|--------|----------|--------|--------|--------|----------|-------------------|
| Mr. Sarfaraz Ahmed Rehman                     |        | Resigned |        |        |        |          |                   |
| Mr. Jahangir Piracha                          | N/A    |          |        |        |        |          |                   |
| Maj Gen Asif Ali (Retd)                       |        | Resigned |        |        |        |          |                   |
| Maj Gen Saeed Akhtar (Retd)                   | N/A    |          |        |        |        |          |                   |
| Syed Bakhtiyar Kazmi                          |        |          |        |        |        |          |                   |
| Maj Gen Tariq Qaddus (Retd)                   |        |          |        |        |        |          |                   |
| Maj Gen Zafar ul Haq (Retd)                   |        |          |        |        |        | Resigned |                   |
| Maj Gen Muhammad Aneeq Ur Rehman Malik (Retd) | N/A    |          |        |        |        |          |                   |
| Mr. Muhammad Aleem Khan                       |        | Resigned |        |        |        |          |                   |
| Syed Iftikhar Ahmad Kirmani                   | N/A    |          |        |        |        |          |                   |
| Mr. Adnan Samdani                             |        |          |        |        |        |          |                   |

### Casual Vacancies Filled During the Year

| New Appointment                               | Resignation / Retired       | Date of Appointment |
|-----------------------------------------------|-----------------------------|---------------------|
| Mr. Jahangir Piracha                          | Mr. Sarfaraz Ahmed Rehman   | 1 Apr 2024          |
| Maj Gen Saeed Akhtar (Retd)                   | Maj Gen Asif Ali (Retd)     | 10 Apr 2024         |
| Maj Gen Muhammad Aneeq Ur Rehman Malik (Retd) | Maj Gen Zafar UI Haq (Retd) | 17 Oct 2024         |
| Syed Iftikhar Ahmad Kirmani                   | Mr. Muhammad Aleem Khan     | 21 Feb 2024         |

### Audit And HR&R Committee Meetings During the Year

| Name of Director                       | 22 Jan | 18 Apr | 18 Jul | 8 Oct | 16 Dec   | Meetings Attended |
|----------------------------------------|--------|--------|--------|-------|----------|-------------------|
| Syed Bakhtiyar Kazmi                   |        |        |        |       |          |                   |
| Maj Gen Zafar ul Haq (Retd)            |        |        |        |       | Resigned |                   |
| Mr. Adnan Samdani                      |        |        |        |       |          |                   |
| Maj Gen M Aneeq Ur Rehman Malik (Retd) | N/A    |        |        |       |          |                   |

### Casual Vacancies Filled During the Year

| New Appointment                        | Resignation / Retired       | Date of Appointment |
|----------------------------------------|-----------------------------|---------------------|
| Maj Gen M Aneeq Ur Rehman Malik (Retd) | Maj Gen Zafar ul Haq (Retd) | 17 Oct 2024         |



# FINANCIAL PERFORMANCE OF THE GROUP

## Foundation Wind Energy – I Limited

On September 29, 2021, FFC acquired 100% equity stake in FWEL-I, which is an unlisted company. FWEL-I is a 50 MW wind power project established with an objective to undertake the business of power generation and sale; it started commercial operations in April 2015. FFC has made an investment of Rs 7.49 billion in the project.

FWEL-I showcased strong operational performance, achieving a 98.10% availability factor and delivering 91.37 GWh to the National Grid. Despite low wind speeds and extensive maintenance, the company's operational efficiency

remained high. Sales revenue decreased slightly to Rs 6.55 billion.

However, better receivables collection from the power purchaser significantly enhanced cash availability, enabling further investments and driving growth in other income by 71% to Rs 708 million. Net profitability for FWEL-I also improved to Rs 5.1 billion, a 6% increase from last year. This demonstrates the company's efficient financial management and commitment to sustained growth.

The Company maintained its dedication to corporate social responsibility by establishing a branch for women's vocational training with a focus on home solar solutions, education, health, and

technical training. This showcases the Board's commitment to ethical practices and strengthens FWEL-I's reputation as a responsible and efficient energy provider.

Auditors of FWEL – I have issued an unmodified opinion in their separate audit report on the company's financial statements for the period ended December 31, 2024.

### Composition Of The Board

1. Mr. Jahangir Piracha
2. Maj Gen Saeed Akhtar (Retd)
3. Syed Bakhtiyar Kazmi
4. Maj Gen Muhammad Ihsanullah (Retd)
5. Maj Gen Tariq Qaddus (Retd)
6. Syed Iftikhar Ahmad Kirmani
7. Syed Atif Ali

### Board Meetings During the Year

| Name of Director                   | 24 Jan | 24 Apr   | 22 Jul | 20 Sep | 10 Oct | 18 Dec | Meetings Attended |
|------------------------------------|--------|----------|--------|--------|--------|--------|-------------------|
| Mr. Sarfaraz Ahmed Rehman          |        | Resigned |        |        |        |        |                   |
| Mr. Jahangir Piracha               | N/A    |          |        |        |        |        |                   |
| Maj Gen Asif Ali (Retd)            |        | Resigned |        |        |        |        |                   |
| Maj Gen Saeed Akhtar (Retd)        | N/A    |          |        |        |        |        |                   |
| Dr. Nadeem Inayat                  |        | Resigned |        |        |        |        |                   |
| Syed Bakhtiyar Kazmi               |        |          |        |        |        |        |                   |
| Maj Gen Muhammad Ihsanullah (Retd) |        |          |        |        |        |        |                   |
| Maj Gen Tariq Qaddus (Retd)        | N/A    |          |        |        |        |        |                   |
| Mr. Muhammad Aleem Khan            |        | Resigned |        |        |        |        |                   |
| Syed Iftikhar Ahmad Kirmani        | N/A    |          |        |        |        |        |                   |
| Syed Atif Ali                      |        |          |        |        |        |        |                   |

### Casual Vacancies Filled During the Year

| New Appointment             | Resignation / Retired     | Date of Appointment |
|-----------------------------|---------------------------|---------------------|
| Mr. Jahangir Piracha        | Mr. Sarfaraz Ahmed Rehman | 1 Apr 2024          |
| Maj Gen Saeed Akhtar (Retd) | Maj Gen Asif Ali (Retd)   | 10 Apr 2024         |
| Maj Gen Tariq Qaddus (Retd) | Dr. Nadeem Inayat         | 6 Apr 2024          |
| Syed Iftikhar Ahmad Kirmani | Mr. Muhammad Aleem Khan   | 21 Feb 2024         |

### Audit And HR&R Committee Meetings During the Year

| Name of Director                   | 22 Jan | 18 Apr   | 18 Jul | 8 Oct | 16 Dec | Meetings Attended |
|------------------------------------|--------|----------|--------|-------|--------|-------------------|
| Syed Bakhtiyar Kazmi               |        |          |        |       |        |                   |
| Dr. Nadeem Inayat                  |        | Resigned |        |       |        |                   |
| Maj Gen Muhammad Ihsanullah (Retd) |        |          |        |       |        |                   |
| Syed Atif Ali                      |        |          |        |       |        |                   |
| Maj Gen Tariq Qaddus (Retd)        | N/A    |          |        |       |        |                   |

### Casual Vacancies Filled During the Year

| New Appointment             | Resignation / Retired | Date of Appointment |
|-----------------------------|-----------------------|---------------------|
| Maj Gen Tariq Qaddus (Retd) | Dr. Nadeem Inayat     | 6 Apr 2024          |



## Foundation Wind Energy – II Limited

On September 29, 2021, FFC acquired 80% equity stake in FWEL – II, which is an unlisted public limited company. FWEL – II is a 50 MW wind power project established with an objective to undertake the business of power generation and sale; it started commercial operations in Dec 2014. FFC has made an investment of Rs 6.02 billion in the project.

FWEL-II demonstrated strong operational efficiency in 2024, achieving a 98.13% average

availability factor. The plant successfully delivered 101,247 MWh of electricity to the National Grid. This performance reflects the company's commitment to maintaining high operational standards despite various challenges, including low wind speeds.

Financially, the Company's sales revenue of Rs 5.74 billion decreased 13% from the previous year. However, better receivables collection from the power purchaser significantly enhanced cash availability, enabling further investments and driving growth in other income by 37% to Rs 567 million. Net profitability also

decreased by 12% to Rs 4.15 billion compared to Rs 4.72 billion last year.

Auditors of FWEL – II have issued an unmodified opinion in their separate audit report on the company's financial statements for the period ended December 31, 2024.

### Composition of The Board

1. Mr. Jahangir Piracha
2. Maj Gen Saeed Akhtar (Retd)
3. Syed Bakhtiyar Kazmi
4. Maj Gen Muhammad Ihsanullah (Retd)
5. Maj Gen Tariq Qaddus (Retd)
6. Syed Atif Ali
7. Mr. Aziz Ikram
8. Col Salar Malik (Retd)
9. Mr. Mustafa Tapal
10. Mr. Adnaan Tapal
11. Mr. Daanish Tapal (Only AGM Member)

### Board Meetings During the Year

| Name of Director                   | 24 Jan | 24 Apr   | 22 Jul | 20 Sep | 10 Oct   | 18 Dec | Meetings Attended |
|------------------------------------|--------|----------|--------|--------|----------|--------|-------------------|
| Mr. Sarfaraz Ahmed Rehman          |        | Resigned |        |        |          |        |                   |
| Mr. Jahangir Piracha               | N/A    |          |        |        |          |        |                   |
| Maj Gen Asif Ali (Retd)            |        | Resigned |        |        |          |        |                   |
| Maj Gen Saeed Akhtar (Retd)        | N/A    |          |        |        |          |        |                   |
| Dr. Nadeem Inayat                  |        | Resigned |        |        |          |        |                   |
| Syed Bakhtiyar Kazmi               |        |          |        |        |          |        |                   |
| Maj Gen Muhammad Ihsanullah (Retd) |        |          |        |        |          |        |                   |
| Maj Gen Tariq Qaddus (Retd)        | N/A    |          |        |        |          |        |                   |
| Syed Atif Ali                      |        |          |        |        |          |        |                   |
| Mr. Aziz Ikram                     |        |          |        |        |          |        |                   |
| Mr. Muhammad Javed Akhtar          |        |          |        |        | Resigned |        |                   |
| Col Salar Malik (Retd)             | N/A    |          |        |        |          |        |                   |
| Mr. Mustafa Tapal                  |        |          |        |        |          |        |                   |
| Mr. Adnaan Tapal                   |        |          |        |        |          |        |                   |

### Casual Vacancies Filled During the Year

| New Appointment             | Resignation / Retired     | Date of Appointment |
|-----------------------------|---------------------------|---------------------|
| Mr. Jahangir Piracha        | Mr. Sarfaraz Ahmed Rehman | 1 Apr 2024          |
| Maj Gen Saeed Akhtar (Retd) | Maj Gen Asif Ali (Retd)   | 10 Apr 2024         |
| Maj Gen Tariq Qaddus (Retd) | Dr. Nadeem Inayat         | 6 Apr 2024          |
| Col Salar Malik (Retd)      | Mr. Muhammad Javed Akhtar | 26 Sep 2024         |

### Audit And Hr&R Committee Meetings During the Year

| Name of Director            | 22 Jan | 18 Apr   | 18 Jul | 8 Oct | 16 Dec | Meetings Attended |
|-----------------------------|--------|----------|--------|-------|--------|-------------------|
| Syed Bakhtiyar Kazmi        |        |          |        |       |        |                   |
| Dr. Nadeem Inayat           |        | Resigned |        |       |        |                   |
| Mr. Aziz Ikram              |        |          |        |       |        |                   |
| Syed Atif Ali               |        |          |        |       |        |                   |
| Mr. Mustafa Tapal           |        |          |        |       |        |                   |
| Maj Gen Tariq Qaddus (Retd) | N/A    |          |        |       |        |                   |

### Casual Vacancies Filled During the Year

| New Appointment             | Resignation / Retired | Date of Appointment |
|-----------------------------|-----------------------|---------------------|
| Maj Gen Tariq Qaddus (Retd) | Dr. Nadeem Inayat     | 6 Apr 2024          |

# FINANCIAL PERFORMANCE OF THE GROUP

## FFBL Power Company Limited

FPCL is a 118-megawatt coal-fired power project located within the Port Qasim fertilizer complex. Designed to address Pakistan's energy crisis, it supplies reliable and cost-effective electricity to the national grid through K-Electric while conserving natural gas by providing power to FFC's Port Qasim plant (formerly FFBL's fertilizer plant), which previously generated electricity using natural gas.

FPCL achieved Commercial Operations Date (COD) on May 19, 2017, with a total project cost of approximately USD 291 million, funded at a debt-to-equity ratio of 72:28. Following the merger of FFBL into FFC, effective July 1, 2024, FFBL's 75% shareholding in FPCL has been transferred to FFC. Power generated by FPCL is utilized at FFC's

Bin Qasim fertilizer plant and also exported to K-Electric.

During the year, FPCL recorded revenue of Rs 32 billion, a 10% increase over the previous year, largely driven by higher energy output. Net profit for the year marked an 88% rise from last year's profit. FPCL also settled its entire long-term loan ahead of schedule.

Operationally, FPCL delivered 157.5 GWh of electricity to Port Qasim Plant fertilizer plant and 326 GWh to K-Electric Limited, in addition to supplying 1,529 KMT of steam to the Port Qasim Plant fertilizer plant. The company successfully completed its annual turnaround as well.

By effectively managing its operational and financial risks, FPCL is positioned to generate stable and robust returns in the future.

The company's auditors have issued an unmodified opinion in their separate audit report on FPCL's financial statements for the year ended December 31, 2024.

### Composition of the Board

1. Lt Gen Anwar Ali Hyder (Retd)
2. Mr. Arif ur Rehman
3. Mr. Jahangir Piracha
4. Mr. Muhammad Tariq
5. Mr. Qamar Haris Manzoor
6. Syed Bakhtiyar Kazmi
7. Mr. Aziz Ikram
8. Mr. Mazhar Abbas Hasnani
9. Maj Gen Amjad Ahmed Butt (Retd)

### Board Meetings During the Year

| Name of Director                            | 25 <sup>th</sup><br>Jan<br>2024 | 25 <sup>th</sup><br>April<br>2024 | 25 <sup>th</sup><br>July<br>2024 | 09 <sup>th</sup><br>Sep<br>2024 | 23 <sup>rd</sup><br>Oct<br>2024 | 24 <sup>th</sup><br>Dec<br>2024 | Meetings Attended |
|---------------------------------------------|---------------------------------|-----------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------|
| Mr. Waqar Ahmed Malik                       |                                 | Resigned                          |                                  |                                 |                                 |                                 |                   |
| Mr. Sarfaraz Ahmed Rehman                   |                                 | Resigned                          |                                  |                                 |                                 |                                 |                   |
| Lt Gen Anwar Ali Hyder (Retd)               | N/A                             |                                   |                                  |                                 |                                 |                                 |                   |
| Mr. Arif Ur Rehman                          |                                 |                                   |                                  |                                 |                                 |                                 |                   |
| Mr. Jahangir Piracha                        | N/A                             |                                   |                                  |                                 |                                 |                                 |                   |
| Mr. Qamar Haris Manzoor                     |                                 |                                   |                                  |                                 |                                 |                                 |                   |
| Maj Gen Muhammad Junaid HI(M), TI(M) (Retd) |                                 |                                   |                                  |                                 |                                 | Resigned                        |                   |
| Maj Gen Amjad Ahmed Butt HI (M) (Retd)      | N/A                             |                                   |                                  |                                 |                                 |                                 |                   |
| Syed Atif Ali                               |                                 | Resigned                          |                                  |                                 |                                 |                                 |                   |
| Syed Bakhtiyar Kazmi                        | N/A                             |                                   |                                  |                                 |                                 |                                 |                   |
| Mr. Aziz Ikram                              |                                 |                                   |                                  |                                 |                                 |                                 |                   |
| Mr. Muhammad Tariq                          |                                 |                                   |                                  |                                 |                                 |                                 |                   |
| Mr. Khurram Shahzad Khan                    |                                 |                                   |                                  |                                 |                                 | Resigned                        |                   |
| Mr. Mazhar Abbas Hasnani                    | N/A                             |                                   |                                  |                                 |                                 |                                 |                   |

### Casual Vacancies Filled During the Year

| New Appointment                        | Resignation / Retired                       | Date of appointment |
|----------------------------------------|---------------------------------------------|---------------------|
| Lt Gen Anwar Ali Hyder (Retd)          | Mr. Waqar Ahmed Malik                       | 5 April 2024        |
| Mr. Jahangir Piracha                   | Mr. Sarfaraz Ahmed Rehman                   | 5 April, 2024       |
| Syed Bakhtiyar Kazmi                   | Syed Atif Ali                               | 26 March, 2024      |
| Maj Gen Amjad Ahmed Butt HI (M) (Retd) | Maj Gen Muhammad Junaid HI(M), TI(M) (Retd) | 24 October, 2024    |
| Mr. Mazhar Abbas Hasnani               | Mr. Khurram Shahzad Khan                    | 24 October, 2024    |

### Audit Committee Meetings During the Year

| Name of Director                            | 18 <sup>th</sup><br>Jan<br>2024                                                   | 19 <sup>th</sup><br>April<br>2024                                                 | 18 <sup>th</sup><br>July<br>2024                                                  | 18 <sup>th</sup><br>Oct<br>2024                                                     | 11 <sup>th</sup><br>Dec<br>2024                                                     | Meetings Attended |
|---------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------|
| Syed Atif Ali                               |  | Resigned                                                                          |                                                                                   |                                                                                     |                                                                                     | ●                 |
| Syed Bakhtiyar Kazmi                        | N/A                                                                               |  |  |  |  | ●●●●●             |
| Maj Gen Muhammad Junaid HI(M), TI(M) (Retd) |  |  |  | ×                                                                                   | Resigned                                                                            | ●●●●●             |
| Maj Gen Amjad Ahmed Butt HI (M) (Retd)      | N/A                                                                               |                                                                                   |                                                                                   |                                                                                     |  | ●                 |
| Mr. Aziz Ikram                              |  |  |  |  |  | ●●●●●             |

### HR&R Committee Meetings During the Year

| Name of Director          | 25 <sup>th</sup> Jan 2024                                                           | 24 <sup>th</sup> Dec 2024                                                             | Meetings Attended |
|---------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------|
| Mr. Sarfaraz Ahmed Rehman |  | Resigned                                                                              | ●                 |
| Mr. Arif Ur Rehman        |  |  | ●●                |
| Mr. Muhammad Tariq        |  |  | ●●                |
| Mr. Jahangir Piracha      | N/A                                                                                 |  | ●                 |

### Casual Vacancies Filled During the Year

| New Appointment                        | Resignation / Retired                       | Date of appointment |
|----------------------------------------|---------------------------------------------|---------------------|
| Syed Bakhtiyar Kazmi                   | Syed Atif Ali                               | 26 March, 2024      |
| Mr. Jahangir Piracha                   | Mr. Sarfaraz Ahmed Rehman                   | 5 April, 2024       |
| Maj Gen Amjad Ahmed Butt HI (M) (Retd) | Maj Gen Muhammad Junaid HI(M), TI(M) (Retd) | 24 October, 2024    |



# FINANCIAL PERFORMANCE OF THE GROUP

## Management objectives (FFCEL, FWEL-I, FWEL-II & FPCL)

### Business Strategy

Maintaining our key position in the core business, we employ our unique organization culture, professional excellence and financial strength to maintain excellent business relationships with our stakeholders for development of renewable energy sector in Pakistan.

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:<br>Maximized Energy Production                                                                                                |                                                           |                                                                                     |                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated                                                                                                                                | Financial capital, Human capital                          | <br> | <ul style="list-style-type: none"><li>• Achieve Benchmark Energy numbers</li><li>• Avoid generation losses/ disputes with power purchaser</li><li>• Shareholder's satisfaction</li></ul>                                                 |
| KPI Monitored                                                                                                                                      | Net Delivered Energy, Plant Availability, WTG Power Curve |                                                                                                                                                                        |                                                                                                                                                                                                                                          |
| Status                                                                                                                                             | Ongoing process                                           |                                                                                                                                                                        | <ul style="list-style-type: none"><li>• Aging of Plant</li><li>• Working capital issues due to Circular Debt issue</li><li>• Unscheduled Maintenance</li><li>• Unavailability of spare parts</li><li>• Weather pattern changes</li></ul> |
| Future relevance of KPI                                                                                                                            | KPI will remain relevant in future                        |                                                                                                                                                                        |                                                                                                                                                                                                                                          |
| Strategy: Effective Implementation of O&M plans, Effective supply chain management (SCM), Reliability Improvement Measures, Performance monitoring |                                                           |                                                                                                                                                                        |                                                                                                                                                                                                                                          |

/// Nature  
Medium Term

★★★ Priority  
High

| Strategic Objective:<br>Cost Optimization                                                                                                        |                                                             |                                                                                        |                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Resources allocated                                                                                                                              | Financial Capital, Human capital, Intellectual capital      | <br> |                            |
| KPI Monitored                                                                                                                                    | Gross Profit Margin, Net Profit Margin, O&M Cost Absorption |                                                                                                                                                                            | Increased profitability    |
| Status                                                                                                                                           | Ongoing process                                             |                                                                                                                                                                            | Reduced working efficiency |
| Future relevance of KPI                                                                                                                          | KPI will remain relevant in future                          |                                                                                                                                                                            |                            |
| Strategy: Optimized resource utilization through proper planning, Improved technology, Need base expenditure, Cost monitoring at multiple levels |                                                             |                                                                                                                                                                            |                            |

/// Nature  
Medium to long term

★★★ Priority  
Medium

Strategic Objective:  
Self-reliance in Operations and Maintenance

Resources allocated

Financial Capital, Human Capital

KPI Monitored

Plant Availability, Training Budget Utilization, Contracted Out Services Expenditure

Status

On-going process

Future relevance of KPI

Relevant for future as well



- O&M services to other wind farms
- Efficient manpower utilization
- Foreign exchange saving

- Technical work load
- Manpower Attrition
- Higher administrative work load

Strategy: Technical trainings, Certification from OEMs / Experts, Technical Audit of O&M Activities

/// Nature  
Long-term

★★★ Priority  
Medium

| Strategic Objective:<br>Create / enter new lines of business to augment profitability |                                                        |                                                                                       |                          |
|---------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Resources allocated                                                                   | Human Capital, Intellectual Capital, Financial Capital | <br> | Business diversification |
| KPI Monitored                                                                         | Revenue generated from services                        |                                                                                                                                                                            | New business risks       |
| Status                                                                                | Ongoing process                                        |                                                                                                                                                                            |                          |
| Future relevance of KPI                                                               | The KPI will remain relevant in the future             |                                                                                                                                                                            |                          |
| Strategy: O&M Services to wind industry, Renewable Energy Trainings                   |                                                        |                                                                                                                                                                            |                          |





/// Nature  
Medium Term

★★★ Priority  
High

**Strategic Objective:**

Social Life, Environment Sustenance and Community development



|                         |                                                                                             |                                                                                                                                                                        |                                                                                                                                                             |
|-------------------------|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated     | Financial Capital, Human Capital                                                            | <br> | <ul style="list-style-type: none"> <li>• Community Harmony</li> <li>• Employee motivation</li> <li>• Clean &amp; safe environment</li> </ul>                |
| KPI Monitored           | CSR budget, feedback from community, employee feedback, monitoring of environmental aspects |                                                                                                                                                                        |                                                                                                                                                             |
| Status                  | Ongoing process                                                                             |                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Increase in employee expectations</li> <li>• Demands from community</li> <li>• Increase in capital cost</li> </ul> |
| Future relevance of KPI | The KPI will remain relevant in the future                                                  |                                                                                                                                                                        |                                                                                                                                                             |

**Strategy:** Assessment of neighbouring community needs, Provision of support in health, education and utility to community, Improvement in social life at Plant site, Environmental protection & sustenance

/// Nature  
Short to Medium term

★★★ Priority  
High

**Strategic Objective:**

Ensure maintenance of plants by the O&amp;M contractors as per best practices



|                         |                                                                                          |                                                                                                                                                                        |                                                                                                                                                    |
|-------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated     | Financial Capital, Human Capital                                                         | <br> | <ul style="list-style-type: none"> <li>• Self O &amp; M</li> <li>• Efficient manpower utilization</li> <li>• Avoidance of LDs under EPA</li> </ul> |
| KPI Monitored           | Plant Availability, Training Budget Utilization, Performance LDs under the O&M contracts |                                                                                                                                                                        |                                                                                                                                                    |
| Status                  | Ongoing process                                                                          |                                                                                                                                                                        | <ul style="list-style-type: none"> <li>• Technical work load</li> <li>• Manpower Attrition</li> <li>• Higher administrative work load</li> </ul>   |
| Future relevance of KPI | Relevant for future as well                                                              |                                                                                                                                                                        |                                                                                                                                                    |

**Strategy:** Strong supervision, Close coordination, Strong reporting, Data Analysis, Third party audits , if so required

/// Nature  
Long Term

★★★ Priority  
High

**Strategic Objective:**

Negotiation of O&amp;M agreements for period beyond 2025



|                         |                                                        |                                                                                                                                                                            |                                                                                                              |
|-------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Resources allocated     | Human Capital, Intellectual Capital, Financial Capital | <br> | <ul style="list-style-type: none"> <li>• Self O &amp; M</li> <li>• Efficient manpower utilization</li> </ul> |
| KPI Monitored           | Revenue generated from services                        |                                                                                                                                                                            |                                                                                                              |
| Status                  | Ongoing process                                        |                                                                                                                                                                            | New business risks                                                                                           |
| Future relevance of KPI | The KPI will remain relevant in the future             |                                                                                                                                                                            |                                                                                                              |

**Strategy:** To work on the options of:  
Extension of term of existing agreements  
To enter into new Agreements  
Take over O&M function

# FINANCIAL PERFORMANCE OF THE GROUP

## Key Risks and Opportunities (FFCEL, FWEL-I, FWEL-II & FPCL)

There were no significant changes during the year which affected our course of action for achievement of these objectives.

|               |                        |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------|------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inherent Risk | <b>R</b><br>Rating     | ☆☆☆              | <b>Demand of GoP for reduction in Tariff</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|               | <b>L</b><br>Likelihood | ●●●              | <b>Associated objective</b><br>Social Life, Environment Sustenance and Community development,<br>Self-Reliance in O&M                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|               | <b>M</b><br>Magnitude  | ▲▲▲              | <b>Opportunities</b><br>Cost Optimization,<br>Create / enter new line of business                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|               |                        |                  | <b>Mitigation Measures</b><br><ul style="list-style-type: none"> <li>Convince GoP that FFCEL has already reduced its ROE component; therefore, no further reduction is possible</li> <li>FWEL I &amp; II will proceed with the industry</li> <li>Being cost plus projects NEPRA has determined tariff components after verification of associated costs</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                  |
|               | <b>Capital</b>         | Financial  Human | <b>Type</b> Strategic Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|               | <b>Source</b>          | External         | <b>Nature</b> ●●● Long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Inherent Risk | <b>R</b><br>Rating     | ☆☆☆              | <b>Supply Chain Disruption due to Natural Calamities &amp; GoP Regulations / Default – Delay in spare parts supply resulting in increased downtime of WTGs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|               | <b>L</b><br>Likelihood | ●●●              | <b>Associated objective</b><br>Maximize Energy Production                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|               | <b>M</b><br>Magnitude  | ▲▲▲              | <b>Mitigation Measures</b><br><ul style="list-style-type: none"> <li>Manage &amp; enhance vendor database and parts supply mechanism along with engagement of O&amp;M services experts as needed</li> <li>Increase Critical spare parts inventory level</li> <li>Development of local vendors for parts and services</li> <li>Close liaison with the foreign vendors</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                     |
|               | <b>Capital</b>         | Human  Financial | <b>Type</b> Operational Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|               | <b>Source</b>          | External         | <b>Nature</b> ●●● Long term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Inherent Risk | <b>R</b><br>Rating     | ☆☆☆              | <b>Operational Malfunctions, Maintenance issues, Plant ageing – that may result in reduced availability, production &amp; reliability</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|               | <b>L</b><br>Likelihood | ●●●              | <b>Associated objective</b><br>Maximize Energy Production, Cost Optimization                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|               | <b>M</b><br>Magnitude  | ▲▲▲              | <b>Opportunities</b><br>Increased self-reliance in O&M                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|               |                        |                  | <b>Mitigation Measures</b><br><ul style="list-style-type: none"> <li>Comply with OEM recommended scheduled maintenance plan with continuous monitoring and liaison with OEM for updating O&amp;M practices</li> <li>Keep recommended inventory of spares for unscheduled maintenance with appropriate changes in type/ levels of parts based on experience</li> <li>Development and updating of O&amp;M manuals and maintenance SOPs, safety procedures and refresher trainings of O&amp;M team</li> <li>Development of in-house capabilities to repair / refurbish</li> <li>Plant Performance monitoring &amp; reliability studies for mitigation against aging impacts</li> <li>Third party technical audit(s)</li> <li>Appropriate insurance coverage</li> </ul> |
|               | <b>Capital</b>         | Human  Financial | <b>Type</b> Operational Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|               | <b>Source</b>          | External         | <b>Nature</b> ●●● Medium term                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**Inherent Risk**

|                        |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R</b><br>Rating     | ☆☆☆ | <b>Attrition of Expert / Experienced Manpower (Increased Inflation and Industry demand)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Maximize Energy Production, Create / Enter new line of business, Increased Self Reliance in O&M                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>M</b><br>Magnitude  | ▲▲▲ | <b>Opportunities</b><br>Increased self-reliance in O&M                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                        |     | <b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Multitasked team at FFCEL ensures backup for each manpower</li> <li>• In-house Technical Training Center ensures sufficient backup resource</li> <li>• Market has grown and experienced manpower of NDX/DPS and other IPPs is available</li> <li>• Expert Manpower can be sourced from China as well – established contact with experts of gearbox, converter, etc.</li> <li>• Introduction of market based lucrative manpower retention policies</li> <li>• Re-appropriation of remuneration package</li> </ul> |

|                |          |           |               |                  |
|----------------|----------|-----------|---------------|------------------|
| <b>Capital</b> | Human    | Financial | <b>Type</b>   | Operational Risk |
| <b>Source</b>  | Internal |           | <b>Nature</b> | Short term       |

**Inherent Risk**

|                        |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R</b><br>Rating     | ☆☆☆ | <b>FFCEL's sole customer CPPA may delay payment against invoices which may result in liquidity issues including insufficient cash to pay liabilities</b>                                                                                                                                                                                                                                                                                                            |
| <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Maximize Energy Production, Cost Optimization                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Variables effecting CPPA's policy for disbursing payments to IPPs is outside management's control</li> <li>• CPPA receivables are backed up by the GoP's sovereign guarantee</li> <li>• Regular follow up with CPPA officials for disbursement of funds</li> <li>• Keep proactive treasury management system to ensure availability of adequate funds for any unforeseen requirement</li> </ul> |

|                |           |               |                |
|----------------|-----------|---------------|----------------|
| <b>Capital</b> | Financial | <b>Type</b>   | Financial Risk |
| <b>Source</b>  | External  | <b>Nature</b> | Short term     |

**Inherent Risk**

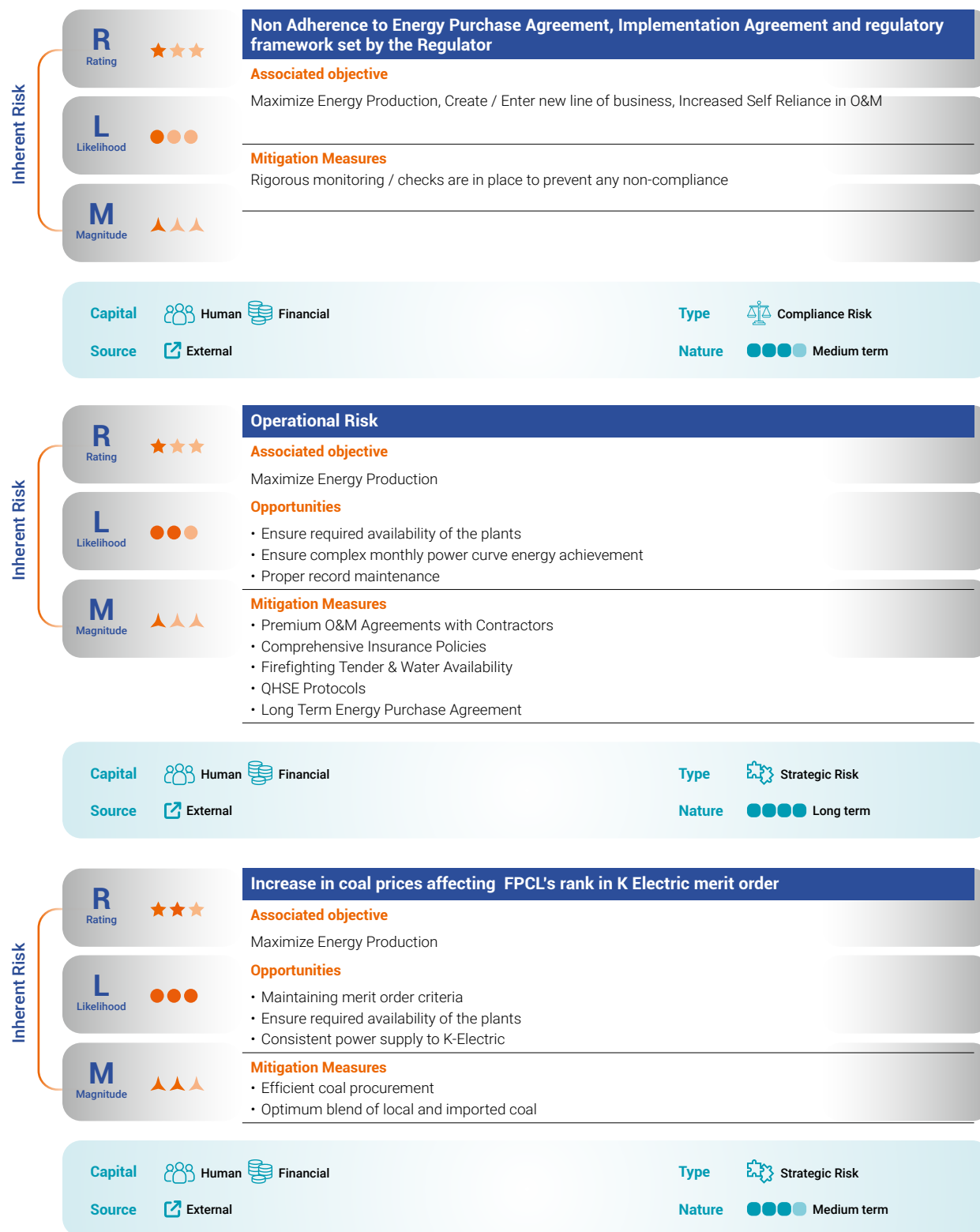
|                        |     |                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R</b><br>Rating     | ☆☆☆ | <b>Security / Terrorism threats resulting in loss of production / assets / human resource</b>                                                                                                                                                                                                                                                                                                                                      |
| <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Social Life, Environment Sustenance and Community development, Enter new line of Business to augment profitability and achieve sustained economic growth.                                                                                                                                                                                                                                           |
| <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>• Services from specialized security firm in place with multi-layer security cover including CCTV coverage, patrolling, watch towers etc.</li> <li>• Emergency safety / security drills at Plant site</li> <li>• Collaboration with Government agencies deployed in area including police and rangers units</li> <li>• Appropriate insurance coverage</li> </ul> |

|                |          |               |               |                |
|----------------|----------|---------------|---------------|----------------|
| <b>Capital</b> | Social   | <b>Type</b>   | Security Risk | Political Risk |
| <b>Source</b>  | External | <b>Nature</b> | Medium term   |                |

# FINANCIAL PERFORMANCE OF THE GROUP

## Key Risks and Opportunities (FFCEL, FWEL-I, FWEL-II & FPCL)

There were no significant changes during the year which affected our course of action for achievement of these objectives.





## Fauji Fresh n Freeze Limited

FFF owns and operates Pakistan's first Individual Quick Freezing (IQF) food processing technology for processing of fresh and frozen fruits and vegetables, with a brand name OPA, a household French fries product. It is a public unlisted company which was acquired by FFC as a wholly-owned subsidiary in 2013. During the year, FFC made further investment of Rs 5 billion taking aggregate investment to Rs 11.34 billion in the project.

The Company achieved revenue of Rs 6.3 billion representing 17% increase from the previous year. However, drop in sale of Quick Revenue Restaurants (QSR), high inflation impacting

the end consumer's buying power and public boycott of international food chains adversely impacted profitability resulting in net loss of Rs 573 million for the year.

FFF is actively pursuing sustainability through initiatives such as expanding its geographical footprint, developing specialized potato varieties, localizing seed production, and employing drone imagery for digital monitoring of potato cultivation. The company's strategic focus on enhancing its premium product range—particularly French Fries—has likewise strengthened its competitive position.

Moreover, FFF has successfully passed a detailed evaluation by a leading global fast-food chain, securing approved-supplier status.

The company is now on track to obtain their product approval, a milestone that will unlock export avenues and advance international accreditations, reinforcing FFF's competitive edge in the market.

The Auditors of FFF have issued an unmodified opinion in their separate audit report on FFF's financial statements for the year ended December 31, 2024.

### Composition Of The Board

1. Lt Gen Anwar Ali Hyder (Retd)
2. Mr. Jahangir Piracha
3. Lt Gen Ali Amir Awan (Retd)
4. Mr. Naeem Iqbal Khokhar
5. Syed Bakhtiyar Kazmi
6. Mr. Imran Husain
7. Ms. Fariha Subhani
8. Mr. Mazhar Abbas Hasnani

### Board Meetings During the Year

| Name of Director                    | Jan 26 | Apr 29 | Jul 30 | Sep 20   | Oct 28 | Dec 26   | Meetings Attended |
|-------------------------------------|--------|--------|--------|----------|--------|----------|-------------------|
| Mr. Waqar Ahmed Malik               |        |        |        | Resigned |        |          |                   |
| Mr. Sarfaraz Ahmed Rehman           |        |        |        | Resigned |        |          |                   |
| Syed Bakhtiyar Kazmi                |        |        |        |          |        |          |                   |
| Mr. Naeem Iqbal Khokhar             |        |        |        |          |        |          |                   |
| Mr. Ali Asrar Hossain Aga           |        |        |        |          |        | Resigned |                   |
| Mr. Imran Husain                    |        |        |        |          |        |          |                   |
| Maj Gen Muhammad Tahir Aslam (Retd) |        |        |        | Resigned |        |          |                   |
| Ms. Fariha Subhani                  |        |        |        |          |        |          |                   |
| Lt Gen Anwar Ali Hyder (Retd)       | N/A    |        |        |          |        |          |                   |
| Mr. Jahangir Piracha                | N/A    |        |        |          |        |          |                   |
| Lt Gen Ali Amir Awan (Retd)         |        | N/A    |        |          |        |          |                   |
| Mr. Mazhar Abbas Hasnani            |        |        | N/A    |          |        |          |                   |

### Casual Vacancies Filled During the Year

| New Appointment               | Resignation / Retired               | Date of Appointment |
|-------------------------------|-------------------------------------|---------------------|
| Lt Gen Anwar Ali Hyder (Retd) | Mr. Waqar Ahmed Malik               | 6 Apr 2024          |
| Mr. Jahangir Piracha          | Mr. Sarfaraz Ahmed Rehman           | 1 Apr 2024          |
| Lt Gen Ali Amir Awan (Retd)   | Maj Gen Muhammad Tahir Aslam (Retd) | 10 May 2024         |
| Mr. Mazhar Abbas Hasnani      | Mr. Ali Asrar Hossain Aga           | 4 Dec 2024          |

### Audit and HR&R Committee Meetings During the Year

| Name of Director          | Jan 18 | Apr 22 | Jul 22 | Oct 21 | Dec 20   | Meetings Attended |
|---------------------------|--------|--------|--------|--------|----------|-------------------|
| Mr. Ali Asrar Hossain Aga |        |        |        |        | Resigned |                   |
| Mr. Naeem Iqbal Khokhar   |        |        |        |        |          |                   |
| Mr. Imran Husain          |        |        |        |        |          |                   |
| Syed Bakhtiyar Kazmi      |        |        |        |        |          |                   |

# FINANCIAL PERFORMANCE OF THE GROUP

## Management objectives (FFF)

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:                                                                                                                                |                                                        | Retain market leadership in French Fries, Fruits & Vegetables and Ready to Cook (RTC) range                                                                            |                                                                                                    |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Resources allocated                                                                                                                                 | Financial capital, human capital, manufactured capital | <br> | Market entry of competitors. With appropriate measures we can change this threat into opportunity. |                                                                                     |
| KPI Monitored                                                                                                                                       | Market share indexing                                  |                                                                                                                                                                        |                                                                                                    |                                                                                     |
| Status                                                                                                                                              | Ongoing                                                |                                                                                                                                                                        |                                                                                                    |                                                                                     |
| Future relevance of KPI                                                                                                                             | The current KPI is relevant for future as well         |                                                                                                                                                                        |                                                                                                    |                                                                                     |
| Strategy: Retain market share, Increase market penetration, Ensure availability of products at all potential outlets, Inundate all potential towns. |                                                        |                                                                                                                                                                        |                                                                                                    |                                                                                     |

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:                                                                                                                                                                                             |                                                                                                           | Technological excellence and backward Supply Chain integration of agriculture practices                                                                                    |                                                                                                                                                                                           |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Resources allocated                                                                                                                                                                                              | Financial capital, human capital, manufactured capital, intellectual capital                              | <br> | Lagging in technology render the products of inferior and non-competitive on cost aspects thereby eroding market share. Premium quality french-fries can substitute imported competition. |                                                                                      |
| KPI Monitored                                                                                                                                                                                                    | Monitoring Overall Equipment Effectiveness (OEE) & development of potato for premium quality french-fries |                                                                                                                                                                            |                                                                                                                                                                                           |                                                                                      |
| Status                                                                                                                                                                                                           | Ongoing                                                                                                   |                                                                                                                                                                            |                                                                                                                                                                                           |                                                                                      |
| Future relevance of KPI                                                                                                                                                                                          | The current KPI is relevant for future as well                                                            |                                                                                                                                                                            |                                                                                                                                                                                           |                                                                                      |
| Strategy: Stay abreast of technological developments and continuously upgrade production facilities to maximize efficiency viz-a-viz focused development on agri practices for backward Supply Chain integration |                                                                                                           |                                                                                                                                                                            |                                                                                                                                                                                           |                                                                                      |

/// Nature  
Medium Term

★★★ Priority  
High

| Strategic Objective:                                                                                   |                                                                             | To become top of mind brand                                                                                                                                                |                                                                                                       |  |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Resources allocated                                                                                    | Financial capital, human capital, intellectual capital                      | <br> | In-case of lack of continued and appropriate communication the consumers switch to alternate products |                                                                                       |
| KPI Monitored                                                                                          | Market indexing, market research and insight, expert independent evaluation |                                                                                                                                                                            |                                                                                                       |                                                                                       |
| Status                                                                                                 | Ongoing                                                                     |                                                                                                                                                                            |                                                                                                       |                                                                                       |
| Future relevance of KPI                                                                                | The current KPI is relevant for future as well                              |                                                                                                                                                                            |                                                                                                       |                                                                                       |
| Strategy: Appropriate and effective communication to the potential consumers through optimum marketing |                                                                             |                                                                                                                                                                            |                                                                                                       |                                                                                       |

Nature  
Medium Term★★★ Priority  
High**Strategic Objective:**

To offer best quality products to the consumers, consumer centricity



|                         |                                                                                                           |  |                                                                             |
|-------------------------|-----------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------|
| Resources allocated     | Financial capital, human capital, manufactured capital, intellectual capital                              |  | Product of compromised quality are non-competitive and eroding market share |
| KPI Monitored           | Monitoring of quality throughout supply chain<br>Annual Renewal of food safety and quality certifications |  |                                                                             |
| Status                  | Ongoing                                                                                                   |  |                                                                             |
| Future relevance of KPI | The KPI is relevant for future as well                                                                    |  |                                                                             |

**Strategy:** Empowered quality assurance function, Continuous efforts in improving product specifications, Agricultural research and development in appropriate varieties of potato giving longer profile french-fries with higher dry matter content.

Nature  
Medium Term★★★ Priority  
High**Strategic Objective:**

End to end cost effective operations



|                         |                                               |  |                                                                            |
|-------------------------|-----------------------------------------------|--|----------------------------------------------------------------------------|
| Resources allocated     | Intellectual capital                          |  | Lack of cost control erode margins and render the products non-competitive |
| KPI Monitored           | Monthly cost accounts and management accounts |  |                                                                            |
| Status                  | Ongoing                                       |  |                                                                            |
| Future relevance of KPI | The KPI is relevant for future as well        |  |                                                                            |

**Strategy:** Continuous effort on laying off extra fats from the operations, Market intelligence and continued focus on sourcing at optimal prices, Vigilance of all the business partners and distributors to ensure sustainable partnership, Controlling production losses and maximizing cost plough-back thereby reducing product cost, Controlling peeling wastes by improved technological solutions.

Nature  
Short Term★★★ Priority  
High**Strategic Objective:**

Financial health and sustainable operations



|                         |                                                                                         |  |                                                                                                                                                                                  |
|-------------------------|-----------------------------------------------------------------------------------------|--|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated     | Intellectual capital, financial capital                                                 |  | May face liquidity risk due to growth phase. Financial indicator may not be very attractive. The company may face difficulty in borrowing funds from the financial institutions. |
| KPI Monitored           | Monthly cost accounts, management accounts reporting, cash flow planning and monitoring |  |                                                                                                                                                                                  |
| Status                  | Ongoing                                                                                 |  |                                                                                                                                                                                  |
| Future relevance of KPI | The KPI is relevant for future as well                                                  |  |                                                                                                                                                                                  |

**Strategy:** Availability of resources at optimal prices is the back-bone for sustained growth and attaining continued market leadership

# FINANCIAL PERFORMANCE OF THE GROUP

## Key Risks and Opportunities (FFF)

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                        |     |                                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inherent Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>R</b><br>Rating     | ☆☆☆ | <b>Out of sight out of mind</b>                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>To become top of mind brand                                                                                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b><br>Appropriate and effective communication to the potential consumers through optimum marketing mix                                                                                                                                                                                                                                                                                                |
| <div> <div> <b>Capital</b>  Financial                 </div> <div> <b>Source</b>  External                 </div> </div> <div> <div> <b>Type</b>  Commercial                 </div> <div> <b>Nature</b>  Medium term                 </div> </div>         |                        |     |                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Inherent Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>R</b><br>Rating     | ☆☆☆ | <b>Entry of competitors</b>                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Consolidate market leadership                                                                                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b><br>Consolidate market share. Increase market penetration. Ensure availability of product at all potential outlets. Inundate all potential towns                                                                                                                                                                                                                                                    |
| <div> <div> <b>Capital</b>  Financial                 </div> <div> <b>Source</b>  External                 </div> </div> <div> <div> <b>Type</b>  Commercial                 </div> <div> <b>Nature</b>  Medium term                 </div> </div> |                        |     |                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Inherent Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>R</b><br>Rating     | ☆☆☆ | <b>Lack of cost control will render the products unable to compete in the competitive environment</b>                                                                                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>End to end cost effective operations                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b><br>Continuous effort on laying off extra fats from the operations. Market intelligence and continued focus on sourcing at optimal prices. Vigilance of all the business partners and distributors to ensure sustainable partnership. Controlling production wastages and maximizing cost plough-back thereby reducing product cost. Controlling peeling wastes by improved technological solutions |
| <div> <div> <b>Capital</b>  Financial                 </div> <div> <b>Source</b>  External                 </div> </div> <div> <div> <b>Type</b>  Financial                 </div> <div> <b>Nature</b>  Medium term                 </div> </div>  |                        |     |                                                                                                                                                                                                                                                                                                                                                                                                                               |



**Inherent Risk**

|                        |       |                                                                                                                                                                                                                                                         |
|------------------------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R</b><br>Rating     | ★ ★ ★ | <b>Lagging in technological excellence render the product non-competitive in the competitive environment</b>                                                                                                                                            |
| <b>L</b><br>Likelihood | ● ● ● | <b>Associated objective</b><br>Technological excellence                                                                                                                                                                                                 |
| <b>M</b><br>Magnitude  | ▲ ▲ ▲ | <b>Mitigation Measures</b><br>The core technical team remain well aware of the technological advancements and the best practices of the global category leaders. The technology and best practices ensure highest quality product at competitive prices |

|                |           |               |            |
|----------------|-----------|---------------|------------|
| <b>Capital</b> | Financial | <b>Type</b>   | Commercial |
| <b>Source</b>  | External  | <b>Nature</b> | Short term |

**Inherent Risk**

|                        |       |                                                                                                                                                                                                                                                                          |
|------------------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R</b><br>Rating     | ★ ★ ★ | <b>Low quality product will erode consumer loyalty</b>                                                                                                                                                                                                                   |
| <b>L</b><br>Likelihood | ● ● ● | <b>Associated objective</b><br>To offer best quality products to the consumers,                                                                                                                                                                                          |
| <b>M</b><br>Magnitude  | ▲ ▲ ▲ | <b>Mitigation Measures</b><br>Empowered quality assurance function. Continuous efforts in improving product specs. Agricultural research and development in developing appropriate varieties of potato giving longer profile french-fries with higher dry matter content |

|                |           |               |             |
|----------------|-----------|---------------|-------------|
| <b>Capital</b> | Financial | <b>Type</b>   | Financial   |
| <b>Source</b>  | External  | <b>Nature</b> | Medium term |

**Inherent Risk**

|                        |       |                                                                                                                                                                      |
|------------------------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R</b><br>Rating     | ★ ★ ★ | <b>Insufficient cash available to pay liabilities resulting in a liquidity problem</b>                                                                               |
| <b>L</b><br>Likelihood | ● ● ● | <b>Associated objective</b><br>Financial health and sustainable operations                                                                                           |
| <b>M</b><br>Magnitude  | ▲ ▲ ▲ | <b>Mitigation Measures</b><br>The financial muscle and the market repute of the parent company will support the Company in pulling through the challenging situation |

|                |           |               |           |
|----------------|-----------|---------------|-----------|
| <b>Capital</b> | Financial | <b>Type</b>   | Financial |
| <b>Source</b>  | External  | <b>Nature</b> | Long term |

# FINANCIAL PERFORMANCE OF THE GROUP

## Fauji Foods Limited

FFL was incorporated in Pakistan on September 26, 1966, as a public limited company under the Companies Act, 2017, and its shares are listed on the Pakistan Stock Exchange. Previously operating as a subsidiary of Fauji Fertilizer Bin Qasim Limited (FFBL), its ownership structure changed following the merger of FFBL with an into FFC, effective July 1, 2024. As a result, FFBL's 47.84% equity stake in FFL was transferred to FFC. Additionally, FFC holds an indirect equity interest of 18.45% through its wholly owned subsidiary, FFCEL, as well as 11.9% through its 75% owned subsidiary, FPCL. Consequently, FFC's total equity stake in FFL now stands at 78.19%.

Fauji Foods is principally engaged in the processing and sale of toned milk, milk powder, fruit juices, and allied dairy and food products. Its

brand portfolio includes the "House of Nurpur," featuring top-tier dairy offerings that emphasize quality and nourishment, as well as a leading tea creamer brand, DOSTEA. Its production plant is located in Bhalwal, District Sargodha.

During the year, FFL acquired Fauji Cereals and Fauji Infraavest Foods Limited, further broadening its product range and market reach. Despite macroeconomic challenges such as high inflation, elevated interest rates, and the imposition of GST on packaged milk, FFL maintained a robust growth trajectory. It reported revenue of Rs 23.4 billion, a 21% increase over the previous year, and improved gross profit by 45% to Rs 3.7 billion through cost-saving measures. Consequently, the Company's net profit rose by 8% to Rs 656 million.

FFL is expanding into high-margin food segments through cost optimization and strategic

partnerships, ensuring timely resources for farmers and opening alternative revenue streams. Having navigated competitive challenges, the Company is now well-positioned to capture new opportunities and deliver meaningful returns to shareholders.

The Company's auditors have issued an unmodified opinion in their separate audit report on FFL's financial statements for the year ended December 31, 2024.

### Composition of the Board

1. Lt Gen Anwar Ali Hyder (Retd)
2. Lt Gen Ali Amir Awan (Retd)
3. Syed Bakhtiyar Kazmi
4. Mr. Arif ur Rehman
5. Mr. Mazhar Abbas Hasnani
6. Ms. Nosheen Akhtar
7. Mr. Javed Kureishi
8. Mr. Basharat Ahmad Bhatti
9. Mr. Yasir Ilyas Khan

### Board Meetings During the Year

| Name of Director                             | Jan 23 | Apr 25   | Jul 22 | Sep 09 | Oct. 22 | Dec 17   | Meetings Attended |
|----------------------------------------------|--------|----------|--------|--------|---------|----------|-------------------|
| Mr. Waqar Ahmed Malik                        |        | Resigned |        |        |         |          |                   |
| Mr. Sarfaraz Ahmed Rehman                    |        | Resigned |        |        |         |          |                   |
| Lt Gen Anwar Ali Hyder, HI(M) (Retd)         | N/A    |          |        |        |         |          |                   |
| Lt Gen Dr. Muhammad Zahid Latif Mirza (Retd) | N/A    |          |        |        |         | Resigned |                   |
| Mr. Arif ur Rehman                           |        |          |        |        |         |          |                   |
| Lt Gen Ali Amir Awan, HI(M), (Retd)          | N/A    |          |        |        |         |          |                   |
| Mr. Basharat Ahmad Bhatti                    |        |          |        |        |         |          |                   |
| Mr. Ali Asrar Hossain Aga                    |        |          |        |        |         | Resigned |                   |
| Mr. Javed Kureishi                           |        |          |        |        |         |          |                   |
| Syed Bakhtiyar Kazmi                         |        |          |        |        |         |          |                   |
| Dr. Nadeem Inayat                            |        | Resigned |        |        |         |          |                   |
| Ms. Nosheen Akhtar                           |        |          |        |        |         |          |                   |
| Mr. Mazhar Abbas Hasnani                     | N/A    |          |        |        |         |          |                   |
| Mr. Yasir Ilyas Khan                         | N/A    |          |        |        |         |          |                   |

### Casual Vacancies Filled During the Year

| New Appointment                              | Resignation / Retired     | Date of appointment |
|----------------------------------------------|---------------------------|---------------------|
| Lt Gen Anwar Ali Hyder (Retd)                | Mr. Waqar Ahmed Malik     | 6 April 2024        |
| Lt Gen Ali Amir Awan (Retd)                  | Dr. Nadeem Inayat         | 24 April 2024       |
| Lt Gen Dr. Muhammad Zahid Latif Mirza (Retd) | Mr. Sarfaraz Ahmed Rehman | 1 Feb. 2024         |

### Audit Committee Meetings During the Year

| Name of Director          | Jan 17 | Apr 19 | Jul 19   | Oct 15 | Dec 11   | Meetings Attended |
|---------------------------|--------|--------|----------|--------|----------|-------------------|
| Mr. Javed Kureishi        |        |        |          |        |          | ●●●●●             |
| Syed Bakhtiyar Kazmi      |        |        |          |        |          | ●●●●●             |
| Mr. Mazhar Abbas Hasnani  | N/A    |        |          |        |          | ●                 |
| Mr. Basharat Ahmad Bhatti |        |        |          |        |          | ●●●●●             |
| Dr. Nadeem Inayat         |        |        | Resigned |        |          | ●●                |
| Mr. Ali Asrar Hossain Aga |        |        |          |        | Resigned | ●●●●              |

### HR&R Committee Meetings During the Year

| Name of Director          | Jan 16 | Oct 18   | Dec 13   | Meetings Attended |
|---------------------------|--------|----------|----------|-------------------|
| Mr. Basharat Ahmad Bhatti |        |          |          | ●●●               |
| Mr. Mazhar Abbas Hasnani  | N/A    | N/A      |          | ●                 |
| Ms. Nosheen Akhtar        |        |          |          | ●●●               |
| Mr. Ali Asrar Hossain Aga |        |          | Resigned | ●●                |
| Mr. Arif ur Rehman        |        |          |          | ●●●               |
| Dr. Nadeem Inayat         |        | Resigned |          | ●                 |

# FINANCIAL PERFORMANCE OF THE GROUP

## Management objectives (FFL)

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:<br>Sustainable Sourcing of quality Raw Milk                         |                                                                                                |                                                                                     |                                                                                                            |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Resources allocated                                                                      | Implementation of GRIDD project, Dairy development teams, engagement with relevant authorities | <br> | Climate change is materially impacting the yield and hence the quality & quantity of raw milk availability |
| KPI Monitored                                                                            | Key climate change impacts, floods etc., milk availability                                     |                                                                                                                                                                        |                                                                                                            |
| Status                                                                                   | Ongoing                                                                                        |                                                                                                                                                                        |                                                                                                            |
| Future relevance of KPI                                                                  | The current KPI is relevant for future                                                         |                                                                                                                                                                        |                                                                                                            |
| Strategy: Support farmer development, milk yield improvement, optimise dairy channel mix |                                                                                                |                                                                                                                                                                        |                                                                                                            |

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:<br>Maintain profitable structure within the regulatory environment |                                                                                   |                                                                                                                                                                            |  |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Resources allocated                                                                     | Dairy industry engagement with government under the umbrella of Dairy Association | <br> | Further negative impacts on margins due to current & future changes to tax laws     |
| KPI Monitored                                                                           | Changes to tax laws, Fiscal budgets                                               |                                                                                                                                                                            |                                                                                     |
| Status                                                                                  | Ongoing                                                                           |                                                                                                                                                                            |                                                                                     |
| Future relevance of KPI                                                                 | The current KPI is relevant for future                                            |                                                                                                                                                                            |                                                                                     |
| Strategy: Engagement with relevant stakeholders                                         |                                                                                   |                                                                                                                                                                            |                                                                                     |

/// Nature  
Medium Term

★★★ Priority  
High

| Strategic Objective:<br>Keeping Consumers Engaged through relevant brand positioning and offers |                                                                       |                                                                                                                                                                            |  |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Resources allocated                                                                             | Quality infrastructure, Cross functional efficiency improvement teams | <br> | Unprecedented inflation has led to declining consumer purchasing power.               |
| KPI Monitored                                                                                   | Changes in volumes and volume mix                                     |                                                                                                                                                                            |                                                                                       |
| Status                                                                                          | Ongoing                                                               |                                                                                                                                                                            |                                                                                       |
| Future relevance of KPI                                                                         | The current KPI is relevant for future                                |                                                                                                                                                                            |                                                                                       |
| Strategy: Deliver greater value to customers to keep them engaged                               |                                                                       |                                                                                                                                                                            |                                                                                       |

/// Nature  
Medium Term

★★★ Priority  
High

| Strategic Objective:<br>Maintaining Profitability in a competitive environment |                                        |                                                                                                                                                                            |  |
|--------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Resources allocated                                                            | Marketing Investment                   | <br> | Price wars                                                                            |
| KPI Monitored                                                                  | Brand top of mind, brand power score   |                                                                                                                                                                            |                                                                                       |
| Status                                                                         | Ongoing                                |                                                                                                                                                                            |                                                                                       |
| Future relevance of KPI                                                        | The current KPI is relevant for future |                                                                                                                                                                            |                                                                                       |
| Strategy: Impactful communication with optimum marketing spend                 |                                        |                                                                                                                                                                            |                                                                                       |



# Olive Technical Services (Private) Limited

Olive Technical Services (Pvt) Limited, a wholly owned subsidiary of Fauji Fertilizer Company, was established in 2021 to leverage FFC's four decades of industrial expertise. Initially focused on providing technical services to FFC and its group companies, Olive has expanded its operations across sectors such as fertilizer, oil & gas, IT, and wind power.

The company achieved a record revenue during the year while improved its profitability on the back of successful completion of a major oil refining project and the establishment of new international partnerships in the Middle East. Additionally, Olive secured a long-term operations and maintenance contract for three wind farms,

further solidifying its presence in the renewable energy sector.

Olive's growth strategy is supported by its strong engagement with local and international clients, coupled with a focus on skill enhancement through specialized technical and leadership training. These initiatives position the company for sustained revenue growth in 2025 and beyond.

The company's financial statements for the year ended December 31, 2024, received an unmodified audit opinion, reflecting its robust financial health and operational success.

## Composition of The Board

1. Mr. Jahangir Piracha
2. Mr. Wajid Ishaq Bhatti
3. Syed Bakhtiyar Kazmi
4. Mr. Akbar Fida Hussain

## Audit And HR&R Committee Meetings During The Year

| Name of Director          | Jan 22                                                                              | Sep 20                                                                              | Dec 24                                                                                | Meetings Attended |
|---------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------|
| Mr. Sarfaraz Ahmed Rehman |  | Resigned                                                                            |                                                                                       | ●                 |
| Mr. Jahangir Piracha      | N/A                                                                                 |  |  | ●●                |
| Mr. Muhammad Aleem Khan   |  | Resigned                                                                            |                                                                                       | ●                 |
| Mr. Wajid Ishaq Bhatti    | N/A                                                                                 |  |  | ●●                |
| Syed Bakhtiyar Kazmi      |  |  |  | ●●●               |
| Mr. Akbar Fida Hussain    |  |  |  | ●●●               |

## Casual Vacancies Filled During the Year

| New Appointment        | Resignation / Retired     | Date of Appointment |
|------------------------|---------------------------|---------------------|
| Mr. Jahangir Piracha   | Mr. Sarfaraz Ahmed Rehman | 1 Apr 2024          |
| Mr. Wajid Ishaq Bhatti | Mr. Muhammad Aleem Khan   | 21 Feb 2024         |

## Audit And HR&R Committee Meetings During The Year

| Name of Director       | Jan 22                                                                              | Dec 24                                                                                | Meetings Attended |
|------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------|
| Syed Bakhtiyar Kazmi   |  |  | ●●                |
| Mr. Akbar Fida Hussain |  |  | ●●                |

# FINANCIAL PERFORMANCE OF THE GROUP

## Management objectives–OLIVE

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:                                                                                                                         |                                           |                                                                                                                                                                        |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Establish footprint in local and international service markets                                                                               |                                           |                                                                                                                                                                        |                                                                                                      |
| Resources allocated                                                                                                                          | Human capital, Financial capital          | <br> | Growth potentials is high due to current economic condition<br>High competition is typical services. |
| KPI Monitored                                                                                                                                | Pre-qualifications & New clients          |                                                                                                                                                                        |                                                                                                      |
| Status                                                                                                                                       | Numerous new clients added                |                                                                                                                                                                        |                                                                                                      |
| Future relevance of KPI                                                                                                                      | This KPI shall remain relevant for future |                                                                                                                                                                        |                                                                                                      |
| Strategy: Effective local and international marketing campaign, Get prequalified with new clients and high focus on relationship management. |                                           |                                                                                                                                                                        |                                                                                                      |

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:                                                                                                                     |                                                 |                                                                                                                                                                            |                                       |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| Develop strong brand image and long-term business relationships through quality services and customer experience                         |                                                 |                                                                                                                                                                            |                                                                                                                            |
| Resources allocated                                                                                                                      | Intellectual capital                            | <br> | Industry is looking for local companies in place of international vendors<br>Poor quality may result in reputational loss. |
| KPI Monitored                                                                                                                            | Customer Satisfaction Score, Customer retention |                                                                                                                                                                            |                                                                                                                            |
| Status                                                                                                                                   | Customer feedback system being developed        |                                                                                                                                                                            |                                                                                                                            |
| Future relevance of KPI                                                                                                                  | This KPI shall remain relevant for future       |                                                                                                                                                                            |                                                                                                                            |
| Strategy: Focus on high quality service in less competitive new technologies. Strive to provide customer satisfaction and good feedback. |                                                 |                                                                                                                                                                            |                                                                                                                            |

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:                                                                           |                                           |                                                                                                                                                                            |  |
|------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Foster strategic partnerships with reputable service companies                                 |                                           |                                                                                                                                                                            |                                                                                       |
| Resources allocated                                                                            | Human, social and relationship capital    | <br> | Partnerships will jumpstart clientele.                                                |
| KPI Monitored                                                                                  | MOUs signed, Joint assignments            |                                                                                                                                                                            | Inherent high risk of diluted controls.                                               |
| Status                                                                                         | Number of MOUs signed                     |                                                                                                                                                                            |                                                                                       |
| Future relevance of KPI                                                                        | This KPI shall remain relevant for future |                                                                                                                                                                            |                                                                                       |
| Strategy: Use parent company repute and strengths, Develop a culture of trust and flexibility. |                                           |                                                                                                                                                                            |                                                                                       |

/// Nature  
Long Term

★★★ Priority  
Medium

Strategic Objective:

Develop a talented team with the service sector culture

|                         |                                             |                                                                                                                                                                                          |                                                                                                                                                              |
|-------------------------|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated     | Human and financial Capital                 | <div><div></div></div> | <div>Experienced and motivated team will contribute towards high business performance.</div> <div>Retention of high potential will remain a challenge.</div> |
| KPI Monitored           | Employee engagement and retention           |                                                                                                                                                                                          |                                                                                                                                                              |
| Status                  | Ongoing hiring for new position in progress |                                                                                                                                                                                          |                                                                                                                                                              |
| Future relevance of KPI | This KPI shall remain relevant for future   |                                                                                                                                                                                          |                                                                                                                                                              |

Strategy:

Attract high performing talent from service sector and inculcate a positive and open culture, Regular training and communication sessions of the teams.

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:<br>Achieve financial stability through strong business performance                                                                  |                                           |                                                                                                                                                                            |                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated                                                                                                                                      | Intellectual & financial capital          | <br> | May face liquidity risk during growth phase of initial 2-3 years. The financial muscle and market image of parent company will support the subsidiary in passing through this challenging phase |
| KPI Monitored                                                                                                                                            | Revenue, Gross profit                     |                                                                                                                                                                            |                                                                                                                                                                                                 |
| Future relevance of KPI                                                                                                                                  | This KPI shall remain relevant for future |                                                                                                                                                                            |                                                                                                                                                                                                 |
| Strategy: Provide high quality service at competitive price, Target areas aligned to company strengths, Instill effective financial management controls. |                                           |                                                                                                                                                                            |                                                                                                                                                                                                 |

/// Nature  
Long Term

★★★ Priority  
High

| Strategic Objective:<br>Demonstrate social responsibility and HSE commitment                                                 |                                                                |                                                                                                                                                                            |                                                              |
|------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Resources allocated                                                                                                          | Financial, social and natural capital                          | <br> | <div>High standards and good reputation will provide a competitive edge.</div> <div>Ensuring HSE standard at multiple sites is a challenge.</div> |
| KPI Monitored                                                                                                                | TRIR, Recognition & awards                                     |                                                                                                                                                                            |                                                                                                                                                   |
| Status                                                                                                                       | No recordable injury and other incidents were reported in 2023 |                                                                                                                                                                            |                                                                                                                                                   |
| Future relevance of KPI                                                                                                      | This KPI shall remain relevant for future                      |                                                                                                                                                                            |                                                                                                                                                   |
| Strategy: Management commitment on corporate governance and HSE through role modeling and effective systems implementations. |                                                                |                                                                                                                                                                            |                                                                                                                                                   |

# FINANCIAL PERFORMANCE OF THE GROUP

## Key Risks and Opportunities–OLIVE

|                                                                                                                                                                                                                                                                                                                      |                        |     |                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inherent Risk                                                                                                                                                                                                                                                                                                        | <b>R</b><br>Rating     | ☆☆☆ | <b>Failure to pre qualify with clients</b>                                                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                                                                                                      | <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Establish footprint in local and international service markets.                                                                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                      | <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b> <ul style="list-style-type: none"><li>Target joint pre qualification with partner companies</li><li>Develop impactful presentations highlighting capabilities and testimonials.</li></ul>                                                                               |
| <div> <div> <b>Capital</b> <div> <div>Human</div> <div>Relationship</div> </div> </div> <div> <b>Source</b> <div> <div>External</div> </div> </div> </div> <div> <div> <b>Type</b> <div>Commercial</div> </div> <div> <b>Nature</b> <div> <div>●●●</div> <div>Immediate</div> </div> </div> </div>                   |                        |     |                                                                                                                                                                                                                                                                                                    |
| Inherent Risk                                                                                                                                                                                                                                                                                                        | <b>R</b><br>Rating     | ☆☆☆ | <b>Competitive business environment</b>                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                                                                                                                                                      | <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Foster strategic partnerships with reputable service companies                                                                                                                                                                                                      |
|                                                                                                                                                                                                                                                                                                                      | <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b> <ul style="list-style-type: none"><li>Effective marketing &amp; sales campaign</li><li>Offer good quality services at competitive prices</li><li>Target niche markets to manage competitive edge.</li><li>Group company's brand will also subdue competition.</li></ul> |
| <div> <div> <b>Capital</b> <div> <div>Financial</div> <div>Human</div> </div> </div> <div> <b>Source</b> <div> <div>External</div> </div> </div> </div> <div> <div> <b>Type</b> <div>Commercial</div> </div> <div> <b>Nature</b> <div> <div>●●●</div> <div>Medium term</div> </div> </div> </div>                    |                        |     |                                                                                                                                                                                                                                                                                                    |
| Inherent Risk                                                                                                                                                                                                                                                                                                        | <b>R</b><br>Rating     | ☆☆☆ | <b>Low returns from Investment in IT based services (cloud / SAP)</b>                                                                                                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                      | <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Establish footprint in local and international service markets.                                                                                                                                                                                                     |
|                                                                                                                                                                                                                                                                                                                      | <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b> <ul style="list-style-type: none"><li>Pilot project for capacity enhancement of data center.</li><li>Effective marketing and sales</li></ul>                                                                                                                            |
| <div> <div> <b>Capital</b> <div> <div>Intellectual</div> </div> </div> <div> <b>Source</b> <div> <div>External</div> </div> </div> </div> <div> <div> <b>Type</b> <div> <div>Financial</div> <div>Commercial</div> </div> </div> <div> <b>Nature</b> <div> <div>●●●●</div> <div>Long term</div> </div> </div> </div> |                        |     |                                                                                                                                                                                                                                                                                                    |

**Inherent Risk**

|                        |     |                                                                                                                                                                                                                                                             |
|------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R</b><br>Rating     | ☆☆☆ | <b>Limited availability of resources</b>                                                                                                                                                                                                                    |
| <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Establish footprint in local and international service markets.                                                                                                                                                              |
| <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b> <ul style="list-style-type: none"> <li>Develop minimum infrastructure and in-house resources.</li> <li>Develop database of qualified personnel from the market.</li> <li>Further Collaborate with manpower companies.</li> </ul> |

|                |           |              |               |             |
|----------------|-----------|--------------|---------------|-------------|
| <b>Capital</b> | Financial | Manufactured | <b>Type</b>   | Strategic   |
| <b>Source</b>  | Internal  |              | <b>Nature</b> | Medium Term |

**Inherent Risk**

|                        |     |                                                                                                |
|------------------------|-----|------------------------------------------------------------------------------------------------|
| <b>R</b><br>Rating     | ☆☆☆ | <b>Economic recession triggering low demand</b>                                                |
| <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Achieve financial stability through strong business performance |
| <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b><br>Explore and develop alternate markets and services.              |

|                |          |           |               |            |          |
|----------------|----------|-----------|---------------|------------|----------|
| <b>Capital</b> | Human    | Financial | <b>Type</b>   | Financial  | Economic |
| <b>Source</b>  | External |           | <b>Nature</b> | Short Term |          |

**Inherent Risk**

|                        |     |                                                                                                                                                          |
|------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>R</b><br>Rating     | ☆☆☆ | <b>Low quality services eroding brand loyalty and group reput</b>                                                                                        |
| <b>L</b><br>Likelihood | ●●● | <b>Associated objective</b><br>Develop talented team oriented with the service sector culture                                                            |
| <b>M</b><br>Magnitude  | ▲▲▲ | <b>Mitigation Measures</b><br>Ensure client satisfaction and enhanced brand imaging through deployment of qualified resources and effective job planning |

|                |          |  |               |            |              |            |
|----------------|----------|--|---------------|------------|--------------|------------|
| <b>Capital</b> | Human    |  | <b>Type</b>   | Financial  | Reputational | Commercial |
| <b>Source</b>  | External |  | <b>Nature</b> | Short Term |              |            |



# Directors' Report on the Consolidated Financial Statements

## SIX YEARS FINANCIAL RATIOS

|                                                 |               | 2024    | 2023   | 2022    | 2021   | 2020   | 2019   |
|-------------------------------------------------|---------------|---------|--------|---------|--------|--------|--------|
| <b>Profitability Ratios</b>                     |               |         |        |         |        |        |        |
| Gross profit ratio                              | %             | 34.95   | 42.36  | 39.54   | 36.17  | 33.52  | 29.85  |
| Gross profit ratio (Including subsidy)          | %             | 34.95   | 42.36  | 39.54   | 36.17  | 33.52  | 29.85  |
| Operating Margin                                | %             | 27.18   | 34.75  | 30.60   | 28.21  | 25.48  | 21.77  |
| Net profit ratio                                | %             | 20.80   | 26.16  | 27.35   | 34.86  | 28.96  | 15.78  |
| Net profit ratio (Including subsidy)            | %             | 20.80   | 26.16  | 27.35   | 34.86  | 28.96  | 15.78  |
| EBITDA margin to turnover                       | %             | 32.70   | 41.46  | 39.12   | 40.44  | 35.89  | 27.73  |
| EBITDA margin to turnover (Including subsidy)   | %             | 32.70   | 41.46  | 39.12   | 40.44  | 35.89  | 27.73  |
| Operating leverage ratio                        | Times         | 0.65    | 1.32   | 0.39    | 2.32   | (3.64) | 58.86  |
| Return on equity (Profit after tax)             | %             | 36.16   | 31.77  | 28.87   | 39.63  | 38.27  | 29.15  |
| Return on equity (Profit before tax)            | %             | 60.43   | 49.90  | 42.53   | 49.61  | 50.90  | 39.67  |
| Return on capital employed                      | %             | 47.23   | 41.37  | 32.23   | 35.48  | 37.45  | 39.64  |
| Earning before interest, depreciation and tax   | Rs in million | 134,492 | 75,201 | 49,167  | 46,243 | 36,873 | 30,455 |
| Growth in turnover                              | %             | 126.73  | 44.32  | 9.91    | 11.29  | (6.44) | 0.35   |
| Growth in turnover (Including subsidy)          | %             | 126.73  | 44.32  | 9.91    | 11.29  | (6.44) | (1.80) |
| Pre tax margin                                  | %             | 34.76   | 41.09  | 40.29   | 43.65  | 38.51  | 21.48  |
| Pre tax margin (Including subsidy)              | %             | 34.76   | 41.09  | 40.29   | 43.65  | 38.51  | 21.48  |
| Return on assets                                | %             | 14.91   | 14.51  | 10.48   | 14.49  | 13.76  | 9.35   |
| Earnings growth                                 | %             | 80.23   | 38.06  | (13.78) | 34.00  | 71.63  | 5.45   |
| <b>Liquidity Ratios</b>                         |               |         |        |         |        |        |        |
| Current ratio                                   | Times         | 1.25    | 1.08   | 1.06    | 1.22   | 1.40   | 0.92   |
| Quick / Acid test ratio                         | Times         | 1.08    | 1.00   | 0.90    | 1.16   | 1.34   | 0.82   |
| Cash to current liabilities                     | Times         | 0.73    | 0.60   | 0.28    | 0.48   | 0.69   | 0.30   |
| Long term liabilities / current liabilities     | %             | 25.37   | 23.51  | 21.40   | 43.33  | 64.24  | 14.13  |
| Cash flow to capital expenditures               | Times         | 1.18    | 1.18   | 1.18    | 5.13   | 12.46  | 7.76   |
| Cash flow coverage ratio                        | Times         | 0.32    | 0.32   | 0.32    | 0.93   | 2.11   | 1.69   |
| <b>Activity / Turnover Ratios</b>               |               |         |        |         |        |        |        |
| Inventory turnover ratio                        | Times         | 15.88   | 8.67   | 7.08    | 79.90  | 18.24  | 7.59   |
| No. of days in inventory                        | Days          | 23      | 42     | 52      | 5      | 20     | 48     |
| Debtors turnover ratio                          | Times         | 28.50   | 13.76  | 10.36   | 13.22  | 9.57   | 10.74  |
| Debtors turnover ratio (Including subsidy)      | Times         | 27.29   | 11.42  | 7.57    | 8.14   | 6.11   | 6.54   |
| No. of days in receivables                      | Days          | 13      | 27     | 35      | 28     | 38     | 34     |
| No. of days in receivables (Including subsidy)  | Days          | 13      | 32     | 48      | 45     | 60     | 56     |
| Creditors turnover ratio - with GIDC            | Times         | 3.02    | 1.57   | 1.47    | 2.11   | 1.51   | 1.45   |
| - without GIDC                                  | Times         | 17.96   | 12.22  | 12.76   | 21.26  | 24.74  | 48.53  |
| No. of days in payables - with GIDC             | Days          | 121     | 232    | 249     | 173    | 242    | 252    |
| - without GIDC                                  | Days          | 20      | 30     | 29      | 17     | 15     | 8      |
| Total assets turnover ratio                     | Times         | 0.72    | 0.55   | 0.38    | 0.42   | 0.48   | 0.59   |
| Total assets turnover ratio (Including Subsidy) | Times         | 0.72    | 0.55   | 0.38    | 0.42   | 0.48   | 0.59   |
| Fixed assets turnover ratio                     | Times         | 3.53    | 2.62   | 2.17    | 2.08   | 3.15   | 3.35   |
| Fixed assets turnover ratio (Including Subsidy) | Times         | 3.53    | 2.62   | 2.17    | 2.08   | 3.15   | 3.35   |
| Operating cycle - with GIDC                     | Days          | (85)    | (163)  | (162)   | (140)  | (184)  | (170)  |
| - without GIDC                                  | Days          | 16      | 39     | 58      | 16     | 43     | 74     |
| <b>Investment / Market Ratios</b>               |               |         |        |         |        |        |        |
| Earnings per share (EPS)                        | Rs            | 60.10   | 37.30  | 27.02   | 31.33  | 23.38  | 13.62  |
| Breakup value (net assets per share) - restated |               |         |        |         |        |        |        |
| - Without revaluation reserves                  | Rs            | 175.52  | 117.39 | 93.58   | 79.07  | 61.10  | 46.74  |
| - With revaluation reserves                     | Rs            | 181.71  | 117.97 | 95.54   | 82.08  | 62.20  | 47.68  |
| <b>Capital Structure Ratios</b>                 |               |         |        |         |        |        |        |
| Financial leverage ratio                        | Times         | 0.33    | 0.28   | 0.70    | 0.65   | 0.56   | 0.64   |
| Debt to equity ratio                            | Ratio         | 17:83   | 17:83  | 17:83   | 17:83  | 29:71  | 14:86  |
| Interest cover ratio                            | Times         | 19.20   | 12.31  | 9.54    | 19.24  | 17.40  | 8.12   |

## SIX YEARS FINANCIAL PERFORMANCE

|                                                      | 2024           | 2023          | 2022          | 2021          | 2020          | 2019          |
|------------------------------------------------------|----------------|---------------|---------------|---------------|---------------|---------------|
| <b>Summary – Statement of Financial Position</b>     |                |               |               |               |               |               |
| Share capital                                        | 14,231         | 12,722        | 12,722        | 12,722        | 12,722        | 12,722        |
| Reserves                                             | 222,307        | 136,624       | 106,336       | 87,878        | 65,017        | 46,744        |
| Share in revaluation reserve of associates-net / NCI | 8,353          | 737           | 2,487         | 3,819         | 1,393         | 1,199         |
| Equity and reserves                                  | 244,891        | 150,083       | 121,545       | 104,419       | 79,132        | 60,665        |
| Long term borrowings - secured                       | 32,491         | 19,565        | 17,821        | 19,172        | 12,199        | 9,355         |
| Capital employed                                     | 277,382        | 169,648       | 139,366       | 123,591       | 91,331        | 70,020        |
| Deferred liabilities                                 | 33,681         | 13,930        | 10,389        | 8,540         | 8,541         | 5,997         |
| Property, plant and equipment                        | 116,420        | 69,294        | 57,922        | 54,958        | 32,596        | 32,758        |
| Long term assets                                     | 244,960        | 171,691       | 148,233       | 130,359       | 99,019        | 85,190        |
| Net current assets / Working capital                 | 66,467         | 12,053        | 9,688         | 25,647        | 33,730        | (9,086)       |
| Liquid funds (net)                                   | 324,679        | 186,207       | 134,732       | 133,250       | 121,861       | 81,988        |
| <b>Summary - Statement of Profit or Loss</b>         |                |               |               |               |               |               |
| Turnover                                             | 411,254        | 181,382       | 125,678       | 114,345       | 102,744       | 109,817       |
| Turnover (including subsidy)                         | 411,254        | 181,382       | 125,678       | 114,345       | 102,744       | 109,817       |
| Cost of sales                                        | (267,509)      | (104,546)     | (75,989)      | (72,992)      | (68,304)      | (77,039)      |
| Gross profit                                         | 143,745        | 76,836        | 49,689        | 41,353        | 34,440        | 32,778        |
| Gross profit (including subsidy)                     | 143,745        | 76,836        | 49,689        | 41,353        | 34,440        | 32,778        |
| Administrative and distribution expenses             | (31,986)       | (13,812)      | (11,232)      | (9,099)       | (8,265)       | (8,867)       |
| <b>Operating profit</b>                              | <b>111,759</b> | <b>63,024</b> | <b>38,457</b> | <b>32,254</b> | <b>26,175</b> | <b>23,911</b> |
| Operating profit (including subsidy)                 | 111,759        | 63,024        | 38,457        | 32,254        | 26,175        | 23,911        |
| Finance costs                                        | (7,853)        | (6,587)       | (5,926)       | (2,736)       | (2,413)       | (3,312)       |
| Other losses / (gains)                               | 1,415          | 4,060         | 2,789         | 6,897         | 4,939         | -             |
| Other expenses                                       | (10,305)       | (5,445)       | (3,047)       | (2,962)       | (2,648)       | (2,381)       |
| Other income                                         | 27,031         | 16,358        | 11,498        | 6,302         | 5,217         | 5,751         |
| Other income (excluding subsidy)                     | 27,031         | 16,358        | 11,498        | 6,302         | 5,217         | 5,751         |
| Share of profit of associates and joint venture      | 23,723         | 11,237        | 12,440        | 10,155        | 8,297         | (379)         |
| Profit before tax                                    | 142,939        | 74,527        | 50,633        | 49,910        | 39,567        | 23,590        |
| Provision for taxation                               | (57,414)       | (27,075)      | (16,263)      | (10,045)      | (9,816)       | (6,256)       |
| <b>Profit for the year</b>                           | <b>85,525</b>  | <b>47,452</b> | <b>34,370</b> | <b>39,865</b> | <b>29,751</b> | <b>17,334</b> |
| <b>EPS (Rs)</b>                                      | <b>60.10</b>   | <b>37.30</b>  | <b>27.02</b>  | <b>31.33</b>  | <b>23.38</b>  | <b>13.62</b>  |

# HORIZONTAL ANALYSIS

## Consolidated Statement of Financial Position

|                                                                                                   | 2024    | 24 Vs 23 | 2023    | 23 Vs 22 | 2022    | 22 Vs 21 | 2021    | 21 Vs 20 | 2020    | 20 Vs 19 | 2019    | 19 Vs 18 |
|---------------------------------------------------------------------------------------------------|---------|----------|---------|----------|---------|----------|---------|----------|---------|----------|---------|----------|
|                                                                                                   | Rs M    | %        | Rs M    | %        | Rs M    | %        | Rs M    | %        | Rs M    | %        | Rs M    | %        |
| <b>Equity and Liabilities</b>                                                                     |         |          |         |          |         |          |         |          |         |          |         |          |
| <b>Equity and Reserves</b>                                                                        |         |          |         |          |         |          |         |          |         |          |         |          |
| Share capital                                                                                     | 14,231  | 12       | 12,722  | -        | 12,722  | -        | 12,722  | -        | 12,722  | -        | 12,722  | -        |
| Capital reserves                                                                                  | 41,335  | 202      | 13,703  | 32       | 10,404  | 27       | 8,192   | 22       | 6,737   | 36       | 4,951   | 47       |
| Revenue reserves                                                                                  | 180,972 | 47       | 122,921 | 28       | 95,932  | 20       | 79,686  | 37       | 58,280  | 39       | 41,793  | 3        |
|                                                                                                   | 236,538 | 58       | 149,346 | 25       | 119,058 | 18       | 100,600 | 29       | 77,739  | 31       | 59,466  | 5        |
| Surplus/(deficit) on investment re-measurement,<br>share in associates' revaluation reserve & NCI | 8,353   | 1,033    | 737     | (70)     | 2,487   | (35)     | 3,819   | 174      | 1,393   | 16       | 1,199   | 59       |
| <b>Non - Current Liabilities</b>                                                                  |         |          |         |          |         |          |         |          |         |          |         |          |
| Long term borrowings - secured                                                                    | 32,491  | 66       | 19,565  | 10       | 17,821  | (7)      | 19,172  | 57       | 12,199  | 30       | 9,355   | (27)     |
| Lease liabilities                                                                                 | 291     | 355      | 64      | (26)     | 87      | (97)     | 2,940   | 3,669    | 78      | (10)     | 87      | 867      |
| Deferred government grant                                                                         | 73      |          | 102     |          | 137     |          | 175     |          | 27      | -        | -       |          |
| Gas Infrastructure Development Cess<br>(GIDC) payable                                             | -       | -        |         |          | 7,941   |          | 20,802  |          | 32,772  | -        | -       |          |
| Deferred liabilities                                                                              | 33,680  | 142      | 13,930  | 34       | 10,389  | 22       | 8,540   | -        | 8,541   | 42       | 5,997   | (1)      |
|                                                                                                   | 66,535  | 98       | 33,661  | (7)      | 36,375  | (30)     | 51,629  | (4)      | 53,617  | 247      | 15,439  | (18)     |
| <b>Current Liabilities</b>                                                                        |         |          |         |          |         |          |         |          |         |          |         |          |
| Current portion of long term<br>borrowings - secured                                              | 7,418   | 13       | 6,544   | (2)      | 6,703   | (4)      | 6,954   | 20       | 5,782   | (5)      | 6,085   | (29)     |
| Current portion of lease liabilities                                                              | 60      | 76       | 34      | (99)     | 3,687   | 34       | 2,745   | 10,458   | 26      | (50)     | 52      | 1,633    |
| Current portion of deferred<br>government grant                                                   | 31      |          | 35      |          | 38      |          | 79      |          | 93      |          |         |          |
| Trade and other payables                                                                          | 196,832 | 81       | 108,786 | 18       | 92,159  | 44       | 64,183  | 37       | 46,928  | (39)     | 76,309  | 25       |
| Mark - up and profit accrued                                                                      | 981     | (30)     | 1,392   | (11)     | 1,556   | 109      | 743     | 166      | 279     | (61)     | 712     | 114      |
| Short term borrowings - secured                                                                   | 38,341  | 153      | 15,133  | (74)     | 58,813  | 51       | 38,999  | 54       | 25,277  | 12       | 22,493  | (23)     |
| Unclaimed dividend                                                                                | 664     | 28       | 517     | 8        | 479     | 1        | 472     | 1        | 468     | (13)     | 541     | (15)     |
| Provision for taxation                                                                            | 17,930  | 67       | 10,737  | 64       | 6,564   | 32       | 4,974   | 8        | 4,608   | 49       | 3,092   | 17       |
|                                                                                                   | 262,257 | 83       | 143,178 | (16)     | 169,999 | 43       | 119,149 | 43       | 83,461  | (24)     | 109,284 | 6        |
| Total Equity and Liabilities                                                                      | 573,683 | 75       | 326,922 | -        | 327,919 | 19       | 275,197 | 27       | 216,210 | 17       | 185,388 | 4        |
| <b>Assets</b>                                                                                     |         |          |         |          |         |          |         |          |         |          |         |          |
| <b>Non - Current Assets</b>                                                                       |         |          |         |          |         |          |         |          |         |          |         |          |
| Property, plant and equipment                                                                     | 116,420 | 68       | 69,294  | 20       | 57,922  | 5        | 54,958  | 69       | 32,596  | -        | 32,758  | -        |
| Intangible assets                                                                                 | 1,990   | 3        | 1,935   | -        | 1,936   | -        | 1,941   | -        | 1,938   | -        | 1,945   | -        |
| Log term investments                                                                              | 124,630 | 27       | 97,801  | 17       | 83,788  | 19       | 70,385  | 13       | 62,512  | 27       | 49,259  | 9        |
| Long term loans and advances - secured                                                            | 1,785   | (32)     | 2,630   | (42)     | 4,556   | 50       | 3,044   | 56       | 1,946   | 62       | 1,200   | 8        |
| Long term deposits and prepayments                                                                | 135     | 336      | 31      | -        | 31      | -        | 31      | 15       | 27      | (4)      | 28      | (10)     |
|                                                                                                   | 244,960 | 43       | 171,691 | 16       | 148,233 | 14       | 130,359 | 32       | 99,019  | 16       | 85,190  | 5        |
| <b>Current Assets</b>                                                                             |         |          |         |          |         |          |         |          |         |          |         |          |
| Stores, spares and loose tools                                                                    | 16,188  | 97       | 8,203   | 25       | 6,559   | 39       | 4,735   | 4        | 4,563   | 18       | 3,864   | 11       |
| Stock in trade                                                                                    | 29,699  | 644      | 3,992   | (80)     | 20,117  | 1,386    | 1,354   | 186      | 473     | (93)     | 7,015   | (47)     |
| Trade debts                                                                                       | 15,315  | 13       | 13,545  | 6        | 12,828  | 12       | 11,428  | 95       | 5,869   | (62)     | 15,606  | 222      |
| Loans and advances - secured                                                                      | 6,715   | 158      | 2,607   | 94       | 1,347   | 39       | 969     | 19       | 811     | (6)      | 867     | 60       |
| Deposits and prepayments                                                                          | 1,399   | 95       | 716     | 134      | 306     | 292      | 78      | 15       | 68      | 28       | 53      | (36)     |
| Other receivables                                                                                 | 21,016  | (7)      | 22,629  | (21)     | 28,772  | 18       | 24,367  | 17       | 20,780  | 18       | 17,570  | 14       |
| Short term investments                                                                            | 222,415 | 119      | 101,743 | (6)      | 107,756 | 8        | 100,037 | 20       | 83,188  | 69       | 49,207  | (12)     |
| Cash and bank balances                                                                            | 15,976  | 790      | 1,796   | (10)     | 2,001   | 10       | 1,827   | 27       | 1,438   | (76)     | 6,015   | 29       |
|                                                                                                   | 328,723 | 112      | 155,231 | (14)     | 179,686 | 24       | 144,796 | 24       | 117,191 | 17       | 100,198 | 2        |
| Asset classified as held for sale                                                                 | -       | 100      | -       | 100      | -       | 100      | 42      | 100      | -       | -        | -       |          |
| Total Assets                                                                                      | 573,683 | 75       | 326,922 | -        | 327,919 | 19       | 275,197 | 27       | 216,210 | 17       | 185,388 | 4        |

# VERTICAL ANALYSIS

## Consolidated Statement of Financial Position

|                                                                                                   | 2024           |              | 2023           |              | 2022           |            | 2021           |            | 2020           |            | 2019           |            |
|---------------------------------------------------------------------------------------------------|----------------|--------------|----------------|--------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
|                                                                                                   | Rs M           | %            | Rs M           | %            | Rs M           | %          | Rs M           | %          | Rs M           | %          | Rs M           | %          |
| <b>Equity and Liabilities</b>                                                                     |                |              |                |              |                |            |                |            |                |            |                |            |
| <b>Equity and Reserves</b>                                                                        |                |              |                |              |                |            |                |            |                |            |                |            |
| Share capital                                                                                     | 14,231         | 2            | 12,722         | 4            | 12,722         | 4          | 12,722         | 5          | 12,722         | 6          | 12,722         | 7          |
| Capital reserves                                                                                  | 41,335         | 7            | 13,703         | 4            | 10,404         | 3          | 8,192          | 3          | 6,737          | 3          | 4,951          | 3          |
| Revenue reserves                                                                                  | 180,972        | 32           | 122,921        | 38           | 95,932         | 30         | 79,686         | 29         | 58,280         | 27         | 41,793         | 23         |
|                                                                                                   | 236,538        | 41           | 149,346        | 46           | 119,058        | 37         | 100,600        | 37         | 77,739         | 36         | 59,466         | 32         |
| Surplus/(deficit) on investment re-measurement,<br>share in associates' revaluation reserve & NCI | 8,353          | 1            | 737            | 1            | 2,487          | 1          | 3,819          | 2          | 1,393          | 1          | 1,199          | 1          |
| <b>Non - Current Liabilities</b>                                                                  |                |              |                |              |                |            |                |            |                |            |                |            |
| Long term borrowings - secured                                                                    | 32,491         | 6            | 19,565         | 5            | 17,821         | 5          | 19,172         | 6          | 12,199         | 5          | 9,355          | 5          |
| Lease Liabilities                                                                                 | 291            | -            | 64             | -            | 87             | -          | 2,940          | 1          | 78             | -          | 87             | -          |
| Deferred government grant                                                                         | 73             | -            | 102            | -            | 137            | -          | 175            | -          | 27             | -          | -              | -          |
| Gas Infrastructure Development<br>Cess (GIDC) payable                                             | -              | -            | -              | -            | 7,941          | 2          | 20,802         | 7          | 32,772         | 15         | -              | -          |
| Deferred liabilities                                                                              | 33,680         | 6            | 13,930         | 4            | 10,389         | 3          | 8,540          | 3          | 8,541          | 4          | 5,997          | 3          |
|                                                                                                   | 66,535         | 12           | 33,661         | 9            | 36,375         | 10         | 51,629         | 17         | 53,617         | 24         | 15,439         | 8          |
| <b>Current Liabilities</b>                                                                        |                |              |                |              |                |            |                |            |                |            |                |            |
| Trade and other payables                                                                          | 196,832        | 35           | 108,786        | 34           | 92,159         | 28         | 64,183         | 23         | 46,928         | 22         | 76,309         | 41         |
| Current portion of long term<br>borrowings - secured                                              | 7,418          | 1            | 6,544          | 2            | 6,703          | 2          | 6,954          | 3          | 5,782          | 3          | 6,085          | 3          |
| Current portion of lease liabilities                                                              | 60             | -            | 34             | -            | 3,687          | 1          | 2,745          | 1          | 26             | -          | 52             | -          |
| Current portion of deferred<br>government grant                                                   | 31             | -            | 35             | -            | 38             | -          | 79             | -          | 93             | -          | -              | -          |
| Mark - up and profit accrued                                                                      | 981            | -            | 1,392          | -            | 1,556          | -          | 743            | -          | 279            | -          | 712            | -          |
| Short term borrowings - secured                                                                   | 38,341         | 7            | 15,133         | 5            | 58,813         | 18         | 38,999         | 14         | 25,277         | 12         | 22,493         | 12         |
| Unclaimed dividend                                                                                | 664            | -            | 517            | -            | 479            | -          | 472            | -          | 468            | -          | 541            | -          |
| Provision for taxation                                                                            | 17,930         | 3            | 10,737         | 3            | 6,564          | 2          | 4,974          | 2          | 4,608          | 2          | 3,092          | 2          |
|                                                                                                   | 262,257        | 46           | 143,178        | 44           | 169,999        | 51         | 119,149        | 43         | 83,461         | 39         | 109,284        | 59         |
| <b>Total Equity And Liabilities</b>                                                               | <b>573,683</b> | <b>100.0</b> | <b>326,922</b> | <b>100.0</b> | <b>327,919</b> | <b>99</b>  | <b>275,197</b> | <b>99</b>  | <b>216,210</b> | <b>100</b> | <b>185,388</b> | <b>100</b> |
| <b>Assets</b>                                                                                     |                |              |                |              |                |            |                |            |                |            |                |            |
| <b>Non - Current Assets</b>                                                                       |                |              |                |              |                |            |                |            |                |            |                |            |
| Property, plant and equipment                                                                     | 116,420        | 20           | 69,294         | 21           | 57,922         | 18         | 54,958         | 20         | 32,596         | 15         | 32,758         | 18         |
| Intangible assets                                                                                 | 1,990          | -            | 1,935          | 1            | 1,936          | 1          | 1,941          | 1          | 1,938          | 1          | 1,945          | 1          |
| Log term investments                                                                              | 124,630        | 23           | 97,801         | 30           | 83,788         | 26         | 70,385         | 26         | 62,512         | 29         | 49,259         | 27         |
| Long term loans and advances - secured                                                            | 1,785          | -            | 2,630          | 1            | 4,556          | 1          | 3,044          | 1          | 1,946          | 1          | 1,200          | 1          |
| Long term deposits and prepayments                                                                | 135            | -            | 31             | -            | 31             | -          | 31             | -          | 27             | -          | 28             | -          |
|                                                                                                   | 244,960        | 43           | 171,691        | 53           | 148,233        | 45         | 130,359        | 47         | 99,019         | 46         | 85,190         | 46         |
| <b>Current Assets</b>                                                                             |                |              |                |              |                |            |                |            |                |            |                |            |
| Stores, spares and loose tools                                                                    | 16,188         | 3            | 8,203          | 3            | 6,559          | 2          | 4,735          | 2          | 4,563          | 2          | 3,864          | 2          |
| Stock in trade                                                                                    | 29,699         | 5            | 3,992          | 1            | 20,117         | 6          | 1,354          | -          | 473            | -          | 7,015          | 4          |
| Trade debts                                                                                       | 15,315         | 3            | 13,545         | 4            | 12,828         | 4          | 11,428         | 4          | 5,869          | 3          | 15,606         | 8          |
| Loans and advances - secured                                                                      | 6,715          | 1            | 2,607          | 1            | 1,347          | -          | 969            | -          | 811            | -          | 867            | -          |
| Deposits and prepayments                                                                          | 1,399          | -            | 716            | -            | 306            | -          | 78             | -          | 68             | -          | 53             | -          |
| Other receivables                                                                                 | 21,016         | 4            | 22,629         | 7            | 28,772         | 9          | 24,367         | 9          | 20,780         | 10         | 17,570         | 9          |
| Short term investments                                                                            | 222,415        | 38           | 101,743        | 31           | 107,756        | 33         | 100,037        | 36         | 83,188         | 38         | 49,207         | 27         |
| Cash and bank balances                                                                            | 15,976         | 3            | 1,796          | 1            | 2,001          | 1          | 1,827          | 1          | 1,438          | 1          | 6,015          | 3          |
|                                                                                                   | 328,723        | 57           | 155,231        | 47           | 179,686        | 55         | 144,796        | 53         | 117,191        | 54         | 100,198        | 54         |
| Asset classified as held for sale                                                                 | -              | -            | -              | -            | -              | -          | 42             | -          | -              | -          | -              | -          |
| <b>Total Assets</b>                                                                               | <b>573,683</b> | <b>100</b>   | <b>326,922</b> | <b>100</b>   | <b>327,919</b> | <b>100</b> | <b>275,197</b> | <b>100</b> | <b>216,210</b> | <b>100</b> | <b>185,388</b> | <b>100</b> |

# HORIZONTAL ANALYSIS

## Consolidated Statement of Profit or Loss

|                                                 | 2024           | 24 Vs 23  | 2023          | 23 Vs 22  | 2022          | 22 Vs 21    | 2021          | 21 Vs 20  | 2020          | 20 Vs 19  | 2019          | 19 Vs 18   |
|-------------------------------------------------|----------------|-----------|---------------|-----------|---------------|-------------|---------------|-----------|---------------|-----------|---------------|------------|
|                                                 | Rs             | %         | Rs M          | %         | Rs M          | %           | Rs M          | %         | Rs M          | %         | Rs M          | %          |
| Turnover - net                                  | 411,254        | 127       | 181,382       | 44        | 125,678       | 10          | 114,345       | 11        | 102,744       | (6)       | 109,817       | -          |
| Cost of sales                                   | (267,509)      | 156       | (104,546)     | 38        | (75,989)      | 4           | (72,992)      | 7         | (68,304)      | (11)      | (77,039)      | (4)        |
| <b>Gross profit</b>                             | <b>143,745</b> | <b>87</b> | <b>76,836</b> | <b>55</b> | <b>49,689</b> | <b>20</b>   | <b>41,353</b> | <b>20</b> | <b>34,440</b> | <b>5</b>  | <b>32,778</b> | <b>12</b>  |
| Administrative and distribution expenses        | (31,986)       | 132       | (13,812)      | 23        | (11,232)      | 23          | (9,099)       | 10        | (8,265)       | (7)       | (8,867)       | (7)        |
| <b>Operating Profit</b>                         | <b>111,759</b> | <b>77</b> | <b>63,024</b> | <b>64</b> | <b>38,457</b> | <b>19</b>   | <b>32,254</b> | <b>23</b> | <b>26,175</b> | <b>9</b>  | <b>23,911</b> | <b>22</b>  |
| Finance costs                                   | (7,853)        | 19        | (6,587)       | 11        | (5,926)       | 117         | (2,736)       | 13        | (2,413)       | (27)      | (3,312)       | 48         |
| Other (losses) / gains                          | (1,415)        | (65)      | (4,060)       | 46        | (2,789)       | (140)       | 6,897         | -         | 4,939         | -         | -             | -          |
| Other expenses                                  | (10,306)       | 89        | (5,445)       | 79        | (3,047)       | 3           | (2,962)       | 12        | (2,648)       | 11        | (2,381)       | 13         |
|                                                 | 92,185         | 96        | 46,932        | 76        | 26,695        | (20)        | 33,453        | 28        | 26,053        | 43        | 18,218        | 19         |
| Other income                                    | 27,031         | 65        | 16,358        | 42        | 11,498        | 82          | 6,302         | 21        | 5,217         | (9)       | 5,751         | 13         |
| Share of profit of associates and joint venture | 23,723         | 111       | 11,237        | (10)      | 12,440        | 23          | 10,155        | 22        | 8,297         | (2,289)   | (379)         | (111)      |
| <b>Profit before taxation</b>                   | <b>142,939</b> | <b>92</b> | <b>74,527</b> | <b>47</b> | <b>50,633</b> | <b>1</b>    | <b>49,910</b> | <b>26</b> | <b>39,567</b> | <b>68</b> | <b>23,590</b> | <b>(1)</b> |
| Provision for taxation                          | (57,414)       | 112       | (27,075)      | 66        | (16,263)      | 62          | (10,045)      | 2         | (9,816)       | 57        | (6,256)       | (14)       |
| <b>Profit for the year</b>                      | <b>85,525</b>  | <b>80</b> | <b>47,452</b> | <b>38</b> | <b>34,370</b> | <b>(14)</b> | <b>39,865</b> | <b>34</b> | <b>29,751</b> | <b>72</b> | <b>17,334</b> | <b>5</b>   |
| EPS (Rs)                                        | 60.10          | 61        | 37.30         | 38        | 27.02         | (14)        | 31.33         | 34        | 23.38         | 72        | 13.63         | 5          |

# VERTICAL ANALYSIS

## Consolidated Statement of Profit or Loss

|                                                 | 2024      |      | 2023      |      | 2022     |      | 2021     |      | 2020     |      | 2019     |      |
|-------------------------------------------------|-----------|------|-----------|------|----------|------|----------|------|----------|------|----------|------|
|                                                 | Rs M      | %    | Rs M      | %    | Rs M     | %    | Rs M     | %    | Rs M     | %    | Rs M     | %    |
| Turnover - net                                  | 411,254   | 100  | 181,382   | 100  | 125,678  | 100  | 114,345  | 100  | 102,744  | 100  | 109,817  | 100  |
| Cost of sales                                   | (267,509) | (65) | (104,546) | (58) | (75,989) | (60) | (72,992) | (64) | (68,304) | (66) | (77,039) | (70) |
| Gross profit                                    | 143,745   | 35   | 76,836    | 70   | 49,689   | 45   | 41,353   | 38   | 34,440   | 31   | 32,778   | 30   |
| Administrative and distribution expenses        | (31,986)  | (18) | (13,812)  | (8)  | (11,232) | (9)  | (9,099)  | (8)  | (8,265)  | (8)  | (8,867)  | (8)  |
| Operating Profit                                | 111,759   | 27   | 63,024    | 57   | 38,457   | 35   | 32,254   | 29   | 26,175   | 24   | 23,911   | 22   |
| Finance costs                                   | (7,853)   | (2)  | (6,587)   | (4)  | (5,926)  | (5)  | (2,736)  | (2)  | (2,413)  | (2)  | (3,312)  | (3)  |
| Other (losses) / gains                          | (1,415)   | -    | (4,060)   | (2)  | (2,789)  | (2)  | 6,897    | 6    | 4,939    | 5    | -        | -    |
| Other expenses                                  | (10,306)  | (3)  | (5,445)   | (3)  | (3,047)  | (2)  | (2,962)  | (3)  | (2,648)  | (3)  | (2,381)  | (2)  |
|                                                 | 92,185    | 22   | 46,932    | 26   | 26,695   | 21   | 33,453   | 29   | 26,053   | 25   | 18,218   | 17   |
| Other income                                    | 27,031    | 7    | 16,358    | 9    | 11,498   | 9    | 6,302    | 6    | 5,217    | 5    | 5,751    | 5    |
| Share of profit of associates and joint venture | 23,723    | 6    | 11,237    | 6    | 12,440   | 10   | 10,155   | 9    | 8,297    | 8    | (379)    | -    |
| Profit before taxation                          | 142,939   | 35   | 74,527    | 41   | 50,633   | 40   | 49,910   | 44   | 39,567   | 39   | 23,590   | 21   |
| Provision for taxation                          | (57,414)  | (14) | (27,075)  | (15) | (16,263) | (13) | (10,045) | (9)  | (9,816)  | (10) | (6,256)  | (6)  |
| Profit for the year                             | 85,525    | 21   | 47,452    | 26   | 34,370   | 27   | 39,865   | 35   | 29,751   | 29   | 17,334   | 16   |
| EPS (Rs)                                        | 60.10     |      | 37.30     |      | 27.02    |      | 31.33    |      | 23.38    |      | 13.63    |      |



## Associated Companies

### Askari Bank Limited

AKBL was incorporated in 1991 as a public limited company and is principally engaged in banking business, operating through a branch network of 720 branches, including 198 Islamic banking / sub-branches and a wholesale bank branch in the Kingdom of Bahrain. FFC acquired 43.15% equity stake in AKBL in 2012, which increased to 64.72% from July 01, 2024 due to merger of FFBL with an into FFC.

The increase in branch network and high interest rates marked a significant impact on AKBL's performance by showing growth in net mark-up income. The Bank's active management and re-alignment of stock portfolio yielded higher gains. The bank earned a profit of Rs 21.1 billion during the reporting period compared to Rs 17.9 billion last year.

The Bank's deposits reached around Rs 1.4 trillion. PACRA reaffirmed Askari Bank's long-term rating at 'AA+' with a stable outlook, reflecting its strong brand and management. The short-term rating also remained at 'A1+'. The Bank focuses on sustainable growth, retail expansion, digital transformation, and enhancing shareholder value through technological and talent investments.

### Fauji Cement Company Limited

FCCL was incorporated in 1992 and is registered on the Pakistan Stock Exchange. It is principally engaged in the manufacturing and sale of different types of cement with an installed capacity of 3.56 million tonnes. In 2021, a scheme of arrangement for amalgamation

of Askari Cement Limited with and into FCCL was approved by Board of Directors of both Companies. The scheme was sanctioned by the Honourable Lahore High Court in March 2022. With this merger, FCCL has become the third largest player of the cement industry country with a capacity of 10.6 million tons.

FCCL experienced growth driven by better pricing, higher export sales, and cost-optimization initiatives, recording net earnings of Rs 8.9 billion in the reporting period, a 14% increase compared to Rs 7.7 billion last year.

### Pak Maroc Phosphore S.A., Morocco

PMP was incorporated in 2004 as a private company in Morocco. It is a joint venture between FFC, Fauji Foundation (12.5%) and the Moroccan state-owned organization Officie Cherifien Des Phosphates (50%). Owing to the merger, FFC's shareholding stake is increased to 37.5% as compared to 12.5% previous year.

The company began its activities in 2008 and is engaged in manufacturing and marketing of phosphoric acid, fertilizer and other related products.

PMP's Plant is located in Jorf Lasfar, Morocco, having a production capacity of 375 thousand tonnes of industrial phosphoric acid, which is primarily supplied to FFC as raw material for production of DAP fertilizer and any excess acid is sold in the international market.

PMP recorded profit of Rs 15 billion during the reporting period. The capacity enhancement project for

its Phosphoric Acid plant, aiming to increase production by 50KT annually, is expected for completion within budget by 2025.

### Thar Energy Limited

TEL was incorporated as a public unlisted company in 2016. Principal activities of TEL involve developing, owning, operating and maintaining a 1 x 330 MW mine-mouth coal fired power plant established at Thar Block II, Thar Coal Mine, Sindh. This project has been developed under CPEC, in collaboration with HUB Power Company Limited and China Machinery Engineering Corporation. TEL successfully achieved commercial operations effective October 2022 and started generating revenues. FFC holds an equity stake of 30% in the project amounting to Rs 5.99 billion.

TEL reported net profit of Rs 7.5 billion for the year ended September 30, 2024 compared to Rs 9 billion in the previous year.

### Agritech Limited

AGL was incorporated in Pakistan on 15 December 1959 as an unlisted Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017) and was privatized by the Government in 2006. Listed on the Pakistan Stock Exchange, AGL primarily engages in the production and sale of Urea and Single Super Phosphate (SSP) fertilizers. Its manufacturing operations include a 433 KT Urea plant and an 81KT SSP plant, located at two units:

- Unit I located at Iskanderabad, District Mianwali; and
- Unit II at Hattar Road, Haripur.

# FINANCIAL PERFORMANCE OF THE GROUP

During the year, FFC invested Rs 10.96 billion in Agritech, which includes Rs 4.9 billion to acquire 28.86% ordinary share capital.

AGL has shown a promising increase in fertilizer production in 2024 since gas supplies to its fertilizer complex improved. During the period October to December 2024, the company reported a profit of Rs 1.7 billion. This uptick in profitability resulted from higher gas availability, leading to increased production and sales.

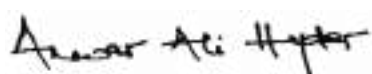
Going forward, AGL is expected to strengthen the Group's overall production capacity and market share by offering high-quality fertilizer products at competitive prices.

| Appropriations                              | Rs in million  | Rs per share |
|---------------------------------------------|----------------|--------------|
| <b>Opening equity and reserves</b>          | 150,083        |              |
| Non-controlling interest                    | (811)          |              |
| Final dividend - 2023                       | (5,216)        | 4.10         |
| Merger reserve                              | 28,556         |              |
| Acquisition reserve                         | (1,440)        |              |
| Effects due to IFRS 9 adoption by associate | (1,677)        |              |
| Net profit - 2024                           | 85,525         | 60.10        |
| Other comprehensive income                  | 9,590          |              |
| <b>Available for appropriations</b>         | 264,610        |              |
| <b>Appropriations</b>                       |                |              |
| First interim dividend - 2024               | (6,997)        | *5.50        |
| Second interim dividend - 2024              | (12,722)       | *10.00       |
| <b>Closing equity and reserves</b>          | <b>244,891</b> |              |

\* Revised, post merger Rs 13.86 per share for annualized appropriation.

## Subsequent Events

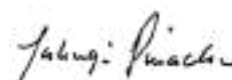
FFC Board of Directors, in its meeting held on January 29, 2025 has recommended a final cash dividend of Rs. 21 per share i.e. 210% for the year ended 2024, for shareholders' approval taking the total payout for the year to Rs 34.86 per share i.e. a payout of 76.63%. There were no other material changes affecting the financial position of the Group till the date of this Report.



**Lieutenant General Anwar Ali Hyder,**  
**Hilal-e-Imtiaz (Military) (Retired)**

Chairman

Rawalpindi  
January 29, 2025



**Jahangir Piracha**  
Managing Director &  
Chief Executive Officer

# INDEPENDENT AUDITOR'S REPORT

## To The Members of Fauji Fertilizer Company Limited Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the annexed consolidated financial statements of Fauji Fertilizer Company Limited (the Company), and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Following are the key audit matters:

| S. No. | Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | <p><b>Revenue recognition</b></p> <p>(Refer notes 3.13 and 28 to the consolidated financial statements)</p> <p>The Group is engaged in production and sale of fertilizers and chemicals including investment in chemicals, food, energy, other manufacturing and banking operations. The Group recognized revenue from the sale of fertilizers, chemicals, power and food amounting to Rs 411,254 million for the year ended December 31, 2024.</p> <p>We identified recognition of revenue as an area of higher risk as it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Group. Accordingly, it was considered as a key audit matter.</p> | <p><b>Our procedures in relation to this matter included, amongst others:</b></p> <ul style="list-style-type: none"><li>• Obtained understanding of the process relating to recognition of revenue and checked the design, implementation and operating effectiveness of relevant internal controls over recording of revenue;</li><li>• Performed verification of sample of revenue transactions with underlying documentation including delivery documents and sales invoices;</li><li>• Performed cut-off procedures on sample basis to ensure revenue has been recorded in the correct period;</li><li>• Verified that sales prices are approved by appropriate authority;</li><li>• Verified discounts with supporting documentation on test basis; and</li><li>• Checked that revenue has been recognized in accordance with Group's accounting policy and the applicable accounting and financial reporting framework.</li></ul> |

# INDEPENDENT AUDITOR'S REPORT

To The Members of Fauji Fertilizer Company Limited  
Report on the Audit of the Consolidated Financial Statements

| S. No. | Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2      | <p><b>Merger/ amalgamation of Fauji Fertilizer Bin Qasim Limited (FFBL) with and into the Company</b></p> <p>(Refer notes 1.2 and 3.16.2 to the consolidated financial statements)</p> <p>During the year, a Scheme of Arrangement (the Scheme) for merger/ amalgamation of FFBL with and into the Company has been approved by the Board of Directors and thereafter by the members of the Company. The Scheme has also been sanctioned by the Honorable Lahore High Court, Rawalpindi Bench, and is effective from July 1, 2024, i.e. the date at which all assets and liabilities of FFBL are vested with the Company. The consideration agreed is 150.87 million fully paid ordinary shares of Rs 10 each be issued to the shareholders of FFBL (other than the Company) in accordance with the approved swap ratio.</p> <p>Pursuant to aforementioned merger/ amalgamation transaction of FFBL with and into the Company, the Group also gained control over Fauji Foods Limited (FFL) and FFBL Power Company Limited (FPCL) with effect from July 1, 2024.</p> <p>We considered merger/ amalgamation of FFBL with and into the Company (including control over FFL and FPCL) to be a key audit matter as these were significant transactions during the year.</p> | <p><b>Our procedures in relation to this matter included, amongst others:</b></p> <ul style="list-style-type: none"> <li>Inspected minutes of the meeting of the Board of Directors and shareholders of the Company for the approval of the transaction;</li> <li>Inspected the approved Scheme of Arrangement of merger/ amalgamation, sanction order of Lahore High Court, and other relevant documents to obtain an understanding of the transaction, establish transaction date and other key terms;</li> <li>Analyzed the financial impacts and the related accounting treatment of the transaction in the consolidated financial statements;</li> <li>Traced assets acquired and liabilities assumed with FFBLs, FFLs and FPCLs financial statements as of the effective date of merger/ amalgamation;</li> <li>Checked shares issued to the shareholders of FFBL against consideration agreed in accordance with the approved swap ratio;</li> <li>Assessed whether appropriate accounting treatment has been applied to the transaction in the consolidated financial statements in accordance with Group's accounting policy and the applicable accounting and financial reporting framework; and</li> <li>Assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements for compliance with the requirement of the applicable financial reporting framework.</li> </ul> |

| S. No. | Key audit matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3      | <p><b>Investment in associates</b></p> <p>(Refer notes 3.1.4 and 17 to the consolidated financial statements)</p> <p>The Group has significant investments in its associates which are accounted for in these consolidated financial statements under the equity method of accounting. As at December 31, 2024, the carrying amount of investments in above referred associates amounted to Rs 93,513 million. The Group's management carries out impairment assessment of the value of investment where there are indicators of impairment.</p> <p>The Group's management has assessed the recoverable amount of such investments based on the higher of the value-in-use and fair value. This recoverable amount is based on a valuation analysis performed by the Group's management using a discounted cash flow model which involves estimation of future cash flows. This estimation requires significant judgement on future cash flows, the discount rate applied to those future cash flows and long-term growth rate etc.</p> <p>We considered this as a key audit matter due to significant management judgement involved in the estimation of recoverable amounts.</p> | <p><b>Our audit procedures in relation to this matter included, amongst others:</b></p> <ul style="list-style-type: none"> <li>• Obtained understanding of management's process for identification of impairment indicators in, and testing impairment of investment in associates;</li> <li>• Checked the mathematical accuracy of management's valuation model and agreed relevant data to the underlying records;</li> <li>• Assessed the reasonableness of key assumptions used in the valuation model such as future revenue and costs, discount rate and long-term growth rates etc.;</li> <li>• Performed sensitivity analysis with respect to changes in key assumptions used in the valuation model; and</li> <li>• Checked the appropriateness of disclosures made in the consolidated financial statements with respect to the requirements of the applicable accounting and reporting framework.</li> </ul> |



# INDEPENDENT AUDITOR'S REPORT

## To The Members of Fauji Fertilizer Company Limited Report on the Audit of the Consolidated Financial Statements

### **Information Other than the Financial Statements and Consolidated Financial Statements and Auditor's Reports Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

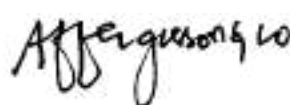
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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



Chartered Accountants  
Islamabad

Date: February 28, 2025

UDIN: AR2024106105kfMYX6hv

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

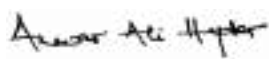
|                                                                         | Note | 2024        | 2023        |
|-------------------------------------------------------------------------|------|-------------|-------------|
|                                                                         |      | Rs '000     | Rs '000     |
| <b>EQUITY AND LIABILITIES</b>                                           |      |             |             |
| <b>EQUITY AND RESERVES</b>                                              |      |             |             |
| Share capital                                                           | 5    | 14,231,086  | 12,722,382  |
| Capital reserves                                                        | 6    | 41,335,049  | 13,702,705  |
| Revenue reserves                                                        |      |             |             |
| General reserves                                                        |      | 8,802,360   | 8,802,360   |
| Unappropriated profit                                                   |      | 172,169,158 | 114,118,741 |
|                                                                         |      | 180,971,518 | 122,921,101 |
| Surplus/ (deficit) on re-measurement of investments to fair value – net |      | 4,132,721   | (4,314,604) |
| Share in revaluation reserve of associates – net                        |      | 297,678     | 1,462,850   |
| Non-controlling interest                                                |      | 3,922,535   | 3,589,019   |
|                                                                         |      | 244,890,587 | 150,083,453 |
| <b>NON – CURRENT LIABILITIES</b>                                        |      |             |             |
| Long term borrowings – secured                                          | 7    | 32,491,030  | 19,565,210  |
| Lease liabilities                                                       | 8    | 290,770     | 64,049      |
| Deferred government grant                                               | 9    | 73,400      | 101,665     |
| Deferred liabilities                                                    | 10   |             |             |
| – Deferred taxation                                                     |      | 30,721,809  | 12,158,457  |
| – Compensated leave absences                                            |      | 2,958,960   | 1,770,884   |
|                                                                         |      | 66,535,969  | 33,660,265  |
| <b>CURRENT LIABILITIES</b>                                              |      |             |             |
| Current portion of long term borrowings – secured                       | 7    | 7,417,960   | 6,544,201   |
| Current portion of lease liabilities                                    | 8    | 60,377      | 33,708      |
| Current portion of deferred government grant                            | 9    | 30,810      | 35,186      |
| Trade and other payables                                                | 11   | 196,832,347 | 110,322,548 |
| Mark-up and profit accrued                                              | 12   | 980,779     | 1,392,334   |
| Short term borrowings – secured                                         | 13   | 38,340,517  | 15,133,161  |
| Unclaimed dividend                                                      |      | 663,851     | 516,867     |
| Provision for taxation                                                  |      | 17,930,211  | 9,330,642   |
|                                                                         |      | 262,256,852 | 143,308,647 |
| <b>TOTAL LIABILITIES</b>                                                |      | 328,792,821 | 176,968,912 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     |      | 573,683,408 | 327,052,365 |

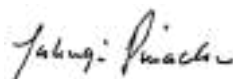
## CONTINGENCIES AND COMMITMENTS

14

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

|                                        | Note | 2024               | 2023               |
|----------------------------------------|------|--------------------|--------------------|
|                                        |      | Rs '000            | Rs '000            |
| <b>ASSETS</b>                          |      |                    |                    |
| <b>NON – CURRENT ASSETS</b>            |      |                    |                    |
| Property, plant and equipment          | 15   | 116,419,750        | 69,293,945         |
| Intangible assets                      | 16   | 1,990,233          | 1,935,235          |
| Long term investments                  | 17   | 124,629,228        | 97,800,805         |
| Long term loans and advances – secured | 18   | 1,785,266          | 2,629,638          |
| Long term deposits and prepayments     | 19   | 135,045            | 30,638             |
|                                        |      | 244,959,522        | 171,690,261        |
| <b>CURRENT ASSETS</b>                  |      |                    |                    |
| Stores, spares and loose tools         | 20   | 16,187,525         | 8,203,179          |
| Stock in trade                         | 21   | 29,698,865         | 3,991,849          |
| Trade debts                            | 22   | 15,315,117         | 13,544,418         |
| Loans and advances – secured           | 23   | 6,715,734          | 2,607,359          |
| Deposits and prepayments               | 24   | 1,398,914          | 716,482            |
| Other receivables                      | 25   | 21,016,416         | 22,759,102         |
| Short term investments                 | 26   | 222,415,276        | 101,743,497        |
| Cash and bank balances                 | 27   | 15,976,039         | 1,796,218          |
|                                        |      | 328,723,886        | 155,362,104        |
| <b>TOTAL ASSETS</b>                    |      | <b>573,683,408</b> | <b>327,052,365</b> |

  
Chairman

  
Chief Executive

  
Director

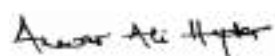
  
Chief Financial Officer

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

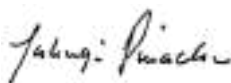
For the year ended December 31, 2024

|                                                    | Note | 2024          | 2023          |
|----------------------------------------------------|------|---------------|---------------|
|                                                    |      | Rs '000       | Rs '000       |
| Turnover – net                                     | 28   | 411,254,410   | 181,382,237   |
| Cost of sales                                      | 29   | (267,509,156) | (104,545,753) |
| <b>GROSS PROFIT</b>                                |      | 143,745,254   | 76,836,484    |
| Administrative and distribution expenses           | 30   | (31,986,143)  | (13,812,200)  |
|                                                    |      | 111,759,111   | 63,024,284    |
| Finance costs                                      | 31   | (7,852,760)   | (6,587,191)   |
| Other losses                                       |      |               |               |
| – Unwinding of GIDC liability                      | 11.1 | (212,406)     | (1,160,336)   |
| – Loss allowance on subsidy receivable from GoP    | 25.5 | (1,203,000)   | (2,900,000)   |
|                                                    |      | (1,415,406)   | (4,060,336)   |
| Other expenses                                     | 32   | (10,305,414)  | (5,444,696)   |
| Other income                                       | 33   | 27,030,585    | 16,357,989    |
| Share of profit of associates and joint venture    |      | 23,723,249    | 11,236,942    |
| <b>PROFIT BEFORE INCOME TAX AND LEVIES</b>         |      | 142,939,365   | 74,526,992    |
| Final and minimum taxes – levies                   | 34   | (2,349,820)   | (3,116,716)   |
| <b>PROFIT BEFORE INCOME TAX</b>                    |      | 140,589,545   | 71,410,276    |
| Provision for taxation                             | 35   | (55,064,201)  | (23,958,006)  |
| <b>PROFIT FOR THE YEAR</b>                         |      | 85,525,344    | 47,452,270    |
| <b>ATTRIBUTABLE TO:</b>                            |      |               |               |
| Equity holders of Fauji Fertilizer Company Limited |      | 84,379,493    | 46,511,179    |
| Non – controlling interest                         |      | 1,145,851     | 941,091       |
|                                                    |      | 85,525,344    | 47,452,270    |
| Earnings per share – basic and diluted (Rupees)    | 36   | 60.10         | 37.30         |

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



Chairman



Chief Executive



Director



Chief Financial Officer

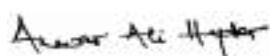


# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

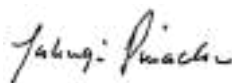
For the year ended December 31, 2024

|                                                                                | 2024              | 2023              |
|--------------------------------------------------------------------------------|-------------------|-------------------|
|                                                                                | Rs '000           | Rs '000           |
| <b>PROFIT FOR THE YEAR</b>                                                     | 85,525,344        | 47,452,270        |
| <b>OTHER COMPREHENSIVE INCOME / (LOSS)</b>                                     |                   |                   |
| Items that may be subsequently reclassified to profit or loss:                 |                   |                   |
| Surplus on re-measurement of investments to fair value                         |                   |                   |
| – net of tax                                                                   | 201,160           | 10,428            |
| Share of equity accounted investees, share of OCI                              |                   |                   |
| – net of tax                                                                   | 8,273,490         | (195,121)         |
|                                                                                | 8,474,650         | (184,693)         |
| Items that will not be subsequently reclassified to profit or loss:            |                   |                   |
| Gain / (loss) on re-measurement of staff retirement benefit plans – net of tax | 677,488           | (174,781)         |
| Equity accounted investees, share of OCI – net of tax                          | 437,409           | 143,135           |
|                                                                                | 1,114,897         | (31,646)          |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                                 | <b>95,114,891</b> | <b>47,235,931</b> |
| <b>ATTRIBUTABLE TO:</b>                                                        |                   |                   |
| Equity holders of Fauji Fertilizer Company Limited                             | 93,970,005        | 46,295,099        |
| Non – controlling interest                                                     | 1,144,886         | 940,832           |
|                                                                                | <b>95,114,891</b> | <b>47,235,931</b> |

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



Chairman



Chief Executive



Director



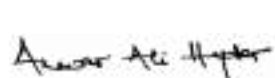
Chief Financial Officer

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

|                                                             | Note | 2024         | 2023         |
|-------------------------------------------------------------|------|--------------|--------------|
|                                                             |      | Rs '000      | Rs '000      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |      |              |              |
| Cash generated from operations                              | 39   | 170,335,468  | 98,399,715   |
| Finance cost paid                                           |      | (8,766,265)  | (6,737,572)  |
| Income tax paid                                             |      | (44,865,859) | (17,561,753) |
| Levies paid                                                 |      | (1,599,437)  | (2,001,236)  |
|                                                             |      | (55,231,561) | (26,300,561) |
| Net cash generated from operating activities                |      | 115,103,907  | 72,099,154   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |      |              |              |
| Fixed capital expenditure                                   |      | (13,759,186) | (15,780,719) |
| Proceeds from disposal of property, plant and equipment     |      | 112,695      | 106,768      |
| Proceeds from disposal of investment property               |      | 855,958      | –            |
| Investment in Thar Energy Limited                           |      | –            | (226,908)    |
| Investment in Fauji Foods Limited                           |      | –            | (4,650,000)  |
| Investment in Agritech Limited                              |      | (10,992,049) | –            |
| Other investments – net                                     |      | 15,474,615   | 7,258,189    |
| Interest and profit received                                |      | 3,400,965    | 1,393,943    |
| Dividend received                                           |      | 3,249,627    | –            |
| Net cash (used in) investing activities                     |      | (1,657,375)  | (11,898,727) |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |      |              |              |
| Long term borrowings:                                       |      |              |              |
| Draw-downs                                                  |      | 20,311,867   | 8,247,651    |
| Repayments                                                  |      | (30,099,850) | (6,662,178)  |
| Repayment of lease liabilities                              |      | (85,614)     | (4,629,631)  |
| Dividend paid                                               |      | (25,739,051) | (18,660,152) |
| Net cash (used in) financing activities                     |      | (35,612,648) | (21,704,310) |
| Net increase in cash and cash equivalents                   |      | 77,833,884   | 38,496,117   |
| <b>Cash and cash equivalents at beginning of the year</b>   |      | 86,315,120   | 46,933,653   |
| Effect of exchange rate changes                             |      | (263,891)    | 885,350      |
| Acquisition of cash and cash equivalents pursuant to merger | 1.2  | 27,734,821   | –            |
| <b>Cash and cash equivalents at end of the year</b>         |      | 191,619,934  | 86,315,120   |
| <b>CASH AND CASH EQUIVALENTS</b>                            |      |              |              |
|                                                             | 27.6 |              |              |
| Short term highly liquid investments                        |      | 220,141,073  | 99,652,063   |
| Cash and bank balances                                      |      | 15,976,039   | 1,796,218    |
| Short term borrowings                                       |      | (38,340,517) | (15,133,161) |
| Bank balance held under lien                                |      | (6,156,661)  | –            |
|                                                             |      | 191,619,934  | 86,315,120   |

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



Chairman



Chief Executive



Director



Chief Financial Officer

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2024

|                                                                                      | Share capital | Capital reserves      |                            |                |                     |                   |                     | Reserves        |                       |                                                                | Share in revaluation reserve of associates - net | Non - controlling interest | Total        |
|--------------------------------------------------------------------------------------|---------------|-----------------------|----------------------------|----------------|---------------------|-------------------|---------------------|-----------------|-----------------------|----------------------------------------------------------------|--------------------------------------------------|----------------------------|--------------|
|                                                                                      |               | Share premium reserve | Capital redemption reserve | Merger reserve | Translation reserve | Statutory reserve | Acquisition reserve | Income reserves |                       | (deficit) on re-measurement of investments to fair value - net |                                                  |                            |              |
|                                                                                      |               |                       |                            |                |                     |                   |                     | General reserve | Unappropriated profit |                                                                |                                                  |                            |              |
| Rs '000                                                                              |               |                       |                            |                |                     |                   |                     |                 |                       |                                                                |                                                  |                            |              |
| Balance at January 1, 2023                                                           | 12,722,382    | 40,000                | 120,000                    | -              | 4,532,385           | 5,712,045         | -                   | 8,802,360       | 87,129,413            | (1,791,255)                                                    | 1,430,348                                        | 2,848,187                  | 121,545,865  |
| <b>Total comprehensive income for the year</b>                                       |               |                       |                            |                |                     |                   |                     |                 |                       |                                                                |                                                  |                            |              |
| Profit for the year                                                                  | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | 46,511,179            | -                                                              | -                                                | 941,091                    | 47,452,270   |
| Other comprehensive income/ (loss) – net of tax                                      | -             | -                     | -                          | 2,338,656      | -                   | -                 | -                   | -               | (63,889)              | (2,523,349)                                                    | 32,502                                           | (259)                      | (216,339)    |
| First interim dividend 2023: Rs 4.26 per share                                       | -             | -                     | -                          | 2,338,656      | -                   | -                 | -                   | -               | 46,447,290            | (2,523,349)                                                    | 32,502                                           | 940,832                    | 47,235,939   |
| Second interim dividend 2023: Rs 3.15 per share                                      | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | -            |
| Third interim dividend 2023: Rs 3.98 per share                                       | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | (5,063,508)           | -                                                              | -                                                | -                          | (5,063,508)  |
| Fourth interim dividend 2023: Rs 3.15 per share                                      | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | (18,498,343)          | -                                                              | -                                                | -                          | (18,498,343) |
| <b>FWEL-II dividends to non-controlling interest holders:</b>                        |               |                       |                            |                |                     |                   |                     |                 |                       |                                                                |                                                  |                            |              |
| Interim dividend 2023: Rs 2.83 per share                                             | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | (200,000)                  | (200,000)    |
| <b>Other changes in equity:</b>                                                      |               |                       |                            |                |                     |                   |                     |                 |                       |                                                                |                                                  |                            |              |
| Transfer to statutory reserve by an associate                                        | -             | -                     | -                          | -              | -                   | 959,619           | -                   | -               | (959,619)             | -                                                              | -                                                | -                          | -            |
| Balance at December 31, 2023                                                         | 12,722,382    | 40,000                | 120,000                    | -              | 6,871,041           | 6,671,664         | -                   | 8,802,360       | 114,118,741           | (4,314,604)                                                    | 1,462,850                                        | 3,589,019                  | 150,083,453  |
| <b>Total comprehensive income for the year</b>                                       |               |                       |                            |                |                     |                   |                     |                 |                       |                                                                |                                                  |                            |              |
| Profit for the year                                                                  | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | 84,379,493            | -                                                              | -                                                | 1,145,851                  | 85,525,344   |
| Other comprehensive income/ (loss) – net of tax                                      | -             | -                     | -                          | 830,596        | -                   | -                 | -                   | -               | (870,874)             | 7,837,809                                                      | 51,233                                           | (965)                      | 9,589,547    |
| First interim dividend 2024: Rs 5.50 per share                                       | -             | -                     | -                          | 830,596        | -                   | -                 | -                   | -               | 85,250,367            | 7,837,809                                                      | 51,233                                           | 1,144,886                  | 95,114,891   |
| Second interim dividend 2024: Rs 10 per share                                        | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | -            |
| Third interim dividend 2024: Rs 10 per share                                         | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | -            |
| Fourth interim dividend 2024: Rs 10 per share                                        | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | -            |
| <b>Transactions pursuant to merger of FBBL</b>                                       |               |                       |                            |                |                     |                   |                     |                 |                       |                                                                |                                                  |                            |              |
| Consideration transferred – note 1.2.1                                               | 1,508,704     | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | 1,508,704    |
| Merger reserve – note 1.2                                                            | -             | -                     | -                          | 27,047,377     | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | 27,047,377   |
| Effect of reclassification on adoption of IFRS- 9 by an associate- net of tax        | 1,508,704     | -                     | -                          | 27,047,377     | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | 28,556,081   |
| Effect of reclassification on adoption of IFRS- 9 by an associate- net of tax        | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | 123,124               | 675,757                                                        | -                                                | -                          | 798,881      |
| Effect of adoption of IFRS - 9 - ECL by an associate- net of tax                     | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | (2,475,111)           | -                                                              | -                                                | -                          | (2,475,111)  |
| Transfer from share in revaluation reserve of associates -net of tax                 | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | 1,216,405             | -                                                              | (1,216,405)                                      | -                          | -            |
| Acquisition reserve of a subsidiary                                                  | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | -            |
| Gain on disposal of equity securities measured at FVTOCI by an associate -net of tax | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | (1,440,369)  |
| FWEL-II dividends to non-controlling interest holders:                               | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | 66,241                | (66,241)                                                       | -                                                | -                          | -            |
| Final dividend 2023: Rs 4.10 per share                                               | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | -                          | -            |
| First interim dividend 2024: Rs 5.50 per share                                       | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | (5,216,177)           | -                                                              | -                                                | -                          | (5,216,177)  |
| Second interim dividend 2024: Rs 10 per share                                        | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | (6,997,310)           | -                                                              | -                                                | -                          | (6,997,310)  |
| Third interim dividend 2024: Rs 10 per share                                         | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | (12,722,382)          | -                                                              | -                                                | -                          | (12,722,382) |
| Fourth interim dividend 2024: Rs 10 per share                                        | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | (24,935,869)          | -                                                              | -                                                | -                          | (24,935,869) |
| <b>FWEL-II dividends to non-controlling interest holders:</b>                        |               |                       |                            |                |                     |                   |                     |                 |                       |                                                                |                                                  |                            |              |
| Final dividend 2023: Rs 4.5 per share                                                | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | (317,493)                  | (317,493)    |
| Interim dividend 2024: Rs 7 per share                                                | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | (493,877)                  | (493,877)    |
| Other changes in equity:                                                             | -             | -                     | -                          | -              | -                   | -                 | -                   | -               | -                     | -                                                              | -                                                | (811,370)                  | (811,370)    |
| Transfer to statutory reserve by an associate                                        | -             | -                     | -                          | -              | -                   | 1,194,740         | -                   | -               | (1,194,740)           | -                                                              | -                                                | -                          | -            |
| Balance at December 31, 2024                                                         | 14,231,086    | 40,000                | 120,000                    | 27,047,377     | 7,701,637           | 7,866,404         | (1,440,369)         | 8,802,360       | 172,169,158           | 4,132,721                                                      | 297,678                                          | 3,922,535                  | 244,890,587  |

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

*Amir Ali Hayer*

Chairman

Consolidated Financial Statements

*Salim*

Director

Chief Financial Officer

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 1. CORPORATE AND GENERAL INFORMATION

### 1.1 The Group and its operations

Fauji Fertilizer Company Limited (the Group) comprises of Fauji Fertilizer Company Limited (FFC) and its subsidiaries, FFC Energy Limited (FFCEL), Foundation Wind Energy – I Limited (FWEL–I), Foundation Wind Energy – II Limited (FWEL–II), FFBL Power Company Limited (FPCL), Fauji Fresh n Freeze Limited (FFF), Fauji Foods Limited (FFL), Fauji Infravest Foods Limited (FIFL) and OLIVE Technical Services (Private) Limited (OLIVE). The shares of FFC and FFL are quoted on Pakistan Stock Exchange. FFC is a subsidiary of Fauji Foundation (FF), which is also its ultimate parent entity.

The principal activity of FFC is manufacturing, purchasing and marketing of fertilizers and chemicals including investment in chemical, other manufacturing and banking operations. FFCEL has setup a 49.5 MW wind energy power project. FWEL–I and FWEL–II individually operate setups of 50 MW wind energy power projects. FPCL has been established to build, own and operate a 118 MW coal based power generation facility. FFF is principally engaged in the business of processing fresh, frozen fruits, vegetables, fresh meat, frozen cooked and semi cooked food. FFL is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products. FIFL manufactures macaroni, couscous and farinaceous products. OLIVE is engaged in provision of technical and engineering services.

The business units of the Group include the following:

| Business unit                        | Geographical location                                                |
|--------------------------------------|----------------------------------------------------------------------|
| <b>Registered office</b>             |                                                                      |
| FFC, FFCEL, FFF                      | Sona Tower, 156 – The Mall, Rawalpindi Cantt, Punjab                 |
| FWEL– I, FWEL– II & OLIVE            |                                                                      |
| FFL                                  | 42 CCA, Ex Park View, DHA Phase–VIII, Lahore                         |
| FPCL                                 | Plot No. C1/C2, Sector B, Jinnah Boulevard, Phase II, DHA, Islamabad |
| FIFL                                 | Fauji Towers, 68 Tipu Road, Chaklala, Rawalpindi                     |
| <b>Head office – FFF &amp; FFL</b>   | 42 CCA, Ex Park View, DHA Phase–VIII, Lahore                         |
| <b>Production plants – FFC</b>       |                                                                      |
| Goth Machhi                          | Goth Machhi, Sadiqabad (District: Rahim Yar Khan), Punjab            |
| Mirpur Mathelo                       | Mirpur Mathelo (District: Ghotki), Sindh                             |
| Karachi                              | Plot No. EZ/I/P–1 Eastern Zone, Port Qasim, Karachi                  |
| <b>Production plant – FFCEL</b>      | Deh Kohistan, Taluka Jhampir (District: Thatta), Sindh               |
| <b>Production plant – FWEL– I</b>    | Gharo Creek Area, District Thatta, Sindh                             |
| <b>Production plant – FWEL– II</b>   | Gharo Creek Area, District Thatta, Sindh                             |
| <b>Production plant – FPCL</b>       | P–1/EZ–1/ Eastern Zone, Bin Qasim, Karachi                           |
| <b>Production plant – FFF</b>        | 16 km Sahiwal Pakpattan Road, Sahiwal (District: Sahiwal), Punjab    |
| <b>Production plant – FFL</b>        | Bhalwal, District Sargodha 57 Dhamial Road, Rawalpindi, Punjab       |
| <b>Production plant – FIFL</b>       | Fauji Infravest, Dhamial Road, Rawalpindi                            |
| <b>Karachi office – FFC</b>          | B–35, KDA Scheme No. 1, Karachi, Sindh                               |
| <b>Islamabad office – FFC</b>        | Plot No. C1/C2, Sector B, Jinnah Boulevard, Phase II, DHA, Islamabad |
| <b>Marketing division – FFC</b>      | Lahore Trade Centre, 11 Shahrāh–e–Aiwan–e–Tijarat, Lahore, Punjab    |
| <b>Zonal marketing offices – FFC</b> |                                                                      |
| North zone                           | Lahore Trade Centre, 11 Shahrāh–e–Aiwan–e–Tijarat Lahore, Punjab     |
| Central zone                         | Ali Maskan, District Jail Road, Multan, Punjab                       |
| South zone                           | B–35, KDA Scheme # 1, Karsaz, Karachi, Sindh                         |

| Business unit                           | Geographical location                                                              |
|-----------------------------------------|------------------------------------------------------------------------------------|
| <b>Regional marketing offices – FFC</b> |                                                                                    |
| Faisalabad region                       | House No. 786, Street No. 5, Zia Town, East Canal Road, Faisalabad                 |
| Sahiwal region                          | 77-B, Canal Colony, Off Farid Town Road, Sahiwal, Punjab                           |
| Lahore region                           | Lahore Trade Centre, 11 Shahrah-e-Aiwan-e-Tijarat, Lahore, Punjab                  |
| Sargodha region                         | House no. 35, Shah Muhammad Colony, Main Faisalabad Road, Sargodha Cantt           |
| Peshawar region                         | 9-B, Rafiqi Lane, Peshawar Cantt, Khyber Pakhtunkhwa                               |
| Bahawalpur region                       | House No. 39-A Tipu Shaheed Road, Model Town A, Bahawalpur, Punjab                 |
| D. G. Khan region                       | House No. 46-B, Gulberg Colony, Multan Road, D.G. Khan                             |
| Multan region                           | Ali-Maskan, District Jail Road, Multan, Punjab                                     |
| Rahim Yar Khan region                   | 37-A, Ali Block, Abbasia Town, Rahim Yar Khan, Punjab                              |
| Vehari region                           | House No.48 Quaid e Azam Block Ludden Road, Tariq Bin Ziyad Colony, Vehari, Punjab |
| Hyderabad region                        | Bungalow No. 208, DHA, Phase-2, Hyderabad, Sindh                                   |
| Sukkur region                           | B-247, 248, Awakhat Nagar, Airport Road, Sukkur                                    |
| Nawabshah region                        | House No. A-11, Housing Society, Near Thalassemia Hospital, Nawabshah, Sindh       |

FFC has district marketing offices, warehouses and sona centres located across Pakistan, the region-wise details of which are listed below:

|                       | No. of district offices | No. of warehouses | No. of sona centres |
|-----------------------|-------------------------|-------------------|---------------------|
| Faisalabad region     | 5                       | 12                | 5                   |
| Sahiwal region        | 4                       | 9                 | 4                   |
| Lahore region         | 6                       | 13                | 8                   |
| Sargodha region       | 5                       | 9                 | 8                   |
| Peshawar region       | 5                       | 9                 | 6                   |
| Bahawalpur region     | 4                       | 8                 | 5                   |
| D. G. Khan region     | 4                       | 9                 | 5                   |
| Multan region         | 4                       | 8                 | 5                   |
| Rahim Yar Khan region | 4                       | 5                 | 4                   |
| Vehari region         | 4                       | 11                | 4                   |
| Hyderabad region      | 6                       | 11                | 6                   |
| Sukkur region         | 7                       | 14                | 10                  |
| Nawabshah region      | 5                       | 9                 | 5                   |
|                       | 63                      | 127               | 75                  |

## 1.2 Merger/ amalgamation of Fauji Fertilizer Bin Qasim Limited with and into FFC

Fauji Fertilizer Bin Qasim Limited (FFBL), previously an associate of the Group with 49.88% equity interest, was a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 (now replaced by Companies Act, 2017 with effect from May 31, 2017). The shares of FFBL were quoted on Pakistan Stock Exchange. The principal objective of FFBL was manufacturing, purchasing and marketing of fertilizers. The registered office of FFBL was situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA Phase II, Islamabad, Pakistan. FFBL commenced its commercial production effective January 1, 2000 and had a manufacturing plant in Port Qasim, Karachi. The ultimate parent of FFBL was Fauji Foundation (FF).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

During the year, a Scheme of Arrangement (the Scheme) for merger/ amalgamation of FFBL with and into FFC was approved through resolutions passed by Board of Directors of both the companies during their meetings held on September 20, 2024. The Scheme was also approved by the members of both companies in their Extra Ordinary General Meetings held on November 4, 2024. The Scheme was sanctioned by the Honourable Lahore High Court, Rawalpindi Bench (the Court) in its court hearing dated November 18, 2024 and through its certified order dated December 11, 2024. The Scheme complies with the provisions of sections 279 to 283 and 285(8) of the Companies Act, 2017 (the Act). The effective date of merger/ amalgamation is July 1, 2024 i.e. the date at which all assets and liabilities of FFBL are vested with FFC. Consequently, FFBL stands dissolved without winding up.

The consideration transferred is 150.87 million fully paid ordinary shares of Rs 10 each issued to the shareholders of FFBL (other than FFC) in accordance with the approved swap ratio (i.e. 1 share of FFC to be issued for 4.29 shares of FFBL). The swap ratio was determined based on values and calculations set forth in the Swap Computation Letter dated September 20, 2024, issued by M/s KPMG Taseer Hadi & Co., Chartered Accountants, and was approved by the Board of Directors of both companies.

Fauji Foods Limited (FFL), previously an associate of the Group with 18.45% equity interest and a subsidiary of FFBL with 63.71% equity interest, is a public limited Company incorporated under the repealed Companies Act, 1913 (now replaced by Companies Act, 2017). FFBL Power Company Limited (FPCL), previously a subsidiary of FFBL with 75% equity interest, is a public limited Company incorporated under the repealed Companies Ordinance, 1984 (now replaced by Companies Act, 2017). The ultimate parent of FFL and FPCL is FF. Pursuant to merger/ amalgamation of FFBL with and into FFC, the Group gained control over FFL and FPCL with effect from July 1, 2024.

In these consolidated financial statements, aforementioned merger/ amalgamation of FFBL with and into FFC and the resulting acquisitions of control of FFL and FPCL have been accounted for using predecessor method of accounting in accordance with the requirements of accounting standard issued by the Institute of Chartered Accountants of Pakistan on "Accounting for Common Control Transactions" as notified by Securities and Exchange Commission (SECP) under SRO 53 (I)/2022 dated January 12, 2022.

Assets and liabilities of FFBL, FFL and FPCL as of July 1, 2024 i.e. the effective date of merger/ amalgamation have been amalgamated/ consolidated on a line-by-line basis in these consolidated financial statements at their respective carrying amounts and the difference in the value of net assets acquired, the consideration transferred to the shareholders of FFBL (other than FFC) and carrying amounts of previously held equity accounted interest in FFBL and FFL has been recognised as a "Merger reserve" directly within equity. Furthermore, the items appearing in the statement of profit or loss and the statement of profit or loss and other comprehensive income of FFBL, FFL and FPCL are incorporated prospectively from the effective date of merger into these consolidated financial statements. Consequently, these consolidated financial statements do not reflect the results of FFBL, FFL and FPCL for the period before the transaction occurred and the corresponding amounts for the previous year presented are not restated. Amounts recognised directly within the equity as a 'Merger Reserve', as a result of aforementioned transactions are as follows:

| Merger reserve                                                            | Note  | Rs '000           |
|---------------------------------------------------------------------------|-------|-------------------|
| Total nominal value of consideration transferred                          | 1.2.1 | (1,508,704)       |
| Carrying amount of FFBL's net assets acquired as on merger date           | 1.2.2 | 11,362,195        |
| Carrying amount of FFL's net assets acquired as on acquisition date       | 1.2.3 | 7,333,896         |
| Carrying amount of FPCL's net assets acquired as on acquisition date      | 1.2.4 | 20,565,566        |
| Carrying amount of FFBL's investment in AKBL transferred to FFC on merger | 17.1  | 20,082,299        |
| Carrying amount of FFBL's investment in PMP transferred to FFC on merger  | 17.1  | 15,253,389        |
| Equity accounted carrying amount of investment in FFBL derecognized       | 17.1  | (41,696,034)      |
| Equity accounted carrying amount of investment in FFL derecognized        | 17.1  | (4,345,230)       |
|                                                                           |       | 28,556,081        |
|                                                                           |       | <u>27,047,377</u> |

### 1.2.1 Consideration transferred

|                                                                                                                           |             |
|---------------------------------------------------------------------------------------------------------------------------|-------------|
| Fully paid up ordinary shares of FFC having par value of Rs 10 per share issued to FFBL shareholders other than FFC (No.) | 150,870,449 |
| Nominal value (Rs per share)                                                                                              | 10          |
| Total nominal value of consideration transferred (Rupees '000)                                                            | 1,508,704   |

### 1.2.2 FFBL's assets acquired and liabilities assumed

The details of FFBL's balances, based on their financial statements as of June 30, 2024 (excluding its long term investments in FFL, FPCL, AKBL and PMP, treated as separate business combinations) which have been merged/ amalgamated into the Group, are as follows:

| Carrying amounts<br>as on merger date                         |               |
|---------------------------------------------------------------|---------------|
| Rs '000                                                       |               |
| <b>ASSETS</b>                                                 |               |
| <b>Non-current assets</b>                                     |               |
| Property, plant and equipment                                 | 9,456,408     |
| Investment property                                           | 270,242       |
| Long term advances                                            | 221,787       |
| Long term deposits                                            | 78,643        |
|                                                               | 10,027,080    |
| <b>Current assets</b>                                         |               |
| Stores and spares                                             | 2,774,950     |
| Stock in trade                                                | 28,172,859    |
| Trade debts                                                   | 1,785,285     |
| Advances                                                      | 1,847,087     |
| Trade deposits and short term prepayments                     | 7,385         |
| Other receivables                                             | 13,375,740    |
| Sales tax refundable – net                                    | 7,601,270     |
| Short term investments                                        | 29,854,746    |
| Cash and bank balances                                        | 22,913,552    |
|                                                               | 108,332,874   |
| <b>Total assets</b>                                           | 118,359,954   |
| <b>LIABILITIES</b>                                            |               |
| <b>Non-current liabilities</b>                                |               |
| Long term loans                                               | (7,559,523)   |
| Deferred tax liabilities                                      | (1,683,355)   |
| Provision for compensated leave absences                      | (534,970)     |
|                                                               | (9,777,848)   |
| <b>Current liabilities</b>                                    |               |
| Trade and other payables                                      | (58,810,029)  |
| Contract liabilities                                          | (4,155,947)   |
| Unpaid dividend                                               | (10,954)      |
| Unclaimed dividend                                            | (126,876)     |
| Provision for income tax                                      | (8,248,166)   |
| Accrued interest                                              | (537,323)     |
| Short term borrowings                                         | (19,806,806)  |
| Current portion of long term loans                            | (5,523,810)   |
|                                                               | (97,219,911)  |
| <b>Total liabilities</b>                                      | (106,997,759) |
| <b>Carrying amount of FFBL's net assets as on merger date</b> | 11,362,195    |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

**1.2.2.1** Post merger/ amalgamation of FFBL with and into FFC, FFBL has contributed Rs 134,509,477 thousand in turnover, Rs 19,826,590 thousand in profit before income tax and Rs 11,210,004 thousand in profit for the year of the Group.

## **1.2.3 FFL's assets acquired and liabilities assumed**

The details of FFL's balances, based on the consolidated financial statements as of June 30, 2024, which have been acquired upon gain of control pursuant to merger of FFBL with and into FFC, are as follows:

| Carrying amounts<br>as acquisition date                           |             |
|-------------------------------------------------------------------|-------------|
|                                                                   | Rs '000     |
| <b>ASSETS</b>                                                     |             |
| <b>Non-current assets</b>                                         |             |
| Property, plant and equipment                                     | 7,454,563   |
| Intangible assets                                                 | 12,181      |
| Security deposits                                                 | 22,800      |
|                                                                   | 7,489,544   |
| <b>Current assets</b>                                             |             |
| Stores, spares and loose tools                                    | 299,021     |
| Stock-in-trade                                                    | 1,496,587   |
| Trade receivables from contract with customers                    | 1,162,530   |
| Loans and advances                                                | 81,648      |
| Deposits, prepayments and other receivables                       | 480,203     |
| Accrued interest                                                  | 82,708      |
| Tax refunds due from Government                                   | 1,973,312   |
| Cash and bank balances                                            | 766,323     |
| Short term investments                                            | 1,950,000   |
|                                                                   | 8,292,332   |
| <b>Total assets</b>                                               | 15,781,876  |
| <b>LIABILITIES</b>                                                |             |
| <b>Non-current liabilities</b>                                    |             |
| Deferred tax liability                                            | (24,588)    |
| Lease liabilities                                                 | (173,823)   |
| Provision for dismantling                                         | (442)       |
| Employee retirement benefits                                      | (68,139)    |
|                                                                   | (266,992)   |
| <b>Current liabilities</b>                                        |             |
| Current portion of long term lease liabilities                    | (46,212)    |
| Trade and other payables                                          | (2,273,810) |
| Loans payable to Ultimate Parent Company                          | (5,860,000) |
| Unclaimed dividend                                                | (966)       |
|                                                                   | (8,180,988) |
| <b>Total liabilities</b>                                          | (8,447,980) |
| <b>Carrying amount of FFL's net assets as on acquisition date</b> | 7,333,896   |

**1.2.3.1** Post acquisition of FFL by the Group, FFL has contributed Rs 11,990,615 thousand in turnover, Rs 427,932 thousand in profit before income tax and Rs 328,000 thousand in profit for the year of the Group.

#### 1.2.4 FPCL's assets acquired and liabilities assumed

The details of FPCL's balances, based on the financial statements as of June 30, 2024 (excluding its long term investment in FFL, treated as a separate business combination) which have been acquired upon gain of control pursuant to merger of FFBL with and into FFC are as follows:

| Carrying amounts<br>as acquisition date                            |              |
|--------------------------------------------------------------------|--------------|
| Rs '000                                                            |              |
| <b>ASSETS</b>                                                      |              |
| <b>Non-current assets</b>                                          |              |
| Property, plant and equipment                                      | 23,995,486   |
| Intangibles                                                        | 1,371        |
|                                                                    | 23,996,857   |
| <b>Current assets</b>                                              |              |
| Stores and spares                                                  | 1,085,818    |
| Stock in trade                                                     | 1,942,456    |
| Trade debts                                                        | 5,482,278    |
| Advances, prepayments and other receivables                        | 1,823,212    |
| Income tax refundable                                              | 282,475      |
| Cash and bank balances                                             | 2,543,482    |
|                                                                    | 13,159,721   |
| <b>Total assets</b>                                                | 37,156,578   |
| <b>LIABILITIES</b>                                                 |              |
| <b>Non-current liabilities</b>                                     |              |
| Long term finance facilities                                       | (7,061,011)  |
| Deferred employee benefit                                          | (204,173)    |
| Deferred taxation                                                  | (664,010)    |
|                                                                    | (7,929,194)  |
| <b>Current liabilities</b>                                         |              |
| Current portion of long term finance facilities                    | (3,443,218)  |
| Short term borrowings                                              | (3,474,844)  |
| Trade and other payables                                           | (1,708,790)  |
| Contract liabilities                                               | (34,966)     |
|                                                                    | (8,661,818)  |
| <b>Total liabilities</b>                                           | (16,591,012) |
| <b>Carrying amount of FPCL's net assets as on acquisition date</b> | 20,565,566   |

- 1.2.4.1** Post acquisition of FPCL by the Group, FPCL has contributed Rs 15,590,790 thousand in turnover, Rs 3,535,762 thousand in profit before income tax and Rs 3,396,313 thousand in profit for the year of the Group.

## 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 as applicable in Pakistan comprise of:

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

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

The applicable financial reporting framework for an equity-accounted investee also include Banking Companies Ordinance, 1962 and underlying rules and directives.

## 2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at their fair values and obligations for staff retirement benefits which are carried at present values of defined benefit obligation net of fair value of plan assets determined through actuarial valuation.

## 2.3 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pak Rupees, which is the Group's functional currency.

## 2.4 Use of accounting estimates and judgments

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The areas where various assumptions and estimates are significant to the Group's consolidated financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Employee retirement benefits – note 3.4, 10.2 and 11.5
- ii) Estimate of useful life of property, plant and equipment – note 3.6 and 15
- iii) Estimate of useful life of intangible assets – note 3.7 and 16
- iv) Estimate of fair value of investments through other comprehensive income – note 3.17 and 17
- v) Provisions and contingencies – note 3.2, 3.3 and 14
- vi) Impairment of non-financial assets – note 3.8, 15 and 16
- vii) Estimate of recoverable amount of goodwill – note 3.7 and 16
- viii) Estimate of recoverable amount of investment in associated companies – note 3.1.4 and 17
- ix) Provision for taxation – note 3.5 and 35
- x) Expected credit loss allowance – note 3.17, 22 and 25
- xi) Provision for slow moving spares and stock in trade – note 3.9, 3.10, 20 and 21
- xii) Assessment of significant influence in an associate and control over a subsidiary – note 3.1.1, 3.1.4 and 17

## 2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.



Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

#### 3.1 Basis of consolidation

These consolidated financial statements include the financial statements of FFC and its subsidiary companies, FFCEL 100% owned (2023: 100% owned), FFF 100% owned (2023: 100% owned), FWEL-I 100% owned (2023: 100% owned), FWEL-II 80% owned (2023: 80% owned), FFL 82.16% owned (2023: an associate with equity interest of 18.45%), FPCL 75% owned (2023: Nil), FIFL 100% owned (2023: Nil) and OLIVE 100% owned (2023: 100% owned).

##### 3.1.1 Subsidiaries

Subsidiaries are all entities over which the Group has control i.e. has the power to govern the financial and operating policies and the Group controls the composition of the board or exercises or controls more than one-half of its voting securities either by itself or together with one or more of its subsidiary companies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also considers whether:

- it has power to direct the relevant activities of the subsidiaries;
- it is exposed to variable returns from the subsidiaries; and
- decision making power allows the group to affect its variable returns from subsidiaries.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are derecognized from the date the control ceases. These consolidated financial statements include Fauji Fertilizer Company Limited (FFC) and all companies in which it directly or indirectly controls more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors (the subsidiaries).

## **Acquisition – related costs are expensed as incurred**

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such measurement are recognized in consolidated profit or loss.

Any contingent considerations to be transferred by the Group is recognized 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 recognized in accordance with IFRS – 9 "Financial Instruments" either in consolidated profit or loss or as a change to consolidated comprehensive income. Contingent consideration that is classified an equity is not re-measured, and its subsequent settlement is accounted for within equity.

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.

### **3.1.2 Changes in ownership interests in subsidiaries without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### **3.1.3 Disposal of subsidiaries**

When the Group ceases to have control or significant influence, any retained interest in the entity is premeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in comprehensive income in respect of that entity are accounted for as if the Group had directly disposed off the related assets or liabilities. This means that amounts previously recognized in comprehensive income are reclassified to profit or loss.

### **3.1.4 Investments in associates and joint arrangements**

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, where by the Group has right to the net assets of the arrangement, rather than right to its assets and obligations for its liabilities, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the statement of profit or loss and comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The Group reports its interests in joint operations using proportionate consolidation – the Group's share of the assets, liabilities, income and expenses of the joint operations are combined with the equivalent items in the consolidated financial statements on a line-by-line basis. Where the Group transacts with its joint operations, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint operation.

### **3.2 Provisions**

A provision is recognized in the statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risk specific to the liability.

Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

### **3.3 Contingent liabilities**

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

### **3.4 Employee retirement benefits**

#### **3.4.1 Defined benefit plans**

##### **Funded gratuity schemes – I & II and pension scheme**

The Group majorly operates two defined benefit funded gratuity and a pension scheme for all eligible employees of FFC who complete qualifying period of service and age. Pursuant to merger/ amalgamation of FFBL with and into FFC, as detailed in note 1.2, FFBL's gratuity scheme balances have been merged into FFC which has been presented as 'gratuity scheme – II' in these consolidated financial statements.

These funds are administered by trustees. Annual contributions to the gratuity and management staff pension funds are based on actuarial valuation using Projected Unit Credit Method, related details of which are given in note 11.5 to these consolidated financial statements.

Charge for the year is recognized in profit or loss. Actuarial gain or losses arising on actuarial valuation are recorded directly in the profit or loss and other comprehensive income.

Calculation of gratuity and pension requires assumptions to be made of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

#### **3.4.2 Defined contribution plan**

##### **Provident fund**

The Group operates two defined contribution provident funds for all eligible employees for which the Group's contributions are charged to consolidated profit or loss at the rate of 10% of basic salary.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 3.4.3 Compensated leave absences schemes

The Group majorly operates two compensated leave absences schemes, details of which are as follows :

### Scheme – I

The Group grants compensated absences to all its employees who have completed one year's working service with the Group in accordance with the rules. Under this scheme, employees are entitled to a maximum of 30 days leaves for each completed year of service. Provisions are made in accordance with the actuarial recommendation. Actuarial valuation is carried out using the Projected Unit Credit Method in respect of provision for compensated absences. Actuarial gains and losses are recognised in the profit or loss in the year in which they arise.

### Scheme – II

The Group grants compensated absences to all its permanent employees (who have been transferred from FFBL to FFC pursuant to the merger/ amalgamation of FFBL with and into FFC w.e.f July 1, 2024) in accordance with the rules of the Group. Under this unfunded scheme, regular employees are entitled to maximum 30 days privilege leave for each completed year of service. Unutilized privileged leaves accumulated as on April 30, 2021 are encashable at the time of separation from the service on the basis of last drawn gross salary. Unutilized privilege leaves available for a year (effective from May, 2021) lapse by end of next March and are encashable only upon separation of employee in the same year.

Provisions in respect of unutilized privileged leaves accrued as of April 30, 2021, are made in accordance with the actuarial recommendation. Actuarial valuation is carried out using the Projected Unit Credit Method in respect of provision for compensated absences. Actuarial gains and losses are recognized in income in the year in which they arise.

The Group revised its policy for compensated absences under this scheme in 2021. No further accumulation of annual leaves is allowed, however, annual leaves already accumulated (as of April 30, 2021) will be continued till the time these are consumed by the individual otherwise it will be encashed on current gross at the time of separation.

## 3.5 Taxation

Income tax expense comprises current and deferred tax.

### Current tax

Provision for current taxation is based on taxable income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in profit or loss and other comprehensive income.

The Group companies take into account the current income tax law and decisions taken by the taxation authorities. Instances where the Group companies view differ from the income tax department at the assessment stage and where the Group companies consider that their view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

### Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of 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 taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized 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 assets are reviewed at each

reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is not recognized on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

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. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Group's management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

### 3.5.1 Accounting guidance issued by ICAP on accounting for minimum taxes and final taxes

Institute of Chartered Accountants of Pakistan (ICAP) issued a guidance "Application Guidance on Accounting for Minimum Taxes and Final Taxes" through circular No. 07/2024 dated May 15, 2024. In light of the said guidance, as the minimum taxes and final taxes are not calculated on the 'taxable profit' as defined in IAS – 12 but calculated on turnover or other basis (as per relevant sections of the Income Tax Ordinance, 2001 (ITO, 2001)), accordingly minimum taxes and final taxes should be accounted for under IAS 37/ IFRIC 21 as levies (though these are charged under tax law) and not under IAS – 12 as income taxes. Based on the guidance, the minimum taxes under ITO, 2001 are hybrid taxes which comprise of a component within the scope of IAS 12 (Income Tax) and a component within the scope of IFRIC 21 (Levies) and final taxes fall under levy within the scope of IAS 37/ IFRIC 21.

The aforesaid guidance has been applied retrospectively by the Group and the comparative information has been reclassified, which has not affected current or prior years' net turnover, profit for the year, equity and cash flows. Impact as of January 1, 2023 is not material to these consolidated financial statements and accordingly, a third consolidated statement of financial position has not been presented. The effects of the amounts reclassified are as follows:

|                                                     | Balance before<br>reclassification | Impact      | Balance after<br>reclassification |
|-----------------------------------------------------|------------------------------------|-------------|-----------------------------------|
|                                                     |                                    | Rs '000     |                                   |
| <b>Consolidated statement of financial position</b> |                                    |             |                                   |
| <b>December 31, 2023</b>                            |                                    |             |                                   |
| Current assets                                      |                                    |             |                                   |
| Other receivables                                   | 22,628,651                         | 130,451     | 22,759,102                        |
| Current liabilities                                 |                                    |             |                                   |
| Provision for taxation                              | 10,737,293                         | (1,406,651) | 9,330,642                         |
| Trade and other payables                            | 108,785,446                        | 1,537,102   | 110,322,548                       |

### Consolidated statement of profit or loss

In the consolidated statement of profit or loss, the final and minimum taxes previously presented as income taxes have now been reclassified as "Final and minimum taxes – levies" under IAS 37/ IFRIC 21, amounting to Rs 3,116,716 thousand for the year ended December 31, 2023.

Accordingly, reclassification have also been made in the consolidated statement of cash flows to conform to the current year presentation.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 3.6 Property, plant and equipment and capital work in progress

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss, except for freehold land and capital work in progress, which are stated at cost less impairment, if any. Cost comprises acquisition and other directly attributable costs.

Depreciation is provided on the straight-line basis and charged to consolidated profit or loss to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note 15 to the consolidated financial statements. Depreciation on addition in property, plant and equipment is charged from the date when the asset becomes available for use upto the date of its disposal.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group companies and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

The Group companies review the useful life and residual value of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

## 3.7 Intangible assets

### Goodwill

Goodwill arises on the acquisition of subsidiaries or businesses and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired the difference is recognized directly in the profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

### With finite useful life

Intangibles are stated at the cash price equivalent of the consideration given less accumulated amortization and impairment loss, if any. Intangibles with finite useful lives are amortized over the period of their useful lives. Rates for amortization are disclosed in note 16 to these consolidated financial statements. Amortization is charged on a straight line basis over the estimated useful life and is included in the profit or loss.

### 3.8 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment loss recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 3.9 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value.

For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated net realizable value. The Group reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

The Group companies review the carrying amount of stores, spares and loose tools on a regular basis and as appropriate, these are written down to their net realizable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools.

### 3.10 Stock in trade

Stocks are valued at the lower of cost and net realizable value.

#### Cost is determined as follows:

|                                    |                                                                                           |
|------------------------------------|-------------------------------------------------------------------------------------------|
| Raw materials                      | at weighted average purchase cost                                                         |
| Work in process and finished goods | at weighted average cost of purchase, raw materials and applicable manufacturing expenses |

Cost of raw material, work in process and finished goods comprises of direct materials, labor and appropriate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

The Group companies review the carrying amount of stock in trade on a regular basis and as appropriate, it is written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and / or physical form of related inventory.

## 3.11 Trade debts

These are recognized and carried at the original invoice amounts, being the fair value, 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. IFRS 9 introduces the Expected Credit Loss (ECL) model, which requires the Group to recognize an allowance for doubtful debt on all financial assets carried at amortized cost (including, for example, trade debts and other receivables), as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

## 3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, short term borrowings and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

## 3.13 Turnover

Revenue is recognised on the following basis:

Turnover from the sale of goods (including urea, fertilizer and other related products) in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, government levies and volume rebates. Turnover is recognized when or as performance obligations are satisfied by transferring control of promised goods to a customer and control transfers at a point in time generally on the dispatch of the goods to the customer except for direct sales where the control is transferred upon delivery of goods to the customer.

The credit limits in contracts with customers normally ranges from 30 days to 180 days, and is secured against bank guarantee. The Group's remaining sales are against advance payment from its customers. In determining the transaction price for the sale of fertilizer, the Group considers the effects of variable consideration, existence of a significant financing component, noncash consideration, and consideration payable to the customer, if any.

### (i) Post-sales incentives

These post-sales incentives are based on monthly volume of purchases made by individual customers and is settled in cash, within 30 days of the month to which it relates to. Accordingly, no estimation uncertainty arises and the amount of payable is set off against the related trade debts.

### (ii) Financing component

The Group allows credit period of 30 days to 180 days to its certain customers, for the sale of fertilizer, against a credit charge determined based upon volume of sales and period of credit. There is a financing component for these contracts considering the prevailing interest rate in the market.

Government subsidy on sale of fertilizer is recognised when the right to receive such subsidy has been established and the underlying conditions are met. Government subsidy is recognised in other income.

Scrap sales and miscellaneous receipts are recognized on realized amounts.

Revenue from electricity sales is recognized when or as performance obligations are satisfied by transferring control of the promised goods or services.

FFCEL, FWEL I & II record revenue at the fair value of consideration received or receivable for electricity sales to CPPA on behalf of Ex-WAPDA Distribution Companies (DISCOs), net of sales tax. Revenue from energy generation is based on delivered output, while shortfall and bonus energy revenue is recognized when due, as per tariffs set by NEPRA under Energy Purchase Agreements (EPA). Tariff adjustments, if any, are recorded upon government approval, and interest income and late payment charges are accrued using the effective interest rate method.

FPCL recognizes revenue from electricity and steam sales based on contractual rates and regulatory notifications, with capacity revenue recognized when due. FPCL applies the right to invoice practical expedient under IFRS 15, invoicing monthly as per contract terms, with payments due within 30 days. Late payment surcharges on overdue receivables are recorded on an accrual basis at 3-month KIBOR plus 2%. Revenue from coal sales is recognized upon dispatch to customers when a significant reversal is not expected, while provisional revenue on tariff items awaiting NEPRA approval is estimated, with adjustments made upon NEPRA's decision.

Revenue from food products is measured at the fair value of consideration specified in a contract, net of returns, trade discounts, volume rebates, price promotions, pricing allowances, and amounts collected on behalf of third parties (e.g., sales taxes). Revenue is recognized when or as performance obligations are satisfied by transferring control of goods or services to customers, either over time or at a point in time, typically when the customer acknowledges receipt of goods.

Revenue from technical services is recognized when or as performance obligations are satisfied by transferring control of promised goods or services to a customer and control either transfers overtime for services or at a point in time for goods. The Group recognises turnover from provision of technical services over time as the services are provided to the customers. Turnover is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

### **3.14 Segment reporting**

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are fertilizer, power, food and technical services.

### **3.15 Share in revaluation reserve of associates**

This represents the Group's share in surplus on revaluation of non banking assets acquired in satisfaction of claims by the banking associate. The assets have been carried at revalued amounts pursuant to the requirements of "Regulations for Debt Property Swap" issued by the State Bank of Pakistan vide BPRD Circular No 1 of 2016 dated January 1, 2016.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 3.16 Business combinations

**3.16.1** Business combinations, other than merger/ amalgamation under common control, are accounted for by applying the acquisition method of accounting. The cost of acquisition is measured as the fair value of assets given, equity instruments issued and the liabilities incurred or assumed at the date of acquisition. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognised directly in the profit and loss account. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

**3.16.2** Merger/ amalgamation under common control are accounted for by applying predecessor method of accounting in accordance with the requirements of the accounting standard 'Accounting for Common Control Transactions' developed by the Institute of Chartered Accountants of Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022.

As of the date of common control transaction, the Group recognises the assets acquired and liabilities assumed of the transferring entity. The Group recognises as part of applying the predecessor method only the consideration transferred for the transferring entity and the assets acquired and liabilities assumed in exchange for the transferring entity.

The Group measures the assets acquired and liabilities assumed of the transferring entity at their carrying amounts as reflected in the financial statements of the transferring entity, at the date of common control transaction. No fair-value adjustments to the assets and liabilities of the transferring entity; or recognition of new assets or liabilities for the transferring entity are recorded in the consolidated financial statements.

## 3.17 Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

### (a) 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 profit or loss or OCI. 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 profit or loss.

## **Debt instruments**

### **Amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

### **Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in profit or loss. 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 separate line item in the profit or loss.

### **Fair value through profit and 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 profit or loss and presented net within other operating gains/(losses) in the period in which it arises.

## **Equity instruments**

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 profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in 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 FVPL are recognised in other gains/(losses) in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI 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 associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

For trade and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group recognises life time ECL for trade debts and other receivables, 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 receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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.

## **Recognition of loss allowance**

The Group recognizes an impairment gain or loss in the 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 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.

## **Write-off**

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

## **Significant increase in credit risk**

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

### Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

### (b) Financial liabilities

Classification, initial recognition and subsequent measurement

The Group classifies its financial liabilities in the following categories:

- at fair value through profit or loss; and
- other financial liabilities

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized 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:

#### (i) 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.

#### (ii) Other financial liabilities

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method. Gain and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognised in consolidated profit or loss.

### Off-setting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position, when there is legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liability simultaneously.

## 4. SUMMARY OF OTHER ACCOUNTING POLICIES

Other than material accounting policies applied in the preparation of these consolidated financial statements are set out below for ease of user's understanding of these financial statements. These policies have been applied consistently for all periods presented, unless otherwise stated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 4.1 Foreign currency transaction and translation

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the year end are translated in Pakistan Rupees at exchange rates ruling at the reporting date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of transaction. Exchange differences are included in profit or loss for the year except for exchange differences related to foreign currency loans obtained for financing of power project assets, which are capitalised as part of cost of related asset and amortised over the remaining useful life of such assets.

### Investment in foreign joint venture

The results and financial position of joint venture that have a functional currency different from Pak Rupees are translated into Pak Rupees as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of the statement of financial position.
- income and expense are translated at the average exchange rates for the period.
- share capital is translated at historical exchange rate.

All resulting exchange differences are recognized in consolidated comprehensive income within consolidated statement of profit or loss and other comprehensive income. The Group has been recognizing such differences in translation reserve over the years. When a foreign investment is sold, in part or in full, the relevant amount in the translation reserve is transferred to consolidated profit or loss as part of the profit or loss on sale.

## 4.2 Dividend distribution

Dividend is recognized as a liability in the period in which it is declared. Movement in reserves is recognized in the year in which it is approved. Final dividend distributions to the Group's shareholders are recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Group's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

## 4.3 Trade and other payables

Liabilities for trade and other payables are carried at amortised cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group.

## 4.4 Contract liability

A contract liability is recognized if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related good. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

## 4.5 Deposits and other receivables

These are recognized at cost, which is the fair value of the consideration given. For measurement of loss allowance for advances, deposits and other receivables, the Group applies the IFRS 9 simplified approach to measure the expected credit losses.

## 4.6 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed out in the year they occur.

#### **4.7 Government grant**

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed.

Government grant includes any benefit earned on account of a government loan obtained at below-market rate of interest. The loan is recognised and measured in accordance with IFRS 9 "Financial Instruments". The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

Government grant that has been awarded for the purpose of giving immediate financial support to the Group is recognised in profit or loss of the period in which the entity qualifies to receive it.

#### **4.8 Research and development costs**

Research and development costs are charged to profit or loss as and when incurred.

#### **4.9 Finance income and finance costs**

Finance income comprises interest income on funds invested (financial assets), dividend income, gain on disposal of financial assets, commission income and changes in fair value of investments. Interest income is recognized as it accrues in profit or loss, using effective interest method.

Finance costs comprise interest expense on borrowings, changes in fair value of investment carried at fair value through profit or loss and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using effective interest method.

Foreign currency gains and losses are reported on a net basis.

#### **4.10 Dividend income**

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established.

#### **4.11 Basis of allocation of common expenses**

Prior to merger/ amalgamation of Fauji Fertilizer Bin Qasim Limited (FFBL) with and into FFC as detailed in note 1.2, distribution cost was allocated to FFBL, in proportion to the sales volume handled on its behalf under the Inter Company Services Agreement.

#### **4.12 Leases**

##### **4.12.1 Right of use asset**

The Group assesses whether a contract is or contains a lease at inception of the contract. If the Group assesses contract contains a lease and meets requirements of IFRS 16, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to 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 THE CONSOLIDATED 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 the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## 4.12.2 Lease liability

If applicable, the lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability comprise the following:

- a. fixed payments, including in-substance fixed payments;
- b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c. amounts expected to be payable under a residual value guarantee; and
- d. the exercise price under a 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 a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest 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, extension 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 profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has opted not to recognize right of use assets for short-term leases i.e. leases with a term of twelve (12) months or less. The payments associated with such leases are recognized in profit or loss when incurred.

Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

## 4.13 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of FFC by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

#### **4.14 New accounting standards, amendments and IFRIC interpretations that are not yet effective**

**4.14.1** There are certain amendments to the accounting and reporting standards which became applicable to the Group on January 1, 2024. However, these amendments do not have any significant impact on the Group's consolidated financial statements, hence, are not detailed here.

**4.14.2** The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning from the dates specified below:

- Amendment in IAS 21 'The Effects of Changes in Foreign Exchange Rates', – lack of exchangeability (effective for annual reporting periods beginning on or after January 1, 2025) a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments (effective for annual reporting periods beginning on or after January 1, 2026 with early adoption available). These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. SECP vide its SRO 1715(I)/2023 dated November 21, 2023 has directed that IFRS 17 shall be followed for the period commencing January 1, 2026 by companies engaged in insurance / takaful and re-insurance / re-takaful business.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the consolidated financial statements other than in presentation / disclosures.

**4.14.3** Other than the aforementioned standards, interpretations and amendments, IASB has also issued the following standards and interpretations, which have not been notified locally or declared exempt by SECP as at December 31, 2024:

IFRS 1 (First Time Adoption of International Financial Reporting Standards)

IFRS 18 (Presentation and Disclosure in Financial Statements)

IFRS 19 (Subsidiaries without Public Accountability: Disclosures)

IFRIC 12 (Service Concession Arrangements)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 5. SHARE CAPITAL

### Authorised share capital

This represents 3,000,000,000 (2023: 1,500,000,000) ordinary shares of Rs 10 each amounting to Rs 30,000,000 thousand (2023: Rs 15,000,000 thousand).

Pursuant to merger/ amalgamation of FFBL with and into FFC, as detailed in note 1.2, authorised share capital of FFBL amounting to Rs 15,000,000 thousand divided into 1,500,000,000 ordinary shares of Rs 10 each, has been merged/ combined with the authorised share capital of FFC.

### Issued, subscribed and paid up share capital

|                                                                  | 2024                 | 2023                 | 2024              | 2023              |
|------------------------------------------------------------------|----------------------|----------------------|-------------------|-------------------|
|                                                                  | Numbers              | Numbers              | Rs '000           | Rs '000           |
| Fully paid in cash                                               | 256,495,902          | 256,495,902          | 2,564,959         | 2,564,959         |
| Fully paid bonus shares                                          | 1,015,742,345        | 1,015,742,345        | 10,157,423        | 10,157,423        |
| Fully paid shares issued pursuant to merger with FFBL – note 1.2 | 150,870,449          | –                    | 1,508,704         | –                 |
|                                                                  | <u>1,423,108,696</u> | <u>1,272,238,247</u> | <u>14,231,086</u> | <u>12,722,382</u> |

5.1 Fauji Foundation (FF) holds 43.51% (2023: 44.35%) ordinary shares of FFC at the year end.

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 FFC.

### 5.3 Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net profit after taxation for the year divided by total shareholders' equity. The Board of Directors also monitors the level of dividend to ordinary shareholders. There were no changes to the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements. The Group is required to comply with certain debt covenants related to long / short term borrowings.

|                            | Note | 2024              | 2023              |
|----------------------------|------|-------------------|-------------------|
|                            |      | Rs '000           | Rs '000           |
| <b>6. CAPITAL RESERVES</b> |      |                   |                   |
| Share premium              | 6.1  | 40,000            | 40,000            |
| Capital redemption reserve | 6.2  | 120,000           | 120,000           |
| Merger reserve             | 6.3  | 27,047,377        | –                 |
| Translation reserve        | 6.4  | 7,701,637         | 6,871,041         |
| Statutory reserve          | 6.5  | 7,866,404         | 6,671,664         |
| Acquisition reserve        | 6.6  | (1,440,369)       | –                 |
|                            |      | <u>41,335,049</u> | <u>13,702,705</u> |

### 6.1 Share premium

This represents premium of Rs 5 per share received on public issue of FFC's 8,000,000 ordinary shares of Rs 10 each in 1991.

### 6.2 Capital redemption reserve

This represents reserve setup on redemption of preference shares by FFC of Rs 120,000 thousand in 1996.

### 6.3 Merger reserve

This represents difference between the consideration transferred to the shareholders of FFBL (other than FFC), the carrying amount of assets acquired and liabilities assumed of FFBL, FFL and FPCL and the carrying amounts of equity accounted previously held investments in FFBL and FFL as of the effective date of merger/ amalgamation of FFBL with and into FFC i.e. July 1, 2024, recognised directly within equity in accordance with the predecessor method of accounting, as detailed in note 1.2 to these consolidated financial statements.

### 6.4 Translation reserve

This represents the Group's proportionate share of foreign currency translation differences arising on revaluation of net investment in foreign operations of an associate.

### 6.5 Statutory reserve

This represents the Group's proportionate share of reserve created by an associate, under its legal regulatory requirement.

### 6.6 Acquisition reserve

This represents the acquisition reserve created on account of merger of entire business of Fauji Cereals into Fauji Foods Limited.

|                                                     | Note  | 2024       | 2023       |
|-----------------------------------------------------|-------|------------|------------|
|                                                     |       | Rs '000    | Rs '000    |
| <b>7. LONG TERM BORROWINGS – SECURED</b>            |       |            |            |
| <b>Borrowings from banking companies – secured</b>  |       |            |            |
| <b>From conventional banks</b>                      |       |            |            |
| <b>Fauji Fertilizer Company Limited (FFC)</b>       | 7.1   |            |            |
| The Bank of Punjab (BOP-1)                          |       | –          | 220,000    |
| The Bank of Punjab (BOP-2)                          |       | 350,000    | 700,000    |
| Allied Bank Limited (ABL-1)                         |       | –          | 375,000    |
| Allied Bank Limited (ABL-2)                         |       | 500,000    | 1,000,000  |
| Allied Bank Limited (ABL-3)                         |       | 1,000,000  | 1,500,000  |
| Allied Bank Limited (ABL-4)                         |       | 600,000    | 900,000    |
| Allied Bank Limited (ABL-5)                         |       | 2,250,000  | 3,000,000  |
| Allied Bank Limited (ABL-6)                         |       | 3,000,000  | 3,000,000  |
| Allied Bank Limited (ABL-7)                         |       | 5,000,000  | –          |
| Bank Al-Habib Limited (BAH-1)                       |       | 2,000,000  | –          |
| Industrial and Commercial Bank of China (ICBC-2)    |       | –          | 600,000    |
|                                                     |       | 14,700,000 | 11,295,000 |
| <b>Fauji Fresh n Freeze Limited (FFF)</b>           | 7.2   |            |            |
| Askari Bank Limited – SBP TERF facility             | 7.2.1 | 286,742    | 311,442    |
| Habib Metropolitan Bank Limited – SBP TERF facility | 7.2.2 | 159,853    | 205,318    |
| Bank Alfalah Limited – Term finance                 | 7.2.3 | 150,000    | 225,000    |
| Habib Bank Limited – Term finance                   | 7.2.4 | 375,000    | 562,500    |
| Bank of Punjab – Term finance                       | 7.2.5 | 187,500    | 262,500    |
| MCB Bank Limited – Term finance                     | 7.2.6 | 549,895    | 247,651    |
|                                                     |       | 1,708,990  | 1,814,411  |
|                                                     |       | 16,408,990 | 13,109,411 |
| Add: Mark-up accrued on conventional borrowings     |       | 167,949    | 266,311    |
|                                                     |       | 16,576,939 | 13,375,722 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                          | Note | 2024       | 2023       |
|----------------------------------------------------------|------|------------|------------|
|                                                          |      | Rs '000    | Rs '000    |
| <b>From Islamic banks</b>                                |      |            |            |
| <b>Fauji Fertilizer Company Limited (FFC)</b>            | 7.1  |            |            |
| Meezan Bank Limited (MBL-1)                              |      | 1,000,000  | 1,500,000  |
| Meezan Bank Limited (MBL-2)                              |      | 1,500,000  | 2,250,000  |
| Meezan Bank Limited (MBL-3)                              |      | 1,500,000  | 2,250,000  |
| Meezan Bank Limited (MBL-4)                              |      | 1,500,000  | 2,000,000  |
| Meezan Bank Limited (MBL-5)                              |      | 5,000,000  | 5,000,000  |
| Meezan Bank Limited (MBL-6)                              |      | 8,000,000  | —          |
| MCB Islamic Bank Limited (MCBIL-1)                       |      | 3,000,000  | —          |
| Dubai Islamic Bank Limited (DIB-1)                       |      | 2,000,000  | —          |
|                                                          |      | 23,500,000 | 13,000,000 |
| Add: Profit accrued on Islamic borrowings                |      | 565,959    | 732,342    |
|                                                          |      | 24,065,959 | 13,732,342 |
| Less: Current portion shown under current liabilities    |      |            |            |
| From conventional banks                                  |      | 3,667,960  | 4,044,201  |
| From Islamic banks                                       |      | 3,750,000  | 2,500,000  |
|                                                          |      | 7,417,960  | 6,544,201  |
| Less: Mark-up and profit accrued on long term borrowings |      | 733,908    | 998,653    |
|                                                          |      | 32,491,030 | 19,565,210 |

## 7.1 Terms and conditions of these borrowings are as follows:

| Lenders | Mark-up / profit rate p.a. (%) | No. of installments outstanding | Date of final repayment |
|---------|--------------------------------|---------------------------------|-------------------------|
|---------|--------------------------------|---------------------------------|-------------------------|

### From conventional banks

|        |                     |               |                           |
|--------|---------------------|---------------|---------------------------|
| BOP-1  | 6 months KIBOR+0.10 | Nil           | Paid on December 18, 2024 |
| BOP-2  | 6 months KIBOR+0.10 | 2 half yearly | August 31, 2025           |
| ABL-1  | 6 months KIBOR+0.15 | Nil           | Paid on December 24, 2024 |
| ABL-2  | 6 months KIBOR+0.08 | 2 half yearly | December 30, 2025         |
| ABL-3  | 6 months KIBOR+0.08 | 4 half yearly | September 20, 2026        |
| ABL-4  | 6 months KIBOR+0.08 | 4 half yearly | September 30, 2026        |
| ABL-5  | 6 months KIBOR+0.05 | 6 half yearly | December 27, 2027         |
| ABL-6  | 6 months KIBOR+0.03 | 8 half yearly | December 19, 2028         |
| ABL-7  | 6 months KIBOR-0.50 | 8 half yearly | December 15, 2029         |
| BAH-1  | 6 months KIBOR-0.50 | 8 half yearly | December 10, 2029         |
| ICBC-2 | 6 months KIBOR+0.05 | Nil           | Paid on December 28, 2024 |

### From Islamic banks

|         |                     |               |                    |
|---------|---------------------|---------------|--------------------|
| MBL-1   | 6 months KIBOR+0.10 | 4 half yearly | September 29, 2026 |
| MBL-2   | 6 months KIBOR+0.10 | 4 half yearly | July 5, 2026       |
| MBL-3   | 6 months KIBOR+0.10 | 4 half yearly | September 29, 2026 |
| MBL-4   | 6 months KIBOR+0.00 | 6 half yearly | September 30, 2027 |
| MBL-5   | 6 months KIBOR+0.01 | 8 half yearly | November 16, 2028  |
| MBL-6   | 6 months KIBOR-0.15 | 8 half yearly | October 30, 2029   |
| MCBIL-1 | 6 months KIBOR-0.50 | 8 half yearly | November 29, 2029  |
| DIB-1   | 6 months KIBOR-0.25 | 8 half yearly | December 30, 2029  |



- 7.1.1** These borrowings are secured by way of hypothecation of FFC's assets including plant, machinery, tools & spares and other moveable properties, ranking pari passu with each other with 25% margin.

**7.2 Terms and conditions of these borrowings are as follows:**

| Bank Name                       | Facility      | Mark-up as per agreement                                | Tenure and basis of principal                                                          |
|---------------------------------|---------------|---------------------------------------------------------|----------------------------------------------------------------------------------------|
| Askari Bank Limited             | TERF facility | SBP Rate (1%) + 1.5% per annum, payable quarterly.      | The loan is payable on quarterly or biannual basis ending on September 30, 2031.       |
| Habib Metropolitan Bank Limited | TERF facility | SBP Rate (1%) + 2.5% per annum, payable quarterly.      | The loan is payable in 20 quarterly equal instalments ending on December 31, 2027.     |
| Bank Alfalah Limited            | Term finance  | 6 months KIBOR + 0.5% per annum, payable quarterly.     | The loan is payable in 8 semi annual equal instalments ending on December 31, 2026.    |
| Habib Bank Limited              | Term finance  | 6 months KIBOR + 0.5% per annum, payable semi annually. | The loan is payable in 8 semi annual equal installments ending on December 31, 2026.   |
| Bank of Punjab                  | Term finance  | 3 month KIBOR + 0.5% per annum, payable quarterly.      | The loan is payable in 16 quarterly equal installments ending on June 30, 2027.        |
| MCB Bank Limited                | Term finance  | 6 months KIBOR + 0.5% per annum, payable semi annually. | The loan is payable in 8 semi annually equal installments ending on November 27, 2028. |

- 7.2.1** FFF obtained term finance facility under "Temporary Economic Refinance Facility" introduced by the State Bank of Pakistan in order to support sustainable economic growth especially in the backdrop of challenges being faced by the industry in post pandemic scenario. FFF obtained this facility for enhancement of its production capacity by installing new French fries production line along with allied equipments. This facility is secured by way of first pari passu hypothecation charge over all present and future fixed assets (excluding land and building) with 25% margin and corporate guarantee of FFC. This amount is net of Rs 84,066 thousand (2023: Rs 102,170 thousand) recognised as deferred government grant. The differential mark up between markup as per agreement and market based markup has been recognised as deferred government grant as mentioned in note 9 to the consolidated financial statements, which will be amortised to interest income over the period of the facilities.

- 7.2.2** FFF obtained term finance facility under "Temporary Economic Refinance Facility" introduced by the State Bank of Pakistan in order to support sustainable economic growth especially in the backdrop of challenges being faced by the industry in post pandemic scenario. FFF obtained this facility for enhancement of

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

its production capacity by installing new French fries production line along with allied equipments. This facility is secured by way of specific charge on imported machinery and corporate guarantee of FFC. This amount is net of Rs 20,144 thousand (2023: Rs 34,681 thousand) from recognised as deferred government grant. The differential mark up between markup as per agreement and market based markup has been recognised as deferred government grant as mentioned in note 9 to the consolidated financial statements, which will be amortised to interest income over the period of the facilities.

- 7.2.3** FFF obtained this facility for enhancement of its production capacity for installing new french fries production line along with allied equipments. This facility is secured by way of pari passu charge with 25% margin over facility amount on fixed assets (excluding land and building) and corporate guarantee of FFC amounting to Rs 400 million (2023: Rs 400 million).
- 7.2.4** FFF obtained this facility for enhancement of its production capacity for installing new french fries production line along with allied equipments. This facility is secured by way of first pari passu charge of Rs 1,000 million (inclusive of 25% margin) over all present and future movable fixed assets (excluding land and building) and corporate guarantee of FFC covering total exposure towards FFF.
- 7.2.5** FFF obtained this term finance facility to finance regular capital expenditure for extension and enhancement of its existing production capacity. The facility is secured by way of first pari passu charge of Rs 400 million (2023: Rs 400 million) over fixed assets (excluding land and building) of FFF (i-e with 25% margin over the facility amount) and corporate guarantee of FFC covering total exposure towards FFF.
- 7.2.6** FFF obtained this term finance facility to finance capital expenditure requirement for plant and machinery and civil works. The facility is secured by way of first pari passu charge of Rs 733 million (2023: Rs 733 million) (inclusive of 25% margin) overall present and future fixed assets (excluding land and building) of FFF and corporate guarantee of FFC covering total exposure towards FFF.
- 7.2.7** The aforementioned loans in note 7.2.1, and 7.2.2 of these consolidated financial statements have been measured at fair value in accordance with IFRS 9 (Financial Instruments) using effective interest rate ranging from 8.57% per annum to 20.51% per annum (2023: 8.57% per annum to 11.81% per annum) and at various draw down. The difference between fair value of loan and loan proceeds have been recognised as deferred grant as explained in note 9 as per requirements of IAS 20 (Accounting for Government grants and disclosure of Government assistance) and as per Circular 11/2020 issued by the Institute of Chartered Accountants of Pakistan.

| Note      |                                                       | 2024     | 2023        |
|-----------|-------------------------------------------------------|----------|-------------|
|           |                                                       | Rs '000  | Rs '000     |
| <b>8.</b> | <b>LEASE LIABILITIES</b>                              |          |             |
|           | Balance at the beginning                              | 97,757   | 3,774,138   |
|           | Acquisition pursuant to merger of FFBL                | 220,035  | –           |
|           | Additions during the year                             | 88,281   | –           |
|           | Exchange loss for the year                            | –        | 939,686     |
|           | Unwinding of interest on lease liability              | 35,373   | 13,564      |
|           | Derecognition of lease liability during the year      | (4,685)  | –           |
|           | Payments made during the year                         | (85,614) | (4,629,631) |
|           | Balance at the end                                    | 351,147  | 97,757      |
|           | Less: Current portion shown under current liabilities | (60,377) | (33,708)    |
|           |                                                       | 290,770  | 64,049      |

- 8.1** Lease liabilities as at year end amounted to Rs 22,048 thousand (2023: Rs 21,201 thousand) for FWEL – I, Rs 30,176 thousand (2023: Rs 29,016 thousand) for FWEL – II, Rs 22,090 thousand (2023: Rs 22,130 thousand) for FFCEL, Rs Nil (2023: Rs 7,973 thousand) for FFF and Rs Nil (2023: Rs 17,437 thousand) for FFC and Rs 276,833 thousand (2023: Nil) for FFL.

## 9. DEFERRED GOVERNMENT GRANT

These represent deferred government grant in respect of term finance facilities obtained under SBP TERF facility as disclosed in note 7.2.7 to the consolidated financial statements. There are no unfulfilled conditions or other contingencies attaching to these grants.

|                                                                                          | Note | 2024        | 2023        |
|------------------------------------------------------------------------------------------|------|-------------|-------------|
|                                                                                          |      | Rs '000     | Rs '000     |
| Balance at the beginning                                                                 |      | 136,851     | 175,289     |
| Government grant recognised during the year                                              |      | 3,815       | –           |
| Less: amortisation of deferred government grant                                          |      | (36,456)    | (38,438)    |
| Balance at the end                                                                       |      | 104,210     | 136,851     |
| Less: Current portion of deferred government grant                                       |      | (30,810)    | (35,186)    |
|                                                                                          |      | 73,400      | 101,665     |
| <b>10. DEFERRED LIABILITIES</b>                                                          |      |             |             |
| Deferred tax liability – net                                                             | 10.1 | 30,721,809  | 12,158,457  |
| Provision for compensated leave absences / retirement benefits                           | 10.2 | 2,958,960   | 1,770,884   |
|                                                                                          |      | 33,680,769  | 13,929,341  |
| <b>10.1 Deferred tax liability – net</b>                                                 |      |             |             |
| <b>The balance of deferred tax is in respect of the following temporary differences:</b> |      |             |             |
| Accelerated depreciation / amortization                                                  |      | 10,856,467  | 5,244,000   |
| Provision for slow moving spares, doubtful debts, other receivables and investments      |      | (4,382,447) | (2,990,178) |
| Re-measurement gain on GIDC                                                              |      | –           | 80,000      |
| Tax on equity accounted investments                                                      |      | 21,908,041  | 9,882,586   |
| Re-measurement of investments                                                            |      | 2,339,748   | (57,951)    |
|                                                                                          |      | 30,721,809  | 12,158,457  |
| <b>The gross movement in the deferred tax liability during the year is as follows:</b>   |      |             |             |
| Balance at the beginning                                                                 |      | 12,158,457  | 8,831,063   |
| Acquisition pursuant to merger of FFBL                                                   | 1.2  | 2,371,953   | –           |
| Tax charge recognized in consolidated profit or loss                                     |      | 13,717,759  | 3,338,057   |
| Tax charge/ (credit) recognised in consolidated comprehensive income                     |      | 3,032,383   | (10,663)    |
| Tax (credit) recognised in consolidated equity                                           |      | (558,743)   | –           |
| Balance at the end                                                                       |      | 30,721,809  | 12,158,457  |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 10.2 The main assumptions used for actuarial valuation of FFC are as follows:

|                                                   | Scheme - I<br>2024 | Scheme - II<br>2024 | 2023           |
|---------------------------------------------------|--------------------|---------------------|----------------|
| Discount rate – per annum                         | 12.25%             | 12.25%              | 16.00%         |
| Expected rate of increase in salaries – per annum |                    |                     |                |
| Management                                        | 13.25%             | 13.00%              | 16.00%         |
| Non-management                                    | 14.25%             |                     | 16.00%         |
| Mortality table                                   | SLIC (2001-05)     |                     | SLIC (2001-05) |
| Withdrawal factor                                 | Light              | Moderate            | Moderate       |
| Number of employees                               | 2,654              | 868                 | 2,734          |

|                                                                                                                           | Note | 2024<br>Rs '000 | 2023<br>Rs '000 |
|---------------------------------------------------------------------------------------------------------------------------|------|-----------------|-----------------|
| <b>11. TRADE AND OTHER PAYABLES</b>                                                                                       |      |                 |                 |
| Creditors                                                                                                                 |      |                 |                 |
| – GIDC payable                                                                                                            | 11.1 | 84,977,267      | 62,437,223      |
| – Others                                                                                                                  | 11.2 | 21,159,989      | 8,631,494       |
|                                                                                                                           |      | 106,137,256     | 71,068,717      |
| Accrued liabilities                                                                                                       |      | 35,385,536      | 16,864,756      |
| Consignment account prior to merger/<br>amalgamation of Fauji Fertilizer Bin Qasim<br>Limited (related party) – unsecured |      | –               | 4,874,328       |
| Sales tax payable – net                                                                                                   |      | 76,602          | 114,212         |
| Federal excise duty payable                                                                                               |      | 51,524          | 645,919         |
| Deposits                                                                                                                  | 11.3 | 285,040         | 319,894         |
| Retention money                                                                                                           |      | 345,483         | 304,202         |
| Workers' Welfare Fund – FFC                                                                                               |      | 4,641,900       | 2,136,652       |
| Workers' Welfare Fund – FFL & FPCL                                                                                        |      | 46,076          | –               |
| Workers' Profit Participation Fund – FFC                                                                                  |      | –               | 17,138          |
| Workers' Profit Participation Fund – FFCEL,<br>FWEL – I & II, FPCL, FFL                                                   |      | 893,276         | 524,662         |
| Payable to Fauji Foundation (related party)                                                                               | 11.4 | 6,743,826       | –               |
| Payable to Pakistan Maroc Phosphore S.A.<br>(related party)                                                               |      | 22,278,496      | –               |
| Payable to gratuity fund – I – FFC (related party)                                                                        | 11.5 | 504,575         | 997,592         |
| Payable to gratuity fund – FFF, FWEL – I & II, FFCEL,<br>OLIVE, FPCL, FFL (related party)                                 |      | 83,588          | 58,452          |
| Payable to provident fund (related party)                                                                                 |      | 34,366          | 20,466          |
| Contract liability – advances from customers                                                                              | 11.7 | 13,200,942      | 9,852,680       |
| Provision for tax levies                                                                                                  |      | 2,789,839       | 1,537,102       |
| Other liabilities                                                                                                         |      | 3,334,022       | 985,776         |
|                                                                                                                           |      | 196,832,347     | 110,322,548     |
| <b>11.1 Gas Infrastructure Development<br/>Cess (GIDC) Payable</b>                                                        |      |                 |                 |
| Balance at the beginning                                                                                                  |      | 62,437,223      | 61,276,887      |
| Acquisition pursuant to merger of FFBL                                                                                    | 1.2  | 22,327,638      | –               |
| Unwinding of GIDC liability – charge to profit or loss                                                                    |      | 212,406         | 1,160,336       |
|                                                                                                                           |      | 84,977,267      | 62,437,223      |

- 11.1.1** This represents amount payable on account of Gas Infrastructure Development Cess (GIDC) under Gas Infrastructure Development Cess Act, 2015 (GIDC Act) up to July 31, 2020. The Group along with other industrial gas consumers had previously challenged the GIDC Act on constitutional grounds. The Honorable Supreme Court of Pakistan (SCP) in its judgment dated August 13, 2020 declared GIDC Act a valid legislation. As per the latest orders from Government of Pakistan (GoP), this cess is recoverable in 48 equal monthly installments, instead of 24 equal monthly installments. The Group also filed a suit with the Sindh High Court (SHC) in September 2020 against collection of GIDC, and SHC granted a stay against recovery of GIDC from the Group, till the finalisation of matter by SHC. The matter is currently pending in Sindh High Court.

During the year, no payments were made by the Group on account of GIDC due to the stay granted by SHC. Further, the Group has also contested and not accounted for late payment surcharge in these consolidated financial statements, on GIDC payments against recovery stay granted by SHC.

- 11.2** This includes sales tax on GIDC payable to Mari Petroleum Company Limited and Sui Southern Gas Company Limited amounting to Rs 2,474,978 thousand (2023: Rs 2,474,978 thousand) and Rs 2,308,324 thousand (2023: Nil), respectively.
- 11.3** These represent unutilizable amounts received as security deposits from dealers and suppliers of the Group, and are kept in separate bank accounts.
- 11.4** This amount includes Rs. 3,348,000 thousand payable by Fauji Foods Limited (FFL) to Fauji Foundation (FF) for the acquisition of the Fauji Cereals Project. The liability is payable on demand and includes an option to convert it into shares at a price per share equal to the lower of par value or the average market price over the preceding six months from the date of option exercise. An interest-free grace period of two years applies, with a possible extension subject to mutual agreement. Upon expiration of the grace period, a markup of six-month KIBOR plus 50 basis points is applicable. The ultimate conversion value remains within the carrying amount of Rs. 3,348,000 thousand, and any fair value measurement does not impact the financial statements beyond this amount.

This amount further includes Rs. 210,000 thousand related to the acquisition of Fauji Infravest Foods Limited (FIFL) by FFL to FF, which is payable on demand. The agreement includes an all-time option for conversion into shares at the lower of par value or the preceding six-month average market price. An interest-free grace period of two years is applicable, with an extension option subject to mutual agreement. After the grace period, a markup of six-month KIBOR plus 50 basis points applies. The conversion value cannot exceed the carrying amount of Rs. 210,000 thousand at the time of exercise, and any fair value measurement does not result in additional financial impact beyond this amount.

This amount further includes Rs. 2,350,000 thousand received as share deposit money under an agreement dated August 22, 2022, by FFL from FF. The amount was initially intended for conversion into ordinary shares at face value, with approval granted at the Extraordinary General Meeting on October 18, 2022, and subsequent SECP approval on January 23, 2023. However, before the approval expired, Fauji Foundation requested a deferral of the share allotment, which was granted by the Board of Directors on March 1, 2023. On April 18, 2024, Fauji Foundation withdrew its consent to exercise the option, and the amount was reclassified as a loan through an addendum letter dated August 24, 2024. The loan remains repayable on demand, with an option to convert into fully paid ordinary shares at or below par value. It carries an interest-free grace period of two years, after which a markup of six-month KIBOR plus 200 basis points applies. The conversion value remains within the carrying amount of Rs. 2,350,000 thousand, and fair value measurement does not impact the financial statements beyond this amount.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                                                                          | Funded<br>gratuity - I | Funded<br>gratuity - II | Funded<br>pension | 2024<br>Total | 2023<br>Total |
|----------------------------------------------------------------------------------------------------------|------------------------|-------------------------|-------------------|---------------|---------------|
|                                                                                                          | Rs '000                | Rs '000                 | Rs '000           | Rs '000       | Rs '000       |
| <b>11.5 Retirement benefit funds – FFC</b>                                                               |                        |                         |                   |               |               |
| <b>11.5.1 The amounts recognized in the consolidated statement of financial position are as follows:</b> |                        |                         |                   |               |               |
| Present value of defined benefit obligation                                                              | 5,076,827              | 1,108,253               | 3,285,784         | 9,470,864     | 6,489,927     |
| Fair value of plan assets                                                                                | (4,572,252)            | (1,289,419)             | (4,198,409)       | (10,060,080)  | (5,858,017)   |
| Liability/ (asset)                                                                                       | 504,575                | (181,166)               | (912,625)         | (589,216)     | 631,910       |
| <b>11.5.2 Amounts recognised in the consolidated profit or loss are as follows:</b>                      |                        |                         |                   |               |               |
| Current service cost                                                                                     | 225,778                | 25,354                  | 97,772            | 348,904       | 264,222       |
| Past service cost                                                                                        | –                      | –                       | –                 | –             | 465,958       |
| Net interest cost                                                                                        | 159,337                | (9,535)                 | (54,324)          | 95,478        | (7,780)       |
|                                                                                                          | 385,115                | 15,819                  | 43,448            | 444,382       | 722,400       |
| <b>11.5.3 The movements in the present value of defined benefit obligation is as follows:</b>            |                        |                         |                   |               |               |
| Present value of defined benefit obligation at beginning                                                 | 4,111,367              | –                       | 2,378,560         | 6,489,927     | 7,349,114     |
| Acquisition pursuant to merger of FFBL – note 1.2                                                        | –                      | 987,597                 | –                 | 987,597       | –             |
| Current service cost                                                                                     | 225,778                | 25,354                  | 97,772            | 348,904       | 264,222       |
| Past service cost                                                                                        | –                      | –                       | –                 | –             | 465,958       |
| Interest cost                                                                                            | 649,360                | 72,393                  | 366,837           | 1,088,590     | 1,023,490     |
| Benefits paid                                                                                            | (349,987)              | (26,065)                | (292,298)         | (668,350)     | (2,965,655)   |
| Re-measurement of defined benefit obligation                                                             | 440,309                | 48,974                  | 734,913           | 1,224,196     | 352,798       |
| Present value of defined benefit obligation at end                                                       | 5,076,827              | 1,108,253               | 3,285,784         | 9,470,864     | 6,489,927     |
| <b>11.5.4 The movement in fair value of plan assets:</b>                                                 |                        |                         |                   |               |               |
| Fair value of plan assets at beginning                                                                   | 3,113,775              | –                       | 2,744,242         | 5,858,017     | 7,448,490     |
| Acquisition pursuant to merger – note 1.2                                                                | –                      | 1,106,356               | –                 | 1,106,356     | –             |
| Expected return on plan assets                                                                           | 490,023                | 81,928                  | 421,161           | 993,112       | 1,031,270     |
| Contributions                                                                                            | 385,115                | –                       | 43,448            | 428,563       | 266,333       |
| Benefits paid                                                                                            | (349,987)              | (26,065)                | (292,298)         | (668,350)     | (2,965,655)   |
| Re-measurement of plan assets                                                                            | 933,326                | 127,200                 | 1,281,856         | 2,342,382     | 77,579        |
| Fair value of plan assets at end                                                                         | 4,572,252              | 1,289,419               | 4,198,409         | 10,060,080    | 5,858,017     |
| <b>11.5.5 Actual return on plan assets and others</b>                                                    | 1,423,349              | 209,129                 | 1,703,017         | 3,335,495     | 1,108,849     |
| <b>11.5.6 Contributions expected to be paid to the plan for the next annual reporting period</b>         | 394,051                | 38,087                  | 28,507            | 460,645       | 428,563       |

|                                        | Funded<br>gratuity - I | Funded<br>gratuity - II | Funded<br>pension | 2024<br>Total | 2023<br>Total |
|----------------------------------------|------------------------|-------------------------|-------------------|---------------|---------------|
|                                        | Rs '000                | Rs '000                 | Rs '000           | Rs '000       | Rs '000       |
| <b>11.5.7 Plan assets comprise of:</b> |                        |                         |                   |               |               |
| <b>Quoted:</b>                         |                        |                         |                   |               |               |
| Investment in debt securities          | 1,602,568              | 916,914                 | 1,824,248         | 4,343,730     | 3,424,616     |
| Investment in equity securities        | 1,486,204              | 286,667                 | 1,511,300         | 3,284,171     | 1,659,586     |
| Mutual funds                           | 1,501,659              | 56,251                  | 801,339           | 2,359,249     | 205,650       |
| <b>Un-quoted:</b>                      |                        |                         |                   |               |               |
| Deposits with banks                    | 33,189                 | 29,587                  | 53,709            | 116,485       | 568,165       |
| Others                                 | (51,368)               | –                       | 7,813             | (43,555)      | –             |
|                                        | 4,572,252              | 1,289,419               | 4,198,409         | 10,060,080    | 5,858,017     |

**11.5.8** The expected return on plan assets is based on the market expectations and depend upon the asset portfolio of the Funds, at the beginning of the year, for returns over the entire life of the related obligations.

|                                                                                                           | Funded<br>gratuity - I | 2024<br>Funded<br>gratuity - II | Funded<br>pension | 2023<br>Funded<br>gratuity - I | Funded<br>pension |
|-----------------------------------------------------------------------------------------------------------|------------------------|---------------------------------|-------------------|--------------------------------|-------------------|
|                                                                                                           | Rs '000                | Rs '000                         | Rs '000           | Rs '000                        | Rs '000           |
| <b>11.5.9 Movement in liability / (asset) recognised in consolidated statement of financial position:</b> |                        |                                 |                   |                                |                   |
| Opening liability / (asset)                                                                               | 997,592                | –                               | (365,682)         | 659,625                        | (759,001)         |
| Acquisition pursuant to merger of FFBL – Note 1.2                                                         | –                      | (118,759)                       | –                 | –                              | –                 |
| Cost for the year recognised in profit or loss                                                            | 385,115                | 15,819                          | 43,448            | 266,333                        | 456,067           |
| Employer's contribution during the year                                                                   | (385,115)              | –                               | (43,448)          | (266,333)                      | –                 |
| Total amount of re-measurement recognised in Other Comprehensive Income (OCI)                             |                        |                                 |                   |                                |                   |
| during the year                                                                                           | (493,017)              | (78,226)                        | (546,943)         | 337,967                        | (62,748)          |
| Closing liability / (asset)                                                                               | 504,575                | (181,166)                       | (912,625)         | 997,592                        | (365,682)         |
| <b>11.5.10 Re-measurements recognised in consolidated OCI during the year:</b>                            |                        |                                 |                   |                                |                   |
| Re-measurement loss / (gain) on obligation                                                                |                        |                                 |                   |                                |                   |
| Due to change in financial assumptions                                                                    | 543,295                | 7,503                           | 781,439           | 145,829                        | (265,890)         |
| Due to change in demographic assumptions                                                                  | 40,145                 | 11,861                          | 63,773            | –                              | –                 |
| Due to change in experience adjustments                                                                   | (143,131)              | 29,610                          | (110,299)         | 491,802                        | (18,943)          |
|                                                                                                           | 440,309                | 48,974                          | 734,913           | 637,631                        | (284,833)         |
| Re-measurement loss / (gain) on plan assets                                                               |                        |                                 |                   |                                |                   |
| Actual return on plan assets                                                                              | (1,406,694)            | (209,129)                       | (1,282,947)       | (735,349)                      | (424,419)         |
| Interest income on plan assets                                                                            | 490,023                | 81,929                          | 421,161           | 357,122                        | 674,148           |
| Others                                                                                                    | (16,655)               | –                               | (420,070)         | 78,563                         | (27,644)          |
|                                                                                                           | (933,326)              | (127,200)                       | (1,281,856)       | (299,664)                      | 222,085           |
| Re-measurement loss / (gain) recognised in OCI                                                            | (493,017)              | (78,226)                        | (546,943)         | 337,967                        | (62,748)          |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                                                                 | Funded<br>gratuity - I<br>(Percentage) | 2024<br>Funded<br>gratuity - II<br>(Percentage) | Funded<br>pension<br>(Percentage) | 2023<br>Funded<br>gratuity - I<br>(Percentage) | Funded<br>pension<br>(Percentage) |
|-------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------|-----------------------------------|------------------------------------------------|-----------------------------------|
| <b>11.5.11 Principal actuarial assumptions used in the actuarial valuations are as follows:</b> |                                        |                                                 |                                   |                                                |                                   |
| Discount rate                                                                                   | 12.25                                  | 12.25                                           | 12.25                             | 16.00                                          | 16.00                             |
| Expected rate of salary growth – short term                                                     |                                        |                                                 |                                   |                                                |                                   |
| Management                                                                                      | 13.25                                  | 13.00                                           | 13.25                             | 16.00                                          | 16.00                             |
| Non-management                                                                                  | 14.25                                  | –                                               | –                                 | 16.00                                          | –                                 |
| Expected rate of salary growth – long term                                                      |                                        |                                                 |                                   |                                                |                                   |
| Management                                                                                      | 13.25                                  | 13.00                                           | 13.25                             | 16.00                                          | 16.00                             |
| Non-management                                                                                  | 14.25                                  | –                                               | –                                 | 16.00                                          | –                                 |
| Expected rate of return on plan assets                                                          | 12.25                                  | 12.25                                           | 12.25                             | 16.00                                          | 16.00                             |
| Expected rate of increase in post retirement pension                                            |                                        |                                                 |                                   |                                                |                                   |
| Short term                                                                                      |                                        |                                                 | 6.00                              | –                                              | 6.00                              |
| Long term                                                                                       |                                        |                                                 | 6.00                              | –                                              | 6.00                              |
| Maximum pension limit increase rate                                                             |                                        |                                                 | 6.00                              | –                                              | 6.00                              |
| Minimum pension limit increase rate                                                             |                                        |                                                 | 6.00                              | –                                              | 6.00                              |
| <b>Demographic assumptions</b>                                                                  |                                        |                                                 |                                   |                                                |                                   |
| Mortality rates (for death in service)                                                          |                                        | SLIC<br>(2001-05)-1                             |                                   | SLIC<br>(2001-05)-1                            |                                   |
| Rates of employee turnover                                                                      |                                        |                                                 |                                   |                                                |                                   |
| Management                                                                                      | Light                                  | Moderate                                        | Light                             | Moderate                                       | Moderate                          |
| Non-management                                                                                  | Light                                  | –                                               | –                                 | Light                                          | –                                 |

## 11.5.12 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting year would have increased / (decreased) as a result of a change in respective assumptions by one percent.

|                      | 2024<br>Defined benefit<br>obligation |                                    | 2023<br>Defined benefit<br>obligation |                                    |
|----------------------|---------------------------------------|------------------------------------|---------------------------------------|------------------------------------|
|                      | Effect of 1<br>percent<br>increase    | Effect of 1<br>percent<br>decrease | Effect of 1<br>percent<br>increase    | Effect of 1<br>percent<br>decrease |
|                      | Rs '000                               | Rs '000                            | Rs '000                               | Rs '000                            |
| Discount rate        | (740,523)                             | 858,473                            | (410,373)                             | 465,371                            |
| Future salary growth | 556,057                               | (495,338)                          | 324,239                               | (290,301)                          |
| Future pension       | 338,140                               | (293,317)                          | 183,748                               | (164,566)                          |

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates.

|                                                                                                   | Funded<br>gratuity - I | 2024<br>Funded<br>gratuity - II | Funded<br>pension | 2023<br>Funded<br>gratuity - I | Funded<br>pension |
|---------------------------------------------------------------------------------------------------|------------------------|---------------------------------|-------------------|--------------------------------|-------------------|
|                                                                                                   | Years                  | Years                           | Years             | Years                          | Years             |
| <b>11.5.13 The weighted average number of years of defined benefit obligation is given below:</b> |                        |                                 |                   |                                |                   |
| Plan duration                                                                                     | 8.47                   | 7.61                            | 7.92              | 7.13                           | 5.68              |

|                                                                          | Funded<br>gratuity - I | 2024<br>Funded<br>gratuity - II | Funded<br>pension | 2023<br>Funded<br>gratuity - I | Funded<br>pension |
|--------------------------------------------------------------------------|------------------------|---------------------------------|-------------------|--------------------------------|-------------------|
|                                                                          | Rs '000                | Rs '000                         | Rs '000           | Rs '000                        | Rs '000           |
| <b>11.5.14 Analysis of present value of defined benefit obligations:</b> |                        |                                 |                   |                                |                   |
| Vested / non – vested                                                    |                        |                                 |                   |                                |                   |
| Vested                                                                   | 5,035,826              | 1,037,150                       | –                 | 4,071,543                      | –                 |
| Non – vested                                                             | 41,001                 | 71,103                          | –                 | 39,824                         | –                 |
|                                                                          | 5,076,827              | 1,108,253                       | –                 | 4,111,367                      | –                 |
| Types of members                                                         |                        |                                 |                   |                                |                   |
| Active                                                                   | –                      | –                               | 3,083,657         | –                              | 2,224,808         |
| Retirees                                                                 | –                      | –                               | 202,127           | –                              | 153,752           |
|                                                                          | –                      | –                               | 3,285,784         | –                              | 2,378,560         |
| Types of benefits earned to date                                         |                        |                                 |                   |                                |                   |
| Accumulated benefit obligation                                           | 2,128,624              | 466,959                         | 2,379,901         | 1,654,885                      | 2,066,969         |
| Amount attributed to future salary increases                             | 2,948,203              | 641,294                         | 905,883           | 2,456,482                      | 311,591           |
|                                                                          | 5,076,827              | 1,108,253                       | 3,285,784         | 4,111,367                      | 2,378,560         |

**11.5.15** FFC contributes to the pension and gratuity funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit. If there is a surplus, FFC takes a contribution holiday.

|                                                            | Funded<br>gratuity - I | 2024<br>Funded<br>gratuity - II | Funded<br>pension | 2023<br>Funded<br>gratuity - I | Funded<br>pension |
|------------------------------------------------------------|------------------------|---------------------------------|-------------------|--------------------------------|-------------------|
|                                                            | Rs '000                | Rs '000                         | Rs '000           | Rs '000                        | Rs '000           |
| <b>11.5.16 Distribution of timing of benefit payments:</b> |                        |                                 |                   |                                |                   |
| 1 year                                                     | 464,281                | 86,805                          | 326,053           | 335,580                        | 276,048           |
| 2 years                                                    | 566,291                | 115,319                         | 400,667           | 612,067                        | 424,354           |
| 3 years                                                    | 463,898                | 93,512                          | 330,940           | 574,321                        | 372,960           |
| 4 years                                                    | 555,663                | 123,800                         | 384,512           | 569,926                        | 354,493           |
| 5 years                                                    | 624,155                | 103,502                         | 310,881           | 670,657                        | 416,522           |
| 6–10 years                                                 | 3,557,974              | 1,118,725                       | 2,082,935         | 4,200,074                      | 2,267,490         |

#### 11.5.17 Retirement benefit plans are exposed to the following risks:

##### Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

##### Investment risks

The risk of the investment underperforming and not being sufficient to meet the liabilities.

FFC ensures that the assets in the fund are managed within an asset–liability matching framework. Within this framework, the FFC's objective is to match assets to the defined benefit obligations by investing in liquid assets including units of mutual funds and bank deposits that match the benefit payments as they fall due. FFC actively monitors that the duration and the expected yield of the investments are matching the expected cash outflows arising from the defined benefit obligations.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## Final salary risks

The risk that the final salary at the time of cessation of service is higher than what we assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

## Withdrawal / mortality risk

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

**11.5.18** "Salaries, wages and benefits" expense, stated in notes 29 and 30 include retirement benefits, related to FFC, in respect of gratuity fund, provident fund, pension plan and compensated absences amounting to Rs 387,133 thousand, Rs 265,311 thousand, Rs 37,989 thousand and Rs 533,873 thousand, respectively (2023: Rs 253,058 thousand, Rs 217,346 thousand, Rs 789,482 thousand and Rs 471,699 thousand respectively). These amounts are reduced by the amount of charges debited to Fauji Fertilizer Bin Qasim Limited, for the six-month period prior to merger/ amalgamation of FFBL with and into FFC, and to FFC Energy Limited under Inter Company Services Agreements.

## 11.6 Defined contribution plan

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 the purpose.

## 11.7 Contract liabilities – advances from customers

This represents payment received by the Group from its customers before the related goods / services are transferred.

|                                    | Note | 2024<br>Rs '000 | 2023<br>Rs '000 |
|------------------------------------|------|-----------------|-----------------|
| Balance at the beginning           |      | 9,852,680       | 12,722,503      |
| Acquisition pursuant to merger     | 1.2  | 4,413,529       | –               |
| Revenue recognised during the year |      | (399,640,537)   | (147,434,474)   |
| Advance received during the year   |      | 398,575,270     | 144,564,651     |
| Balance at the end                 |      | 13,200,942      | 9,852,680       |

**11.7.1** This represents payment received by the Group from its customers before the related goods are transferred. Advances from customer are recognised as revenue when the performance obligation in accordance with the policy as described in note 3.13 and 4.4 to these consolidated financial statements is satisfied. Rs 9,522,739 thousand (2023: Rs 12,664,754 thousand) has been recognised in current year in respect of advances from customers at the beginning of year.

|                                       | 2024<br>Rs '000 | 2023<br>Rs '000 |
|---------------------------------------|-----------------|-----------------|
| <b>12. MARK-UP AND PROFIT ACCRUED</b> |                 |                 |
| <b>On long term borrowings</b>        |                 |                 |
| From conventional banks               | 167,949         | 266,311         |
| From Islamic banks                    | 565,959         | 732,342         |
|                                       | 733,908         | 998,653         |
| <b>On short term borrowings</b>       |                 |                 |
| From conventional banks               | 154,357         | 259,769         |
| From Islamic banks                    | 92,514          | 133,912         |
|                                       | 246,871         | 393,681         |
|                                       | 980,779         | 1,392,334       |



### 13. SHORT TERM BORROWINGS – SECURED

The Group has obtained short term running finance facilities from various banks, under separate terms and agreements. The total amounts outstanding against each facility at the year end and the terms of each facility are given below:

|                                                            | Note | 2024<br>Rs '000 | 2023<br>Rs '000 |
|------------------------------------------------------------|------|-----------------|-----------------|
| <b>Lending Institutions</b>                                |      |                 |                 |
| <b>From conventional banks</b>                             |      |                 |                 |
| <b>Fauji Fertilizer Company Limited (FFC)</b>              | 13.1 |                 |                 |
| National Bank of Pakistan                                  |      | 2,044,793       | 37,259          |
| Bank Al-Habib Limited                                      |      | 24,052          | 21,445          |
| United Bank Limited                                        |      | 1,061,488       | 74,368          |
| Askari Bank Limited (related party)                        |      | 17,954,517      | 8,092,980       |
| Allied Bank Limited                                        |      | 1,416           | –               |
| Bank Alfalah Limited                                       |      | –               | 481,565         |
| Habib Bank Limited                                         |      | 2,159,653       | 87,357          |
| The Bank of Punjab                                         |      | 530,769         | 33,115          |
| MCB Bank Limited                                           |      | 1,478,549       | –               |
| Samba Bank Limited                                         |      | 964             | –               |
| Soneri Bank Limited                                        |      | 760,962         | –               |
| Habib Metropolitan Bank Limited                            |      | 1,515,574       | –               |
| <b>Fauji Fresh n Freeze Limited (FFF)</b>                  | 13.2 |                 |                 |
| JS Bank Limited                                            |      | 35,006          | 1,095,415       |
| Askari Bank Limited (related party)                        |      | –               | 300,000         |
| <b>FFBL Power Company Limited (FPCL)</b>                   | 13.3 |                 |                 |
| The Bank of Punjab                                         |      | 1,500,000       | –               |
| Allied Bank Limited                                        |      | 106,968         | –               |
| National Bank of Pakistan                                  |      | 1,202,593       | –               |
| United Bank Limited                                        |      | 417,042         | –               |
|                                                            |      | 30,794,346      | 10,223,504      |
| Add: Mark-up accrued on conventional borrowings            |      | 154,357         | 259,769         |
|                                                            |      | 30,948,703      | 10,483,273      |
| <b>From Islamic banks</b>                                  |      |                 |                 |
| <b>Fauji Fertilizer Company Limited (FFC)</b>              | 13.4 |                 |                 |
| Meezan Bank Limited                                        |      | 2,204,367       | 4,909,657       |
| BankIslami Pakistan Limited                                |      | 1,500,000       | –               |
| Faysal Bank Limited                                        |      | 41,804          | –               |
|                                                            |      | 3,746,171       | 4,909,657       |
| <b>FFBL Power Company Limited (FPCL)</b>                   | 13.3 |                 |                 |
| Meezan Bank Limited                                        |      | 1,500,000       | –               |
| Faysal Bank Limited                                        |      | 300,000         | –               |
| MCB Islamic Bank Limited                                   |      | 2,000,000       | –               |
|                                                            |      | 3,800,000       | –               |
|                                                            |      | 7,546,171       | 4,909,657       |
| Add: Profit accrued on Islamic borrowings                  |      | 92,514          | 133,912         |
|                                                            |      | 7,638,685       | 5,043,569       |
| Less : Mark-up and profit accrued on short term borrowings |      | 246,871         | 393,681         |
|                                                            |      | 38,340,517      | 15,133,161      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

- 13.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 58,177,000 thousand (2023: Rs 21,018,000 thousand) which represent the aggregate of all facility agreements between FFC and respective banks. The facilities have various maturity dates upto July 31, 2025 (2023: December 27, 2024). The per annum rates of mark-up are 1 month KIBOR plus 0.05% to 0.5% and 3 month KIBOR minus 2% to plus 0.45% (2023: 1 month KIBOR + 0% to 0.25% and 3 month KIBOR + 0.10% to 0.35%).

These facilities are secured by pari passu / ranking hypothecation charges on movable assets of FFC besides lien on mutual fund investments and PIBs in certain cases. "

- 13.2** This represents running finance facility (mark-up based) availed from JS Bank Limited to meet working capital requirements with a sanctioned limit of Rs. 1,400 million (2023: Rs. 1,400 million) which carries mark up of 3 month KIBOR plus 50 bps per annum (2023: 3 months kibar plus 50 bps per annum). It is secured by first pari passu hypothecation charge of Rs. 1,867 million (2023: Rs. 1,867 million) over all present and future current assets (stocks and receivables) of FFF, including 25% margin and letter of comfort of FFC, covering total exposure towards FFF. The unutilized limit of the sanction amounts to Rs. 1,365 million (2023: Rs. 305 million).

- 13.3** The facilities for short term running finances, available from various banks, aggregate to Rs. 10 million (2023: Rs. 8,000 million). The rate of interest on the overdraft facilities is ranging from 1-month to 3-month KIBOR and spread ranging minus 2% to plus 0.15% per annum. As of reporting date, un-availed facilities amounts to Rs. 2,936 million. These facilities are secured by way of assignment over present and future energy purchase price receivables, hypothecation charge on stocks/ inventory of FPCL, liens over accounts established in connection with the facilities, ranking hypothecation charge over the present and future fixed assets (excluding land and building) and liens over import documents.

- 13.4** Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 16,200,000 thousand (2023: Rs 7,000,000 thousand). These facilities have maturity dates upto June 30, 2025 (2023: May 31, 2024). The per annum rates of profit are 3 month KIBOR minus 3.7% to plus 0.2% (2023: 1 month KIBOR minus 0.10%).

These facilities are secured by ranking hypothecation charge on assets of FFC besides lien over PIBs in certain cases.

## 14. CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies:

Material contingencies in the perspective of the Group's financial statements as at December 31, 2024 are as follows :

|                                                                             | 2024       | 2023       |
|-----------------------------------------------------------------------------|------------|------------|
|                                                                             | Rs '000    | Rs '000    |
| <b>Fauji Fertilizer Company Limited (FFC)</b>                               |            |            |
| i) Guarantees issued by banks on behalf of FFC                              | 13,365,563 | 10,828,877 |
| ii) Claims against FFC and / or potential exposure not acknowledged as debt | 50,696     | 50,696     |

- iii) FFC has issued corporate bank guarantee and letters of comfort in favour of FFF amounting to Rs 4,077,552 thousand (2023: Rs 4,101,304 thousand).

- iv) Penalty of Rs 5,500,000 thousand (2023: Rs 5,500,000 thousand) imposed by the Competition Commission of Pakistan (CCP) in 2013, for alleged unreasonable increase in urea prices, which was set aside by the Competition Appellate Tribunal, in appeal filed by the FFC, who also remanded the case back to CCP to decide the case afresh under guidelines provided by the Tribunal. CCP did not challenge this order before the Supreme Court of Pakistan in appeal within the stipulated time, thus making the appeal time barred. However, in prior years, CCP under the said Tribunal guidelines resumed the proceedings and FFC duly joined these proceedings through counsel. FFC filed writ petition before Islamabad High Court which was disposed of, directing CCP to proceed with regular hearings. CCP is yet to initiate its proceedings and FFC is awaiting hearing notice. FFC remains confident of successfully defending these unreasonable claims.
- v) FFC has provided financial guarantees, obtained from commercial banks, in the name of Excise and Taxation Department, Government of Sindh, with an aggregate amount of Rs 7,262 million, representing unpaid levy due under the Sindh Development and Maintenance of Infrastructure Cess Act, 2017 (Sindh Cess Act); deposited pursuant to instructions of the Honorable Sindh High Court (SHC) under a petition filed by FFC (along with various other importers of goods) challenging the constitutionality of the power exercised by the provincial legislature to levy the Cess. FFC was also depositing the 50% levy, in cash, on monthly basis since June 2011. On June 4, 2021, SHC has upheld the Sindh Cess Act as valid legislation, retrospectively with effect from July, 1, 1994. On the advice of its legal counsel, FFC filed an appeal against the decision, with the Honorable Supreme Court of Pakistan (SCP) and obtained stay order from the SCP against the decision, on September 1, 2021.

As a matter of prudence, FFC is recognizing the provision at the time of the activity that triggers the payment of the levy in accordance with the Sindh Cess Act; amounting to Rs 7,262 million as of December 31, 2024. During the year, FFC has recognized the levy amounting to Rs 1,045 million fully covered by bank guarantee.

- vi) FFC was liable to repay loans originally obtained from Export Credit Agencies (ECA), amounting to Rs. 9,723 million to the Government of Pakistan (GoP), in 15 annual equal installments, with a 1-year grace period, at zero percent, effective November 30, 2001. As per the restructuring agreement, the final installment was paid in June 2017.

These loans from ECA, which were assumed by the GoP, were initially secured with a guarantee issued by Habib Bank Limited (HBL) on behalf of a local syndicate of banks and financial institutions. The guarantee was secured by a first equitable mortgage created on all immovable properties of FFC, and by way of hypothecation of movable properties of FFC. The charge ranked *pari passu* with the charges to be created in favor of other foreign and local lenders. The local syndicate had requested FFC to obtain an indemnity from the GoP confirming that it is GoP's absolute obligation to indemnify and keep related banks and financial institutions harmless from any possible exposure on this account. Accordingly, on December 16, 2002, the GoP had conveyed its agreement by assuming the ECA loan liabilities by absolving related banks and financial institutions of their liabilities, for which they earlier issued guarantees to the ECA. As a result, three ECAs have released the guarantee of HBL and have returned the original documents.

Since one ECA is yet to release HBL from its responsibility as guarantor, therefore the charge related to the portion of the said guarantee on the assets of FFC, has not been vacated up to December 31, 2024. FFC is making efforts in getting this guarantee released.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## Foundation Wind Energy II Limited (FWEL – II)

- i) In June 2016, the Additional Commissioner, Punjab Revenue Authority (PRA) issued a show cause notice for non-withholding of Punjab sales tax amounting Rs. 488 million on account of certain expenses incurred for the period July 2014 to June 2015. Management is of the view that the amount was on account of construction services for plant situated in Sindh. The notice was responded by FWEL-II along with related evidences that the expenses pertaining to construction of building was for wind farms located in Sindh, hence outside the jurisdiction of PRA. Additional Commissioner did not accept FWEL-II's stance and issue demand order for Rs.488 million. Appeal before commissioner appeal has been filed. On parallel basis, like other industry competitors, FWEL-II has also filed writ before the Lahore High Court (LHC) to challenge the constitution of PRA and a stay application to stop PRA proceedings against FWEL-II. LHC disposed off FWEL-II's writ petition vide order dated September 12, 2019 with certain direction to Commissioner Appeals and PRA. The Commissioner Appeals, PRA has decided the aforesaid appeal vide Order No 38/2017 dated September 16, 2021 (received on September 16, 2022) against FWEL-II by confirming the order dated January 5, 2017. FWEL-II has filed an appeal against the said order before PRA Tribunal which is pending. PRA Tribunal has also granted stay against the demand till further orders.

## FFBL Power Company Limited (FPCL)

- i) The Inland Revenue authorities [IR Authorities] framed an order under section 161/182/205 of the Ordinance for the Tax Year 2015 and 2016. In terms of the order, the tax demand of Rs. 1,168 million inclusive of default surcharge and penalty for alleged non-deduction of tax on foreign payments, local payments, and reimbursement to the parent company was raised. Being aggrieved with the order, FPCL preferred an appeal before the Commissioner Inland Revenue – Appeals [CIR-A], who whilst adjudicating the appeal set aside the principal demand along with default surcharge and penalty and remanded the case back to the assessing officer for reconsideration. Being aggrieved with the order of CIA-A FPCL filed an appeal before the Appellate Tribunal Inland Revenue (the ATIR) which is subjudice till date.

## Fauji Infravest Foods Limited (FIFL)

- i) In the previous year, FIFL was selected for audit, regarding tax year 2017, under section 214C of Income Tax Ordinance, 2001 (Ordinance) and notice was issued under section 177 (1) of the Ordinance and compliance was made. However, dissatisfied with the response, the Assistant/Deputy Commissioner (Audit-I) Inland Revenue Islamabad (ADCIR) issued a show cause notice under section 122 (9) of the Ordinance. Subsequently, FIFL submitted partial reply on IRIS web portal along under section 122 (1) of the Ordinance, dated June 17, 2023 creating an income tax demand of Rs. 395.95 million. Consequently, FIFL filed an appeal before Commissioner Inland Revenue (Appeals – IV), Islamabad on July 13, 2023, which is still pending adjudication.

|                                                                                                                                                                                   | 2024    | 2023       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------|
|                                                                                                                                                                                   | Rs '000 | Rs '000    |
| <b>Group's share of contingencies of associates</b>                                                                                                                               |         |            |
| i) Group's share of contingencies in Fauji Fertilizer Bin Qasim Limited prior to merger/ amalgamation of FFBL with and into FFC as at December 31, 2024 (2023: December 31, 2023) | –       | 38,633,928 |
| ii) Group's share of contingencies in Fauji Cement Company Limited as at September 30, 2024 (2023: September 30, 2023)                                                            | 237,337 | 383,616    |

|                                                                                                                                                                                                | 2024        | 2023        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
|                                                                                                                                                                                                | Rs '000     | Rs '000     |
| iii) Group's share of contingencies and guarantees in Askari Bank Limited as at September 30, 2024 (2022: September 30, 2023)                                                                  | 192,488,712 | 153,362,382 |
| iv) Group's share of contingencies in Thar Energy Limited as at September 30, 2024 (2023: September 30, 2023)                                                                                  | 449,820     | 7,320       |
| v) Group's share of contingencies in Agritech Limited as at December 31, 2024                                                                                                                  | 6,691,033   | —           |
| <b>14.2 Commitments in respect of:</b>                                                                                                                                                         |             |             |
| i) Capital expenditure commitments (including share of commitments amounting to Rs 14,236,243 thousand (2023: Rs 1,330,224 thousand) relating to PEF joint operations as disclosed in note 44. | 24,851,152  | 11,294,273  |
| ii) Purchase of fertilizer, stores, spares and other operational items                                                                                                                         | 27,540,495  | 4,809,221   |
| iii) Investment in Thar Energy Limited                                                                                                                                                         | 89,232      | 90,423      |
| iv) Contracted out services                                                                                                                                                                    | 507,895     | 723,753     |
| v) Operation and Maintenance (O&M) agreement of FWEL I & II                                                                                                                                    | 78,452      | 264,910     |
| vi) Group's share of commitments of PMP as at September 30, 2024 (2023: September 30, 2023)                                                                                                    | 22,434      | 10,000      |
| vii) Group's share of commitments of FCCL as at September 30, 2024 (2023: September 30, 2023)                                                                                                  | 203,174     | 302,102     |
| viii) Group's share of commitments of FFBL as at December 31, 2024 (2023: December 31, 2023)                                                                                                   | —           | 8,775,623   |
| ix) Group's share of commitments of AKBL as at September 30, 2024 (2023: September 30, 2023)                                                                                                   | 437,281,928 | 176,615,201 |
| x) Group's share of commitments of TEL as at September 30, 2024 (2023: September 30, 2023)                                                                                                     | 2,114,001   | 1,818,349   |
| xi) Group's share of commitments of AGL as at December 31, 2024 (2023: December 31, 2023)                                                                                                      | 58,084      | —           |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 14.3 Significant contracts

### i) Energy Purchase Agreement (EPA)

FWEL – I and FWEL – II entered into separate EPAs on December 20, 2012 with National Transmission & Despatch Company Limited (NTDC) through Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) on behalf of ex-WAPDA Distribution Companies (“the Power Purchaser”) for the sale of their entire energy generation. The term of EPAs is 20 years.

FFCEL has entered into Energy Purchase Agreement (EPA) on April 5, 2011 with National Transmission & Dispatch Company Limited (NTDC) through its Central Power Purchasing Agency (CPPA) on behalf of Ex-WAPDA Distribution Companies (“the Power Purchaser”) for the sale of its entire energy generation. The term of EPA is 20 years from the COD. Further, during the year ended December 31, 2021 FFCEL entered into novation agreements for the purpose of novation of rights and obligations of NTDC to CPPA.

### ii) Implementation Agreement (IA)

FWEL – I and FWEL – II entered into separate Implementation Agreements (IAs) with the Government of Pakistan (“GoP”) on December 18, 2012 to install wind turbines, generate and sell electricity upto 50 MW each in Sindh Province, Pakistan.

FFCEL has entered into an Implementation Agreement (IA) with the Government of Pakistan (“GoP”) on February 18, 2011 to install wind turbines, generate and sell electricity up to 49.5 MW in Sindh Province, Pakistan. Further, during the year ended December 31, 2021 the Company entered into novation agreements for the purpose of novation of rights and obligations of NTDC to CPPA as detailed above.

### iii) Direct IA, EPA and EPC

FWEL – I and FWEL – II and the lenders have entered into direct IAs, direct EPAs and direct EPC agreements with the Government of Pakistan, NTDC and the Contractors respectively. These direct agreements essentially give step in rights to the lenders in case of certain events as defined in these agreements.

## 15. PROPERTY, PLANT AND EQUIPMENT

|                                           | Freehold land | Lease hold land | Building and structures on freehold land | Building and structures on leasehold land | Railway siding | Plant and machinery | Catalysts   | Office and electrical equipment | Furniture and fixtures | Vehicles    | Maintenance and other equipment | Library books | Right of use asset (note 16.5) | Capital work in progress (note 15.6) | Total        |
|-------------------------------------------|---------------|-----------------|------------------------------------------|-------------------------------------------|----------------|---------------------|-------------|---------------------------------|------------------------|-------------|---------------------------------|---------------|--------------------------------|--------------------------------------|--------------|
| Rs '000                                   |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                                |                                      |              |
| As at January 1, 2023                     |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                                |                                      |              |
| Cost                                      | 469,172       | 209,959         | 11,259,723                               | 2,207,918                                 | 26,517         | 65,791,096          | 3,023,383   | 1,884,318                       | 717,838                | 1,158,578   | 3,141,045                       | 5,440         | 15,502,133                     | 2,461,172                            | 107,858,292  |
| Accumulated depreciation                  | -             | (180,225)       | (4,333,349)                              | (1,120,020)                               | (26,517)       | (34,965,790)        | (2,531,896) | (1,275,445)                     | (399,517)              | (855,553)   | (2,727,660)                     | (5,058)       | (1,514,927)                    | -                                    | (49,935,957) |
| Net Book Value                            | 469,172       | 29,734          | 6,926,374                                | 1,087,898                                 | -              | 30,825,306          | 491,487     | 608,873                         | 318,321                | 303,025     | 413,385                         | 382           | 13,987,206                     | 2,461,172                            | 57,922,335   |
| Year ended December 31, 2023              |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                                |                                      |              |
| Opening net book value                    | 469,172       | 29,734          | 6,926,374                                | 1,087,898                                 | -              | 30,825,306          | 491,487     | 608,873                         | 318,321                | 303,025     | 413,385                         | 382           | 13,987,206                     | 2,461,172                            | 57,922,335   |
| Additions / transfers                     | 509,656       | -               | 703,982                                  | 16,465                                    | -              | 4,062,756           | -           | 368,272                         | 141,673                | 127,696     | 407,222                         | -             | -                              | 10,234,653                           | 16,572,375   |
| Exchange loss - net - note 15.7           | -             | -               | -                                        | -                                         | -              | -                   | -           | -                               | -                      | -           | -                               | -             | 939,686                        | -                                    | 939,686      |
| Disposals                                 | -             | -               | -                                        | -                                         | -              | -                   | -           | -                               | -                      | -           | -                               | -             | -                              | -                                    | -            |
| Cost                                      | -             | -               | -                                        | -                                         | -              | (22,215)            | (131,019)   | (60,768)                        | (14,845)               | (56,732)    | (29,937)                        | -             | -                              | -                                    | (315,516)    |
| Depreciation                              | -             | -               | -                                        | -                                         | -              | 16,497              | 131,019     | 57,576                          | 14,818                 | 53,951      | 29,937                          | -             | -                              | -                                    | 303,798      |
| Transfers                                 | -             | -               | -                                        | -                                         | -              | (5,718)             | -           | (3,192)                         | (27)                   | (2,781)     | -                               | -             | -                              | -                                    | (11,718)     |
| Depreciation charge                       | -             | -               | (596,827)                                | (123,125)                                 | -              | (2,726,723)         | (137,523)   | (164,384)                       | (55,538)               | (114,084)   | (204,623)                       | (233)         | (1,210,539)                    | -                                    | (5,335,550)  |
| Reversal of impairment                    | -             | (1,951)         | -                                        | -                                         | -              | -                   | -           | -                               | -                      | -           | -                               | -             | -                              | -                                    | 1,228        |
| Balance as at December 31, 2023           | 978,828       | 27,783          | 7,033,529                                | 981,238                                   | -              | 32,155,621          | 353,964     | 810,797                         | 404,429                | 313,856     | 615,984                         | 149           | 13,716,353                     | 11,901,414                           | 69,293,945   |
| As at January 1, 2024                     |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                                |                                      |              |
| Cost                                      | 978,828       | 209,959         | 11,963,705                               | 2,224,383                                 | 26,517         | 69,831,637          | 2,892,364   | 2,191,822                       | 844,666                | 1,229,542   | 3,518,330                       | 5,440         | 16,441,819                     | 11,901,414                           | 124,260,426  |
| Accumulated depreciation and impairment   | -             | (182,176)       | (4,930,176)                              | (1,243,145)                               | (26,517)       | (37,676,016)        | (2,538,400) | (1,381,025)                     | (440,237)              | (915,686)   | (2,902,346)                     | (5,291)       | (2,725,466)                    | -                                    | (54,966,481) |
| Net Book Value                            | 978,828       | 27,783          | 7,033,529                                | 981,238                                   | -              | 32,155,621          | 353,964     | 810,797                         | 404,429                | 313,856     | 615,984                         | 149           | 13,716,353                     | 11,901,414                           | 69,293,945   |
| Year ended December 31, 2024              |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                                |                                      |              |
| Opening net book value                    | 978,828       | 27,783          | 7,033,529                                | 981,238                                   | -              | 32,155,621          | 353,964     | 810,797                         | 404,429                | 313,856     | 615,984                         | 149           | 13,716,353                     | 11,901,414                           | 69,293,945   |
| Acquisition pursuant to merger - Note 1.2 | -             | -               | -                                        | -                                         | -              | -                   | -           | -                               | -                      | -           | -                               | -             | -                              | -                                    | -            |
| Cost                                      | 656,932       | 1,649,145       | 2,375,885                                | 8,787,723                                 | -              | 59,094,002          | 670,716     | 1,547,216                       | 285,019                | 1,350,100   | 805,062                         | 2,406         | 711,550                        | 660,150                              | 78,595,906   |
| Depreciation                              | -             | (515,816)       | (669,324)                                | (2,719,684)                               | -              | (30,892,777)        | (572,661)   | (1,003,124)                     | (151,856)              | (543,727)   | (501,205)                       | (2,406)       | (116,869)                      | -                                    | (37,689,449) |
| 656,932                                   | 1,133,329     | 1,706,561       | 6,068,039                                | -                                         | 28,201,225     | 98,055              | 544,092     | 133,163                         | 806,373                | 303,857     | -                               | 594,681       | 660,150                        | 40,906,457                           |              |
| Additions / transfers                     | -             | -               | 440,927                                  | 60,312                                    | -              | 6,964,515           | 677,133     | 499,488                         | 194,182                | 560,562     | 1,466,604                       | -             | 93,350                         | 7,635,919                            | 18,592,992   |
| Disposals                                 | -             | -               | -                                        | -                                         | -              | -                   | -           | -                               | -                      | -           | -                               | -             | -                              | -                                    | -            |
| Cost                                      | -             | -               | (463)                                    | -                                         | -              | 21,333,548          | (381,452)   | (54,547)                        | (8,478)                | (137,183)   | (31,686)                        | -             | (21,513,857)                   | -                                    | (794,118)    |
| Depreciation                              | -             | -               | 44                                       | -                                         | -              | (8,939,737)         | 381,452     | 53,471                          | 8,472                  | 116,429     | 31,285                          | -             | 9,038,876                      | -                                    | 690,292      |
| Transfers                                 | -             | -               | (419)                                    | -                                         | -              | 12,393,811          | -           | (1,076)                         | (6)                    | (20,754)    | (401)                           | -             | (12,474,981)                   | -                                    | (103,826)    |
| Depreciation charge                       | -             | -               | -                                        | -                                         | -              | -                   | -           | -                               | -                      | -           | -                               | -             | -                              | (4,799,792)                          | (4,799,792)  |
| Impairment charge                         | -             | (31,003)        | (665,969)                                | (268,031)                                 | -              | (3,886,389)         | (232,979)   | (257,765)                       | (76,469)               | (235,845)   | (398,941)                       | (137)         | (1,361,498)                    | -                                    | (7,415,026)  |
| -                                         | -             | -               | -                                        | -                                         | -              | (55,000)            | -           | -                               | -                      | -           | -                               | -             | -                              | -                                    | (55,000)     |
| Balance as at December 31, 2024           | 1,635,760     | 1,130,109       | 8,514,629                                | 6,841,558                                 | -              | 75,773,783          | 896,173     | 1,595,536                       | 655,299                | 1,424,192   | 1,987,103                       | 12            | 567,905                        | 15,397,691                           | 116,419,750  |
| As at December 31, 2024                   |               |                 |                                          |                                           |                |                     |             |                                 |                        |             |                                 |               |                                |                                      |              |
| Cost                                      | 1,635,760     | 1,859,104       | 14,780,054                               | 11,072,418                                | 26,517         | 157,223,702         | 3,858,761   | 4,183,979                       | 1,315,389              | 3,003,021   | 5,758,310                       | 7,846         | (4,267,138)                    | 15,397,691                           | 215,855,414  |
| Accumulated depreciation and impairment   | -             | (728,995)       | (6,265,425)                              | (4,230,860)                               | (26,517)       | (81,449,919)        | (2,962,588) | (2,588,443)                     | (660,090)              | (1,578,829) | (3,771,207)                     | (7,834)       | 4,835,043                      | -                                    | (99,435,664) |
| Net Book Value                            | 1,635,760     | 1,130,109       | 8,514,629                                | 6,841,558                                 | -              | 75,773,783          | 896,173     | 1,595,536                       | 655,299                | 1,424,192   | 1,987,103                       | 12            | 567,905                        | 15,397,691                           | 116,419,750  |
| Rate of depreciation in %                 | -             | 6.25 to 9.25    | 5 to 10                                  | 5                                         | 5              | 5 to 5.5            | 20          | 15                              | 10                     | 20          | 15 - 33.33                      | 30            | 5 to 20                        | -                                    | -            |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

| Note        |                                                                                                              | 2024      | 2023      |
|-------------|--------------------------------------------------------------------------------------------------------------|-----------|-----------|
|             |                                                                                                              | Rs '000   | Rs '000   |
| <b>15.1</b> | <b>Depreciation charge has been allocated as follows:</b>                                                    |           |           |
|             | Cost of sales                                                                                                | 29        | 7,177,732 |
|             | Administrative and distribution expenses                                                                     | 30 & 30.1 | 227,479   |
|             | Other expenses                                                                                               |           | 2,167     |
|             | Charged to FFBL under the Company Services Agreement prior to merger/ amalgamation of FFBL with and into FFC |           | 7,648     |
|             |                                                                                                              |           | 14,027    |
|             |                                                                                                              | 7,415,026 | 5,335,550 |

**15.2** Details of assets disposed off having net-book value in excess of Rs 500,000:

| Sold to                    |                          | Cost    | Book Value | Sale Proceeds | Gain    |
|----------------------------|--------------------------|---------|------------|---------------|---------|
|                            |                          | Rs '000 | Rs '000    | Rs '000       | Rs '000 |
| <b>Vehicles</b>            |                          |         |            |               |         |
| Suzuki Cultus              | Maqsood Ahmed            | 2,259   | 1,249      | 1,548         | 299     |
| Suzuki Cultus              | Samhan Khan              | 2,259   | 1,249      | 1,531         | 282     |
| Suzuki Cultus              | Muhammad Ali Sheikh      | 2,259   | 1,249      | 1,548         | 299     |
| Suzuki Cultus              | Ibrahim Naveed           | 1,670   | 759        | 969           | 210     |
| Suzuki Cultus              | Shafiq Ahmed Maqsood     | 1,915   | 589        | 844           | 255     |
| Alto VXR                   | Muhammad Zualkafal Naeem | 1,447   | 1,222      | 1,227         | 5       |
| Motor Vehicle              | Waris Ali                | 1,917   | 128        | 278           | 150     |
| Motor Vehicle              | Shahid Saud Ul Hassan    | 2,459   | –          | 481           | 481     |
| Motor Vehicle              | Soban Bin Zafar          | 3,098   | 2,017      | 2,051         | 34      |
| Motor Vehicle              | Imran Hyder              | 4,084   | 3,063      | 3,195         | 132     |
| Motor Vehicle              | Abdul Khaliq             | 2,590   | –          | 507           | 507     |
| Motor Vehicle              | Sumair Ahmed Khan        | 2,049   | 854        | 508           | (346)   |
| Motor Vehicle              | Ahmed Nawaz              | 2,058   | –          | 401           | 401     |
| Suzuki Alto                | EFU Insurance            | 2,656   | 2,346      | 2,600         | 254     |
| Suzuki Alto                | EFU Insurance            | 2,656   | 2,258      | 2,600         | 342     |
| <b>Plant and machinery</b> |                          |         |            |               |         |
| Packing machine            | Selo Foodtech            | 95,835  | 38,584     | 40,996        | 2,412   |
| Packing machine            | Selo Foodtech            | 78,459  | 37,266     | 39,596        | 2,330   |
|                            |                          | 209,670 | 92,833     | 100,880       | 8,047   |

|             |                                                                                             | 2024    | 2023    |
|-------------|---------------------------------------------------------------------------------------------|---------|---------|
|             |                                                                                             | Rs '000 | Rs '000 |
| <b>15.3</b> | <b>Cost and accumulated depreciation include:</b>                                           |         |         |
|             | Assets of FFF not in possession of the Group                                                |         |         |
|             | Electrical equipments – in possession of distributors/ sub-distributors/ customers' outlets |         |         |
|             | Cost                                                                                        | 214,970 | 146,144 |
|             | Accumulated depreciation                                                                    | 65,601  | 47,348  |

**15.3.1** Due to large number of FFF's distributors, it is impracticable to disclose the name of each person having possession of these assets, as required by 4th Schedule to the Companies Act, 2017.

#### 15.4 Details of immovable property (land and building) in the name of the Group companies:

| Location                                                                                      | Usage                                           | Area                                |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------|
| <b>FFC</b>                                                                                    |                                                 |                                     |
| Sona Tower, 156 – The Mall, Rawalpindi Cantt, Punjab                                          | Head office building                            | 16 kanals and 7.5 marlas            |
| FFBL Tower, C1/C2, Sector B, Jinnah Boulevard DHA Phase II, Islamabad                         | Islamabad office building                       | 2 acres                             |
| Plot no 1 – H, Gulberg – II, Lahore                                                           | Marketing office land                           | 3 kanals, 14 marlas and 160.63 sqft |
| Goth Machhi, Sadiqabad (District: Rahim Yar Khan), Punjab                                     | Manufacturing plant including allied facilities | 1,285 acres, 5 kanals and 7 marlas  |
| Mirpur Mathelo (District: Ghotki), Sindh                                                      | Manufacturing plant including allied facilities | 575 acres, 4 kanals and 16 marlas   |
| Plot No. EZ/I/P–1 Eastern Zone, Port Qasim, Karachi                                           | Manufacturing plant including allied facilities | 250 acres                           |
| Plot No. OZ/I/P–53, South Western Zone, Port Qasim, Karachi                                   | Tank farm area                                  | 8 acres                             |
| Near Rangers Check Post, Opposite Naval Marine Base, National Highway                         | Manufacturing plant including allied facilities | 202.2 acres                         |
| FFC Warehouse, G T Road Adda Yousafwala, (District: Sahiwal), Punjab                          | Warehouse                                       | 3 acres, 2 kanals and 11 marlas     |
| FFC Warehouse Opposite Chiniot Railway Station Bypass Road Chiniot (District Chiniot), Punjab | Warehouse                                       | 5 acres, 2 kanals and 3 marlas      |
| FFC Warehouse Main Highway Road Dhabeji (District: Thatta), Sindh                             | Warehouse                                       | 16 marlas and 136 sqft              |
| 18 Khaira Gali (District: Abbottabad), Khyber Pakhtunkhwa                                     | Guest house                                     | 1 kanal and 3 marlas                |
| <b>FFCEL</b>                                                                                  |                                                 |                                     |
| Deh Kohistan, Taluka Jhampir (District: Thatta), Sindh                                        | Production plant including allied facilities    | 1,283 acres                         |
| <b>FFF</b>                                                                                    |                                                 |                                     |
| 16–Km Sahiwal Pakpattan Road, Sahiwal (District: Sahiwal), Punjab                             | Production plant including allied facilities    | 74 acres                            |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

| Location                                                  | Usage                                        | Area        |
|-----------------------------------------------------------|----------------------------------------------|-------------|
| <b>FWEL – I</b>                                           |                                              |             |
| Gharo Creek Area, District Thatta, Sindh Province         | Production plant including allied facilities | 1,210 acres |
| <b>FWEL – II</b>                                          |                                              |             |
| Gharo Creek Area, District Thatta, Sindh Province         | Production plant including allied facilities | 1,656 acres |
| <b>FFL</b>                                                |                                              |             |
| Bhalwal, District Sargodha                                | Production plant including allied facilities | 15.05 acres |
| <b>FPCL</b>                                               |                                              |             |
| FFBL Complex, P-1/EZ-1/ Eastern Zone, Bin Qasim, Karachi. | Production plant including allied facilities | 100 acres   |

|                                                                   | 2024       | 2023       |
|-------------------------------------------------------------------|------------|------------|
|                                                                   | Rs '000    | Rs '000    |
| <b>15.5 Right of use assets as at year end comprises of:</b>      |            |            |
| Plant and machinery                                               | 355,688    | 13,656,401 |
| Land and building                                                 | 212,217    | 59,952     |
|                                                                   | 567,905    | 13,716,353 |
| <b>15.6 Capital work in progress as at year end comprises of:</b> |            |            |
| Civil works                                                       | 5,714,942  | 3,692,240  |
| Plant, machinery and others (including in transit items)          | 9,682,749  | 8,209,174  |
|                                                                   | 15,397,691 | 11,901,414 |

**15.6.1** Capital work in progress include Rs 2,400,058 thousand (2023: Rs 1,618,248 thousand) being Group's share in Joint operation related to Gas Pressure Enhancement Facility (PEF), as disclosed in note 44 to the consolidated financial statements.

**15.7** For 2023, this represented exchange differences capitalised related to foreign currency loans obtained by FWEL – I and FWEL – II for financing of power plants.

|                              | Note | 2024      | 2023      |
|------------------------------|------|-----------|-----------|
|                              |      | Rs '000   | Rs '000   |
| <b>16. INTANGIBLE ASSETS</b> |      |           |           |
| Computer software            | 16.1 | 57,672    | 2,674     |
| Goodwill                     | 16.2 | 1,932,561 | 1,932,561 |
|                              |      | 1,990,233 | 1,935,235 |



|                                                                  | Note      | 2024      | 2023      |
|------------------------------------------------------------------|-----------|-----------|-----------|
|                                                                  |           | Rs '000   | Rs '000   |
| <b>16.1 Computer software</b>                                    |           |           |           |
| Balance at the beginning                                         |           | 2,674     | 3,910     |
| Additions pursuant to merger of FFBL                             | 1.2       | 13,552    | –         |
| Additions during the year                                        |           | 49,581    | 2,755     |
| Amortisation charged for the year                                | 16.1.1    | (8,135)   | (3,991)   |
| Balance at the end                                               |           | 57,672    | 2,674     |
| Amortisation rate                                                |           | 33.33%    | 33.33%    |
| <b>16.1.1 Amortisation charge has been allocated as follows:</b> |           |           |           |
| Cost of sales                                                    | 29        | 2,696     | 2,997     |
| Administrative and distribution expenses                         | 30 & 30.1 | 5,439     | 994       |
|                                                                  |           | 8,135     | 3,991     |
| <b>16.2 Goodwill</b>                                             |           |           |           |
| Goodwill on acquisition of Pak Saudi Fertilizer Company Limited  | 16.2.1    | 1,569,234 | 1,569,234 |
| Goodwill on acquisition of Fauji Fresh n Freeze Limited          | 16.2.2    | 363,327   | 363,327   |
|                                                                  |           | 1,932,561 | 1,932,561 |

**16.2.1** This represents excess of the amount paid over fair value of net assets of Pak Saudi Fertilizer Company Limited (PSFL) on its acquisition. The recoverable amount of goodwill was tested for impairment by allocating the amount of goodwill to respective assets on which it arose, based on value in use in accordance with IAS-36 "Impairment of Assets". The value in use calculations are based on cash flow projections. These are then extrapolated for a period of 5 years using a steady long term expected demand growth of 2% (2023: 2%) and terminal value determined based on long term earning multiples. The cash flows are discounted using a discount rate of 16.31% per annum (2023: 17.43% per annum). Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

**16.2.2** This represents excess of the amount paid by FFC over fair value of net assets of Fauji Fresh n Freeze Limited on its acquisition. The recoverable amount of goodwill was tested for impairment by allocating the amount of goodwill to respective cash generating unit on which it arose, based on value in use in accordance with IAS-36 "Impairment of Assets". Management has carried out impairment analysis, based on future expected cash flows for the future years and terminal values. The future cash flows has been discounted at weighted average cost of capital of 15.47% (2023: 17.36%) per annum and terminal growth rate of 3% (2023: 2.5%). Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

|                                  | Note | 2024        | 2023       |
|----------------------------------|------|-------------|------------|
|                                  |      | Rs '000     | Rs '000    |
| <b>17. LONG TERM INVESTMENTS</b> |      |             |            |
| Equity accounted investments     | 17.1 | 117,853,804 | 95,093,880 |
| Other long term investments      | 17.2 | 6,775,424   | 2,706,925  |
|                                  |      | 124,629,228 | 97,800,805 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|             |                                                                           | Note   | 2024         | 2023        |
|-------------|---------------------------------------------------------------------------|--------|--------------|-------------|
|             |                                                                           |        | Rs '000      | Rs '000     |
| <b>17.1</b> | <b>Equity accounted investments</b>                                       |        |              |             |
|             | <b>Investment in associates – equity method</b>                           |        |              |             |
|             | Fauji Cement Company Limited (FCCL)                                       | 17.2.1 |              |             |
|             | Balance at the beginning                                                  |        | 3,417,302    | 3,085,305   |
|             | Share of profit for the year                                              |        | 379,916      | 331,997     |
|             | Dividend received                                                         |        | (105,469)    | –           |
|             |                                                                           |        | 3,691,749    | 3,417,302   |
|             | <b>Fauji Fertilizer Bin Qasim Limited (FFBL)</b>                          | 17.2.2 |              |             |
|             | Balance at the beginning                                                  |        | 35,008,094   | 32,621,347  |
|             | Share of impact of adoption of IFRS – 9 by an associate                   |        | (280,623)    | –           |
|             | Share of acquisition reserve created during the year                      |        | (810,593)    | –           |
|             | Share of profit for the year                                              |        | 7,508,421    | 1,515,120   |
|             | Share of OCI for the year                                                 |        | 914,754      | 871,627     |
|             | Dividend received                                                         |        | (644,019)    | –           |
|             | Derecognised pursuant to merger of FFBL                                   | 1.2    | (41,696,034) | –           |
|             |                                                                           |        | –            | 35,008,094  |
|             | <b>Askari Bank Limited (AKBL)</b>                                         | 17.2.3 |              |             |
|             | Balance at the beginning                                                  |        | 36,947,033   | 31,594,433  |
|             | Carrying amount of investment in AKBL acquired pursuant to merger of FFBL | 1.2    | 20,082,299   | –           |
|             | Share of impact of adoption of IFRS – 9                                   |        | (1,954,350)  | –           |
|             | Share of profit for the year                                              |        | 10,554,727   | 7,709,072   |
|             | Share of OCI for the year                                                 |        | 9,442,022    | (2,356,472) |
|             | Dividend received                                                         |        | (1,563,333)  | –           |
|             |                                                                           |        | 73,508,398   | 36,947,033  |
|             | <b>Thar Energy Limited (TEL)</b>                                          | 17.2.4 |              |             |
|             | Balance at the beginning                                                  |        | 8,662,870    | 5,730,558   |
|             | Investment during the year                                                |        | –            | 226,908     |
|             | Share of profit for the year                                              |        | 2,240,852    | 2,705,214   |
|             | Share of OCI for the year                                                 |        | (4,244)      | 190         |
|             |                                                                           |        | 10,899,478   | 8,662,870   |
|             | <b>Fauji Foods Limited (FFL)</b>                                          | 17.2.5 |              |             |
|             | Balance at the beginning                                                  |        | 4,787,277    | –           |
|             | Investment during the year                                                |        | –            | 4,650,000   |
|             | Share of acquisition reserve created during the year                      |        | (501,839)    | –           |
|             | Share of profit for the year                                              |        | 60,788       | 137,369     |
|             | Share of OCI for the year                                                 |        | (996)        | (92)        |
|             | Derecognised upon gain of control pursuant to merger of FFBL              | 1.2    | (4,345,230)  | –           |
|             |                                                                           |        | –            | 4,787,277   |

|                                                                                                                           | Note   | 2024        | 2023        |
|---------------------------------------------------------------------------------------------------------------------------|--------|-------------|-------------|
|                                                                                                                           |        | Rs '000     | Rs '000     |
| <b>Agritech Limited (AGL)</b>                                                                                             | 17.2.6 |             |             |
| Balance at the beginning                                                                                                  |        | –           | –           |
| Investment during the year                                                                                                |        | 4,855,105   | –           |
| Share of profit for the year                                                                                              |        | 483,104     | –           |
| Share of OCI for the year                                                                                                 |        | 5,458       | –           |
|                                                                                                                           |        | 5,343,667   | –           |
| Advance against issue of shares                                                                                           |        | 69,644      | –           |
|                                                                                                                           |        | 5,413,311   | –           |
| <b>Investment in joint venture – equity method</b>                                                                        |        |             |             |
| <b>Pakistan Maroc Phosphore S.A., Morocco (PMP)</b>                                                                       | 17.2.7 |             |             |
| Balance at the beginning                                                                                                  |        | 6,271,304   | 6,017,700   |
| Carrying amount of investment in PMP                                                                                      |        |             |             |
| acquired pursuant to merger of FFBL                                                                                       | 1.2    | 15,253,389  | –           |
| Share of profit / (loss) for the year                                                                                     |        | 2,495,441   | (1,161,830) |
| Gain on translation of net assets                                                                                         |        | 1,257,540   | 1,415,434   |
| Dividend received                                                                                                         |        | (936,806)   | –           |
|                                                                                                                           |        | 24,340,868  | 6,271,304   |
|                                                                                                                           |        | 117,853,804 | 95,093,880  |
| <b>17.2 Other long term investments</b>                                                                                   |        |             |             |
| Arabian Sea Country Club Limited                                                                                          |        | –           | –           |
|                                                                                                                           |        | –           | –           |
| <b>Investments at fair value through profit or loss (FVTPL)</b>                                                           | 17.3   |             |             |
| Investment in listed preference shares                                                                                    |        | 1,715,978   | –           |
| Advance against issue of privately placed term finance certificates (PPTFCs)                                              |        | 1,020,171   | –           |
|                                                                                                                           |        | 2,736,149   | –           |
| <b>Investments at fair value through other comprehensive income (FVTOCI)</b>                                              | 17.4   |             |             |
| Term Deposit Receipts – from conventional banks                                                                           |        | –           | 32,899      |
| Bank Alfalah Term Finance Certificates                                                                                    |        | 300,000     | 498,865     |
| Pakistan Investment Bonds                                                                                                 |        | 2,714,385   | 4,266,595   |
|                                                                                                                           |        | 3,014,385   | 4,798,359   |
| <b>Investments at amortized cost (AC)</b>                                                                                 |        |             |             |
| Investment in un-listed preference shares                                                                                 |        | 3,299,093   | –           |
|                                                                                                                           |        | 9,049,627   | 4,798,359   |
| <b>Less: Current portion shown under short term investments at fair value through other comprehensive income (FVTOCI)</b> |        |             |             |
| Term Deposit Receipts – from conventional banks                                                                           |        | –           | 32,899      |
| Bank Alfalah Term Finance Certificates                                                                                    |        | –           | 198,865     |
| Pakistan Investment Bonds                                                                                                 |        | 2,274,203   | 1,859,670   |
|                                                                                                                           | 26     | 2,274,203   | 2,091,434   |
|                                                                                                                           |        | 6,775,424   | 2,706,925   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 17.2.1 Investment in FCCL – at equity method

Investment in FCCL represents 105,469 thousand (2023: 105,469 thousand) fully paid ordinary shares of Rs 10 each representing 4.29% (2023: 4.29%) of share capital of FCCL as at December 31, 2024. Market value of FFC's investment as at December 31, 2024 was Rs 3,858,056 thousand (2023: Rs 1,995,469 thousand). FCCL is an associate due to representation on the Board of Directors.

## 17.2.2 Investment in FFBL – at equity method

Prior to merger/ amalgamation of FFBL with and into FFC, investment in FFBL represented 644,019 thousand fully paid ordinary shares of Rs 10 each representing 49.88% of FFBL's share capital.

Pursuant to aforementioned merger/ amalgamation, carrying amount of investment in FFBL under equity method of accounting as at July 1, 2024, amounting to Rs 41,696,034 thousand has been fully derecognised, as detailed in note 1.2 to the financial statements.

## 17.2.3 Investment in AKBL – at equity method

Investment in AKBL represents 938,000 thousand (2023: 625,333 thousand) fully paid ordinary shares of Rs 10 each representing 64.72% (2023: 43.15%) of AKBL's share capital. Market value of the Group's investment as at December 31, 2024 was Rs 35,897,254 thousand (2023: Rs 15,458,237 thousand). Pursuant to merger/ amalgamation of FFBL with and into FFC, as detailed in note 1.2, investment/ equity interest in AKBL has increased by 21.57% amounting to Rs 20,082,299 thousand during the year.

Pursuant to an agreement dated October 16, 2014 and amendment agreement dated December 16, 2024, Fauji Foundation (FF) controls the composition of the Board of Directors of AKBL and exercises and controls the voting securities of FFC in AKBL.

At year end, 938,000 thousand (2023: 625,333 thousand) shares owned by FFC are held in blocked account with Central Depository Company of Pakistan. No withdrawal/ sale from such blocked account is allowed without the prior approval of the State Bank of Pakistan.

Management of FFC has carried out an impairment analysis of this investment, based on future expected cash flows for the future years and terminal values. The future cash flows has been discounted at a discount rate of 15.49% per annum (2023: 18.22% per annum) and terminal growth rate of 3% (2023: 2.5%). Based on this analysis, management believes that carrying value of the investment is recoverable in full.

## 17.2.4 Investment in TEL – at equity method

Investment in TEL represents 598,691 thousand (2023: 598,691 thousand) fully paid ordinary shares of Rs 10 each. FFC currently holds 30% shareholding interest in TEL. TEL is a public limited company. TEL is the subsidiary of the HUB Power Company Limited. The principal activities of TEL are owning, operating and maintaining a 1 x 330 MW mine-mouth coal fired power plant established at Thar Block II, Thar Coal Mine, Sindh. At year end, 598,691 thousand (2023: 598,691 thousand) shares owned by FFC are pledged against security trustee of lenders of TEL.

Under the amended Power Purchase Agreement (PPA), TEL's Required Commercial Operations Date (RCOD) was March 31, 2021. Considering the delay in COD, TEL requested Central Power Purchasing Agency (Guarantee) Limited (CPPA(G)) for extension in RCOD in view of the COVID-19 Force Majeure Event (FME) and delay in expected availability of indigenous coal under the Coal Supply Agreement with Sindh Engro Coal Mining Company Limited (SECMC). CPPA(G) granted an extension in the RCOD of TEL till November 23, 2021, subject to payment of undisputed High Voltage Direct Current (HVDC) charges under certain conditions.

CPPA(G) has raised invoices for payment of HVDC charges amounting to USD 23 million, however, TEL has challenged the determination of the invoices and has sought clarifications from CPPA(G), including provision of evidence of achievement of COD of the HVDC line. Till such time the required information is furnished, there is no obligation on TEL to make payment and therefore currently there is no exposure on TEL in this regard.

As mentioned in the PPA, any delay in the achievement of COD beyond RCOD would also result in liquidated damages amounting to USD 0.75 million per month. CPPA(G) has raised invoices for said liquidated damages for the period November 23, 2021 to September 30, 2022 amounting to USD 7.7 million, out of which USD 1.7 million has been adjusted by CPPA(G) through settlement of invoices up to the reporting date. Accordingly, a provision amounting to USD 6 million has been carried in its financial statements. TEL has achieved its COD in October 2022.

#### **17.2.5 Investment in FFL – at equity method**

**17.2.5.1** Prior to merger/ amalgamation of FFBL with and into FFC, investment in FFL represented 465,000 thousand fully paid ordinary shares of Rs 10 each representing 18.45% of FFL's share capital.

Pursuant to aforementioned merger/ amalgamation, the Group has gained control over FFL, via its direct holding interest of 47.84% and through shares held by its subsidiary companies i.e. FPCL with an interest of 15.87% and FFCEL with an interest of 18.45%. Total shareholding interest of the Company in FFL as at year end is 82.16%. The carrying amount of investment in FFL under equity method of accounting as at July 1, 2024, amounting to Rs 4,345,230 thousand has been fully derecognised, as detailed in note 1.2 to the financial statements.

#### **17.2.6 Investment in AGL – at equity method**

Investment in AGL represents 122,541 thousand (2023: Nil) fully paid ordinary shares of Rs 10 each, representing 28.86% of AGL's share capital. Market value of the Group's investment in the ordinary shares of AGL as at December 31, 2024, was Rs 4,654,111 thousand. Identified assets acquired, liabilities assumed or incurred have been currently carried at provisional fair values determined by the management's expert as at the acquisition date. The fair value exercise of identifiable assets and liabilities is currently in progress and will be completed within the allowed measurement period of one year specified under IFRS – 3. The carrying value of the below balances may change as a result of the fair value exercise as required under IFRS – 3. Any adjustment arising at the time finalisation of this exercise will be incorporated with retrospective effect from the date of acquisition.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

Summary of provisional fair values as at September 30, 2024 and notional goodwill arising on acquisition of 28.86% stake in AGL is as follows:

| Provisional fair values as at September 30, 2024                              |            |
|-------------------------------------------------------------------------------|------------|
|                                                                               | Rs '000    |
| <b>Assets</b>                                                                 |            |
| <b>Non-current assets</b>                                                     |            |
| Property, plant and equipment                                                 | 77,128,574 |
| Long-term loans and advances                                                  | 31,236     |
| Long-term deposits and Prepayments                                            | 62,041     |
|                                                                               | 77,221,851 |
| <b>Current assets</b>                                                         |            |
| Stores, spares and loose tools                                                | 2,262,286  |
| Stock in trade                                                                | 8,253,752  |
| Trade debts                                                                   | 68,103     |
| Advances, Deposits, prepayments and other receivables                         | 4,487,396  |
| Tax refund due from government                                                | 91,064     |
| Short term investments                                                        | 2,112,460  |
| Cash and bank balances                                                        | 237,879    |
|                                                                               | 17,512,940 |
| <b>Total assets</b>                                                           | 94,734,791 |
| <b>Non current liabilities</b>                                                |            |
| Redeemable capital – secured                                                  | 3,563,905  |
| Convertible, redeemable preference shares                                     | 2,820,565  |
| Non-convertible, redeemable preference shares                                 | 18,542,698 |
| Deferred liabilities                                                          | 20,972,730 |
|                                                                               | 45,899,898 |
| <b>Current liabilities</b>                                                    |            |
| Preference dividend payable                                                   | 27,395,365 |
| Trade and other payables                                                      | 7,610,130  |
| Mark-up accrued on borrowings                                                 | 3,289,967  |
| Short term borrowings – secured                                               | 2,926,356  |
|                                                                               | 41,221,818 |
| <b>Total liabilities</b>                                                      | 87,121,716 |
| <b>Fair value of net assets of AGL as at September 30, 2024 – provisional</b> | 7,613,075  |

|                                                 | Note   | Rs '000          |
|-------------------------------------------------|--------|------------------|
| <b>17.2.6.1 Notional goodwill – provisional</b> |        |                  |
| Cost of investment in associate                 | 17.1   | 4,855,105        |
| Fair value of net assets of AGL                 |        |                  |
| as at September 30, 2024 – provisional          | 17.2.6 | 7,613,075        |
| Percentage shareholding in associate            |        | 28.86%           |
| Group's share of net assets                     |        | 2,197,133        |
| <b>Notional goodwill – provisional</b>          |        | <b>2,657,972</b> |

### 17.2.7 Investment in PMP – at equity method

Investment in PMP represents 37.5% (2023: 12.5%) equity participation in PMP, amounting to Moroccan Dirhams (MAD) 300,000 thousand (2023: Moroccan Dirhams (MAD) 100,000 thousand) equivalent to Rs 2,117,075 thousand (2023: Rs 705,925 thousand). Pursuant to merger/ amalgamation of FFBL with and into the FFC, as detailed in note 1.2, investment in PMP has increased by 25% amounting to Rs 15,253,389 thousand during the year.

PMP is a joint venture between FFC, Fauji Foundation (FF) and Office Cherifien Des Phosphates, Morocco. The principal activity of PMP is to manufacture and market Phosphoric acid, fertilizer and other related products in Morocco and abroad.

According to the Shareholders' agreement, if any legal restriction is laid on dividends by PMP, the investment will be converted to interest bearing loan. FFC has also committed not to pledge shares of PMP without prior consent of PMPs' lenders.

### 17.2.8 Investment in Arabian Sea Country Club Limited

Pursuant to merger/ amalgamation of FFBL with and into FFC, as detailed in note 1.2, the Group holds 300,000 ordinary shares of Rs. 10 each representing equity interest of 3.87% in Arabian Sea Country Club Limited. The breakup value based on audited accounts for the year ended June 30, 2018, was negative Rs. 10.67 per ordinary share. This investment is fully impaired.

## 17.3 Investments at fair value through profit and loss (FVTPL)

### Listed preference shares

This represents investment in listed, cumulative, non-voting and convertible preference shares of AGL having par value of Rs 10 each. These shares are convertible into variable number of ordinary shares at the discretion of its holder. The preference shareholders have a preferred right to dividend at the rate of 11% per annum on a cumulative basis (on an annual basis).

### Advance against issue of Privately placed Term Finance Certificate (PPTFCs)

This represents advance against issue of AGL's zero coupon privately placed term finance certificate (PPTFCs) having par value of Rs 5,000 each. PPTFCs are payable to the instrument holders in the form of a bullet payment in 2026. These have been recognised by discounting future cashflows over a period of two years using a rate of 20.52% per annum.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 17.4 Investments at fair value through other comprehensive income (FVTOCI)

### Term Deposits Receipts (TDRs)

As at December 31, 2023, this represented placement in Term Deposit Receipts with financial institution having tenure from one to five years with returns ranging from 9.34% to 9.70% per annum. TDRs have been matured during the year.

### Term Finance Certificate (TFCs)

This represents investments in Bank Alfalah Term Finance Certificate amounting to Rs. 300,000 thousand (2023: Rs. 198,865 thousand & Rs. 300,000 thousand) holding tenure of perpetuity with floating return of 6MK+2% per annum.

### Pakistan Investment Bonds (PIBs)

Pakistan Investment Bonds with 3, 5 and 10 years tenure having aggregate face value of Rs 2.78 billion (2023: Rs 4.79 billion) and are due to mature within a period of 4 years. Profit on fixed rate PIBs is payable on half yearly basis with coupon rates ranging from 7.50% to 10.00% per annum and floating rate PIB at weighted average 6-Months T-Bill yield + 0.70%. The Pakistan Investment Bonds are placed with banks as collateral to secure borrowing facilities.

## 17.5 Investments at amortized cost

### Un-listed preference shares

This represents investment in un-listed, cumulative, non-convertible preference shares of AGL having par value of Rs 10 each. These shares have limited voting rights and carry dividend at KIBOR + 4.00 % and can be redeemed, in full or in part, at the option of AGL. These have been recognised by discounting future contractual cashflows using a rate of 20.52% per annum.

## 17.6 Summary financial information of equity accounted investees

### Associates

The following table summarizes the financial information of associates as included in their own financial statements for the year / period ended December 31, 2024 and September 30, 2024, which have been used for accounting under equity method as these were the latest approved financial statements.

Pursuant to the merger/ amalgamation of FFBL with and into FFC, as detailed in note 1.2, carrying amounts of equity accounted investments in FFBL and FFL have been derecognised w.e.f July 1, 2024. Accordingly, the following table summarises and reconciles the financial information of FFBL and FFL till June 30, 2024.

Reporting date of AKBL, FCCL and TEL is September 30. Reporting date of AGL is December 31. Accordingly, results of operations of three quarters of financial year 2024 and last quarter of financial year 2023 have been considered for AKBL and results of first quarter of operations of financial year 2025 and three quarters of financial year 2024 have been considered for FCCL and TEL. Results of three months from October 2024 to December 2024 have been considered for AGL. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in associate.

|                                                                                             | December 31, 2024 |                                 |                 |               |                                |              |                 |
|---------------------------------------------------------------------------------------------|-------------------|---------------------------------|-----------------|---------------|--------------------------------|--------------|-----------------|
|                                                                                             | FCCL              | FFBL<br>(Till June<br>30, 2024) | AKBL            | TEL           | FFL<br>(Till June<br>30, 2024) | AGL          | Total           |
|                                                                                             | Rs '000           | Rs '000                         | Rs '000         | Rs '000       | Rs '000                        | Rs '000      | Rs '000         |
| <b>Percentage of shareholding</b>                                                           | 4.29%             | 49.88%                          | 43.15% & 64.72% | 30.00%        | 18.45%                         | 28.86%       |                 |
| Non-current assets / total assets                                                           | 121,091,907       | 76,772,608                      | 2,295,242,904   | 100,772,712   | 9,465,154                      | 18,755,655   | 2,622,100,940   |
| Current assets                                                                              |                   |                                 |                 |               |                                |              |                 |
| (including cash and cash equivalents)                                                       | 31,919,113        | 127,880,166                     | -               | 45,318,018    | 8,292,332                      | 18,225,568   | 231,635,197     |
| <b>Total assets</b>                                                                         | 153,011,020       | 204,652,774                     | 2,295,242,904   | 146,090,730   | 17,757,486                     | 36,981,223   | 2,853,736,137   |
| Non-current liabilities / total liabilities                                                 | (48,745,956)      | (27,972,374)                    | (2,179,372,086) | (74,346,519)  | (266,993)                      | (24,112,149) | (2,354,816,077) |
| Current liabilities                                                                         | (27,619,485)      | (112,179,173)                   | -               | (35,518,886)  | (8,180,987)                    | (41,415,685) | (224,914,216)   |
| <b>Total liabilities</b>                                                                    | (76,365,441)      | (140,151,547)                   | (2,179,372,086) | (109,865,405) | (8,447,980)                    | (65,527,834) | (2,579,730,293) |
| Net assets (100%)                                                                           | 76,645,579        | 64,501,227                      | 115,870,818     | 36,225,325    | 9,309,506                      | (28,546,611) | 274,005,844     |
| Non-controlling interest of associate                                                       | -                 | (8,083,956)                     | (421,672)       | -             | -                              | -            | (8,505,628)     |
| <b>Net assets attributable to Group (100%)</b>                                              | 76,645,579        | 56,417,271                      | 115,449,146     | 36,225,325    | 9,309,506                      | (28,546,611) | 265,500,216     |
| Group's share of net assets                                                                 | 3,288,095         | 28,140,935                      | 74,718,687      | 10,867,598    | 1,717,604                      | (8,238,552)  | 110,494,367     |
| Impact of fair value adjustment on<br>retained interest in associates at<br>loss of control | -                 | 12,369,865                      | 3,108,749       | -             | -                              | -            | 15,478,614      |
| Fair value adjustment                                                                       | -                 | -                               | -               | -             | -                              | 10,916,818   | 10,916,818      |
| Goodwill                                                                                    | 823,365           | -                               | -               | -             | 1,586,882                      | 2,657,972    | 5,068,219       |
| Other adjustments                                                                           | (419,711)         | 1,185,234                       | (4,319,038)     | 31,880        | 1,040,744                      | 7,429        | (2,473,462)     |
| Derecognition pursuant to merger of FFBL                                                    | -                 | (41,696,034)                    | -               | -             | (4,345,230)                    | -            | (46,041,264)    |
| <b>Carrying amount of interest in associate</b>                                             | 3,691,749         | -                               | 73,508,398      | 10,899,478    | -                              | 5,343,667    | 93,443,292      |
| Revenue                                                                                     | 82,669,545        | 111,408,690                     | 398,296,960     | 60,709,227    | 11,413,479                     | 12,288,454   | 676,786,355     |
| Profit from continuing operations (100%)                                                    | 8,855,840         | 15,052,970                      | 21,333,951      | 7,469,508     | 329,474                        | 1,673,956    | 54,715,699      |
| Other comprehensive income/ (loss) (100%)                                                   | -                 | 1,833,910                       | 17,109,814      | (14,145)      | (5,400)                        | 18,911       | 18,943,090      |
| <b>Total comprehensive income (100%)</b>                                                    | 8,855,840         | 16,886,880                      | 38,443,765      | 7,455,363     | 324,074                        | 1,692,867    | 73,658,789      |
| Group share of profit                                                                       | 379,916           | 7,508,421                       | 10,554,727      | 2,240,852     | 60,788                         | 483,104      | 21,227,808      |
| Group share of other comprehensive<br>income/(loss)                                         | -                 | 914,754                         | 9,442,022       | (4,244)       | (996)                          | 5,458        | 10,356,994      |
| <b>Group's share of total comprehensive income</b>                                          | 379,916           | 8,423,175                       | 19,996,749      | 2,236,608     | 59,792                         | 488,562      | 31,584,802      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                                                       | December 31, 2023 |               |                 |               |             |         | Total           |
|---------------------------------------------------------------------------------------|-------------------|---------------|-----------------|---------------|-------------|---------|-----------------|
|                                                                                       | FCCL              | FFBL          | AKBL            | TEL           | FFL         | AGL     |                 |
|                                                                                       | Rs '000           | Rs '000       | Rs '000         | Rs '000       | Rs '000     | Rs '000 | Rs '000         |
| <b>Percentage of shareholding</b>                                                     | 4.29%             | 49.88%        | 43.15%          | 30.00%        | 18.45%      | 0.00%   |                 |
| Non current assets / total assets                                                     | 118,194,608       | 71,619,733    | 1,828,497,397   | 107,154,714   | 9,048,360   | -       | 2,134,514,812   |
| Assets held for sale                                                                  | -                 | 158,568       | -               | -             | 262,655     | -       | 421,223         |
| Current assets (including cash and cash equivalents)                                  | 19,224,481        | 126,875,627   | -               | 37,292,661    | 6,899,294   | -       | 190,292,063     |
| <b>Total assets</b>                                                                   | 137,419,089       | 198,653,928   | 1,828,497,397   | 144,447,375   | 16,210,309  | -       | 2,325,228,098   |
| Non-current liabilities / total liabilities                                           | (44,938,490)      | (32,805,528)  | (1,743,317,021) | (82,913,268)  | (50,355)    | -       | (1,904,024,662) |
| Current liabilities                                                                   | (24,690,860)      | (112,509,536) | -               | (32,761,891)  | (2,104,527) | -       | (172,066,814)   |
| <b>Total liabilities</b>                                                              | (69,629,350)      | (145,315,064) | (1,743,317,021) | (115,675,159) | (2,154,882) | -       | (2,076,091,476) |
| Net assets (100%)                                                                     | 67,789,739        | 53,338,864    | 85,180,376      | 28,772,216    | 14,055,427  | -       | 249,136,622     |
| Share deposit money                                                                   | -                 | -             | -               | -             | (2,350,000) | -       | (2,350,000)     |
| Non-controlling interest of associate                                                 | -                 | (10,301,373)  | (351,988)       | -             | -           | -       | (10,653,361)    |
| <b>Net assets attributable to Group (100%)</b>                                        | 67,789,739        | 43,037,491    | 84,828,388      | 28,772,216    | 11,705,427  | -       | 236,133,261     |
| Group's share of net assets                                                           | 2,908,180         | 21,467,101    | 36,603,449      | 8,631,665     | 2,159,651   | -       | 71,770,046      |
| Impact of fair value adjustment on retained interest in associates at loss of control | -                 | 12,369,865    | 3,108,749       | -             | -           | -       | 15,478,614      |
| Goodwill                                                                              | 823,365           | -             | -               | -             | 2,473,827   | -       | 3,297,192       |
| Other adjustments                                                                     | (314,243)         | 1,171,128     | (2,765,165)     | 31,205        | 153,799     | -       | (1,723,276)     |
| <b>Carrying amount of interest in associate</b>                                       | 3,417,302         | 35,008,094    | 36,947,033      | 8,662,870     | 4,787,277   | -       | 88,822,576      |
| Revenue                                                                               | 73,681,984        | 221,613,687   | 273,402,852     | 52,695,533    | 19,809,036  | -       | 641,203,092     |
| Profit from continuing operations (100%)                                              | 7,738,853         | 3,037,531     | 17,865,751      | 9,017,381     | 605,112     | -       | 38,264,628      |
| Other comprehensive income/ (loss) (100%)                                             | -                 | 1,747,448     | (5,461,116)     | 634           | 436,932     | -       | (3,276,102)     |
| <b>Total comprehensive income (100%)</b>                                              | 7,738,853         | 4,784,979     | 12,404,635      | 9,018,015     | 1,042,044   | -       | 34,988,526      |
| Group share of profit                                                                 | 331,997           | 1,515,120     | 7,709,072       | 2,705,214     | 137,369     | -       | 12,398,772      |
| Group share of other comprehensive income / (loss)                                    | -                 | 871,627       | (2,356,472)     | 190           | (92)        | -       | (1,484,747)     |
| <b>Group's share of total comprehensive income</b>                                    | 331,997           | 2,386,747     | 5,352,600       | 2,705,404     | 137,277     | -       | 10,914,025      |



The following table analyses, in aggregate, the carrying amount and share of profit and OCI of these associates:

|                                            | 2024       | 2023        |
|--------------------------------------------|------------|-------------|
|                                            | Rs '000    | Rs '000     |
| Carrying amount of interests in associates | 93,443,292 | 88,822,576  |
| Share of:                                  |            |             |
| – Profit from continuing operations        | 21,227,808 | 12,398,772  |
| – Other comprehensive income/ (loss)       | 10,356,994 | (1,484,747) |

### Joint venture

The following table summarizes the financial information of PMP as included in its own financial statements for the period ended September 30, 2024, which have been used for accounting under equity method as these were the latest approved financial statements. Further, results of operations of last quarter of 2023 have also been considered for equity accounting. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in PMP.

|                                                                                                           | 2024            | 2023         |
|-----------------------------------------------------------------------------------------------------------|-----------------|--------------|
|                                                                                                           | Rs '000         | Rs '000      |
| <b>Percentage ownership interest</b>                                                                      | 12.50% & 37.50% | 12.5%        |
| Non-current assets                                                                                        | 15,253,505      | 14,872,103   |
| Current assets including cash and cash equivalent amounting to Rs 24,280 million (2023: Rs 7,744 million) | 73,017,363      | 64,104,286   |
| Non-current liabilities                                                                                   | (58,998)        | (5,661)      |
| Current liabilities                                                                                       | (23,302,889)    | (23,248,881) |
| <b>Net assets (100%)</b>                                                                                  | 64,908,981      | 55,721,847   |
| Group's share of net assets (37.50%/ 12.50%)                                                              | 24,340,868      | 6,965,231    |
| Other adjustments                                                                                         | –               | (693,927)    |
| Carrying amount of interest in joint venture                                                              | 24,340,868      | 6,271,304    |
| Revenue                                                                                                   | 113,907,481     | 64,350,598   |
| Depreciation and amortization                                                                             | (1,607,179)     | (1,736,803)  |
| Interest expense                                                                                          | (107,889)       | (237,079)    |
| Income tax expense                                                                                        | (3,611,687)     | (762,576)    |
| Other expenses                                                                                            | (93,624,685)    | (70,908,779) |
| Profit/ (loss) for the year (100%)                                                                        | 14,956,041      | (9,294,639)  |
| Other comprehensive income for the year (100%)                                                            | 3,041,119       | 11,323,472   |
| Total comprehensive income for the year (100%)                                                            | 17,997,160      | 2,028,833    |
| Group's share of profit/ (loss) for the year                                                              | 2,495,441       | (1,161,830)  |
| Group's share of other comprehensive income for the year                                                  | 1,257,540       | 1,415,434    |
| <b>Group's share of total comprehensive income (37.50%/12.50%)</b>                                        | 3,752,981       | 253,604      |

This represents FFC's share of translation reserve of PMP. This has arisen due to movement in exchange rate parity between the Moroccan and Pakistani Rupee.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

Following particulars relate to investment made in the foreign company:

| Particulars                                        | Pakistan Maroc Phosphore S.A., Morocco                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name and jurisdiction of associated company        | Pakistan Maroc Phosphore S.A., Morocco                                                                                                                                                                                                                                                                                                                                        |
| Name and address of beneficial owner               | Fauji Fertilizer Company Limited located at 156, The Mall Rawalpindi Cantt, Pakistan<br><br>Fauji Foundation located at 68 Tipu Road, Chaklala, Rawalpindi Cantt, Pakistan<br><br>Office Cherifien Des Phosphates located at Hay Erraha. 2, Rue Al Abtal, Casablanca, Morocco                                                                                                 |
| Amount of investment                               | Rs 2,117,075 thousand (MAD 300,000 thousand)                                                                                                                                                                                                                                                                                                                                  |
| Terms and conditions of investment                 | Equity investment                                                                                                                                                                                                                                                                                                                                                             |
| Amount of return received                          | Dividend 2009 Rs 42,563 thousand<br>Dividend 2015 Rs 50,911 thousand<br>Dividend 2016 Rs 55,720 thousand<br>Dividend 2017 Rs 262,551 thousand<br>Dividend 2018 Rs 144,061 thousand<br>Dividend 2019 Rs 371,638 thousand<br>Dividend 2020 Rs 335,525 thousand<br>Dividend 2021 Rs 518,962 thousand<br>Dividend 2022 Rs 1,349,419 thousand<br>Dividend 2024 Rs 936,806 thousand |
| Details of litigations                             | None                                                                                                                                                                                                                                                                                                                                                                          |
| Details of default / breach relating to investment | None                                                                                                                                                                                                                                                                                                                                                                          |
| Gain / loss on disposal of investment              | Not applicable                                                                                                                                                                                                                                                                                                                                                                |

|                                                                               | Note | 2024      | 2023      |
|-------------------------------------------------------------------------------|------|-----------|-----------|
|                                                                               |      | Rs '000   | Rs '000   |
| <b>18. LONG TERM LOANS AND ADVANCES – SECURED</b>                             |      |           |           |
| Loans and advances – considered good, to:                                     | 18.1 |           |           |
| Executives                                                                    |      |           |           |
| Interest bearing                                                              |      | 1,599,691 | 1,166,120 |
| Non-interest bearing                                                          |      | 1,288,302 | 1,049,782 |
|                                                                               |      | 2,887,993 | 2,215,902 |
| Other employees                                                               |      |           |           |
| Interest bearing                                                              |      | 960,314   | 728,417   |
| Non-interest bearing                                                          |      | 572,272   | 494,891   |
|                                                                               |      | 1,532,586 | 1,223,308 |
|                                                                               |      | 4,420,579 | 3,439,210 |
| Less: Impact of present value of loans and advances to employees              |      | 1,600,000 | –         |
|                                                                               |      | 2,820,579 | 3,439,210 |
| Less: Amount due within twelve months, shown under current loans and advances |      |           |           |
| Interest bearing                                                              |      | 432,111   | 335,366   |
| Non-interest bearing                                                          |      | 603,202   | 474,206   |
|                                                                               |      | 1,035,313 | 809,572   |
|                                                                               |      | 1,785,266 | 2,629,638 |

### 18.1 Reconciliation of carrying amount of loans and advances:

|                               | Executives       | 2024<br>Other<br>employees | Total            | 2023<br>Total    |
|-------------------------------|------------------|----------------------------|------------------|------------------|
|                               | Rs '000          | Rs '000                    | Rs '000          | Rs '000          |
| <b>Balance at January 1</b>   | 2,215,902        | 1,223,308                  | 3,439,210        | 2,560,708        |
| Adjustments                   | 153,580          | (153,580)                  | –                | –                |
| Disbursements                 | 1,423,390        | 866,423                    | 2,289,813        | 1,745,055        |
|                               | 3,792,872        | 1,936,151                  | 5,729,023        | 4,305,763        |
| Repayments                    | (904,879)        | (403,565)                  | (1,308,444)      | (866,553)        |
| <b>Balance at December 31</b> | <b>2,887,993</b> | <b>1,532,586</b>           | <b>4,420,579</b> | <b>3,439,210</b> |

These subsidized and interest free loans and advances are granted to employees as per the Group's policy and are repayable within one to ten years. House building loans carry mark-up at 4% per annum and are secured against the underlying assets.

The maximum amount of loans and advances to executives outstanding at the end of any month during the year was Rs 2,954,113 thousand (2023: Rs 2,324,943 thousand).

From the current year, management has recognised loans and advances at their present value of future cashflows in these consolidated financial statements.

### 18.2 Loans and advances to employees exceeding Rs 1 million

|                                            | 2024                |                   | 2023                |                   |
|--------------------------------------------|---------------------|-------------------|---------------------|-------------------|
| Category                                   | No. of<br>employees | Amount<br>Rs '000 | No. of<br>employees | Amount<br>Rs '000 |
| Rs 1 million to Rs 2 million               | 164                 | 226,962           | 209                 | 292,278           |
| Exceeding Rs 2 million upto Rs 3 million   | 136                 | 343,366           | 116                 | 289,631           |
| Exceeding Rs 3 million upto Rs 5 million   | 273                 | 1,009,651         | 226                 | 875,842           |
| Exceeding Rs 5 million upto Rs 10 million  | 173                 | 1,199,444         | 56                  | 321,988           |
| Exceeding Rs 10 million upto Rs 25 million | 97                  | 1,473,886         | 142                 | 1,557,274         |
|                                            | <b>843</b>          | <b>4,253,309</b>  | <b>749</b>          | <b>3,337,013</b>  |

|                                               | Note | 2024<br>Rs '000   | 2023<br>Rs '000  |
|-----------------------------------------------|------|-------------------|------------------|
| <b>19. LONG TERM DEPOSITS AND PREPAYMENTS</b> |      |                   |                  |
| Non-interest bearing deposits                 |      | 134,192           | 30,638           |
| Prepayments                                   |      | 853               | –                |
|                                               |      | <b>135,045</b>    | <b>30,638</b>    |
| <b>20. STORES, SPARES AND LOOSE TOOLS</b>     |      |                   |                  |
| Stores                                        |      | 3,719,239         | 999,563          |
| Spares                                        |      | 10,937,779        | 6,589,289        |
| Provision for slow moving spares              | 20.1 | (1,012,368)       | (634,216)        |
|                                               |      | <b>9,925,411</b>  | <b>5,955,073</b> |
| Loose tools                                   |      | 34,040            | 24,428           |
| Items in transit                              |      | 2,508,835         | 1,224,115        |
|                                               |      | <b>16,187,525</b> | <b>8,203,179</b> |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|             |                                                          | Note | 2024       | 2023       |
|-------------|----------------------------------------------------------|------|------------|------------|
|             |                                                          |      | Rs '000    | Rs '000    |
| <b>20.1</b> | <b>Movement of provision for slow moving spares</b>      |      |            |            |
|             | Balance at the beginning                                 |      | 634,216    | 599,931    |
|             | Acquisition pursuant to merger of FFBL                   | 1.2  | 296,095    | –          |
|             | Provision during the year                                |      | 82,057     | 36,451     |
|             | Reversal during the year                                 |      | –          | (2,166)    |
|             | Balance at the end                                       |      | 1,012,368  | 634,216    |
| <b>21.</b>  | <b>STOCK IN TRADE</b>                                    |      |            |            |
|             | Raw materials                                            |      | 8,122,194  | 771,918    |
|             | Raw materials in transit                                 |      | 11,773,706 | –          |
|             | Work in process                                          |      | 744,345    | 174,232    |
|             | Finished goods – FFC                                     |      |            |            |
|             | Manufactured fertilizer                                  |      | 1,904,359  | 744,590    |
|             | Purchased fertilizer                                     |      | 4,922,413  | 545,387    |
|             | Finished goods – FFL                                     |      | 557,703    | –          |
|             | Finished goods – FFF                                     |      | 1,878,532  | 1,755,722  |
|             |                                                          |      | 9,263,007  | 3,045,699  |
|             | Less :                                                   |      |            |            |
|             | Raw material written off                                 |      | (94,898)   | –          |
|             | Provision for obsolete raw material                      | 21.1 | (109,489)  | –          |
|             |                                                          |      | 29,698,865 | 3,991,849  |
| <b>21.1</b> | <b>Movement in provision for slow moving stock</b>       |      |            |            |
|             | Balance at the beginning of the year                     |      | –          | 7,166      |
|             | Provision / (reversal) during the year                   |      | 109,489    | (7,166)    |
|             | Balance at the end of the year                           |      | 109,489    | –          |
| <b>22.</b>  | <b>TRADE DEBTS</b>                                       |      |            |            |
|             | Considered good:                                         |      |            |            |
|             | Secured                                                  |      |            |            |
|             | – against bank guarantees                                |      | 943,632    | 48,503     |
|             | – against guarantee issued by the Government of Pakistan | 22.1 | 10,201,389 | 12,625,287 |
|             | Unsecured – local                                        |      | 4,170,096  | 870,628    |
|             | Considered doubtful:                                     |      |            |            |
|             | Unsecured – local                                        |      | 140,407    | 80,325     |
|             |                                                          |      | 15,455,524 | 13,624,743 |
|             | Loss allowance                                           | 22.2 | (140,407)  | (80,325)   |
|             |                                                          |      | 15,315,117 | 13,544,418 |

**22.1** Trade debts are receivable from Central Power Purchase Agency (CPPA) and are secured by a guarantee from Government of Pakistan (GoP) under the Implementation Agreement entered into by FFCEL, FWEL – I and FWEL – II. Further, any delay on payments under EPA carries mark-up at the rate of three month KIBOR plus 4.5% per annum and was reduced to KIBOR plus two percent (2%) per annum for the first sixty days of delay and KIBOR plus four and a half percent (4.5%) per annum for delay thereafter, as a result of master agreement for FFCEL and at the rate of three month KIBOR plus 4.5% per annum for FWEL – I and FWEL – II. The effective rate of delayed payment markup charged during the year on outstanding amounts ranges from 14.19% to 28.44% (2023: 17.72 % to 28.44%) per annum for FFCEL and the effective rate of delayed payment mark up charged during the year on outstanding amounts ranges from 23.61 % to 28.44% (2023: 15.70 % to 22.90%) per annum for FWEL – I & FWEL II.

|             |                                                                                        | Note | 2024      | 2023      |
|-------------|----------------------------------------------------------------------------------------|------|-----------|-----------|
|             |                                                                                        |      | Rs '000   | Rs '000   |
| <b>22.2</b> | <b>Movement of loss allowance</b>                                                      |      |           |           |
|             | Balance at the beginning                                                               |      | 80,325    | 30,172    |
|             | Acquisition pursuant of merger of FFBL                                                 | 1.2  | 51,907    | –         |
|             | Loss allowance during the year                                                         |      | 8,175     | 50,153    |
|             | Balance at the end                                                                     |      | 140,407   | 80,325    |
| <b>23.</b>  | <b>LOANS AND ADVANCES – SECURED</b>                                                    |      |           |           |
|             | Current portion of long term loans and advances                                        | 18   | 1,035,313 | 809,572   |
|             | Loans and advances to employees – unsecured<br>– considered good, non-interest bearing |      |           |           |
|             | Executives                                                                             |      | 223,053   | 283,483   |
|             | Others                                                                                 |      | 190,175   | 100,870   |
|             | Advances to suppliers – considered good                                                |      | 4,836,049 | 1,199,101 |
|             | Advances for PEF project                                                               | 23.1 | 431,144   | 214,333   |
|             | Advances to suppliers – considered doubtful                                            |      | 27,220    | 17,356    |
|             | Loss allowance                                                                         | 23.2 | (27,220)  | (17,356)  |
|             |                                                                                        |      | 5,267,193 | 1,413,434 |
|             |                                                                                        |      | 6,715,734 | 2,607,359 |

**23.1** This represents advance paid to Mari Petroleum Company Limited, a related party, in relation to PEF project, as disclosed in note 44 to the consolidated financial statements.

|             |                                    | 2024    | 2023    |
|-------------|------------------------------------|---------|---------|
|             |                                    | Rs '000 | Rs '000 |
| <b>23.2</b> | <b>Movement in loss allowance</b>  |         |         |
|             | Balance at the beginning           | 17,356  | 18,856  |
|             | Charge/ (reversal) during the year | 9,864   | (1,500) |
|             | Balance at the end                 | 27,220  | 17,356  |

**23.3 Loans and advances to employees exceeding Rs 1 million**

| Category                                   | 2024             |                   | 2023             |                   |
|--------------------------------------------|------------------|-------------------|------------------|-------------------|
|                                            | No. of employees | Amount<br>Rs '000 | No. of employees | Amount<br>Rs '000 |
| Rs 1 million to Rs 2 million               | 41               | 59,168            | 41               | 56,039            |
| Exceeding Rs 2 million upto Rs 3 million   | 11               | 24,522            | 10               | 24,203            |
| Exceeding Rs 3 million upto Rs 5 million   | 5                | 19,223            | 5                | 18,544            |
| Exceeding Rs 10 million upto Rs 25 million | –                | –                 | 1                | 5,221             |
|                                            | 57               | 102,913           | 57               | 104,007           |

|            |                                 | 2024      | 2023    |
|------------|---------------------------------|-----------|---------|
|            |                                 | Rs '000   | Rs '000 |
| <b>24.</b> | <b>DEPOSITS AND PREPAYMENTS</b> |           |         |
|            | Non-interest bearing deposits   | 150,376   | 245,382 |
|            | Prepayments                     | 1,248,538 | 471,100 |
|            |                                 | 1,398,914 | 716,482 |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|            |                                                                               | Note | 2024              | 2023              |
|------------|-------------------------------------------------------------------------------|------|-------------------|-------------------|
|            |                                                                               |      | Rs '000           | Rs '000           |
| <b>25.</b> | <b>OTHER RECEIVABLES</b>                                                      |      |                   |                   |
|            | Accrued income on investments and bank deposits                               |      |                   |                   |
|            | – Pakistan Investment Bonds                                                   |      | 112,169           | 169,692           |
|            | – Conventional banks                                                          |      | 542,444           | 54,354            |
|            | – Islamic banks                                                               |      | 402               | 183               |
|            | Sales tax receivable – net                                                    | 25.1 | 14,133,275        | 16,983,331        |
|            | Advance tax                                                                   | 25.2 | 1,461,071         | 1,057,874         |
|            | Subsidy receivable from Government agencies                                   | 25.3 | 10,122,870        | 6,961,878         |
|            | Receivable from Workers' Profit Participation Fund – unsecured                |      | 540,819           | –                 |
|            | Receivable from Fauji Meat Limited (FML)                                      | 25.4 | 28,487            | –                 |
|            | Receivable from Fauji Fertilizer Bin Qasim Limited – unsecured                |      | –                 | 378,035           |
|            | Receivable from joint operators – PEF project                                 |      | 196               | 196               |
|            | Receivable from gratuity fund – II (related party)                            |      | 181,166           | –                 |
|            | Due from pension fund – FFC (a related party)                                 | 11.5 | 912,625           | 365,682           |
|            | Receivable from NTDC / CPPA – G against WPPF by FWEL – I & FWEL – II & others |      | 3,064,288         | 2,507,281         |
|            | Loss allowance                                                                | 25.5 | (10,083,396)      | (5,719,404)       |
|            |                                                                               |      | <b>21,016,416</b> | <b>22,759,102</b> |

**25.1** Sales tax receivable is net-off provision for input tax disallowance amounting to Rs 25,231,061 thousand (2023: Rs 4,717,000 thousand). Provision for input tax disallowance amounting to Rs 8,110,058 thousand has been acquired pursuant to merger/ amalgamation of FFBL with and into FFC, as disclosed in note 1.2 to the consolidated financial statements.

**25.2** This includes tax paid of Rs 322,368 thousand (2023: Rs 322,368 thousand) by PSFL in excess of admitted tax liabilities net of adjustments of determined refunds. FFC intends to adjust the remaining amount after finalisation of pending re-assessments by the taxation authorities.

**25.3** This represents subsidy receivable on sale of Di-Ammonium Phosphate (DAP) fertilizer under schemes announced on October 25, 2015 @ Rs 500 per 50 kg bag and on June 25, 2016 @ Rs 300 per 50 kg bag respectively and subsidy receivable on sale of Urea under scheme announced on June 25, 2016 @ Rs 156 per 50 kg bag under notifications issued by Ministry of National Food Security & Research, Government of Pakistan. Finance Act, 2017 revoked subsidy on sale of DAP and also reduced Urea subsidy to Rs 100 per 50 kg bag for the financial year 2017–18.

**25.4** The maximum amount of receivable from FML during the year was Rs 28,487 thousand (2023: Nil)

|             |                                        | Note   | 2024              | 2023             |
|-------------|----------------------------------------|--------|-------------------|------------------|
|             |                                        |        | Rs '000           | Rs '000          |
| <b>25.5</b> | <b>Movement in loss allowance</b>      |        |                   |                  |
|             | Balance at the beginning               |        | 5,719,404         | 2,819,404        |
|             | Acquisition pursuant to merger of FFBL | 1.2    | 3,160,992         | –                |
|             | Charge for the year                    |        | 1,203,000         | 2,900,000        |
|             | Balance at the end                     | 25.5.1 | <b>10,083,396</b> | <b>5,719,404</b> |

**25.5.1** As required under IFRS – 9, an entity is required to assess changes in credit risk by taking into account the time value of money, reasonable and supportable assumptions regarding past events, current conditions, forecast of future events and economic conditions attached to its receivables and recognise expected credit loss, if any. Based on this, the Group has recomputed expected credit loss on subsidy receivable from GoP giving due consideration to the time value of money based on expected recovery of the subsidy receivable. The Group, however, is confident of full recovery of the subsidy amount from GoP.

|            |                                                         | Note | 2024        | 2023        |
|------------|---------------------------------------------------------|------|-------------|-------------|
|            |                                                         |      | Rs '000     | Rs '000     |
| <b>26.</b> | <b>SHORT TERM INVESTMENTS</b>                           |      |             |             |
|            | <b>Amortized cost – conventional instruments</b>        |      |             |             |
|            | Term deposits with banks and financial institutions     | 26.1 |             |             |
|            | Local currency                                          |      | 3,700,750   | –           |
|            | Foreign currency                                        |      | 5,258,558   | 4,956,685   |
|            |                                                         |      | 8,959,308   | 4,956,685   |
|            | <b>Investments at fair value through profit or loss</b> | 26.2 |             |             |
|            | Conventional investments                                |      | 128,931,182 | 65,869,092  |
|            | Shariah compliant investments                           |      | 82,250,583  | 28,826,286  |
|            |                                                         |      | 211,181,765 | 94,695,378  |
|            | <b>Current maturity of long term investments</b>        |      |             |             |
|            | Fair value through OCI                                  | 17.2 | 2,274,203   | 2,091,434   |
|            |                                                         |      | 222,415,276 | 101,743,497 |

**26.1** These represent investments having maturities ranging between 1 to 3 months and are being carried at amortized cost.

**26.2** Fair values of these investments are determined using quoted repurchase price.

**26.2.1** Details of investment in mutual funds are as follows:

|                         | 2024            |             | 2023            |            |
|-------------------------|-----------------|-------------|-----------------|------------|
|                         | Number of units | Fair value  | Number of units | Fair value |
|                         | In '000         | Rs '000     | In '000         | Rs '000    |
| Money Market Funds      | 3,843,517       | 114,627,114 | 2,269,620       | 64,202,174 |
| Income Funds            | 651,278         | 14,304,068  | 42,378          | 1,666,918  |
| Shariah Compliant Funds | 1,616,081       | 82,250,583  | 888,040         | 28,826,286 |
|                         | 6,110,876       | 211,181,765 | 3,200,038       | 94,695,378 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                  | Note | 2024       | 2023      |
|--------------------------------------------------|------|------------|-----------|
|                                                  |      | Rs '000    | Rs '000   |
| <b>27. CASH AND BANK BALANCES</b>                |      |            |           |
| At banks                                         |      |            |           |
| Local currency                                   |      |            |           |
| Current accounts – Conventional banking          |      | 516,692    | 66,562    |
| Current accounts – Islamic banking               |      | 126,835    | 16,661    |
| Deposit accounts – Conventional banking          | 27.1 | 14,874,939 | 1,360,621 |
| Deposit accounts – Islamic banking               | 27.2 | 314,633    | 20,097    |
|                                                  |      | 15,833,099 | 1,463,941 |
| Foreign currency                                 |      |            |           |
| Deposit accounts (US\$ 19,993;<br>2023: US\$ 70) |      | 5,545      | 20        |
|                                                  | 27.3 | 15,838,644 | 1,463,961 |
| Cash in transit                                  | 27.4 | 135,040    | 332,179   |
| Cash in hand                                     |      | 2,355      | 78        |
|                                                  |      | 15,976,039 | 1,796,218 |

**27.1** Balances with banks carry markup ranging from 11.50% to 20.51% (2023: 14.50% to 20.51%) per annum.

**27.2** Balances with banks carry profit ranging from 4.70% to 14.25% (2023: 6.75% to 11.01%) per annum.

**27.3** Balances with banks include Rs 285,040 thousand (2023: Rs 319,894 thousand) in respect of security deposits received.

**27.4** These represent demand drafts held by the Group at year end.

**27.5** This includes balances of Rs 6,156,661 thousand (2023: Nil) held under lien.

|                                                                                                  | Note | 2024         | 2023         |
|--------------------------------------------------------------------------------------------------|------|--------------|--------------|
|                                                                                                  |      | Rs '000      | Rs '000      |
| <b>27.6 Cash and cash equivalents</b>                                                            |      |              |              |
| Cash and cash equivalents included in the statement<br>of cash flows comprise of the following : |      |              |              |
| Cash and bank balances                                                                           | 27   | 15,976,039   | 1,796,218    |
| Short term borrowings                                                                            | 13   | (38,340,517) | (15,133,161) |
| Short term highly liquid investments                                                             | 26   | 220,141,073  | 99,652,063   |
| Bank balance held under lien                                                                     |      | (6,156,661)  | –            |
|                                                                                                  |      | 191,619,934  | 86,315,120   |
| <b>28. TURNOVER</b>                                                                              |      |              |              |
| Manufactured fertilizer                                                                          |      | 354,725,841  | 136,603,572  |
| Purchased and packaged fertilizers                                                               |      | 44,799,510   | 28,013,216   |
| Sale of electricity                                                                              |      | 22,961,407   | 18,156,151   |
| Food products                                                                                    |      | 23,703,575   | 6,950,625    |
| Others                                                                                           |      | 993,953      | 317,357      |
|                                                                                                  |      | 447,184,286  | 190,040,921  |
| Sales tax and excise duty                                                                        |      | (33,773,054) | (8,027,897)  |
| Trade discount and others                                                                        |      | (2,156,822)  | (630,787)    |
|                                                                                                  |      | (35,929,876) | (8,658,684)  |
|                                                                                                  |      | 411,254,410  | 181,382,237  |

|            |                                                                                                                    | Note   | 2024        | 2023        |
|------------|--------------------------------------------------------------------------------------------------------------------|--------|-------------|-------------|
|            |                                                                                                                    |        | Rs '000     | Rs '000     |
| <b>29.</b> | <b>COST OF SALES</b>                                                                                               |        |             |             |
|            | Raw materials consumed                                                                                             |        | 144,473,307 | 30,414,141  |
|            | Fuel and power                                                                                                     |        | 25,085,836  | 18,096,318  |
|            | Chemicals and supplies                                                                                             |        | 1,637,135   | 1,259,633   |
|            | Salaries, wages and benefits                                                                                       |        | 17,370,435  | 12,316,382  |
|            | Training and employees welfare                                                                                     |        | 1,604,812   | 1,595,143   |
|            | Rent, rates and taxes                                                                                              |        | 826,169     | 525,166     |
|            | Insurance                                                                                                          |        | 1,915,700   | 1,040,362   |
|            | Travel and conveyance                                                                                              |        | 2,092,369   | 1,234,655   |
|            | Repairs and maintenance (includes stores and spares consumed of Rs 1,752,522 thousand; (2023: Rs 939,389 thousand) |        | 5,650,196   | 4,030,639   |
|            | Depreciation                                                                                                       | 15.1   | 7,177,732   | 5,199,211   |
|            | Amortization                                                                                                       | 16.1.1 | 2,696       | 2,997       |
|            | Communication and other expenses                                                                                   | 29.1   | 9,443,965   | 6,176,305   |
|            |                                                                                                                    |        | 217,280,352 | 81,890,952  |
|            | Opening stock – work in process                                                                                    |        | 174,232     | 120,594     |
|            | Acquisition pursuant to merger of FFBL                                                                             | 1.2    | 412,915     | –           |
|            | Closing stock – work in process                                                                                    |        | (744,345)   | (174,232)   |
|            |                                                                                                                    |        | (157,198)   | (53,638)    |
|            | Cost of goods manufactured                                                                                         |        | 217,123,154 | 81,837,314  |
|            | Opening stock – manufactured goods                                                                                 |        | 2,500,312   | 804,707     |
|            | Acquisition pursuant to merger of FFBL                                                                             | 1.2    | 12,505,700  | –           |
|            | Closing stock – manufactured goods                                                                                 |        | (4,340,594) | (2,500,312) |
|            |                                                                                                                    |        | 10,665,418  | (1,695,605) |
|            | Cost of sales – manufactured goods                                                                                 |        | 227,788,572 | 80,141,709  |
|            | Opening stock – purchased fertilizer                                                                               |        | 545,387     | 18,745,746  |
|            | Purchase of fertilizer for resale                                                                                  |        | 44,097,610  | 6,203,685   |
|            | Closing stock – purchased fertilizer                                                                               |        | (4,922,413) | (545,387)   |
|            | Cost of sale - purchased fertilizer                                                                                |        | 39,720,584  | 24,404,044  |
|            |                                                                                                                    |        | 267,509,156 | 104,545,753 |

**29.1** This includes provision for slow moving spares amounting to Rs 82,057 thousand (2023: Rs 34,285 thousand).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|             |                                                                                                          | Note   | 2024              | 2023              |
|-------------|----------------------------------------------------------------------------------------------------------|--------|-------------------|-------------------|
|             |                                                                                                          |        | Rs '000           | Rs '000           |
| <b>30.</b>  | <b>ADMINISTRATIVE AND DISTRIBUTION EXPENSES</b>                                                          |        |                   |                   |
|             | Administrative expenses                                                                                  | 30.1   | 1,460,138         | 640,499           |
|             | Product transportation                                                                                   |        | 20,066,279        | 8,073,902         |
|             | Salaries, wages and benefits                                                                             |        | 5,016,232         | 2,507,415         |
|             | Training and employees welfare                                                                           |        | 404,538           | 270,602           |
|             | Rent, rates and taxes                                                                                    |        | 298,286           | 220,798           |
|             | Technical services to farmers                                                                            |        | 36,796            | 14,218            |
|             | Travel and conveyance                                                                                    |        | 891,687           | 475,289           |
|             | Sale promotion and advertising                                                                           |        | 1,161,505         | 483,622           |
|             | Communication and other expenses                                                                         |        | 2,162,750         | 860,061           |
|             | Warehousing expenses                                                                                     |        | 322,704           | 176,702           |
|             | Depreciation                                                                                             | 15.1   | 164,318           | 88,098            |
|             | Amortisation                                                                                             | 16.1.1 | 910               | 994               |
|             |                                                                                                          |        | <b>31,986,143</b> | <b>13,812,200</b> |
| <b>30.1</b> | <b>Administrative expenses</b>                                                                           |        |                   |                   |
|             | This represents administrative and general expenses of FFCEL, FWEL-I, FWEL-II, FFF, FFL, FPCL and OLIVE: |        |                   |                   |
|             | Salaries, wages and benefits                                                                             |        | 662,329           | 249,927           |
|             | Travel and Conveyance                                                                                    |        | 65,628            | 77,129            |
|             | Utilities                                                                                                |        | 33,863            | 19,705            |
|             | Printing and stationery                                                                                  |        | 11,350            | 4,177             |
|             | Repairs and maintenance                                                                                  |        | 50,397            | 4,767             |
|             | Communication, advertisement and other expenses                                                          |        | 387,791           | 220,815           |
|             | Rent, rates and taxes                                                                                    |        | 74,726            | 5,137             |
|             | Legal and professional                                                                                   |        | 88,053            | 23,811            |
|             | Depreciation                                                                                             | 15.1   | 63,161            | 32,928            |
|             | Amortisation                                                                                             | 16.1.1 | 4,529             | -                 |
|             | Miscellaneous                                                                                            |        | 18,311            | 2,103             |
|             |                                                                                                          |        | <b>1,460,138</b>  | <b>640,499</b>    |
| <b>31.</b>  | <b>FINANCE COSTS</b>                                                                                     |        |                   |                   |
|             | Mark-up / profit on long term borrowings                                                                 |        |                   |                   |
|             | Conventional banking                                                                                     |        | 3,834,068         | 2,535,391         |
|             | Islamic banking                                                                                          |        | 2,828,574         | 1,938,773         |
|             |                                                                                                          |        | <b>6,662,642</b>  | <b>4,474,164</b>  |
|             | Mark-up / profit on short term borrowings                                                                |        |                   |                   |
|             | Conventional banking                                                                                     |        | 553,653           | 1,007,353         |
|             | Islamic banking                                                                                          |        | 282,822           | 468,657           |
|             |                                                                                                          |        | <b>836,475</b>    | <b>1,476,010</b>  |
|             | Bank and other charges                                                                                   |        | 353,643           | 637,017           |
|             |                                                                                                          |        | <b>7,852,760</b>  | <b>6,587,191</b>  |



|                                                                                                                                                               | 2024       | 2023       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
|                                                                                                                                                               | Rs '000    | Rs '000    |
| <b>32. OTHER EXPENSES</b>                                                                                                                                     |            |            |
| Research and development                                                                                                                                      | 2,038,842  | 1,625,277  |
| Workers' Profit Participation Fund                                                                                                                            | 6,126,105  | 2,866,400  |
| Workers' Welfare Fund                                                                                                                                         | 2,010,382  | 914,369    |
| Auditors' remuneration                                                                                                                                        |            |            |
| Audit fee                                                                                                                                                     | 6,816      | 3,180      |
| Fee for half yearly review, audit of consolidated financial statements, audit of employee retirement benefit funds and review of Code of Corporate Governance | 5,617      | 2,378      |
| Fee of subsidiary auditors (including special purpose audits)                                                                                                 | 15,124     | 6,059      |
| Special purpose audits and other certifications                                                                                                               | 23,800     | –          |
| Taxation and other advisory services                                                                                                                          | 75,612     | 25,766     |
| Out of pocket expenses                                                                                                                                        | 3,116      | 1,267      |
|                                                                                                                                                               | 130,085    | 38,650     |
|                                                                                                                                                               | 10,305,414 | 5,444,696  |
| <b>33. OTHER INCOME</b>                                                                                                                                       |            |            |
| <b>Income from financial assets</b>                                                                                                                           |            |            |
| Income on loans, deposits and investments in:                                                                                                                 |            |            |
| – Pakistan Investment Bonds                                                                                                                                   | 376,329    | 481,110    |
| – Conventional banks                                                                                                                                          | 3,197,788  | 859,106    |
| – Islamic banks                                                                                                                                               | 174,926    | 3,159      |
| Gain on investments on mutual funds                                                                                                                           |            |            |
| – Conventional mutual funds                                                                                                                                   | 1,589,866  | 2,881,565  |
| – Shariah compliant mutual funds                                                                                                                              | 2,213,556  | –          |
| Gain on re-measurement of investments classified as fair value through profit or loss on:                                                                     |            |            |
| – Conventional mutual funds                                                                                                                                   | 6,821,352  | 340,229    |
| – Shariah compliant mutual funds                                                                                                                              | 2,704,039  | 68,229     |
| Dividend income on:                                                                                                                                           |            |            |
| – Conventional mutual funds                                                                                                                                   | 4,544,620  | 7,924,117  |
| – Shariah compliant mutual funds                                                                                                                              | 3,837,022  | 2,291,084  |
| Exchange (loss) / gain on foreign currency balances                                                                                                           | (263,891)  | 885,350    |
|                                                                                                                                                               | 25,195,607 | 15,733,949 |
| <b>Income from non-financial assets</b>                                                                                                                       |            |            |
| Gain on disposal of property, plant and equipment                                                                                                             | 8,869      | 95,050     |
| Gain on disposal of investment property                                                                                                                       | 585,716    | –          |
| Commission on sale of FFBL products prior to merger/ amalgamation of FFBL with and into FFC                                                                   | 11,337     | 24,367     |
|                                                                                                                                                               | 605,922    | 119,417    |
| <b>Other income</b>                                                                                                                                           |            |            |
| Scrap sales                                                                                                                                                   | 213,033    | 140,753    |
| Others                                                                                                                                                        | 1,016,023  | 363,870    |
|                                                                                                                                                               | 1,229,056  | 504,623    |
|                                                                                                                                                               | 27,030,585 | 16,357,989 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 34. FINAL AND MINIMUM TAXES – LEVIES

This represents final taxes paid under section 5, 8 and 154A and minimum taxes charged under section 113 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IAS 37/ IFRIC 21.

### 34.1 Reconciliation between current tax and levy:

Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the consolidated profit and loss account is as follows:

| Note                                                                                                            | 2024              | 2023         |
|-----------------------------------------------------------------------------------------------------------------|-------------------|--------------|
|                                                                                                                 | Rs '000           | Rs '000      |
| Current tax liability for the year as per applicable tax laws                                                   | 43,696,262        | 23,736,665   |
| Less:                                                                                                           |                   |              |
| Portion of current tax liability as per tax laws representing income tax under IAS 12                           | 34.2 (41,346,442) | (20,619,949) |
| Portion of current tax computed as per tax laws, representing levy in terms of requirements of IAS 37/ IFRIC 21 | (2,349,820)       | (3,116,716)  |
|                                                                                                                 | –                 | –            |

**34.2** The aggregate of minimum and final tax and income tax amounting to Rs 43,696,262 thousand (2023: Rs 23,736,665 thousand) represents tax liability of the Group calculated under the relevant provisions of the Income Tax Ordinance, 2001.

|                                                                      | 2024        | 2023       |
|----------------------------------------------------------------------|-------------|------------|
|                                                                      | Rs '000     | Rs '000    |
| <b>35. PROVISION FOR TAXATION</b>                                    |             |            |
| Current tax                                                          |             |            |
| Current year                                                         | 41,346,442  | 18,478,962 |
| Prior year                                                           | –           | 2,140,987  |
|                                                                      | 41,346,442  | 20,619,949 |
| Deferred tax                                                         | 13,717,759  | 3,338,057  |
|                                                                      | 55,064,201  | 23,958,006 |
| <b>35.1 Reconciliation between tax expense and accounting profit</b> |             |            |
| Profit before income tax                                             | 140,589,545 | 71,410,276 |

|                                                                 | 2024   | 2023   |
|-----------------------------------------------------------------|--------|--------|
|                                                                 | %      | %      |
| Applicable tax rate                                             | 29.00  | 29.00  |
| Tax effect of income that is exempt or taxable at reduced rates | (4.78) | (5.41) |
| Effect of tax levies                                            | (1.30) | (3.17) |
| Effect of permanent differences                                 | 3.67   | 1.58   |
| Effect of prior years/ super tax                                | 12.27  | 11.50  |
| Others                                                          | 0.31   | 0.05   |
| Average effective tax rate charged on income                    | 39.17  | 33.55  |

|                                                                           | 2024             | 2023             |
|---------------------------------------------------------------------------|------------------|------------------|
|                                                                           | Rs '000          | Rs '000          |
| <b>35.2 Tax impacts on items recognised in other comprehensive income</b> |                  |                  |
| Tax impact on:                                                            |                  |                  |
| Surplus on re-measurement of investments to fair value                    | 128,610          | 6,668            |
| Share of equity accounted investees – share of OCI                        | 2,757,969        | (65,040)         |
| Gain / (loss) on re-measurement of staff retirement benefit plans         | 433,147          | (111,745)        |
| Equity accounted investees – share of OCI                                 | 145,804          | 47,713           |
|                                                                           | <u>3,465,530</u> | <u>(122,404)</u> |

|                                                          | 2024       | 2023       |
|----------------------------------------------------------|------------|------------|
| <b>36. EARNING PER SHARE – BASIC AND DILUTED</b>         |            |            |
| Profit for the year (Rupees '000)                        | 85,525,344 | 47,452,270 |
| Weighted average number of shares in issue (Number '000) | 1,423,109  | 1,272,238  |
| Basic and diluted earnings per share (Rupees)            | 60.10      | 37.30      |

There is no dilutive effect on the basic earnings per share of the Group.

### 37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these consolidated financial statements in respect of remuneration including benefits applicable to the chief executive, directors and executives of the Group are given below:

|                                                                      | 2024            |            | 2023            |            |
|----------------------------------------------------------------------|-----------------|------------|-----------------|------------|
|                                                                      | Chief Executive | Executives | Chief Executive | Executives |
|                                                                      | Rs '000         |            | Rs '000         |            |
| Managerial remuneration                                              | 78,437          | 3,985,967  | 50,656          | 2,516,843  |
| Contribution to provident fund                                       | 5,409           | 229,922    | 3,494           | 155,018    |
| Bonus and other awards                                               | 37,420          | 1,450,067  | 28,570          | 545,351    |
| Good performance award                                               | –               | 1,353,457  | –               | 1,087,692  |
| Allowances, contribution to retirement benefit plans and others etc. | 32,546          | 4,967,775  | 15,844          | 4,228,830  |
| Total                                                                | 153,812         | 11,987,188 | 98,564          | 8,533,734  |
| No. of person(s)                                                     | 2               | 1,076      | 1               | 632        |

The above were provided with medical facilities; the chief executive and certain executives were also provided with some furnishing items and vehicles in accordance with the Group's policy. Gratuity is payable to the Chief Executive in accordance with the terms of employment while contributions for executives in respect of gratuity and pension are based on actuarial valuations. Leave encashment of Rs 9,749 thousand (2023: Rs Nil) and Rs 96,638 thousand (2023: Rs 37,017 thousand) were paid to chief executive and executives respectively on separation, in accordance with the Group's policy.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

Executive means an employee whose basic salary exceeds Rs 1,200 thousand (2023: Rs 1,200 thousand) during the year.

In addition, 52 (2023: 48) directors were paid aggregate fee of Rs 80,140 thousand (2023: Rs 36,540 thousand). Directors are not paid any remuneration except meeting fee.

## 38. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

|                                     | Long term borrowings | Lease liabilities | Government grant | Unclaimed dividend | Total        |
|-------------------------------------|----------------------|-------------------|------------------|--------------------|--------------|
|                                     | Rs '000              | Rs '000           | Rs '000          | Rs '000            | Rs '000      |
| <b>Balance at January 1, 2024</b>   | 26,109,411           | 97,757            | 136,851          | 516,867            | 26,860,886   |
| Changes from financing cash flows   |                      |                   |                  |                    |              |
| Draw-downs                          | 20,311,867           | –                 | –                | –                  | 20,311,867   |
| Repayments                          | (30,099,850)         | –                 | –                | –                  | (30,099,850) |
| Repayment of lease liability – net  | –                    | (85,614)          | –                | –                  | (85,614)     |
| Dividend paid                       | –                    | –                 | –                | (25,739,051)       | (25,739,051) |
|                                     | (9,787,983)          | (85,614)          | –                | (25,739,051)       | (35,612,648) |
| <b>Other changes</b>                |                      |                   |                  |                    |              |
| Acquisition pursuant to merger      | 23,587,562           | 220,035           | –                | 138,796            | 23,946,393   |
| Liability related                   | –                    | 118,969           | –                | –                  | 118,969      |
| Dividend declared                   | –                    | –                 | –                | 25,747,239         | 25,747,239   |
| Government grant recognised         | –                    | –                 | 3,815            | –                  | 3,815        |
| Amortisation of government grant    | –                    | –                 | (36,456)         | –                  | (36,456)     |
|                                     | 23,587,562           | 339,004           | (32,641)         | 25,886,035         | 49,779,960   |
| <b>Balance at December 31, 2024</b> | 39,908,990           | 351,147           | 104,210          | 663,851            | 41,028,198   |

|                                     | Long term borrowings | Lease liabilities | Government grant | Unclaimed dividend | Total        |
|-------------------------------------|----------------------|-------------------|------------------|--------------------|--------------|
|                                     | Rs '000              | Rs '000           | Rs '000          | Rs '000            | Rs '000      |
| <b>Balance at January 1, 2023</b>   | 24,523,938           | 3,774,138         | 175,289          | 478,676            | 28,952,041   |
| Changes from financing cash flows   |                      |                   |                  |                    |              |
| Draw-downs                          | 8,247,651            | –                 | –                | –                  | 8,247,651    |
| Repayments                          | (6,662,178)          | –                 | –                | –                  | (6,662,178)  |
| Repayment of lease liability – net  | –                    | (4,629,631)       | –                | –                  | (4,629,631)  |
| Dividend paid                       | –                    | –                 | –                | (18,660,152)       | (18,660,152) |
|                                     | 1,585,473            | (4,629,631)       | –                | (18,660,152)       | (21,704,310) |
| <b>Other changes</b>                |                      |                   |                  |                    |              |
| Liability related                   | –                    | 953,250           | –                | –                  | 953,250      |
| Dividend declared                   | –                    | –                 | –                | 18,698,343         | 18,698,343   |
| Amortisation of government grant    | –                    | –                 | (38,438)         | –                  | (38,438)     |
|                                     | –                    | 953,250           | (38,438)         | 18,698,343         | 19,613,155   |
| <b>Balance at December 31, 2023</b> | 26,109,411           | 97,757            | 136,851          | 516,867            | 26,860,886   |

|                                                            | Note   | 2024         | 2023         |
|------------------------------------------------------------|--------|--------------|--------------|
|                                                            |        | Rs '000      | Rs '000      |
| <b>39. CASH GENERATED FROM OPERATIONS</b>                  |        |              |              |
| <b>Profit before income tax</b>                            |        | 140,589,545  | 71,410,276   |
| <b>Adjustments for:</b>                                    |        |              |              |
| Unwinding of GIDC liability                                | 11.1   | 212,406      | 1,160,336    |
| Loss allowance on subsidy receivable from GoP              | 25.5   | 1,203,000    | 2,900,000    |
| Depreciation and impairment                                | 15.1   | 7,462,378    | 5,321,523    |
| Provision for input tax disallowance                       | 25.1   | 12,404,003   | 1,510,000    |
| Amortization                                               | 16.1.1 | 8,135        | 3,991        |
| Impact of present value of loans and advances to employees | 18     | 1,600,000    | –            |
| Reversal of impairment on property, plant and equipment    |        | –            | (1,228)      |
| Provision for slow moving spares                           | 29.1   | 82,057       | 34,285       |
| Provision/ (reversal) for slow moving stock                | 21.1   | 109,489      | (7,166)      |
| (Reversal) of stock to net realizable value                |        | –            | (5,966)      |
| Raw material written off                                   | 21     | 94,898       | –            |
| Loss allowance on trade debts                              | 22.2   | 60,082       | 50,153       |
| Finance costs                                              | 31     | 7,852,760    | 6,587,191    |
| Income on loans, deposits and investments                  |        | (3,749,043)  | (1,343,375)  |
| Gain on investments at fair value through profit or loss   |        | (13,328,813) | (3,290,023)  |
| Share of profit of associates and joint venture            |        | (23,723,249) | (11,236,942) |
| Gain on disposal of investment property                    | 33     | (585,716)    | –            |
| Gain on disposal of property, plant and equipment          | 33     | (8,869)      | (95,050)     |
| Amortization of government grant                           | 9      | (32,641)     | (38,438)     |
| Final and minimum taxes - levies                           | 34     | 2,349,820    | 3,116,716    |
| Exchange loss / (gain) - net                               | 33     | 263,891      | (885,350)    |
|                                                            |        | (7,725,412)  | 3,780,657    |
|                                                            |        | 132,864,133  | 75,190,933   |
| <b>Changes in working capital</b>                          |        |              |              |
| <b>(Increase) / decrease in current assets:</b>            |        |              |              |
| Stores, spares and loose tools                             |        | (3,906,614)  | (1,678,786)  |
| Stock in trade                                             |        | 5,700,499    | 16,138,013   |
| Trade debts                                                |        | 6,599,312    | (766,928)    |
| Loans and advances                                         |        | (1,957,853)  | (1,260,025)  |
| Deposits and prepayments                                   |        | (274,226)    | (410,659)    |
| Other receivables                                          |        | 1,794,631    | 1,697,120    |
| Bank balances held under lien                              |        | 854,971      | –            |
| <b>Increase in current liabilities:</b>                    |        |              |              |
| Trade and other payables                                   |        | 29,038,413   | 7,350,689    |
|                                                            |        | 37,849,133   | 21,069,424   |
| Changes in long term loans and advances                    |        | (755,628)    | 1,925,942    |
| Changes in long term deposits and prepayments              |        | (2,964)      | –            |
| Changes in compensated leave absences                      |        | 380,794      | 213,416      |
|                                                            |        | 170,335,468  | 98,399,715   |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 40. DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under amended part I clause VII of Fourth Schedule to the Companies Act ,2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

| Description                                                   | Explanation                        | Note | 2024<br>Rs '000        | 2023<br>Rs '000        |
|---------------------------------------------------------------|------------------------------------|------|------------------------|------------------------|
| <b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>           |                                    |      |                        |                        |
| <b>Assets</b>                                                 |                                    |      |                        |                        |
| Long term investments                                         | Shariah compliant                  | 17   | 44,345,406             | 58,146,847             |
| Loans and advances                                            | Shariah compliant                  | 18   | 1,257,372              | 1,070,467              |
| Short term investments                                        | Shariah compliant                  | 26   | 82,250,583             | 28,826,286             |
| Bank balances / instruments                                   | Shariah compliant                  | 27   | 578,863                | 369,015                |
| <b>Liabilities</b>                                            |                                    |      |                        |                        |
| Long term borrowings – secured<br>(including current portion) | Shariah compliant                  | 7    | 19,750,000             | 10,500,000             |
| Short term borrowings – secured                               | Shariah compliant                  | 13   | 7,546,171              | 4,909,657              |
| Mark-up and profit accrued                                    | Shariah compliant                  | 12   | 658,473                | 866,254                |
| <b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS</b>               |                                    |      |                        |                        |
| Turnover                                                      | Shariah compliant                  | 28   | 411,254,410            | 181,382,237            |
| Income on loans, deposits<br>and investments                  | Non – shariah<br>Shariah compliant |      | 3,574,117<br>174,926   | 1,340,216<br>3,159     |
|                                                               |                                    | 33   | 3,749,043              | 1,343,375              |
| Gain on investments                                           | Non – shariah<br>Shariah compliant |      | 1,589,866<br>2,213,556 | 2,881,565<br>–         |
|                                                               |                                    | 33   | 3,803,422              | 2,881,565              |
| Gain on re-measurement<br>of investments                      | Non – shariah<br>Shariah compliant |      | 6,821,352<br>2,704,039 | 340,229<br>68,229      |
|                                                               |                                    | 33   | 9,525,391              | 408,458                |
| Dividend income                                               | Non – shariah<br>Shariah compliant |      | 4,544,620<br>3,837,022 | 7,924,117<br>2,291,084 |
|                                                               |                                    | 33   | 8,381,642              | 10,215,201             |
| Other income / (loss)                                         | Non – shariah<br>Shariah compliant |      | (263,891)<br>1,834,978 | 885,350<br>624,040     |
|                                                               |                                    | 33   | 1,571,087              | 1,509,390              |

### Relationship with Shariah-compliant financial institutions

The Group has relationships with banks, having Islamic window of operations, in respect of bank balances / instruments amounting to Rs 578,863 thousand (2023: Rs 369,015 thousand) and availed borrowing facilities amounting to Rs 27,954,644 thousand (2023: Rs 16,275,911 thousand). The Group also has relationships with Shariah compliant financial institutions, Asset Management Companies (AMCs), in respect of investment in mutual funds amounting to Rs 82,250,583 thousand (2023: 28,826,286 thousand).

## 41. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### 41.1 Financial instruments by category

|                                | Amortised cost    | Fair value through profit or loss | Fair value through other comprehensive income | Total              |
|--------------------------------|-------------------|-----------------------------------|-----------------------------------------------|--------------------|
|                                | Rs '000           | Rs '000                           | Rs '000                                       | Rs '000            |
| <b>December 31, 2024</b>       |                   |                                   |                                               |                    |
| <b>Financial assets:</b>       |                   |                                   |                                               |                    |
| <b>Maturity up to one year</b> |                   |                                   |                                               |                    |
| Trade debts                    | 15,315,117        | –                                 | –                                             | 15,315,117         |
| Loans and advances             | 1,448,541         | –                                 | –                                             | 1,448,541          |
| Deposits                       | 150,376           | –                                 | –                                             | 150,376            |
| Other receivables              | 3,787,460         | –                                 | –                                             | 3,787,460          |
| Short term investments         | 8,959,308         | 211,181,765                       | 2,274,203                                     | 222,415,276        |
| Cash and bank balances         | 15,976,039        | –                                 | –                                             | 15,976,039         |
| <b>Maturity after one year</b> |                   |                                   |                                               |                    |
| Long term investments          | 3,299,093         | 2,736,149                         | 740,182                                       | 6,775,424          |
| Long term loans and advances   | 1,785,266         | –                                 | –                                             | 1,785,266          |
| Long term deposits             | 134,192           | –                                 | –                                             | 134,192            |
|                                | <u>50,855,392</u> | <u>213,917,914</u>                | <u>3,014,385</u>                              | <u>267,787,691</u> |

|                                         | Amortised Cost     |
|-----------------------------------------|--------------------|
|                                         | Rs '000            |
| <b>Financial liabilities:</b>           |                    |
| <b>Maturity up to one year</b>          |                    |
| Current portion of long term borrowings | 7,417,960          |
| Current portion of lease liabilities    | 60,377             |
| Trade and other payables                | 169,466,706        |
| Markup and profit accrued               | 980,779            |
| Short term borrowings                   | 38,340,517         |
| Unclaimed dividend                      | 663,851            |
| <b>Maturity after one year</b>          |                    |
| Long term borrowings                    | 32,491,030         |
| Lease liabilities                       | 290,770            |
|                                         | <u>249,711,990</u> |

For the year ended December 31, 2024

## 41.2 Credit quality of financial assets

468

| Rating                                                   |                          | 2024        | 2023        |
|----------------------------------------------------------|--------------------------|-------------|-------------|
|                                                          |                          | Rs '000     | Rs '000     |
| <b>Trade Debts</b>                                       |                          |             |             |
| Counterparties without external credit ratings           |                          |             |             |
| Existing customers with no default in the past           |                          | 5,113,728   | 919,131     |
| Existing customer (CPPA) on behalf of DISCOs             |                          |             |             |
| with no default in past – GoP guarantee backed           |                          | 10,201,389  | 12,625,287  |
|                                                          |                          | 15,315,117  | 13,544,418  |
| <b>Loans and advances</b>                                |                          |             |             |
| Loans and advances to employees                          |                          |             |             |
| Counterparties without external credit ratings           |                          | 1,448,541   | 1,193,925   |
| <b>Deposits</b>                                          |                          |             |             |
| Counterparties without external credit ratings           |                          |             |             |
| Others                                                   |                          | 150,376     | 245,382     |
| <b>Other receivables</b>                                 |                          |             |             |
| Counterparties with external credit ratings              | A1+ / A1+                |             |             |
|                                                          | A1 / A1                  | 655,015     | 224,229     |
| Counterparties without external credit ratings           |                          |             |             |
| Balances with related parties                            |                          | 28,487      | 743,717     |
| Others                                                   |                          | 3,103,958   | 3,384,269   |
|                                                          |                          | 3,787,460   | 4,352,215   |
| <b>Short term investments</b>                            |                          |             |             |
| Counterparties with external credit ratings              | A1+/A-1+                 | 8,959,308   | 5,188,449   |
|                                                          | AM1                      | 192,606,229 | 71,105,000  |
|                                                          | AM2++/AM2<br>/AM2+/AM3++ | 18,575,536  | 23,590,378  |
| Counterparties without external credit ratings           |                          |             |             |
| PIBs and T-Bills issued by the Government<br>of Pakistan |                          | 2,274,203   | 1,859,670   |
|                                                          |                          | 222,415,276 | 101,743,497 |
| <b>Bank balances</b>                                     |                          |             |             |
| Counterparties with external credit ratings              | A-1+/A1+/P-1             | 15,078,631  | 1,796,078   |
|                                                          | A1 / A1                  | 875,567     | 52          |
|                                                          | A-2                      | 20,468      | 9           |
|                                                          | A-3                      | 3           | 2           |
| Counterparties without external credit ratings           |                          | 1,370       | 77          |
|                                                          |                          | 15,976,039  | 1,796,218   |
| <b>Long term investments</b>                             |                          |             |             |
| Counterparties with external credit ratings              |                          | AA+         | 300,000     |
| Counterparties without external credit ratings           |                          |             |             |
| PIBs issued by the Government of Pakistan                |                          | 440,182     | 2,406,925   |
| Others                                                   |                          | 6,035,242   | –           |
|                                                          |                          | 6,775,424   | 2,706,925   |
| <b>Long term loans and advances</b>                      |                          |             |             |
| Counterparties without external credit ratings           |                          | 1,785,266   | 2,629,638   |
| Long term deposits                                       |                          |             |             |
| Counterparties without external credit ratings           |                          | 134,192     | 30,638      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 41.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is also responsible for developing and monitoring the Group's risk management policies.

The Group risk management policies are established to identify and analyze the risks faced by the companies, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from investments, loans and advances, deposits, trade debts, other receivables, short term investments and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|                        | 2024               | 2023               |
|------------------------|--------------------|--------------------|
|                        | Rs '000            | Rs '000            |
| Long term investments  | 6,775,424          | 2,706,925          |
| Loans and advances     | 3,233,807          | 3,823,563          |
| Deposits               | 284,568            | 276,020            |
| Trade debts            | 15,315,117         | 13,544,418         |
| Other receivables      | 3,787,460          | 4,352,215          |
| Short term investments | 222,415,276        | 101,743,497        |
| Bank balances          | 15,976,039         | 1,796,140          |
|                        | <u>267,787,691</u> | <u>128,242,778</u> |

Geographically, there is no concentration of credit risk.

The maximum exposure to credit risk for trade debts at the reporting date are with dealers within the Country.

The Group's most significant amount receivable from an Asset Management Company amounts to Rs 28,134,609 thousand (2023: Rs 11,206,111 thousand). This is included in total carrying amount of investments as at reporting date.



Trade debts amounting to Rs 943,632 thousand (2023: Rs 48,503 thousand) are secured against letter of guarantee. The Group has placed funds in financial institutions with high credit ratings. The Group assesses the credit quality of the counter parties as satisfactory. The Group does not hold any collateral as security against any of its financial assets other than trade debts. Trade debts due from CPPA are secured by a guarantee from GoP.

The Group limits its exposure to credit risk by investing only in liquid securities and only with counterparties that have high credit rating. Management actively monitors credit ratings and given that the Group only has invested in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations.

### Impairment losses

The ageing of trade debts at the reporting date was:

|                     | 2024       |            | 2023       |            |
|---------------------|------------|------------|------------|------------|
|                     | Gross      | Impairment | Gross      | Impairment |
|                     | Rs '000    |            | Rs '000    |            |
| Not yet due         | 2,829,175  | 3,457      | 2,065,314  | 15,347     |
| Past due 1–30 days  | 1,838,668  | 9,704      | 1,321,049  | 14,823     |
| Past due 31–60 days | 2,589,250  | 6,143      | 9,384      | 9,384      |
| Past due 61–90 days | 2,313,360  | 10,352     | 5,991,701  | 15,812     |
| Over 90 days        | 5,885,071  | 110,751    | 4,237,295  | 24,959     |
|                     | 15,455,524 | 140,407    | 13,624,743 | 80,325     |

The management believes that no impairment allowance is necessary in respect of trade debts since significant amount of past due debts are secured by way of guarantees.

### b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Group monitors rolling forecasts of the liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet the cash flow requirements and maintaining the debt financing plans.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date, to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows and also include the impact of estimated future interest payments.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                                       | Carrying amount    | Within 1 year      | 1 to 5 years       | More than 5 years |
|-----------------------------------------------------------------------|--------------------|--------------------|--------------------|-------------------|
|                                                                       |                    |                    | Contractual Amount |                   |
|                                                                       | Rs '000            | Rs '000            | Rs '000            | Rs '000           |
| <b>December 31, 2024</b>                                              |                    |                    |                    |                   |
| Long term borrowings (including current portion) and accrued interest | 40,642,898         | 8,151,868          | 32,451,254         | 39,776            |
| Trade and other payables                                              | 169,466,706        | 169,466,706        | –                  | –                 |
| Unclaimed dividend                                                    | 663,851            | 663,851            | –                  | –                 |
| Short term borrowings and accrued interest                            | 38,587,388         | 38,587,388         | –                  | –                 |
| Lease liabilities                                                     | 351,147            | 60,377             | 281,680            | 9,090             |
|                                                                       | <u>249,711,990</u> | <u>216,930,190</u> | <u>32,732,934</u>  | <u>48,866</u>     |
| <b>December 31, 2023</b>                                              |                    |                    |                    |                   |
| Long term borrowings (including current portion) and accrued interest | 27,108,064         | 7,542,854          | 19,422,804         | 142,406           |
| Trade and other payables                                              | 91,727,692         | 91,727,692         | –                  | –                 |
| Unclaimed dividend                                                    | 516,867            | 516,867            | –                  | –                 |
| Short term borrowings and accrued interest                            | 15,526,842         | 15,526,842         | –                  | –                 |
| Lease liabilities                                                     | 97,757             | 33,708             | 48,544             | 15,505            |
|                                                                       | <u>134,977,222</u> | <u>115,347,963</u> | <u>19,471,348</u>  | <u>157,911</u>    |

The contractual cash flow relating to long and short term borrowings have been determined on the basis of expected mark up rates.

## c) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Group incurs financial liabilities to manage their market risk. All such activities are carried out with the approval of the Board. The Group is exposed to interest currency risk, rate risk and market price risk.

## i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions of receivables and payables that exist due to transactions in foreign currency.

### Exposure to Currency Risk

The Group is exposed to currency risk on bank balance and investments which are denominated in currency other than the functional currency of the Group. The Group's major exposure to foreign currency risk is as follows:

|                                     | 2024      |          | 2023      |          |
|-------------------------------------|-----------|----------|-----------|----------|
|                                     | Rs '000   | USD '000 | Rs '000   | USD '000 |
| Bank balances                       | 5,545     | 19.92    | 20        | 0.07     |
| Investments (Term Deposit Receipts) | 5,258,558 | 18,892   | 4,956,685 | 17,589   |

The following significant exchange rates applied during the year:

|            | 2024<br>Average rate | 2023<br>Average rate | 2024<br>Reporting date rate | 2023<br>Reporting date rate |
|------------|----------------------|----------------------|-----------------------------|-----------------------------|
| US Dollars | 273.81               | 282.40               | 278.35                      | 281.80                      |

### Sensitivity analysis

A 10% strengthening of the functional currency against foreign currencies at December 31 would have decreased profit after tax by Rs 321,110 thousand (2023: Rs 302,359 thousand). A 10% weakening of the functional currency against foreign currencies at December 31 would have had the equal but opposite effect of these amounts. The analysis assumes that all other variables remain constant.

### ii) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short term borrowings, long term borrowings, long term investments, loans and advances, short term investments and deposits with banks. At the reporting date the interest rate risk profile of the Group's interest bearing financial instruments is:

|                                  | 2024<br>Carrying amount | 2023<br>Carrying amount |
|----------------------------------|-------------------------|-------------------------|
|                                  | Rs '000                 | Rs '000                 |
| <b>Fixed rate instruments</b>    |                         |                         |
| Financial assets                 | 14,134,968              | 11,251,249              |
| Financial liabilities            | 104,210                 | 136,851                 |
| <b>Variable rate instruments</b> |                         |                         |
| Financial assets                 | 16,836,259              | 12,647,458              |
| Financial liabilities            | 78,249,507              | 41,242,572              |

### Fair value sensitivity analysis for fixed rate instruments

The Group is not exposed to variations in profit or loss on its fixed rate financial instruments.

### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2023.

|                                                          | 100 basis<br>points increase | 100 basis<br>points decrease |
|----------------------------------------------------------|------------------------------|------------------------------|
|                                                          | Rs '000                      | Rs '000                      |
| <b>December 31, 2024</b>                                 |                              |                              |
| <b>Cash flow sensitivity – Variable rate instruments</b> |                              |                              |
| Financial assets                                         | 102,701                      | (102,701)                    |
| Financial liabilities                                    | (477,322)                    | 477,322                      |
| <b>December 31, 2023</b>                                 |                              |                              |
| <b>Cash flow sensitivity – Variable rate instruments</b> |                              |                              |
| Financial assets                                         | 77,149                       | (77,149)                     |
| Financial liabilities                                    | (251,580)                    | 251,580                      |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## iii) Price risk

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.

### Sensitivity analysis – price risk

For investments classified as fair value through other comprehensive income, a 1 percent increase in market price at reporting date would have increased equity by Rs 18,388 thousand (2023: Rs 29,270 thousand); an equal change in the opposite direction would have decreased equity after tax by the same amount. For investments classified as fair value through profit or loss, the impact on profit would have been an increase or decrease by Rs 1,304,899 thousand (2023: Rs 577,642 thousand). The analysis is performed on the same basis for 2023 and assumes that all other variables remain the same.

## 41.4 Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. For instruments carried at amortized cost, since the majority of the interest bearing investments are variable rate based instruments, there is no difference in carrying amount and the fair value. Further, for fixed rate instruments, since there is no significant difference in market rate and the rate of instrument and therefore most of the fixed rate instruments are short term in nature, fair value significantly approximates to carrying value.

## 41.5 Fair Values

### Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the consolidated statement of financial position, are as follows:

|                                         | 2024            |             | 2023            |            |
|-----------------------------------------|-----------------|-------------|-----------------|------------|
|                                         | Carrying amount | Fair value  | Carrying amount | Fair value |
|                                         | Rs '000         |             | Rs '000         |            |
| <b>Assets carried at amortised cost</b> |                 |             |                 |            |
| Long term loans and advances            | 1,785,266       | 1,785,266   | 2,629,638       | 2,629,638  |
| Long term investments                   | 3,299,093       | 3,299,093   | –               | –          |
| Long term deposits                      | 134,192         | 134,192     | 30,638          | 30,638     |
| Trade debts                             | 15,315,117      | 15,315,117  | 13,544,418      | 13,544,418 |
| Loans and advances                      | 1,448,541       | 1,448,541   | 1,193,925       | 1,193,925  |
| Deposits                                | 150,376         | 150,376     | 245,382         | 245,382    |
| Other receivables                       | 3,787,460       | 3,787,460   | 4,352,215       | 4,352,215  |
| Short term investments                  | 8,959,308       | 8,959,308   | 4,956,685       | 4,956,685  |
| Cash and bank balances                  | 15,976,039      | 15,976,039  | 1,796,218       | 1,796,218  |
|                                         | 50,855,392      | 50,855,392  | 28,749,119      | 28,749,119 |
| <b>Assets carried at fair value</b>     |                 |             |                 |            |
| Long term investments                   | 3,476,331       | 3,476,331   | 2,706,925       | 2,706,925  |
| Short term investments                  | 213,455,968     | 213,455,968 | 96,786,812      | 96,786,812 |
|                                         | 216,932,299     | 216,932,299 | 99,493,737      | 99,493,737 |

|                                              | 2024               |                    | 2023               |                    |
|----------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                              | Carrying amount    | Fair value         | Carrying amount    | Fair value         |
|                                              | Rs '000            |                    | Rs '000            |                    |
| <b>Liabilities carried at amortised cost</b> |                    |                    |                    |                    |
| Long term borrowings                         | 32,491,030         | 32,491,030         | 19,565,210         | 19,565,210         |
| Trade and other payables                     | 169,466,706        | 169,466,706        | 91,727,692         | 91,727,692         |
| Mark-up and profit accrued                   | 980,779            | 980,779            | 1,392,334          | 1,392,334          |
| Short term borrowings                        | 38,340,517         | 38,340,517         | 15,133,161         | 15,133,161         |
| Unclaimed dividend                           | 663,851            | 663,851            | 516,867            | 516,867            |
| Current portion of long-term borrowings      | 7,417,960          | 7,417,960          | 6,544,201          | 6,544,201          |
| Lease liabilities                            | 351,147            | 351,147            | 97,757             | 97,757             |
|                                              | <b>249,711,990</b> | <b>249,711,990</b> | <b>134,977,222</b> | <b>134,977,222</b> |

### Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

|                                                   | Level 1            | Level 2          | Level 3          |
|---------------------------------------------------|--------------------|------------------|------------------|
|                                                   | Rs '000            | Rs '000          | Rs '000          |
| <b>December 31, 2024</b>                          |                    |                  |                  |
| Assets carried at fair value                      |                    |                  |                  |
| Long term investments – FVTOCI & FVTPL            | 1,715,978          | 740,182          | 1,020,171        |
| Current portion of long term investments – FVTOCI | –                  | 2,274,203        | –                |
| Short term investments – FVTPL                    | 211,181,765        | –                | –                |
|                                                   | <b>212,897,743</b> | <b>3,014,385</b> | <b>1,020,171</b> |
| <b>December 31, 2023</b>                          |                    |                  |                  |
| Assets carried at fair value                      |                    |                  |                  |
| Long term investments – FVTOCI                    | –                  | 2,706,925        | –                |
| Current portion of long term investments – FVTOCI | –                  | 2,091,434        | –                |
| Short term investments – FVTPL                    | 94,695,378         | –                | –                |
|                                                   | <b>94,695,378</b>  | <b>4,798,359</b> | <b>–</b>         |

### 41.5.1 Valuation techniques and significant unobservable inputs

Following table shows the valuation techniques used in measuring level 3 fair values, as well as significant unobservable inputs used.

| Type   | Valuation technique | Significant unobservable input | Sensitivity analysis   |                         |
|--------|---------------------|--------------------------------|------------------------|-------------------------|
|        |                     |                                | 1% increase<br>Rs '000 | 1 % decrease<br>Rs '000 |
| PPTFCs | DCF method          | Discount rate of 20.52% p.a.   | (10,202)               | 10,202                  |



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

|                                                     | 2024      | 2023    |
|-----------------------------------------------------|-----------|---------|
|                                                     | Rs '000   | Rs '000 |
| <b>41.5.2 Reconciliation of level 3 fair values</b> |           |         |
| Balance as at January 1,                            | —         | —       |
| Investment during the year                          | 1,020,171 | —       |
| Balance as at December 31,                          | 1,020,171 | —       |

## 41.5.3 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

### Investment at fair value through profit and loss

The fair value of held for trading investment is determined by reference to their quoted closing repurchase price at the reporting date.

### Investment at fair value through other comprehensive income

Investments at fair value through other comprehensive income are determined by reference to their quoted closing repurchase price at the reporting date and where applicable it is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

### Investment in associate

The fair value of investment in listed associate is determined by reference to their quoted closing bid price at the reporting date. The fair value is determined for disclosure purposes.

### Non-derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

### Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

## 42. OPERATING SEGMENTS

### Basis of segmentation

The Group has the following four (4) strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

| Reportable segments | Operations                                                                         |
|---------------------|------------------------------------------------------------------------------------|
| Fertilizers         | Buying, manufacturing and distributing fertilizer                                  |
| Power               | Producing and selling power                                                        |
| Food                | Processing fresh and frozen fruits, vegetables, frozen cooked and semi cooked food |
| Technical Services  | Provision of technical, maintenance, operations, inspection and IT services        |

The Chief Executive and Board of Directors review the internal management reports of each division quarterly.

### Information about reportable segments

Information related to each reportable segment is set below. Segment profit / (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segment relative to other entities that operate in same industries.

|                                               | Fertilizers | Power      | Food       | Technical Services | Consolidated Total adjustments/ eliminations | Total       |
|-----------------------------------------------|-------------|------------|------------|--------------------|----------------------------------------------|-------------|
|                                               | Rs '000     | Rs '000    | Rs '000    | Rs '000            | Rs '000                                      | Rs '000     |
| <b>December 31, 2024</b>                      |             |            |            |                    |                                              |             |
| Segment revenues                              | 373,536,920 | 30,289,378 | 18,314,163 | 873,245            | (11,759,296)                                 | 411,254,410 |
| Segment profit before levies and income tax   | 111,112,329 | 14,554,629 | 38,076     | 376,442            | 16,857,889                                   | 142,939,365 |
| Interest income                               | 3,239,750   | 177,058    | 387,885    | 9,261              | (64,911)                                     | 3,749,043   |
| Finance cost                                  | 6,523,895   | 1,010,145  | 383,631    | –                  | (64,911)                                     | 7,852,760   |
| Depreciation                                  | 3,591,588   | 2,999,522  | 796,898    | 484                | 26,534                                       | 7,415,026   |
| Share of profit of equity accounted investees | –           | –          | –          | –                  | 23,723,249                                   | 23,723,249  |
| <b>Segment assets (total)</b>                 | 416,951,722 | 89,417,552 | 25,235,936 | 1,144,530          | (76,920,136)                                 | 455,829,604 |
| Equity accounted investees                    | –           | –          | –          | –                  | 117,853,804                                  | 117,853,804 |
|                                               | 416,951,722 | 89,417,552 | 25,235,936 | 1,144,530          | 40,933,668                                   | 573,683,408 |
| Segment liabilities (total)                   | 285,071,604 | 11,877,787 | 12,227,368 | 548,083            | 19,067,979                                   | 328,792,821 |

|                                                      | Fertilizers | Power      | Food      | Technical Services | Consolidated Total adjustments/ eliminations | Total       |
|------------------------------------------------------|-------------|------------|-----------|--------------------|----------------------------------------------|-------------|
|                                                      | Rs '000     | Rs '000    | Rs '000   | Rs '000            | Rs '000                                      | Rs '000     |
| <b>December 31, 2023</b>                             |             |            |           |                    |                                              |             |
| Segment revenues                                     | 159,471,951 | 16,252,278 | 5,389,880 | 309,174            | (41,046)                                     | 181,382,237 |
| Segment profit / (loss) before levies and income tax | 53,547,250  | 11,879,353 | (392,091) | 219,433            | 9,273,047                                    | 74,526,992  |
| Interest income                                      | 1,566,730   | 82,341     | 17,868    | 2,110              | (325,674)                                    | 1,343,375   |
| Finance cost                                         | 5,623,775   | 509,368    | 779,722   | –                  | (325,674)                                    | 6,587,191   |
| Depreciation                                         | 2,522,472   | 2,355,923  | 430,364   | 257                | 26,534                                       | 5,335,550   |
| Share of profit of equity accounted investees        | –           | –          | –         | –                  | 11,236,942                                   | 11,236,942  |
| <b>Segment assets (total)</b>                        | 223,280,688 | 53,178,358 | 7,413,930 | 324,588            | (52,239,079)                                 | 231,958,485 |
| Equity accounted investees                           | –           | –          | –         | –                  | 95,093,880                                   | 95,093,880  |
|                                                      | 223,280,688 | 53,178,358 | 7,413,930 | 324,588            | 42,854,801                                   | 327,052,365 |
| Segment liabilities (total)                          | 161,428,178 | 1,494,429  | 6,376,734 | 95,725             | 7,573,846                                    | 176,968,912 |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## Reconciliation of information on reportable segments to applicable financial reporting standards

|                                                           | 2024        | 2023        |
|-----------------------------------------------------------|-------------|-------------|
|                                                           | Rs '000     | Rs '000     |
| <b>i) Revenue for reportable segments</b>                 |             |             |
| Consolidated revenue                                      | 411,254,410 | 181,382,237 |
| <b>ii) Profit before tax for reportable segments</b>      |             |             |
| Elimination of intra segment profit                       | 126,081,476 | 65,253,945  |
| Other adjustments                                         | (6,865,360) | (1,963,895) |
|                                                           | 23,723,249  | 11,236,942  |
| Consolidated profit before tax from continuing operations | 142,939,365 | 74,526,992  |
| <b>iii) Total assets for reporting segments</b>           |             |             |
| Equity accounted investments                              | 455,829,604 | 231,958,485 |
|                                                           | 117,853,804 | 95,093,880  |
| Consolidated total assets                                 | 573,683,408 | 327,052,365 |
| <b>iv) Total liabilities for reporting segments</b>       |             |             |
| Deferred tax on equity accounted investments              | 306,385,030 | 169,395,066 |
|                                                           | 22,407,791  | 7,573,846   |
| Consolidated total liabilities                            | 328,792,821 | 176,968,912 |

## 43. RELATED PARTY TRANSACTIONS AND BALANCES

**43.1** Following are the major related parties with whom the Group had entered into transactions during the year:

| Related party                                   | Basis of relationship | Aggregate % age shareholding in FFC |
|-------------------------------------------------|-----------------------|-------------------------------------|
| Fauji Foundation                                | Holding company       | 43.51%                              |
| Lt Gen Anwar Ali Hyder, HI(M) (Retired)         | Director              | —                                   |
| Mr. Jahangir Piracha                            | Director              | 0.00913%                            |
| Maj Gen Zafar Ul Haq (Retired)                  | Director              | —                                   |
| Mr. Saad Amanullah Khan                         | Director              | 0.00004%                            |
| Ms. Maryam Aziz                                 | Director              | 0.00001%                            |
| Lt Gen Waheed Arshad, T.Bt, HI(M) (Retired)     | Director              | —                                   |
| Mr. Yassir Ghiyati Ibn Ziyad                    | Director              | —                                   |
| Mr. Qamar Haris Manzoor                         | Director              | 0.00056%                            |
| Syed Bakhtiyar Kazmi                            | Director              | —                                   |
| Mr. Shoaib Javed Hussain                        | Director              | —                                   |
| Dr. Ayesha Khan                                 | Director              | 0.00001%                            |
| Mr. Jehangir Shah                               | Director              | —                                   |
| Mr. Waseem Ajmal Chaudhary                      | Director              | —                                   |
| Mr. Waqar Ahmed Malik                           | Director              | —                                   |
| Mr. Sarfaraz Ahmed Rehman                       | Director              | —                                   |
| Dr. Nadeem Inayat                               | Director              | —                                   |
| Mr. Rashid Mahmood Langrial                     | Director              | —                                   |
| Mr. Asad Rehman Gillani                         | Director              | —                                   |
| Maj. Gen Aneeq Ur Rehman Malik, HI(M) (Retired) | Director              | —                                   |
| Mr. Mazhar Abbas Hasnani                        | Director              | —                                   |
| Mr. Saif Anjum                                  | Director              | —                                   |
| Mr. Farhad Shaikh Mohammad                      | Director              | 0.04567%                            |
| Dr. Shamshad Akhtar                             | Director              | 0.00001%                            |

| Related party                                        | Basis of relationship    | Aggregate % age shareholding in FFC |
|------------------------------------------------------|--------------------------|-------------------------------------|
| Mr. Zulfiqar Ali Haider                              | Director                 | 0.00041%                            |
| Syed Atif Ali                                        | Key management personnel | –                                   |
| Mr. Arif Ur Rehman                                   | Key management personnel | –                                   |
| Mr. Ather Javed                                      | Key management personnel | –                                   |
| Mr. Wajid Ishaq Bhatti                               | Key management personnel | –                                   |
| Mr. Fakhar Ul Hasan Mahmood                          | Key management personnel | –                                   |
| Mr. Muhammad Abdullah                                | Key management personnel | –                                   |
| Syed Imran Shah                                      | Key management personnel | –                                   |
| Syed Iftikhar Ahmad Kirmani                          | Key management personnel | –                                   |
| Syed Aamir Abbas                                     | Key management personnel | –                                   |
| Mr. Aamer Fayyaz                                     | Key management personnel | –                                   |
| Mr. Usman Ghani                                      | Key management personnel | –                                   |
| Mr. Muhammad Tariq                                   | Key management personnel | –                                   |
| Mr. Salar Malik                                      | Key management personnel | –                                   |
| Mr. Muhammad Arif                                    | Key management personnel | –                                   |
| Mr. Shahbaz Ahmad Khan                               | Key management personnel | –                                   |
| Mr. Sajjad Salim                                     | Key management personnel | –                                   |
| Syed Farooq Ahmed Bokhari                            | Key management personnel | –                                   |
| Mr. Muhammad Qamar Ul Islam                          | Key management personnel | –                                   |
| Mr. Tauqeer Alam Gilani                              | Key management personnel | –                                   |
| Mr. Basharat Hussain                                 | Key management personnel | –                                   |
| Mr. Faiz Ahmed                                       | Key management personnel | –                                   |
| Mr. Zulfiqar Ali Haider                              | Key management personnel | –                                   |
| Syed Saleem Bacha                                    | Key management personnel | –                                   |
| Mr. Ali Ashfaq                                       | Key management personnel | –                                   |
| Mr. Masoom Hussain                                   | Key management personnel | –                                   |
| Mr. Muhammad Abdul Bari                              | Key management personnel | –                                   |
| Mr. Sajid Majeed                                     | Key management personnel | –                                   |
| Mr. Wasim Ejaz                                       | Key management personnel | –                                   |
| Mr. Muhammad Javed Akhtar                            | Key management personnel | –                                   |
| Mr. Shakeel Ahmed                                    | Key management personnel | –                                   |
| Brig Edgar Felix (Retired)                           | Key management personnel | –                                   |
| Brig Akhtar Nazir Khan (Retired)                     | Key management personnel | –                                   |
| Brig Syed Haider Ali Naqvi (Retired)                 | Key management personnel | –                                   |
| Col Muhammad Haseeb Azam (Retired)                   | Key management personnel | –                                   |
| Brig Khurram Shahzada (Retired)                      | Key management personnel | –                                   |
| Fauji Fertilizer Bin Qasim Limited (prior to merger) | Associated company       | 49.88%                              |
| Askari Bank Limited                                  | Associated company       | 64.72%                              |
| Agritech Limited                                     | Associated company       | 28.86%                              |
| Thar Energy Limited                                  | Associated company       | 30.00%                              |
| Fauji Meat Limited                                   | Common directorship      | –                                   |
| Pakistan Maroc Phosphore S.A., Morocco               | Common directorship      | 37.50%                              |
| Fauji Cement Company Limited                         | Common directorship      | 4.29%                               |
| Mari Petroleum Company Limited                       | Common directorship      | –                                   |
| Fongrow (Private) Limited                            | Common directorship      | –                                   |
| Food Security and Agriculture Centre                 | Common directorship      | –                                   |
| Tapal Group                                          | Common directorship      | –                                   |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

| Related party                             | Basis of relationship       | Aggregate % age shareholding in FFC |
|-------------------------------------------|-----------------------------|-------------------------------------|
| Askari General Insurance Company          | Common directorship         | –                                   |
| Fauji Trans Terminal Limited              | Common directorship         | –                                   |
| Foundation Power Company Dharki Limited   | Common directorship         | –                                   |
| Foundation Gas                            | Associated undertaking      | –                                   |
| Foundation Solar Energy (Private) Limited | Associated undertaking      | –                                   |
| Sona Welfare Foundation                   | Associated undertaking      | –                                   |
| Provident Fund Trust                      | Contributory provident fund | –                                   |
| Gratuity Fund Trust                       | Defined benefit fund        | –                                   |
| Pension Fund Trust                        | Defined benefit fund        | –                                   |

**43.2** Following particulars relate to associated companies incorporated outside Pakistan with whom the Group had entered into transactions during the year:

| Particulars                                   | Pakistan Maroc Phosphore S.A., Morocco           |
|-----------------------------------------------|--------------------------------------------------|
| Name of associated company                    | Pakistan Maroc Phosphore S.A.                    |
| Registered address                            | Hay Erraha. 2, Rue Al Abtal, Casablanca, Morocco |
| Country of incorporation                      | Morocco                                          |
| Basis of association                          | Joint Venture of OCP Group and Fauji Group       |
| Aggregate %age of shareholding by the Company | 37.5% Equity Investment by the Company           |

**43.3** Fauji Foundation holds 43.51% (2023: 44.35%) shares of FFC at the year-end. Therefore all subsidiaries and associated undertakings of Fauji Foundation are related parties of the Group. The related parties also comprise of directors, major shareholders, key management personnel, entities over which the directors are able to exercise influence, entities under common directorship and employees' funds. Material transactions with related parties and the balances outstanding at the year-end are given below. Loans and advances to executives and remuneration of chief executive, directors and executives are disclosed in notes 18, 23 and 37 to the financial statements respectively.

|                                          | 2024       | 2023      |
|------------------------------------------|------------|-----------|
|                                          | Rs '000    | Rs '000   |
| <b>Transactions with holding company</b> |            |           |
| Dividend paid                            | 11,059,058 | 8,204,015 |
| Cost recharge                            | 1,693,332  | 1,164,445 |
| Sale of investment property              | 855,958    | –         |
| Donations                                | 171,900    | 73,770    |
| Sale of fertilizers                      | 8,091      | 4,364     |
| Others                                   | 85,189     | 1,439     |
| <b>Balances</b>                          |            |           |
| Balance payable                          | 6,743,826  | –         |



|                                                                                                      | 2024       | 2023        |
|------------------------------------------------------------------------------------------------------|------------|-------------|
|                                                                                                      | Rs '000    | Rs '000     |
| <b>Transactions and balances with associated companies / undertakings due to common directorship</b> |            |             |
| <b>Transactions</b>                                                                                  |            |             |
| Expenses charged on account of marketing of fertilizer on behalf of associated company               | 679,653    | 1,603,491   |
| Commission on sale of products                                                                       | 11,337     | 24,367      |
| Sale of fertilizer                                                                                   | 89,737     | 435,261     |
| Payments under consignment account – net                                                             | 76,743,428 | 236,851,564 |
| Payments against purchase of gas, PEF project and others                                             | 57,452,107 | 37,210,675  |
| Purchase of raw materials and others                                                                 | 43,247,344 | –           |
| Investment in Agritech Limited                                                                       | 10,992,049 | –           |
| Equity investment                                                                                    | –          | 5,808,208   |
| Services and materials provided                                                                      | 55,108     | 68,496      |
| Services and materials received                                                                      | 6,349      | 1,235       |
| Donations                                                                                            | 767,812    | 856,629     |
| Interest expense                                                                                     | 243,888    | 463,933     |
| Interest income                                                                                      | 1,239,701  | 44,620      |
| Dividend income                                                                                      | 3,249,627  | –           |
| Dividend paid                                                                                        | 811,370    | 200,000     |
| <b>Balances</b>                                                                                      |            |             |
| Long term investments                                                                                | –          | 32,899      |
| Short term borrowings                                                                                | 17,954,517 | 8,392,980   |
| Long term borrowings                                                                                 | 370,808    | 413,612     |
| Bank balances                                                                                        | 2,729,844  | 124,603     |
| Balance receivable                                                                                   | 558,761    | 609,998     |
| Balance payable                                                                                      | 89,819,235 | 72,444,064  |
| <b>STAFF RETIREMENT FUNDS</b>                                                                        |            |             |
| <b>Contributions</b>                                                                                 |            |             |
| Employees' Provident Fund Trust                                                                      | 777,673    | 627,326     |
| Employees' Gratuity Fund Trust                                                                       | 412,970    | 268,337     |
| Employees' Pension Fund Trust                                                                        | 43,448     | –           |
| Employees' Funds as Dividend on equity holding of 0.23% (2023: 0.25%)                                | 62,579     | 41,051      |
| <b>Balances</b>                                                                                      |            |             |
| Balance payable – Gratuity Fund Trust – I and others                                                 | 543,118    | 1,004,264   |
| Balance receivable – Gratuity Fund Trust – II                                                        | 181,166    | –           |
| Balance receivable – Pension Fund Trust                                                              | 912,625    | 365,682     |
| Balance payable – Provident Fund                                                                     | –          | 750         |
| <b>OTHERS</b>                                                                                        |            |             |
| <b>Transactions</b>                                                                                  |            |             |
| Remuneration and benefits of key management personnel<br>(Number of person(s): 37 (2023: 20))        | 1,346,444  | 674,438     |
| <b>Balances</b>                                                                                      |            |             |
| Loans and advances                                                                                   | 173,470    | 108,049     |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 44. INTEREST IN JOINT ARRANGEMENTS

In the year 2022, Fauji Fertilizer Company Limited (FFC), Engro Fertilizer Company Limited (EFERT) and Fatima Fertilizer Company Limited (FATIMA) entered into a Framework Agreement (the Agreement) for Gas Pressure Enhancement Facilities (PEF) project dated November 30, 2022. Under the Agreement, FFC, EFERT and FATIMA have decided to jointly develop and install pressure enhancement facilities at the MPCL's delivery node to sustain the current level of pressure of gas supply from HRL reservoir of Mari Petroleum Company Limited (MPCL).

All decisions with respect to development and operations of PEF would be made only with unanimous consent of FFC, EFERT and FATIMA. 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 FFC, EFERT and FATIMA, 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 FFC, EFERT and FATIMA are 47.7%, 33.9% and 18.4%, respectively.

The Group has recognised its share of jointly held assets and liabilities of the joint operation under the appropriate heads and disclosed the same in related notes to the consolidated financial statements.

## 45. NON ADJUSTING EVENTS AFTER REPORTING DATE

- 45.1 The Board of Directors in its meeting held on January 29, 2025 has proposed a dividend of Rs 21 per share.

## 46. GENERAL

### 46.1 Production capacity

| Note                       | Total design capacity |         | Production during the year |         |
|----------------------------|-----------------------|---------|----------------------------|---------|
|                            | 2024                  | 2023    | 2024                       | 2023    |
|                            | (Tonnes '000)         |         | (Tonnes '000)              |         |
| <b>Urea</b>                |                       |         |                            |         |
| Goth Machhi – Plant I      | 695                   | 695     | 867                        | 882     |
| Goth Machhi – Plant II     | 635                   | 635     | 830                        | 828     |
| Mirpur Mathelo – Plant III | 718                   | 718     | 858                        | 811     |
| Port Qasim – Plant IV      | 46.1.1                | 551     | 286                        | –       |
|                            |                       | 2,599   | 2,841                      | 2,521   |
| <b>DAP</b>                 |                       |         |                            |         |
| Port Qasim – Plant IV      | 46.1.1                | 650     | 452                        | –       |
|                            |                       |         |                            |         |
|                            | 2024                  | 2023    | 2024                       | 2023    |
|                            | (MWh)                 |         | (MWh)                      |         |
| <b>Power</b>               |                       |         |                            |         |
| <b>FFCEL</b>               | 143,559               | 143,559 | 71,943                     | 104,018 |
| <b>FWEL – I</b>            | 144,600               | 144,600 | 91,372                     | 112,534 |
| <b>FWEL – II</b>           | 143,700               | 143,700 | 101,248                    | 126,209 |
| <b>FPCL</b>                | 641,232               | –       | 483,620                    | –       |
|                            | 1,073,091             | 431,859 | 748,183                    | 342,761 |

The shortfall in energy delivered during the previous year was mainly attributable to low wind speed.

| Steam       | 2024              | 2023 | 2024              | 2023 |
|-------------|-------------------|------|-------------------|------|
|             | (Metric ton '000) |      | (Metric ton '000) |      |
| <b>FPCL</b> | 1,757             | –    | 1,529             | –    |

#### FFF

The production capacity of FFF's plant except for fries line cannot be determined, as it is a multi-product production facility of which the processing capacity substantially varies depending on the fruits / vegetables processed.

|                              | Total design capacity |       | Production during the year |       |
|------------------------------|-----------------------|-------|----------------------------|-------|
|                              | 2024                  | 2023  | 2024                       | 2023  |
|                              | (Tonnes '000)         |       | (Tonnes '000)              |       |
| <b>Fries production line</b> | 18.70                 | 17.00 | 12.37                      | 15.75 |

#### FFL

|                          | Unit        | 2024    | 2023 |
|--------------------------|-------------|---------|------|
| <b>Design Capacity</b>   |             |         |      |
| Liquid Products          | Litres '000 | 221,312 | –    |
| Non-Liquid products      | Kgs '000    | 7,157   | –    |
| <b>Actual Production</b> |             |         |      |
| Liquid Products          | Litres '000 | 67,225  | –    |
| Non-Liquid products      | Kgs '000    | 2,828   | –    |

Actual production is based on demand of milk products of FFL during the year.

#### 46.1.1 Design capacity and production

The design capacity reflects annual production/ design capacity whereas the actual production is for six months period only.

#### 46.2 Facilities of letters of guarantee and letters of credit

Facilities of letters of credit and letters of guarantee amounting to Rs 80,376,000 thousand and Rs 8,256,000 thousand (2023: Rs 19,074,000 thousand and Rs 638,000 thousand) respectively are available to FFC against lien on shipping/ title documents, and charge on assets of FFC. Facilities against letter of credit include Rs 12,023,000 thousand and Rs 2,175,000 thousand (2023: Rs. 12,032,000 thousand and Rs 3,175,000 thousand) limits assigned for issuance of SBLCs in relation to FFC's investment in Thar Energy Limited (TEL) and Foundation Wind Energy I & II Limited.

#### 46.3 Donations

Cost of sales and administrative and distribution expenses include donations amounting to Rs 552,530 thousand (2023: Rs 629,586 thousand) and Rs 215,282 thousand (2023: Rs 227,043 thousand) respectively. These are disbursed through Sona Welfare Foundation, Sona Tower, 156, The Mall, Rawalpindi (associated undertaking). Interest of Mr. Jahangir Piracha in Sona Welfare Foundation is limited to the extent of his involvement in Sona Welfare Foundation as Chairman.

#### 46.4 Exemption from applicability of IFRS 16 – "Leases"

Securities and Exchange Commission of Pakistan (SECP) through S.R.O 986(I)/2019 dated September 2, 2019 has granted exemption from requirements of IFRS – 16 to all companies that have executed their power purchase agreements before January 1, 2019 to the extent of Power Purchase Agreements executed before January 1, 2019. Accordingly, IFRS – 16 is not applicable to the extent of the EPA of FFCCL, FWEL – I, FWEL – II and FPCL, the power purchase agreement.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

## 46.5 Exemption from applicability of IFRS 9 – “Financial Instruments”

Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 1784(I)/2024 dated November 4, 2024, in partial modification of its prior S.R.O 67(I)/2023 dated January 20, 2023, has notified that in respect of companies holding financial assets due or ultimately due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS – 9 with respect to application of expected credit loss (ECL) model shall not be applicable till December 31, 2025, provided that such companies shall follow relevant requirements of IAS – 39 ‘Financial Instruments: Recognition and Measurement’ in respect of above referred financial assets during the exemption period. Accordingly, the requirements of stated SRO have been applied in the preparation of these consolidated financial statements, to the extent of FFCEL, FWEL – I and FWEL – II.

|                                              | 2024  | 2023  |
|----------------------------------------------|-------|-------|
| <b>46.6 Number of employees</b>              |       |       |
| Total number of employees at end of the year | 5,248 | 3,590 |
| Average number of employees for the year     | 4,783 | 3,586 |

## 46.7 Rounding off

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

## 46.8 Corresponding figures

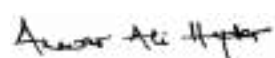
**46.8.1** Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan. ‘Share in revaluation reserve of associates – net’ of Rs 1,430,348 thousand previously shown below equity has now been included as part of equity. Also refer note 3.5.1 for reclassification of minimum and final taxes as per accounting guidance issued by ICAP.

**46.8.2** In accordance with the requirements of applicable financial reporting framework, comparative figures for financial year 2023 have not been revised and represent the pre-merger/ amalgamation assets, liabilities and results of the Group only.

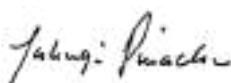
**46.8.3** Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan.

## 47. DATE OF AUTHORIZATION

These consolidated financial statements have been authorized for issue by the Board of Directors of FFC on January 29, 2025.



Chairman



Chief Executive



Director



Chief Financial Officer

SAY NO TO CORRUPTION







# 06

## SHAREHOLDERS' INFORMATION

Notice of Annual General Meeting along with other information for shareholders

|                                         |     |
|-----------------------------------------|-----|
| Notice of 47th Annual General Meeting   | 488 |
| Form of Proxy                           | 493 |
| Pattern of Share Holding - FFC          | 495 |
| Financial Calendar                      | 502 |
| Pattern of Share Holding – Subsidiaries | 503 |
| Navigating through this Report          | 509 |
| Definition and Glossary of Terms        | 511 |

# NOTICE OF 47<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 47th Annual General Meeting of the shareholders of Fauji Fertilizer Company Limited will be held on Tuesday, March 25, 2025 at 1100 hours at FFC Head Office, 156 The Mall, Rawalpindi and through video-conferencing facility to transact the following business:

## Ordinary business

1. To confirm the minutes of Extraordinary General Meetings held on October 08, 2024 and November 04, 2024.
2. To consider, approve and adopt separate and consolidated audited financial statements of FFC together with Directors' Reports on separate and consolidated financial statements and Auditors' Reports thereon for the year ended December 31, 2024.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration. The retiring auditors M/s A. F. Ferguson & Co have offered themselves for re-appointment.
4. To consider and approve payment of Final Dividend for the year ended December 31, 2024 as recommended by the Board of Directors.
5. To transact any other business with the permission of the Chair.

By Order of the Board



**Brigadier Zulfiqar Ali Haider,**  
**Sitara-e-Imtiaz (Military) (Retired)**  
Company Secretary

Rawalpindi  
March 03, 2025

## Closure of Share Transfer Books

The share transfer books of the Company will remain closed from March 23, 2025 to March 25, 2025 (both days inclusive). Transfers received at Company's Share Registrar namely CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', S.M.C.H.S Main Shahra-e-Faisal, Karachi-74400 by the close of business on March 22, 2025 will be considered in time for the purpose of payment of final dividend to the transferees.

## Notes

1. A member of the Company entitled to attend and vote at the Meeting may appoint a person/ representative as proxy to attend and vote in place of the member. Proxies in order to be effective must be received at the Company's Registered Office, 156-The Mall, Rawalpindi, Pakistan not later than 48 hours before the time of holding the Meeting and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy.

2. Any Individual Beneficial Owner of CDC, entitled to vote at this Meeting, must bring his / her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose.

CDC Account Holders will also have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP):

### A. For Attending the Meeting

- i. In case of individuals, 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 regulations, shall authenticate identity by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.

- ii. Members registered on CDC are also requested to bring their particulars, I.D. Numbers and account numbers in CDS.
- iii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

### B. For Appointing Proxies

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of Meeting.
- v. In case of 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.

### 3. Participation through Video Conference Facility

As allowed by Section 132(2) of the Companies Act 2017 members can avail video conference facility for this Annual General Meeting, at Lahore and

Karachi provided the Company receives consent from the members holding in aggregate 10% or more shareholding, residing at above mentioned locations, at least 7 days prior to date of the meeting.

Subject to the fulfillment of the above conditions, members shall be informed of the venue, 5 days before the date of the Annual General Meeting along with complete information necessary to access the facility.

In this regard please send a duly signed request as per following format at the registered address of the Company 7 days before holding of Annual General Meeting.

I/We, \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_, being  
a member of Fauji Fertilizer Company  
Limited, holder of \_\_\_\_\_  
Ordinary Share(s) as per Register Folio  
/ CDC Account No \_\_\_\_\_  
hereby opt for video conference facility  
at \_\_\_\_\_.

\_\_\_\_\_  
Signature of member

### 4. Virtual Participation in the AGM Proceedings

- i. In light of relevant guidelines issued by the Securities & Exchange Commission of Pakistan (SECP) vide letter no. SMD/SE/2(20)/2021/117 dated December 15, 2021, the shareholders are encouraged to participate in the AGM through electronic facility arranged by the Company.
- ii. In order to attend the AGM through electronic facility, shareholders are requested to get themselves registered with the Company Secretariat by providing the requisite details at their earliest but

# NOTICE OF 47<sup>TH</sup> ANNUAL GENERAL MEETING

not later than 48 hours before the time of the AGM (i.e. by 11:00 a.m. on March 23, 2025) through e-mail to be sent at [shares@ffc.com.pk](mailto:shares@ffc.com.pk).

- iii. Shareholders are advised to provide the following particulars, along with the scanned copy of their CNIC and that of their proxies, if so appointed. Moreover, in the case of a corporate member, the scanned copy of the resolution of the Board of Directors/Power of Attorney with a specimen signature of the nominee must also be provided.

| Name of Shareholder* | CNIC / NTN No. | Folio No. / CDC Account No. | Cell No. | Email address |
|----------------------|----------------|-----------------------------|----------|---------------|
|                      |                |                             |          |               |

\* Where applicable, please also give the above particulars of the proxy-holder or nominee of the shareholder.

- iv. The details of the electronic facility (video-link and the login credentials) will be sent to the interested shareholders, at their provided e-mail addresses. Accordingly, the shareholders will be able to participate in AGM proceedings through their smartphones or computer devices. In addition to above, the shareholders can also provide their comments and/or suggestions in connection with the agenda items of the AGM by using the aforesaid means.
- v. The login facility will be opened at 1030 hours on March 25, 2025 enabling the participants to join the proceedings after identification and verification process before joining the meeting, which will start at 1100 hours sharp.

## 5. Withholding Tax on Dividends

Provisions of Section 100BA read with the Tenth Schedule of the Income Tax Ordinance 2001 are applicable on withholding tax from dividends and the rates of deduction of income tax from dividend payments shall be as under:-

- (a) For persons appearing on active taxpayer's list: 15%

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

However, provisions of withholding additional tax from person not appearing on active taxpayers list are not applicable to the extent of dividend payment to non-resident persons.

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders whose names are not appearing on the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for approval of the cash dividend i.e. March 23, 2025; otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

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, CDC House 99-B, Block 'B', S.M.C.H.S Main Shakra-e-Faisal, Karachi-74400. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.

## Tax in Case of Joint Shareholders

The FBR vide its clarification letter No. I(54) Exp/2014-132872-R of 25 September, 2014 has clarified that holders of shares held in joint names or joint accounts will be treated individually as filers or non-filers and tax will be deducted according to the proportionate holding of each shareholder.

Joint shareholders should intimate the proportion of their respective joint holding to the share registrar latest by March 22, 2024, in the following form:

| CDC Account number | Folio # | Total Shares | Principle shareholder |                         | Joint Shareholder |                         |
|--------------------|---------|--------------|-----------------------|-------------------------|-------------------|-------------------------|
|                    |         |              | Name & CNIC           | Shareholding proportion | Name & CNIC       | Shareholding proportion |
|                    |         |              |                       |                         |                   |                         |

## 6. Transmission of Annual Audited Financial Statements / Annual Report and Notice of AGM

Members are hereby informed that Securities and Exchange Commission of Pakistan (SECP) vide SRO 389(I)/2023 dated March 21, 2023 has allowed Companies for transmission of the annual balance sheet, profit and loss account, auditor's report and directors' report, etc. (annual audited financial statements or the annual report) to the members/ shareholders through QR-enabled code and web-link, instead of transmitting the same through CD/ DVD/USB, the same was approved by the shareholders in Company's Extraordinary General Meeting held on 23 November, 2023.

The Annual Audited Financial Statements / Annual Report and the Notice of Annual General Meeting for the year ended December 31, 2024, have been placed on the Company's Website, which can be accessed / downloaded from the following link and QR code:

<https://ffc.com.pk/investors-relations/annual-reports>



The Annual Audited Financial Statements / Annual Report along with the Notice of Annual General Meeting are being emailed to all shareholders who have valid email addresses available with the Company/Registrar.

Physical copy of the Annual Report 2024 will be provided to members on demand as per the format provided on the Company's website.

Members are also requested to intimate any change in their registered email addresses on a timely manner, to ensure effective communication by the Company.



7. For any further assistance, the members may contact the Company or the Share Registrar at the following phone numbers, email addresses:

**FFC Shares Department**

156-The Mall, Rawalpindi  
Telephone: 92-51-8453235  
Email: shares@ffc.com.pk

**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@cdcpak.com

**8. Electronic Payment of Dividend**

Under the provisions of Section 242 of the Companies Act, 2017 and SECP's Circular No. 421(I) 2018 dated March 19, 2021, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. 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 shareholder's broker/participant/CDC account services.

**Electronic Mandate Form**

|                                           |  |
|-------------------------------------------|--|
| Folio Number                              |  |
| Name of Shareholder                       |  |
| Title of the Bank Account                 |  |
| International Bank Account Number (IBAN)  |  |
| Name of Bank                              |  |
| Name of Bank Branch and Address           |  |
| Cellular & Landline Number of Shareholder |  |
| CNIC / NTN number (attach copy)           |  |
| Signature of Shareholder                  |  |

**9. Provision of International Banking Account Number (IBAN Detail)**

Further, vide Circular No. 421(I) 2018 dated March 19, 2021, SECP has directed all the listed companies to pursue its shareholder to obtain International Bank Account Number (IBAN) details.

In this context, in order to receive dividends directly into their bank account, shareholders having shareholding in physical form are requested to provide their IBAN details 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. Shareholder having shareholding in book entry form in CDS are advised to submit their IBAN details directly to relevant broker/participant/CDC Investor Account Services.

**10. Conversion of Physical Securities into Book Entry Form**

As per Section 72 of the Companies Act, 2017 every listed company is 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.

Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry form.

In light of the aforementioned directives, the Shareholders having physical shareholding are encouraged to open CDC account with CDS participant/CDC Investor Account Services and convert their existing physical securities into book entry form.

**11. Unclaimed & unpaid dividend / shares**

As directed in Section 244 of Companies Act 2017, notice is hereby given to the shareholders, who have not received previous years dividend amount are requested to please contact to the Company or Shares Registrar in this regard. The detail of unclaimed / unpaid dividend is also available at Company's website.

SAY NO TO CORRUPTION

# FORM OF PROXY

## 47th Annual General Meeting

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Fauji Fertilizer Company Limited hold \_\_\_\_\_

Ordinary Shares hereby appoint Mr/Mrs/Miss \_\_\_\_\_

of \_\_\_\_\_ or failing 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 47<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday March 25, 2025 and /or any adjournment thereof.

As witness my/our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_ March 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 Registered Office of the Company, 156 The Mall, Rawalpindi not less 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 along with proxy form to the Company).

AFFIX  
CORRECT  
POSTAGE

Company Secretary  
FAUJI FERTILIZER COMPANY LIMITED  
156 The Mall, Rawalpindi Cantt  
Website: [www.ffc.com.pk](http://www.ffc.com.pk)  
Tel No. +92-51-111-332-111, 8450001

# PATTERN OF SHAREHOLDING - FFC

As at December 31, 2024

| Number Of Shareholders | From   | Shareholding To | Shares Held |
|------------------------|--------|-----------------|-------------|
| 6439                   | 1      | 100             | 240,488     |
| 9018                   | 101    | 500             | 2,158,272   |
| 2894                   | 501    | 1000            | 2,311,657   |
| 5780                   | 1001   | 5000            | 14,374,289  |
| 1615                   | 5001   | 10000           | 12,000,915  |
| 756                    | 10001  | 15000           | 9,493,022   |
| 470                    | 15001  | 20000           | 8,346,835   |
| 368                    | 20001  | 25000           | 8,431,919   |
| 221                    | 25001  | 30000           | 6,155,716   |
| 170                    | 30001  | 35000           | 5,553,742   |
| 151                    | 35001  | 40000           | 5,742,003   |
| 98                     | 40001  | 45000           | 4,200,650   |
| 149                    | 45001  | 50000           | 7,217,224   |
| 87                     | 50001  | 55000           | 4,570,766   |
| 73                     | 55001  | 60000           | 4,235,855   |
| 68                     | 60001  | 65000           | 4,252,704   |
| 55                     | 65001  | 70000           | 3,745,219   |
| 60                     | 70001  | 75000           | 4,380,816   |
| 46                     | 75001  | 80000           | 3,569,266   |
| 35                     | 80001  | 85000           | 2,879,297   |
| 32                     | 85001  | 90000           | 2,818,220   |
| 35                     | 90001  | 95000           | 3,251,091   |
| 65                     | 95001  | 100000          | 6,457,764   |
| 29                     | 100001 | 105000          | 2,952,096   |
| 26                     | 105001 | 110000          | 2,807,332   |
| 14                     | 110001 | 115000          | 1,577,799   |
| 24                     | 115001 | 120000          | 2,823,281   |
| 26                     | 120001 | 125000          | 3,200,727   |
| 16                     | 125001 | 130000          | 2,051,102   |
| 18                     | 130001 | 135000          | 2,396,574   |
| 17                     | 135001 | 140000          | 2,352,943   |
| 15                     | 140001 | 145000          | 2,141,363   |
| 26                     | 145001 | 150000          | 3,866,645   |
| 18                     | 150001 | 155000          | 2,732,331   |
| 13                     | 155001 | 160000          | 2,050,730   |
| 10                     | 160001 | 165000          | 1,628,470   |
| 13                     | 165001 | 170000          | 2,178,600   |
| 20                     | 170001 | 175000          | 3,459,253   |
| 3                      | 175001 | 180000          | 533,500     |
| 6                      | 180001 | 185000          | 1,101,158   |
| 6                      | 185001 | 190000          | 1,132,015   |



# PATTERN OF SHAREHOLDING – FFC

As at December 31, 2024

| Number Of Shareholders | From   | Shareholding To | Shares Held |
|------------------------|--------|-----------------|-------------|
| 10                     | 190001 | 195000          | 1,937,025   |
| 23                     | 195001 | 200000          | 4,585,671   |
| 8                      | 200001 | 205000          | 1,619,426   |
| 5                      | 205001 | 210000          | 1,034,123   |
| 5                      | 210001 | 215000          | 1,063,665   |
| 5                      | 215001 | 220000          | 1,089,118   |
| 10                     | 220001 | 225000          | 2,233,886   |
| 6                      | 225001 | 230000          | 1,366,825   |
| 10                     | 230001 | 235000          | 2,331,472   |
| 7                      | 235001 | 240000          | 1,668,503   |
| 3                      | 240001 | 245000          | 724,772     |
| 15                     | 245001 | 250000          | 3,736,681   |
| 4                      | 250001 | 255000          | 1,010,898   |
| 4                      | 255001 | 260000          | 1,037,330   |
| 6                      | 260001 | 265000          | 1,581,630   |
| 4                      | 265001 | 270000          | 1,070,926   |
| 4                      | 270001 | 275000          | 1,086,374   |
| 1                      | 275001 | 280000          | 275,874     |
| 3                      | 280001 | 285000          | 840,984     |
| 5                      | 285001 | 290000          | 1,440,401   |
| 2                      | 290001 | 295000          | 582,107     |
| 8                      | 295001 | 300000          | 2,397,456   |
| 4                      | 300001 | 305000          | 1,215,100   |
| 1                      | 305001 | 310000          | 306,610     |
| 1                      | 310001 | 315000          | 313,364     |
| 3                      | 315001 | 320000          | 952,467     |
| 2                      | 320001 | 325000          | 647,500     |
| 3                      | 325001 | 330000          | 982,017     |
| 4                      | 330001 | 335000          | 1,333,940   |
| 2                      | 335001 | 340000          | 675,988     |
| 2                      | 340001 | 345000          | 686,067     |
| 4                      | 345001 | 350000          | 1,397,650   |
| 3                      | 350001 | 355000          | 1,058,488   |
| 2                      | 360001 | 365000          | 728,597     |
| 2                      | 365001 | 370000          | 736,610     |
| 3                      | 370001 | 375000          | 1,123,954   |
| 1                      | 375001 | 380000          | 379,000     |
| 1                      | 380001 | 385000          | 383,175     |
| 2                      | 385001 | 390000          | 774,228     |
| 4                      | 390001 | 395000          | 1,576,710   |
| 2                      | 395001 | 400000          | 798,500     |

| Number Of<br>Shareholders | Shareholding |        | Shares<br>Held |
|---------------------------|--------------|--------|----------------|
|                           | From         | To     |                |
| 2                         | 400001       | 405000 | 800,071        |
| 3                         | 405001       | 410000 | 1,220,036      |
| 1                         | 410001       | 415000 | 412,800        |
| 3                         | 415001       | 420000 | 1,252,246      |
| 1                         | 420001       | 425000 | 422,000        |
| 1                         | 425001       | 430000 | 429,251        |
| 1                         | 440001       | 445000 | 444,663        |
| 1                         | 445001       | 450000 | 445,754        |
| 3                         | 460001       | 465000 | 1,388,647      |
| 1                         | 465001       | 470000 | 465,185        |
| 1                         | 470001       | 475000 | 475,000        |
| 4                         | 475001       | 480000 | 1,917,341      |
| 2                         | 480001       | 485000 | 960,961        |
| 1                         | 485001       | 490000 | 488,037        |
| 2                         | 490001       | 495000 | 984,881        |
| 6                         | 495001       | 500000 | 2,991,690      |
| 1                         | 500001       | 505000 | 504,379        |
| 1                         | 505001       | 510000 | 508,980        |
| 1                         | 510001       | 515000 | 513,470        |
| 2                         | 515001       | 520000 | 1,034,532      |
| 2                         | 520001       | 525000 | 1,045,565      |
| 2                         | 525001       | 530000 | 1,056,334      |
| 1                         | 535001       | 540000 | 538,940        |
| 2                         | 540001       | 545000 | 1,083,341      |
| 1                         | 545001       | 550000 | 549,650        |
| 1                         | 555001       | 560000 | 557,456        |
| 1                         | 560001       | 565000 | 565,000        |
| 3                         | 565001       | 570000 | 1,703,254      |
| 1                         | 570001       | 575000 | 571,936        |
| 1                         | 580001       | 585000 | 580,611        |
| 2                         | 590001       | 595000 | 1,185,096      |
| 5                         | 595001       | 600000 | 2,989,349      |
| 1                         | 600001       | 605000 | 604,000        |
| 3                         | 605001       | 610000 | 1,828,275      |
| 1                         | 615001       | 620000 | 617,000        |
| 3                         | 620001       | 625000 | 1,867,212      |
| 2                         | 630001       | 635000 | 1,268,374      |
| 1                         | 635001       | 640000 | 635,130        |
| 3                         | 645001       | 650000 | 1,950,000      |
| 1                         | 650001       | 655000 | 655,000        |
| 2                         | 655001       | 660000 | 1,315,444      |

# PATTERN OF SHAREHOLDING - FFC

As at December 31, 2024

| Number Of<br>Shareholders | From    | Shareholding<br>To | Shares<br>Held |
|---------------------------|---------|--------------------|----------------|
| 1                         | 660001  | 665000             | 662,920        |
| 3                         | 665001  | 670000             | 2,003,349      |
| 1                         | 675001  | 680000             | 678,728        |
| 2                         | 690001  | 695000             | 1,385,755      |
| 3                         | 695001  | 700000             | 2,095,766      |
| 1                         | 705001  | 710000             | 708,157        |
| 1                         | 715001  | 720000             | 717,478        |
| 2                         | 725001  | 730000             | 1,454,551      |
| 1                         | 760001  | 765000             | 761,288        |
| 1                         | 785001  | 790000             | 790,000        |
| 2                         | 795001  | 800000             | 1,600,000      |
| 1                         | 800001  | 805000             | 801,926        |
| 2                         | 830001  | 835000             | 1,660,371      |
| 1                         | 835001  | 840000             | 837,091        |
| 1                         | 845001  | 850000             | 848,438        |
| 2                         | 855001  | 860000             | 1,713,500      |
| 1                         | 860001  | 865000             | 864,860        |
| 1                         | 865001  | 870000             | 870,000        |
| 2                         | 885001  | 890000             | 1,774,984      |
| 1                         | 895001  | 900000             | 900,000        |
| 1                         | 900001  | 905000             | 901,128        |
| 2                         | 905001  | 910000             | 1,815,899      |
| 1                         | 915001  | 920000             | 916,550        |
| 1                         | 920001  | 925000             | 924,153        |
| 1                         | 955001  | 960000             | 958,796        |
| 2                         | 980001  | 985000             | 1,963,165      |
| 2                         | 995001  | 1000000            | 1,998,500      |
| 1                         | 1000001 | 1005000            | 1,000,535      |
| 1                         | 1015001 | 1020000            | 1,019,337      |
| 1                         | 1040001 | 1045000            | 1,044,266      |
| 1                         | 1065001 | 1070000            | 1,070,000      |
| 1                         | 1070001 | 1075000            | 1,073,953      |
| 1                         | 1095001 | 1100000            | 1,100,000      |
| 1                         | 1100001 | 1105000            | 1,100,015      |
| 1                         | 1110001 | 1115000            | 1,112,295      |
| 1                         | 1140001 | 1145000            | 1,143,889      |
| 1                         | 1145001 | 1150000            | 1,145,305      |
| 1                         | 1155001 | 1160000            | 1,159,155      |
| 1                         | 1170001 | 1175000            | 1,172,000      |
| 1                         | 1185001 | 1190000            | 1,186,133      |
| 1                         | 1195001 | 1200000            | 1,196,000      |

| Number Of<br>Shareholders | Shareholding |         | Shares<br>Held |
|---------------------------|--------------|---------|----------------|
|                           | From         | To      |                |
| 2                         | 1205001      | 1210000 | 2,414,833      |
| 2                         | 1230001      | 1235000 | 2,467,719      |
| 1                         | 1280001      | 1285000 | 1,282,428      |
| 1                         | 1285001      | 1290000 | 1,289,000      |
| 1                         | 1385001      | 1390000 | 1,388,061      |
| 1                         | 1395001      | 1400000 | 1,400,000      |
| 3                         | 1445001      | 1450000 | 4,346,850      |
| 1                         | 1515001      | 1520000 | 1,517,132      |
| 1                         | 1545001      | 1550000 | 1,548,135      |
| 1                         | 1550001      | 1555000 | 1,554,444      |
| 1                         | 1560001      | 1565000 | 1,563,612      |
| 3                         | 1595001      | 1600000 | 4,800,000      |
| 1                         | 1660001      | 1665000 | 1,661,125      |
| 1                         | 1680001      | 1685000 | 1,681,203      |
| 1                         | 1700001      | 1705000 | 1,701,165      |
| 1                         | 1710001      | 1715000 | 1,713,800      |
| 1                         | 1730001      | 1735000 | 1,733,600      |
| 1                         | 1785001      | 1790000 | 1,788,374      |
| 1                         | 1810001      | 1815000 | 1,811,585      |
| 1                         | 1895001      | 1900000 | 1,898,000      |
| 1                         | 1945001      | 1950000 | 1,950,000      |
| 4                         | 1995001      | 2000000 | 8,000,000      |
| 1                         | 2045001      | 2050000 | 2,047,600      |
| 1                         | 2055001      | 2060000 | 2,060,000      |
| 1                         | 2095001      | 2100000 | 2,098,000      |
| 1                         | 2110001      | 2115000 | 2,114,283      |
| 1                         | 2165001      | 2170000 | 2,167,000      |
| 2                         | 2205001      | 2210000 | 4,414,528      |
| 1                         | 2270001      | 2275000 | 2,273,019      |
| 1                         | 2295001      | 2300000 | 2,298,026      |
| 1                         | 2380001      | 2385000 | 2,381,562      |
| 1                         | 2425001      | 2430000 | 2,427,092      |
| 1                         | 2490001      | 2495000 | 2,490,525      |
| 1                         | 2545001      | 2550000 | 2,547,023      |
| 1                         | 2595001      | 2600000 | 2,600,000      |
| 1                         | 2600001      | 2605000 | 2,602,621      |
| 1                         | 2685001      | 2690000 | 2,685,160      |
| 1                         | 2700001      | 2705000 | 2,702,949      |
| 1                         | 2895001      | 2900000 | 2,897,944      |
| 1                         | 2935001      | 2940000 | 2,939,002      |
| 1                         | 3005001      | 3010000 | 3,009,913      |

# PATTERN OF SHAREHOLDING - FFC

As at December 31, 2024

| Number Of<br>Shareholders | From      | Shareholding<br>To | Shares<br>Held       |
|---------------------------|-----------|--------------------|----------------------|
| 1                         | 3060001   | 3065000            | 3,064,147            |
| 1                         | 3095001   | 3100000            | 3,098,200            |
| 1                         | 3110001   | 3115000            | 3,113,000            |
| 1                         | 3145001   | 3150000            | 3,150,000            |
| 1                         | 3270001   | 3275000            | 3,271,817            |
| 1                         | 3310001   | 3315000            | 3,312,540            |
| 1                         | 3595001   | 3600000            | 3,597,807            |
| 1                         | 3705001   | 3710000            | 3,709,510            |
| 1                         | 3845001   | 3850000            | 3,847,554            |
| 1                         | 3920001   | 3925000            | 3,921,420            |
| 1                         | 4175001   | 4180000            | 4,177,933            |
| 1                         | 4195001   | 4200000            | 4,200,000            |
| 1                         | 4465001   | 4470000            | 4,468,971            |
| 1                         | 4930001   | 4935000            | 4,933,599            |
| 1                         | 5040001   | 5045000            | 5,040,099            |
| 1                         | 5045001   | 5050000            | 5,049,274            |
| 1                         | 5480001   | 5485000            | 5,481,154            |
| 1                         | 5520001   | 5525000            | 5,525,000            |
| 1                         | 5595001   | 5600000            | 5,599,348            |
| 1                         | 5655001   | 5660000            | 5,657,658            |
| 1                         | 5955001   | 5960000            | 5,956,465            |
| 1                         | 8490001   | 8495000            | 8,490,958            |
| 1                         | 8640001   | 8645000            | 8,643,769            |
| 1                         | 8945001   | 8950000            | 8,945,913            |
| 1                         | 9690001   | 9695000            | 9,694,265            |
| 1                         | 9995001   | 10000000           | 9,998,900            |
| 1                         | 10360001  | 10365000           | 10,363,991           |
| 1                         | 10500001  | 10505000           | 10,500,100           |
| 1                         | 11275001  | 11280000           | 11,279,477           |
| 1                         | 13395001  | 13400000           | 13,395,312           |
| 1                         | 13655001  | 13660000           | 13,656,636           |
| 1                         | 13745001  | 13750000           | 13,748,249           |
| 1                         | 13905001  | 13910000           | 13,907,959           |
| 1                         | 15480001  | 15485000           | 15,481,600           |
| 1                         | 16750001  | 16755000           | 16,752,243           |
| 1                         | 24300001  | 24305000           | 24,303,621           |
| 1                         | 122140001 | 122145000          | 122,143,390          |
| 1                         | 129515001 | 129520000          | 129,516,412          |
| 1                         | 486725001 | 486730000          | 486,727,204          |
| <b>29400</b>              |           |                    | <b>1,423,108,696</b> |



| Categories of Shareholders                                                                                                               | Shareholders | Shares Held | Percentage |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|------------|
| <b>President of Pakistan</b>                                                                                                             |              |             |            |
| PRESIDENT OF THE ISLAMIC REPUBLIC OF PAKISTAN                                                                                            | 1            | 8,945,913   | 0.63       |
| <b>Directors and their spouse(s) and minor children</b>                                                                                  |              |             |            |
| SAAD AMANULLAH KHAN                                                                                                                      | 1            | 500         | 0.00       |
| SHAMSHAD AKHTAR                                                                                                                          | 1            | 100         | 0.00       |
| FARHAD SHAIKH MOHAMMAD                                                                                                                   | 1            | 650,000     | 0.05       |
| QAMAR HARIS MANZOOR                                                                                                                      | 1            | 8,000       | 0.00       |
| MARYAM AZIZ                                                                                                                              | 1            | 100         | 0.00       |
| HINA FARHAD                                                                                                                              | 1            | 1,600,000   | 0.11       |
| FAREEHA JAHANGIR                                                                                                                         | 1            | 1,600       | 0.00       |
| JAHANGIR PIRACHA                                                                                                                         | 2            | 130,000     | 0.01       |
| <b>Associated Companies, undertakings and related parties</b>                                                                            | 3            | 619,253,529 | 43.51      |
| <b>Executives and Employees</b>                                                                                                          | 25           | 227,287     | 0.02       |
| <b>Public sector companies and corporations</b>                                                                                          | 12           | 136,893,921 | 9.62       |
| <b>NIT and ICP</b>                                                                                                                       | 1            | 116         | 0.00       |
| <b>Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds</b> | 80           | 128,417,544 | 9.02       |
| <b>Mutual Funds</b>                                                                                                                      |              |             |            |
| TRUSTEE-RAHIM IQBAL RAFIQ & CO.EMPLOYEES PROVIDENT FUND                                                                                  | 1            | 2,000       | 0.00       |
| CDC – TRUSTEE MCB PAKISTAN STOCK MARKET FUND                                                                                             | 1            | 670,000     | 0.05       |
| CDC – TRUSTEE HBL INVESTMENT FUND                                                                                                        | 1            | 266,832     | 0.02       |
| CDC – TRUSTEE JS LARGE CAP. FUND                                                                                                         | 1            | 517,727     | 0.04       |
| CDC – TRUSTEE HBL GROWTH FUND                                                                                                            | 1            | 662,920     | 0.05       |
| CDC – TRUSTEE ALHAMRA ISLAMIC STOCK FUND                                                                                                 | 1            | 230,769     | 0.02       |
| CDC – TRUSTEE ATLAS STOCK MARKET FUND                                                                                                    | 1            | 5,956,465   | 0.42       |
| CDC – TRUSTEE JS ISLAMIC FUND                                                                                                            | 1            | 106,759     | 0.01       |
| CDC – TRUSTEE FAYSAL STOCK FUND                                                                                                          | 1            | 1,060       | 0.00       |
| CDC – TRUSTEE ALFALAH GHP VALUE FUND                                                                                                     | 1            | 41,059      | 0.00       |
| CDC – TRUSTEE UNIT TRUST OF PAKISTAN                                                                                                     | 1            | 318,232     | 0.02       |
| CDC – TRUSTEE AKD INDEX TRACKER FUND                                                                                                     | 1            | 264,840     | 0.02       |
| CDC – TRUSTEE AL MEEZAN MUTUAL FUND                                                                                                      | 1            | 102,361     | 0.01       |
| CDC – TRUSTEE MEEZAN ISLAMIC FUND                                                                                                        | 1            | 1,234,857   | 0.09       |
| CDC – TRUSTEE FAYSAL ASSET ALLOCATION FUND                                                                                               | 1            | 1,300       | 0.00       |
| CDC – TRUSTEE UBL STOCK ADVANTAGE FUND                                                                                                   | 1            | 4,933,599   | 0.35       |
| CDC – TRUSTEE ATLAS ISLAMIC STOCK FUND                                                                                                   | 1            | 1,143,889   | 0.08       |
| CDC – TRUSTEE AL –AMEEN SHARIAH STOCK FUND                                                                                               | 1            | 3,921,420   | 0.28       |
| CDC – TRUSTEE NBP STOCK FUND                                                                                                             | 1            | 8,490,958   | 0.60       |
| CDC – TRUSTEE NBP BALANCED FUND                                                                                                          | 1            | 327,731     | 0.02       |
| CDC – TRUSTEE MEEZAN TAHAFUZZ PENSION FUND – EQUITY SUB FUND                                                                             | 1            | 94,226      | 0.01       |
| CDC – TRUSTEE APF –EQUITY SUB FUND                                                                                                       | 1            | 334,282     | 0.02       |
| CDC – TRUSTEE JS PENSION SAVINGS FUND – EQUITY ACCOUNT                                                                                   | 1            | 20,560      | 0.00       |
| CDC – TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND                                                                                             | 1            | 2,796       | 0.00       |
| CDC – TRUSTEE HBL – STOCK FUND                                                                                                           | 1            | 235,275     | 0.02       |
| CDC – TRUSTEE NBP ISLAMIC SARMAYA IZAFAT FUND                                                                                            | 1            | 165,362     | 0.01       |
| CDC – TRUSTEE APIF – EQUITY SUB FUND                                                                                                     | 1            | 170,163     | 0.01       |
| MC FSL – TRUSTEE JS GROWTH FUND                                                                                                          | 1            | 837,091     | 0.06       |
| CDC – TRUSTEE HBL MULTI – ASSET FUND                                                                                                     | 1            | 8,500       | 0.00       |
| CDC – TRUSTEE JS ISLAMIC PENSION SAVINGS FUND –EQUITY ACCOUNT                                                                            | 1            | 11,806      | 0.00       |
| CDC – TRUSTEE ALFALAH GHP STOCK FUND                                                                                                     | 1            | 924,153     | 0.06       |
| CDC – TRUSTEE ALFALAH GHP ALPHA FUND                                                                                                     | 1            | 291,350     | 0.02       |
| CDC – TRUSTEE NIT –EQUITY MARKET OPPORTUNITY FUND                                                                                        | 1            | 1,661,125   | 0.12       |
| CDC – TRUSTEE ABL STOCK FUND                                                                                                             | 1            | 981,048     | 0.07       |
| CDC – TRUSTEE AL HABIB STOCK FUND                                                                                                        | 1            | 667,539     | 0.05       |

# PATTERN OF SHAREHOLDING – FFC

As at December 31, 2024

| Categories of Shareholders                                  | Shareholders | Shares Held   | Percentage |
|-------------------------------------------------------------|--------------|---------------|------------|
| CDC – TRUSTEE LAKSON EQUITY FUND                            | 1            | 848,438       | 0.06       |
| CDC – TRUSTEE NBP SARMAYA IZAFI FUND                        | 1            | 211,038       | 0.01       |
| CDC – TRUSTEE HBL EQUITY FUND                               | 1            | 242,768       | 0.02       |
| CDC – TRUSTEE HBL PF EQUITY SUB FUND                        | 1            | 20,000        | 0.00       |
| CDC – TRUSTEE ATLAS INCOME FUND – MT                        | 1            | 22,350        | 0.00       |
| CDC – TRUSTEE UBL ASSET ALLOCATION FUND                     | 1            | 116,563       | 0.01       |
| CDC – TRUSTEE FIRST CAPITAL MUTUAL FUND                     | 1            | 15,000        | 0.00       |
| CDC – TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND        | 1            | 135,641       | 0.01       |
| CDC – TRUSTEE AWT ISLAMIC STOCK FUND                        | 1            | 96,794        | 0.01       |
| CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND | 1            | 620,979       | 0.04       |
| CDC – TRUSTEE UBL RETIREMENT SAVINGS FUND – EQUITY SUB FUND | 1            | 571,936       | 0.04       |
| CDC – TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST              | 1            | 11,279,477    | 0.79       |
| CDC – TRUSTEE HBL ISLAMIC EQUITY FUND                       | 1            | 407,925       | 0.03       |
| CDC – TRUSTEE ABL ISLAMIC PENSION FUND – EQUITY SUB FUND    | 1            | 4,662         | 0.00       |
| CDC – TRUSTEE ABL PENSION FUND – EQUITY SUB FUND            | 1            | 32,300        | 0.00       |
| CDC – TRUSTEE NBP ISLAMIC STOCK FUND                        | 1            | 982,117       | 0.07       |
| CDC – TRUSTEE AWT STOCK FUND                                | 1            | 43,801        | 0.00       |
| CDC-TRUSTEE NITPF EQUITY SUB-FUND                           | 1            | 35,500        | 0.00       |
| CDC – TRUSTEE LAKSON TACTICAL FUND                          | 1            | 24,465        | 0.00       |
| CDC – TRUSTEE LAKSON ISLAMIC TACTICAL FUND                  | 1            | 2,840         | 0.00       |
| CDC – TRUSTEE AL HABIB ASSET ALLOCATION FUND                | 1            | 39,849        | 0.00       |
| DCCL – TRUSTEE AKD ISLAMIC STOCK FUND                       | 1            | 46,620        | 0.00       |
| CDC – TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND            | 1            | 94,452        | 0.01       |
| CDC – TRUSTEE GOLDEN ARROW STOCK FUND                       | 1            | 86,247        | 0.01       |
| CDC – TRUSTEE NIT ASSET ALLOCATION FUND                     | 1            | 55,000        | 0.00       |
| CDC – TRUSTEE NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND     | 1            | 34,278        | 0.00       |
| CDC – TRUSTEE UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND  | 1            | 30,555        | 0.00       |
| CDC – TRUSTEE FAYSAL ISLAMIC STOCK FUND                     | 1            | 17,948        | 0.00       |
| CDC – TRUSTEE NBP PAKISTAN GROWTH EXCHANGE TRADED FUND      | 1            | 35,721        | 0.00       |
| CDC – TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND             | 1            | 68,763        | 0.00       |
| CDC – TRUSTEE HBL FINANCIAL SECTOR INCOME FUND – PLAN I     | 1            | 75,000        | 0.01       |
| CDC – TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I – MT  | 1            | 496,376       | 0.03       |
| CDC – TRUSTEE MCB PAKISTAN DIVIDEND YIELD PLAN              | 1            | 145,500       | 0.01       |
| General Public                                              |              |               |            |
| a. Local                                                    | 28,111       | 356,583,277   | 25.06      |
| b. Foreign                                                  | 583          | 4,594,962     | 0.32       |
| Foreign Companies                                           | 47           | 34,006,302    | 2.39       |
| Others                                                      | 460          | 79,254,588    | 5.57       |
| Totals                                                      | 29,400       | 1,423,108,696 | 100.00     |

| Share holders holding 10% or more    | Shares Held | Percentage  |
|--------------------------------------|-------------|-------------|
| COMMITTEE OF ADMIN. FAUJI FOUNDATION | 1           | 619,253,529 |
|                                      |             | 43.51       |

## FINANCIAL CALENDAR

The Company follows the period of January 01 to December 31 as the financial year.

Financial results will be announced as per the following tentative schedule:

|                                                   |                           |
|---------------------------------------------------|---------------------------|
| Annual General Meeting                            | March 25, 2025            |
| 1 <sup>st</sup> Quarter ending March 31, 2025     | Last Week of April 2025   |
| Half-Year ending June 30, 2025                    | Last Week of July 2025    |
| 3 <sup>rd</sup> Quarter ending September 30, 2025 | Last Week of October 2025 |
| Year ending December 31, 2025                     | Last Week of January 2026 |

# PATTERN OF SHAREHOLDING - SUBSIDIARIES

As at December 31, 2024

## FAUJI FOODS LIMITED

| Number Of<br>Shareholders | From    | Shareholding<br>To | Shares<br>Held |
|---------------------------|---------|--------------------|----------------|
| 2248                      | 1       | 100                | 99,314         |
| 2216                      | 101     | 500                | 812,224        |
| 1945                      | 501     | 1,000              | 1,794,262      |
| 4394                      | 1,001   | 5,000              | 12,894,435     |
| 1705                      | 5,001   | 10,000             | 13,903,592     |
| 621                       | 10,001  | 15,000             | 8,068,927      |
| 539                       | 15,001  | 20,000             | 10,003,741     |
| 300                       | 20,001  | 25,000             | 7,108,932      |
| 234                       | 25,001  | 30,000             | 6,703,892      |
| 149                       | 30,001  | 35,000             | 4,928,209      |
| 123                       | 35,001  | 40,000             | 4,789,263      |
| 83                        | 40,001  | 45,000             | 3,568,821      |
| 226                       | 45,001  | 50,000             | 11,190,138     |
| 63                        | 50,001  | 55,000             | 3,330,867      |
| 63                        | 55,001  | 60,000             | 3,698,092      |
| 25                        | 60,001  | 65,000             | 1,578,438      |
| 47                        | 65,001  | 70,000             | 3,223,700      |
| 56                        | 70,001  | 75,000             | 4,134,516      |
| 34                        | 75,001  | 80,000             | 2,689,933      |
| 15                        | 80,001  | 85,000             | 1,243,533      |
| 28                        | 85,001  | 90,000             | 2,496,397      |
| 20                        | 90,001  | 95,000             | 1,867,675      |
| 156                       | 95,001  | 100,000            | 15,561,088     |
| 19                        | 100,001 | 105,000            | 1,944,113      |
| 16                        | 105,001 | 110,000            | 1,744,905      |
| 17                        | 110,001 | 115,000            | 1,919,646      |
| 14                        | 115,001 | 120,000            | 1,668,894      |
| 21                        | 120,001 | 125,000            | 2,615,552      |
| 13                        | 125,001 | 130,000            | 1,669,010      |
| 13                        | 130,001 | 135,000            | 1,725,429      |
| 10                        | 135,001 | 140,000            | 1,386,625      |
| 12                        | 140,001 | 145,000            | 1,725,625      |
| 27                        | 145,001 | 150,000            | 4,048,000      |
| 4                         | 150,001 | 155,000            | 611,200        |
| 8                         | 155,001 | 160,000            | 1,271,300      |
| 3                         | 160,001 | 165,000            | 491,000        |
| 9                         | 165,001 | 170,000            | 1,515,289      |
| 12                        | 170,001 | 175,000            | 2,083,012      |
| 4                         | 175,001 | 180,000            | 710,900        |
| 3                         | 180,001 | 185,000            | 549,066        |
| 7                         | 185,001 | 190,000            | 1,320,349      |

# PATTERN OF SHAREHOLDING - SUBSIDIARIES

As at December 31, 2024

## FAUJI FOODS LIMITED

| Number Of<br>Shareholders | From    | Shareholding<br>To | Shares<br>Held |
|---------------------------|---------|--------------------|----------------|
| 2                         | 190,001 | 195,000            | 387,384        |
| 58                        | 195,001 | 200,000            | 11,582,492     |
| 4                         | 200,001 | 205,000            | 810,885        |
| 8                         | 205,001 | 210,000            | 1,671,545      |
| 6                         | 210,001 | 215,000            | 1,280,416      |
| 4                         | 215,001 | 220,000            | 877,076        |
| 2                         | 220,001 | 225,000            | 447,982        |
| 5                         | 225,001 | 230,000            | 1,140,533      |
| 2                         | 230,001 | 235,000            | 465,002        |
| 5                         | 235,001 | 240,000            | 1,189,500      |
| 2                         | 240,001 | 245,000            | 488,000        |
| 13                        | 245,001 | 250,000            | 3,250,000      |
| 2                         | 250,001 | 255,000            | 506,000        |
| 3                         | 255,001 | 260,000            | 776,194        |
| 4                         | 265,001 | 270,000            | 1,076,000      |
| 1                         | 270,001 | 275,000            | 275,000        |
| 2                         | 275,001 | 280,000            | 558,092        |
| 1                         | 280,001 | 285,000            | 285,000        |
| 1                         | 285,001 | 290,000            | 286,230        |
| 4                         | 290,001 | 295,000            | 1,173,500      |
| 18                        | 295,001 | 300,000            | 5,400,000      |
| 1                         | 300,001 | 305,000            | 302,715        |
| 3                         | 305,001 | 310,000            | 923,658        |
| 4                         | 310,001 | 315,000            | 1,255,200      |
| 4                         | 315,001 | 320,000            | 1,278,229      |
| 2                         | 320,001 | 325,000            | 646,590        |
| 1                         | 325,001 | 330,000            | 328,725        |
| 2                         | 330,001 | 335,000            | 666,994        |
| 6                         | 345,001 | 350,000            | 2,100,000      |
| 1                         | 350,001 | 355,000            | 352,692        |
| 1                         | 360,001 | 365,000            | 362,604        |
| 1                         | 370,001 | 375,000            | 375,000        |
| 4                         | 375,001 | 380,000            | 1,511,968      |
| 1                         | 385,001 | 390,000            | 387,685        |
| 2                         | 390,001 | 395,000            | 789,003        |
| 10                        | 395,001 | 400,000            | 4,000,000      |
| 2                         | 405,001 | 410,000            | 811,244        |
| 1                         | 420,001 | 425,000            | 425,000        |
| 2                         | 425,001 | 430,000            | 860,000        |
| 2                         | 430,001 | 435,000            | 864,500        |
| 6                         | 445,001 | 450,000            | 2,697,199      |
| 2                         | 455,001 | 460,000            | 918,000        |
| 1                         | 460,001 | 465,000            | 463,825        |

| Number Of<br>Shareholders | Shareholding |           | Shares<br>Held |
|---------------------------|--------------|-----------|----------------|
|                           | From         | To        |                |
| 1                         | 470,001      | 475,000   | 474,711        |
| 1                         | 490,001      | 495,000   | 495,000        |
| 21                        | 495,001      | 500,000   | 10,500,000     |
| 2                         | 500,001      | 505,000   | 1,003,251      |
| 1                         | 510,001      | 515,000   | 512,943        |
| 1                         | 515,001      | 520,000   | 516,193        |
| 2                         | 525,001      | 530,000   | 1,055,664      |
| 1                         | 535,001      | 540,000   | 540,000        |
| 2                         | 545,001      | 550,000   | 1,100,000      |
| 1                         | 555,001      | 560,000   | 556,572        |
| 1                         | 565,001      | 570,000   | 569,500        |
| 2                         | 575,001      | 580,000   | 1,158,500      |
| 7                         | 595,001      | 600,000   | 4,194,953      |
| 1                         | 610,001      | 615,000   | 610,666        |
| 2                         | 630,001      | 635,000   | 1,270,000      |
| 1                         | 640,001      | 645,000   | 645,000        |
| 1                         | 645,001      | 650,000   | 650,000        |
| 1                         | 680,001      | 685,000   | 681,600        |
| 6                         | 695,001      | 700,000   | 4,200,000      |
| 2                         | 715,001      | 720,000   | 1,439,000      |
| 3                         | 720,001      | 725,000   | 2,165,606      |
| 1                         | 725,001      | 730,000   | 726,000        |
| 1                         | 745,001      | 750,000   | 750,000        |
| 1                         | 760,001      | 765,000   | 760,038        |
| 3                         | 785,001      | 790,000   | 2,362,597      |
| 1                         | 810,001      | 815,000   | 811,468        |
| 1                         | 835,001      | 840,000   | 836,500        |
| 1                         | 870,001      | 875,000   | 871,000        |
| 1                         | 880,001      | 885,000   | 885,000        |
| 1                         | 885,001      | 890,000   | 890,000        |
| 1                         | 895,001      | 900,000   | 900,000        |
| 1                         | 930,001      | 935,000   | 934,207        |
| 2                         | 945,001      | 950,000   | 1,900,000      |
| 1                         | 950,001      | 955,000   | 953,122        |
| 1                         | 975,001      | 980,000   | 980,000        |
| 2                         | 985,001      | 990,000   | 1,972,495      |
| 10                        | 995,001      | 1,000,000 | 10,000,000     |
| 1                         | 1,035,001    | 1,040,000 | 1,036,816      |
| 1                         | 1,090,001    | 1,095,000 | 1,090,679      |
| 2                         | 1,095,001    | 1,100,000 | 2,200,000      |
| 2                         | 1,100,001    | 1,105,000 | 2,208,900      |
| 1                         | 1,135,001    | 1,140,000 | 1,140,000      |
| 1                         | 1,145,001    | 1,150,000 | 1,146,151      |



# PATTERN OF SHAREHOLDING - SUBSIDIARIES

As at December 31, 2024

## FAUJI FOODS LIMITED

| Number Of<br>Shareholders | From          | Shareholding<br>To | Shares<br>Held       |
|---------------------------|---------------|--------------------|----------------------|
| 1                         | 1,205,001     | 1,210,000          | 1,207,900            |
| 1                         | 1,225,001     | 1,230,000          | 1,226,729            |
| 1                         | 1,280,001     | 1,285,000          | 1,282,727            |
| 1                         | 1,295,001     | 1,300,000          | 1,300,000            |
| 1                         | 1,325,001     | 1,330,000          | 1,329,757            |
| 1                         | 1,345,001     | 1,350,000          | 1,348,500            |
| 1                         | 1,360,001     | 1,365,000          | 1,362,500            |
| 1                         | 1,400,001     | 1,405,000          | 1,401,120            |
| 2                         | 1,495,001     | 1,500,000          | 3,000,000            |
| 1                         | 1,500,001     | 1,505,000          | 1,502,813            |
| 1                         | 1,595,001     | 1,600,000          | 1,600,000            |
| 1                         | 1,615,001     | 1,620,000          | 1,617,000            |
| 1                         | 1,695,001     | 1,700,000          | 1,700,000            |
| 2                         | 1,780,001     | 1,785,000          | 3,564,050            |
| 1                         | 1,820,001     | 1,825,000          | 1,825,000            |
| 1                         | 1,840,001     | 1,845,000          | 1,843,684            |
| 1                         | 1,845,001     | 1,850,000          | 1,845,784            |
| 5                         | 1,995,001     | 2,000,000          | 10,000,000           |
| 2                         | 2,095,001     | 2,100,000          | 4,200,000            |
| 1                         | 2,130,001     | 2,135,000          | 2,135,000            |
| 1                         | 2,195,001     | 2,200,000          | 2,200,000            |
| 1                         | 2,245,001     | 2,250,000          | 2,249,598            |
| 1                         | 2,320,001     | 2,325,000          | 2,322,865            |
| 1                         | 2,375,001     | 2,380,000          | 2,377,000            |
| 1                         | 2,405,001     | 2,410,000          | 2,407,525            |
| 1                         | 2,545,001     | 2,550,000          | 2,507,857            |
| 1                         | 3,000,001     | 3,005,000          | 3,001,567            |
| 1                         | 3,240,001     | 3,245,000          | 3,243,000            |
| 1                         | 3,995,001     | 4,000,000          | 4,000,000            |
| 1                         | 4,120,001     | 4,125,000          | 4,123,285            |
| 1                         | 6,185,001     | 6,190,000          | 6,186,724            |
| 1                         | 6,685,001     | 6,690,000          | 6,687,302            |
| 1                         | 14,780,001    | 14,785,000         | 14,784,001           |
| 1                         | 67,370,001    | 67,375,000         | 67,371,916           |
| 1                         | 399,995,001   | 400,000,000        | 400,000,000          |
| 1                         | 464,995,001   | 465,000,000        | 465,000,000          |
| 1                         | 1,205,575,001 | 1,205,580,000      | 1,205,576,237        |
| <b>15849</b>              |               |                    | <b>2,519,963,139</b> |

**FAUJI FOODS LIMITED**

| Categories of Shareholders                                               | Shareholders | Shares Held   | Percentage |
|--------------------------------------------------------------------------|--------------|---------------|------------|
| <b>Directors, Chief Executive Officer and their spouse v</b>             | 11           | 270,009       | 0.01       |
| Associated Companies, undertakings and related parties. (Parent Company) | 4            | 2,137,948,153 | 84.84      |
| NIT and ICP                                                              | 2            | 258,300       | 0.01       |
| Banks Development                                                        | 2            | 4,045,784     | 0.16       |
| Financial Institutions, Non Banking Financial Institutions.              |              |               |            |
| Insurance Companies                                                      | 5            | 3,007,676     | 0.12       |
| Modarabas and Mutual Funds                                               | 10           | 8,663,181     | 0.34       |
| <b>General Public</b>                                                    |              |               |            |
| a. Local                                                                 | 15709        | 318,956,363   | 12.66      |
| b. Foreign                                                               | 9            | 3,294,679     | 0.13       |
| Others (to be specified)                                                 |              |               |            |
| Investment Companies                                                     | 2            | 318,000       | 0.01       |
| Joint Stock Companies                                                    | 89           | 41,755,586    | 1.66       |
| Other Companies                                                          | 10           | 1,445,408     | 0.06       |
| Total                                                                    | 15,849       | 2,519,963,139 | 100.00     |

|                                         |          |                      |              |
|-----------------------------------------|----------|----------------------|--------------|
| <b>Shareholders holding 10% or more</b> | <b>2</b> | <b>2,070,576,237</b> | <b>82.17</b> |
|-----------------------------------------|----------|----------------------|--------------|

# PATTERN OF SHAREHOLDING - SUBSIDIARIES

As at December 31, 2024

## FFC Energy Limited

| Categories of Shareholders       | Shareholders | Shares Held        | Percentage    |
|----------------------------------|--------------|--------------------|---------------|
| Fauji Fertilizer Company Limited | 1            | 243,755,000        | 99.97         |
| Directors                        | 7            | 70,000             | 0.03          |
| <b>Totals:</b>                   | <b>8</b>     | <b>243,825,000</b> | <b>100.00</b> |

## Foundation Wind Energy - I Limited

| Categories of Shareholders       | Shareholders | Shares Held        | Percentage    |
|----------------------------------|--------------|--------------------|---------------|
| Fauji Fertilizer Company Limited | 1            | 350,249,489        | 100.00        |
| Directors                        | 6            | 6                  | 0.00          |
| <b>Totals:</b>                   | <b>7</b>     | <b>350,249,495</b> | <b>100.00</b> |

## Foundation Wind Energy - II Limited

| Categories of Shareholders         | Shareholders | Shares Held        | Percentage    |
|------------------------------------|--------------|--------------------|---------------|
| Fauji Fertilizer Company Limited   | 1            | 282,215,158        | 79.99         |
| Mr. Danish Tapal                   | 1            | 17,638,450         | 5.00          |
| <b>Directors/Sponsors</b>          |              |                    |               |
| Mr. Mustafa Tapal                  | 1            | 35,276,910         | 10.01         |
| Mr. Adnaan Tapal                   | 1            | 17,638,450         | 5.00          |
| <b>Directors</b>                   |              |                    |               |
| Mr. Jahangir Piracha               | 1            | 10                 | 0.00          |
| Syed Bakhtiyar Kazmi               | 1            | 1                  | 0.00          |
| Maj Gen Muhammad Ihsanullah (Retd) | 1            | 10                 | 0.00          |
| Maj Gen Tariq Qaddus (Retd)        | 1            | 10                 | 0.00          |
| Mr. Aziz Ikram                     | 1            | 10                 | 0.00          |
| Syed Atif Ali                      | 1            | 10                 | 0.00          |
| Mr. Muhammad Javed Akhtar Chaudhry | 1            | 1                  | 0.00          |
| <b>Totals:</b>                     | <b>11</b>    | <b>352,769,020</b> | <b>100.00</b> |

## Fauji Fresh n Freeze Limited

| Categories of Shareholders       | Shareholders | Shares Held          | Percentage    |
|----------------------------------|--------------|----------------------|---------------|
| Fauji Fertilizer Company Limited | 1            | 1,123,952,000        | 100.00        |
| Directors                        | 7            | 8,000                | 0.00          |
| <b>Totals:</b>                   | <b>8</b>     | <b>1,123,960,000</b> | <b>100.00</b> |

## OLIVE Technical Services (Private) Limited

| Categories of Shareholders       | Shareholders | Shares Held | Percentage |
|----------------------------------|--------------|-------------|------------|
| Fauji Fertilizer Company Limited | 1            | 20,000,040  | 100.00     |

## FFBL Power Company Limited

| Categories of Shareholders       | Shareholders | Shares Held        | Percentage    |
|----------------------------------|--------------|--------------------|---------------|
| Fauji Fertilizer Company Limited | 1            | 644,062,491        | 75.00         |
| Fauji Foundation                 | 1            | 214,687,500        | 25.00         |
| Directors                        | 9            | 9                  | 0.00          |
| <b>Totals:</b>                   | <b>11</b>    | <b>858,750,000</b> | <b>100.00</b> |

# NAVIGATING THROUGH THIS REPORT

This report aims to provide a comprehensive overview of the FFC Group across ten key domains, detailing the value generated through the optimal utilization of resources and capitals, outlining our robust business model, and articulating our strategies for sustainable value creation. Our governance framework and enterprise risk management system effectively address both internal and external factors, ensuring value creation, risk mitigation, and opportunity identification in alignment with our commitment to responsible and impact-driven CSR practices. The report presents a holistic breakdown of enterprise value, encompassing both financial and non-financial aspects, reinforced by key performance indicators (KPIs) referenced throughout. Additionally, we provide insights into forthcoming projects, strategic plans, and forward-looking statements, offering clarity on our anticipated business trajectory. For a systematic understanding of the report's structure, please refer to About Our Report (Page 4), GRI Content Index (Page 239), and SASB Content Index (Page 248).

| DOMAIN                                           | CONTENT ELEMENTS                                  |                                                                                        | PAGE            |
|--------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------|-----------------|
| Organizational Overview and External Environment | Vision and mission statements                     | Our inspiration for strategic planning                                                 | 02              |
|                                                  | Code of conduct                                   | Set of rules and beliefs that govern our decisions and behaviour                       | 16              |
|                                                  | Core values                                       |                                                                                        | 18              |
|                                                  | Policy statement of Ethics and Business Practices |                                                                                        | 19              |
|                                                  | Product portfolio                                 | Details of our operations and the environment we operate in                            | 10              |
|                                                  | Geographical presence                             |                                                                                        | 14              |
|                                                  | Company profile and group structure               |                                                                                        | 20,322          |
|                                                  | Organizational chart                              |                                                                                        | 24              |
|                                                  | Corporate Events                                  |                                                                                        | 25              |
|                                                  | Competitive landscape and market positioning      |                                                                                        | 29              |
| Governance                                       | Profile of the Board                              | The experiences and competence of our Board members                                    | 30              |
|                                                  | Board Committees                                  | Structure and TORs of our Board Committees                                             | 38-45           |
|                                                  | Management Committees                             | Structure of our Management Committees                                                 | 46              |
|                                                  | Corporate Governance                              | Our governance and control framework                                                   | 98-117, 188-191 |
| Business Model                                   | Value creation business model                     | Key components of our Business Model that make it possible to transform our resources  | 186             |
| Risks and Opportunities                          | SWOT analysis                                     | Analysis of the our strengths, weaknesses, opportunities and strengths                 | 47              |
|                                                  | Risk and opportunity report                       | Our response to specific risks and opportunities affecting our ability to create value | 90-97, 184-185  |
|                                                  | Key risks and opportunities                       |                                                                                        |                 |

| DOMAIN                                                                      | CONTENT ELEMENTS                   |                                                                                                                                        | PAGE                            |
|-----------------------------------------------------------------------------|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| Strategy and Resource Allocation                                            | Strategy and resource allocation   | Goals and breakdown of objectives                                                                                                      | 26,332-347                      |
|                                                                             | Financial Capital                  | Our financial resources                                                                                                                | 54-87,<br>325-356               |
|                                                                             | Manufactured Capital               | Our tangible inputs                                                                                                                    | 120-129,<br>193-204             |
|                                                                             | Intellectual Capital               | Our knowledge-based intangibles                                                                                                        | 130-133,<br>219-233             |
|                                                                             | Human Capital                      | Our people                                                                                                                             | 134-140,<br>205-218             |
| Performance and Position, Analysis of Financial / Non-financial Information | History of Major Events            | Timeline of our journey                                                                                                                | 22-23                           |
|                                                                             | Highlights 2024                    | Achievements during the year                                                                                                           | 09                              |
|                                                                             | Chairman's Review                  | Broad overview of where we stand and where we are headed                                                                               | 51,324                          |
|                                                                             | MD & CEO's Overview                | The key drivers of our success and incisive analysis of our business                                                                   | 53                              |
|                                                                             | Financial Capital                  | Our financial resources                                                                                                                | 54-87,<br>325-356               |
|                                                                             | Manufactured Capital               | Our tangible inputs                                                                                                                    | 120-129,<br>193-204             |
|                                                                             | Intellectual Capital               | Our knowledge-based intangibles<br>Disclosure on IT, Governance & Cyber Security                                                       | 130-133,<br>219-233,<br>132-133 |
|                                                                             | Human Capital                      | Our people                                                                                                                             | 134-140,<br>205-218             |
|                                                                             | Financial performance of the Group | Group's financial resources                                                                                                            | 322-356                         |
| Future Outlook                                                              | Forward Looking Statement          | Our future direction and how we are equipped in responding to the critical challenges and uncertainties that are likely to arise       | 53,<br>152-154,<br>234          |
|                                                                             |                                    | Global Fertilizer outlook                                                                                                              | 155                             |
| Stakeholders Relationship and Engagement                                    | Stakeholders' engagement           | How stakeholders' engagement affect our performance and value, and how those relationships are managed                                 | 116-119,<br>176-178             |
| FFC Group Financial Statements                                              | Standalone Financial Statements    | Financial performance of FFC and Group during the year                                                                                 | 242-319                         |
|                                                                             | Consolidated Financial Statements  |                                                                                                                                        | 362-458                         |
| Sustainability and Corporate Social Responsibility                          | Social and relationship Capital    | Our performance, policies, initiatives and plans relating to the various aspects of sustainability and corporate social responsibility | 142-150,<br>159                 |
|                                                                             | Sustainability Report              |                                                                                                                                        | 157-234                         |



# DEFINITIONS & GLOSSARY OF TERMS

## Definitions

### Profitability Ratios

Profitability Ratios are used to assess the Company's ability to generate profits in relation to its sales, assets and equity.

### Liquidity Ratios

Liquidity ratios determine the Company's ability to meet its short-term financial obligations.

### Activity / Turnover Ratios

Activity / Turnover ratios evaluate the operational efficiency of the Company to convert inventory & receivables into cash against time taken to pay creditors, measured in terms of revenue and cost of sales.

### Investment / Market Ratios

Investment ratios measure the capability of the Company to earn an adequate return for its shareholders. Market Ratios evaluate the current market price of a share versus an indicator of the company's ability to generate profits.

### Capital Structure Ratios

Capital Structure ratios provide an indication of the long term solvency of the Company and its cost of debt, in relation to equity and profits.

---

## Glossary of terms

---

| Term           | Description                                                      |
|----------------|------------------------------------------------------------------|
| Agri. Services | Agriculture Services provided by FFC's Marketing Team to farmers |
| AKBL           | Askari Bank Limited                                              |
| AMCON          | Annual Marketing Conference                                      |
| ATL            | Active Taxpayers List                                            |
| BCP            | Business Continuity Planning                                     |
| BI&T           | Banking Industries and Trading                                   |
| CAER           | Community Awareness and Emergency Response                       |
| CBA            | Collective Bargaining Agent                                      |
| CCG            | Code of Corporate Governance                                     |
| CCP            | Competition Commission of Pakistan                               |
| CFA            | Certified Financial Analyst                                      |
| CFO            | Chief Financial Officer                                          |
| CITA           | Continuous Improvement in Technological Advancements             |
| CNIC           | Computerized National Identity Card                              |
| COD            | Commercial Operation Date                                        |

# DEFINITIONS & GLOSSARY OF TERMS

| Term                    | Description                                                                                                                                                                                                                          |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CPEC                    | China-Pakistan Economic Corridor                                                                                                                                                                                                     |
| CSR                     | Corporate Social Responsibility                                                                                                                                                                                                      |
| Current Ratio           | A liquidity ratio that measures a company's ability to pay short-term and long-term obligations by considering the current total assets of a company (both liquid and illiquid) relative to that company's current total liabilities |
| DAP                     | Di-Ammonium Phosphate                                                                                                                                                                                                                |
| DCS                     | Distribution Control System                                                                                                                                                                                                          |
| De-Bottle Necking (DBN) | Process of optimizing existing plant and equipment to enhance overall capacity by improving specific areas that limit production                                                                                                     |
| DPS                     | Dividend Per Share                                                                                                                                                                                                                   |
| DRS                     | Disaster Recovery Site                                                                                                                                                                                                               |
| E-DOX                   | Software for document imaging and workflow management                                                                                                                                                                                |
| EEF                     | Enhanced Efficiency Fertilizers                                                                                                                                                                                                      |
| EPC                     | Engineering, Procurement and Construction                                                                                                                                                                                            |
| EPS                     | Earnings Per Share                                                                                                                                                                                                                   |
| ERM                     | Enterprise risk management                                                                                                                                                                                                           |
| ESG                     | Environment, Social and Governance                                                                                                                                                                                                   |
| FAC                     | Farm Advisory Centres                                                                                                                                                                                                                |
| FACE                    | Food & Agriculture Center of Excellence                                                                                                                                                                                              |
| FCCL                    | Fauji Cement Company Limited; an associated company of FFC                                                                                                                                                                           |
| FFBL                    | Fauji Fertilizer Bin Qasim Limited; an associated company of FFC                                                                                                                                                                     |
| FFC                     | Fauji Fertilizer Company Limited                                                                                                                                                                                                     |
| FFCEL                   | FFC Energy Limited; a wholly owned subsidiary of FFC                                                                                                                                                                                 |
| FFF                     | Fauji Fresh n Freeze Limited; a wholly owned subsidiary of FFC                                                                                                                                                                       |
| FMPAC                   | Fertilizer Manufacturers of Pakistan Advisory Council                                                                                                                                                                                |
| FPCCI                   | Federation of Pakistan Chamber of Commerce and Industries                                                                                                                                                                            |
| FWEL - I                | Foundation Wind Energy - I Limited                                                                                                                                                                                                   |
| FWEL - II               | Foundation Wind Energy - II Limited                                                                                                                                                                                                  |
| Gearing                 | The level of a company's debt related to its equity capital. It is a measure of a company's financial leverage and shows the extent to which its operations are funded by lenders versus shareholders.                               |

| <b>Term</b>              | <b>Description</b>                                                                                                                                                                    |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GHG                      | Green House Gases                                                                                                                                                                     |
| GIDC                     | Gas Infrastructure Development Cess                                                                                                                                                   |
| GM                       | Goth Machhi                                                                                                                                                                           |
| Going concern assumption | An accounting assumption that an entity will remain in business for the foreseeable future.                                                                                           |
| GRI                      | Global Reporting Initiative                                                                                                                                                           |
| GWh                      | Giga Watt hours                                                                                                                                                                       |
| HI (M)                   | Hilal-e-Imtiaz (Military)                                                                                                                                                             |
| HAZOP                    | Hazard and Operability                                                                                                                                                                |
| HIRADC                   | Hazard Identification Risk Assessment and Determining Control                                                                                                                         |
| HORC                     | Hazard Observation and Review Committee                                                                                                                                               |
| HR&R                     | Human Resource and Remuneration                                                                                                                                                       |
| HSEQ                     | Health, Safety, Environment and Quality                                                                                                                                               |
| IBAN                     | International Bank Account Number                                                                                                                                                     |
| ICAP                     | Institute of Chartered Accountants of Pakistan                                                                                                                                        |
| ICAP / ICMAP BCR Award   | Institute of Chartered Accountants of Pakistan/Institute of Cost and Management Accountants of Pakistan Best Corporate Report Award                                                   |
| ICMAP                    | Institute of Cost and Management Accountants of Pakistan                                                                                                                              |
| IFA                      | International Fertilizer Industry Association                                                                                                                                         |
| IFRSs                    | International Financial Reporting Standards                                                                                                                                           |
| Interest Cover           | A financial ratio that measures a company's ability to make interest payments on its debt in a timely manner.                                                                         |
| IQF                      | Individually Quick Frozen; A food preservation technology that freezes each individual piece of food thus retaining its nutritional value while keeping pieces from clumping together |
| ISMS                     | Information System Security Management                                                                                                                                                |
| ITIL                     | Information Technology Infrastructure Library                                                                                                                                         |
| KIBOR                    | Karachi Inter-Bank Offer Rate, periodically announced by the State Bank of Pakistan                                                                                                   |
| LNG                      | Liquified Natural Gas                                                                                                                                                                 |
| Management Letter        | Letter written by auditors to directors of the company, communicating material issues, concerns and suggestions noted during the audit.                                               |

# DEFINITIONS & GLOSSARY OF TERMS

| Term      | Description                                                                                                                                             |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| M&O       | Manufacturing and Operations                                                                                                                            |
| MAP       | Management Association of Pakistan                                                                                                                      |
| MD&CEO    | Managing Director and Chief Executive Officer                                                                                                           |
| MMSCF     | Million Standard Cubic Feet                                                                                                                             |
| MOIPI     | Maintenance of Industrial Peace Initiatives                                                                                                             |
| MOP       | Muriate of Potash                                                                                                                                       |
| MW        | Mega Watt                                                                                                                                               |
| NDMA      | National Disaster Management Authority of Pakistan                                                                                                      |
| NEQS      | National Environmental Quality Standards                                                                                                                |
| Net worth | Net worth is the amount by which assets exceed liabilities (Equity)                                                                                     |
| NFDC      | National Fertilizer Development Centre, Pakistan                                                                                                        |
| NGO       | Non-Government Organization                                                                                                                             |
| NIT       | National Investment Trust Limited                                                                                                                       |
| NTDC      | National Transmission & Despatch Company, Pakistan                                                                                                      |
| NTN       | National Tax Number                                                                                                                                     |
| NUST      | National University of Science and Technology                                                                                                           |
| OHSAS     | Occupational Health and Safety Assessment Series, is an internationally applied British Standard for occupational health and safety management systems. |
| PACRA     | Pakistan Credit Rating Agency                                                                                                                           |
| PEF       | Pressure enhancement facility                                                                                                                           |
| PIBs      | Pakistan Investment Bonds                                                                                                                               |
| PICG      | Pakistan institute of Corporate governance                                                                                                              |
| PIDE      | Pakistan Institute of Development Economics                                                                                                             |
| PMP       | Pakistan Maroc Phosphore S.A, Morocco                                                                                                                   |
| PSFL      | Ex-Pak Saudi Fertilizer Limited                                                                                                                         |
| PSX       | Pakistan Stock Exchange                                                                                                                                 |
| RCCI      | Rawalpindi Chamber of Commerce and Industries                                                                                                           |
| RLNG      | Regasified Liquefied Natural Gas                                                                                                                        |
| ROE       | Return On Equity-It measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested   |

| <b>Term</b>    | <b>Description</b>                                                                                                                                                                                                                                                             |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ROIC           | Return on Invested Capital                                                                                                                                                                                                                                                     |
| SAARC          | South Asian Association for Regional Cooperation                                                                                                                                                                                                                               |
| SAFA           | South Asian Federation of Accountants                                                                                                                                                                                                                                          |
| SAN            | Storage Area Network                                                                                                                                                                                                                                                           |
| SAP-ERP        | An enterprise resource planning software developed by the German company SAP SE and used by FFC to manage business, operations and customer relations.                                                                                                                         |
| SASB           | Standard of the Sustainability Accounting Standard Board                                                                                                                                                                                                                       |
| SDG            | Sustainable Development Goals                                                                                                                                                                                                                                                  |
| SECP           | Securities & Exchange Commission of Pakistan                                                                                                                                                                                                                                   |
| SI (M)         | Sitara-e-Imtiaz (Military)                                                                                                                                                                                                                                                     |
| SNG            | Synthetic Natural Gas                                                                                                                                                                                                                                                          |
| SOC            | Safe Operation                                                                                                                                                                                                                                                                 |
| SOP            | Sulphate of Potash                                                                                                                                                                                                                                                             |
| Super Tax      | An additional tax imposed through Section 4C of the Income Tax Ordinance 2001 on certain high-earning persons for the tax year 2022 and onwards                                                                                                                                |
| Tariff True-up | Adjustment by National Electric Power Regulatory Authority of reference tariff FFCEL can charge for delivery of electricity to NTDC after commencement of commercial operations                                                                                                |
| TCP            | Trading Corporation of Pakistan                                                                                                                                                                                                                                                |
| TEL            | Thar Energy Limited                                                                                                                                                                                                                                                            |
| TSR            | Overall return on investment, including stock price changes and dividend                                                                                                                                                                                                       |
| UK             | United Kingdom                                                                                                                                                                                                                                                                 |
| UNGC           | United National Global Compact-The world's largest corporate sustainability initiative that asks companies to align strategies and operations with universal principles on human rights, labour, environment and anti-corruption, and take actions that advance societal goals |
| USA            | United States of America                                                                                                                                                                                                                                                       |
| VHT            | Vapor Heat Treatment                                                                                                                                                                                                                                                           |
| VMV            | Vision Mission Value                                                                                                                                                                                                                                                           |
| WPPF           | Workers' Profit Participation Fund                                                                                                                                                                                                                                             |
| WWF            | Workers' Welfare Fund                                                                                                                                                                                                                                                          |



نوی فوڈز لیٹڈ

| سبسائیڈیڈ | سبسائیڈیڈ     | سبسائیڈیڈ | سبسائیڈیڈ                                                    |
|-----------|---------------|-----------|--------------------------------------------------------------|
| 0.01      | 270,009       | 11        | ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی شریک حیات اور بھونے بچے |
| 84.84     | 2,137,948,153 | 4         | شریک کمپنیاں، قرارداد سے اور حصہ دار حتمی (تیار کی گئی)      |
| 0.01      | 258,300       | 2         | این آئی او آئی سی پی                                         |
| 0.16      | 4,045,784     | 2         | ویکٹر قومی مالیاتی ادارے، غیر بینکاری مالیاتی ادارے          |
| 0.12      | 3,007,678     | 5         | بیس کمپنیاں                                                  |
| 0.34      | 8,863,181     | 10        | عامر کمپنیاں اور سب مل گئے                                   |
|           |               |           | مقامی ادارے                                                  |
| 12.88     | 318,958,363   | 15,709    | مقامی                                                        |
| 0.13      | 3,294,679     | 9         | غیر ملکی                                                     |
|           |               |           | ایک (مجموعی)                                                 |
| 0.013     | 318,000       | 2         | انٹرنیشنل کمپنیاں                                            |
| 1.66      | 41,755,586    | 89        | جو ایکسٹرا سٹاک کمپنیاں                                      |
| 0.057     | 1,445,408     | 10        | دیگر کمپنیاں                                                 |
| 100.00    | 2,519,953,139 | 15,849    | کل                                                           |

|       |              |   |                      |
|-------|--------------|---|----------------------|
| 22.17 | 5,070,570,23 | 2 | ایکسٹرا سٹاک کمپنیاں |
|-------|--------------|---|----------------------|

# پیٹرن آف شیئر ہولڈنگ - سبسائیڈریز

۳۱ دسمبر ۲۰۲۲

## ایف ایف سی انٹرنی لیٹڈ

| سبسائیڈریز کا نام             | حصص یافتگان | تقدیرتیں    | نمبر   |
|-------------------------------|-------------|-------------|--------|
| فونی فریڈ انڈیا پرائیویٹ لیٹڈ | 1           | 243,755,000 | 99.97  |
| انڈیکسز                       | 7           | 70,000      | 0.03   |
| کل                            | 8           | 243,825,000 | 100.00 |

## فادو ٹیکن وڈ انٹرنی لیٹڈ-I

| سبسائیڈریز کا نام             | حصص یافتگان | تقدیرتیں    | نمبر   |
|-------------------------------|-------------|-------------|--------|
| فونی فریڈ انڈیا پرائیویٹ لیٹڈ | 1           | 350,249,489 | 100.00 |
| انڈیکسز                       | 6           | 6           | 0.00   |
| کل                            | 7           | 350,249,495 | 100.00 |

## فادو ٹیکن وڈ انٹرنی لیٹڈ-II

| سبسائیڈریز کا نام             | حصص یافتگان | تقدیرتیں    | نمبر  |
|-------------------------------|-------------|-------------|-------|
| فونی فریڈ انڈیا پرائیویٹ لیٹڈ | 2           | 282,210,168 | 79.98 |
| پائلنڈیاں                     | 1           | 17,638,450  | 5.00  |
| انڈیکسز (پائلنڈیاں)           | 1           | 35,276,910  | 10.01 |
| مستقل پائلنڈیاں               | 1           | 17,638,450  | 5.00  |
| جوائنٹ پائلنڈیاں              | 1           | 10          | 0.00  |
| جوائنٹ پائلنڈیاں              | 1           | 1           | 0.00  |
| نیمبر پائلنڈیاں (پائلنڈیاں)   | 1           | 10          | 0.00  |
| نیمبر پائلنڈیاں (پائلنڈیاں)   | 1           | 10          | 0.00  |
| موجہ پائلنڈیاں                | 1           | 10          | 0.00  |
| سیدھا پائلنڈیاں               | 1           | 10          | 0.00  |
| موجہ پائلنڈیاں                | 1           | 1           | 0.00  |
| کل                            | 11          | 352,769,020 | 100   |

## فونی فریڈ اینڈ انڈیا پرائیویٹ لیٹڈ

| سبسائیڈریز کا نام             | حصص یافتگان | تقدیرتیں      | نمبر   |
|-------------------------------|-------------|---------------|--------|
| فونی فریڈ انڈیا پرائیویٹ لیٹڈ | 1           | 1,123,952,000 | 100.00 |
| انڈیکسز                       | 7           | 6,000         | 0.00   |
| کل                            | 8           | 1,123,958,000 | 100.00 |

## اولیو ٹیکنیکل سرویسز (پرائیویٹ) لیٹڈ

| سبسائیڈریز کا نام             | حصص یافتگان | تقدیرتیں   | نمبر   |
|-------------------------------|-------------|------------|--------|
| فونی فریڈ انڈیا پرائیویٹ لیٹڈ | 1           | 20,000,040 | 100.00 |
| کل                            | 1           | 20,000,040 | 100.00 |

## ایف ایف سی ایف ایل پاور سسٹمز لیٹڈ

| سبسائیڈریز کا نام             | حصص یافتگان | تقدیرتیں    | نمبر   |
|-------------------------------|-------------|-------------|--------|
| فونی فریڈ انڈیا پرائیویٹ لیٹڈ | 1           | 644,062,491 | 75.00  |
| فونی فریڈ انڈیا پرائیویٹ لیٹڈ | 1           | 214,667,500 | 25.00  |
| انڈیکسز                       | 9           | 9           | 0.00   |
| کل                            | 11          | 858,750,000 | 100.00 |

| نمبر   | تعداد         | تعداد  | تعداد                                             |
|--------|---------------|--------|---------------------------------------------------|
| 0.00   | 88,763        | 1      | سی ای سی - سڑکیں اور سڑکیں کی تعمیر و مرمت کے لیے |
| 0.01   | 75,000        | 1      | سی ای سی - سڑکیں کی تعمیر و مرمت کے لیے           |
| 0.03   | 496,376       | 1      | سی ای سی - سڑکیں کی تعمیر و مرمت کے لیے           |
| 0.01   | 145,500       | 1      | سی ای سی - سڑکیں کی تعمیر و مرمت کے لیے           |
|        |               |        |                                                   |
| 25.06  | 356,583,277   | 28,111 | سی ای سی - سڑکیں کی تعمیر و مرمت کے لیے           |
| 0.32   | 4,594,962     | 583    | سی ای سی - سڑکیں کی تعمیر و مرمت کے لیے           |
| 2.38   | 34,008,302    | 47     | سی ای سی - سڑکیں کی تعمیر و مرمت کے لیے           |
| 5.57   | 79,254,588    | 400    | سی ای سی - سڑکیں کی تعمیر و مرمت کے لیے           |
| 100.00 | 1,423,108,894 | 28,400 | سی ای سی - سڑکیں کی تعمیر و مرمت کے لیے           |

| نمبر  | تعداد       | تعداد | تعداد                                   |
|-------|-------------|-------|-----------------------------------------|
| 43.51 | 619,253,529 | 1     | سی ای سی - سڑکیں کی تعمیر و مرمت کے لیے |

#### ماتحتی کیلکولر

کیلکولر کے ماتحتی سال کی مدت کو 31 دسمبر تک ہے۔

کیلکولر کے ماتحتی سال کا اعلان مندرجہ ذیل مابین کے مطابق کیا جائے گا:

ماتحتی سال

31 مارچ 2025 کو ختم ہونے والی مالی سال:

30 جون 2025 کو ختم ہونے والی مالی سال:

30 ستمبر 2025 کو ختم ہونے والی مالی سال:

ماتحتی سال 31 دسمبر 2025

31 مارچ 2025

آخری ماتحتی سال 2025

آخری ماتحتی سال 2025

آخری ماتحتی سال 2025

آخری ماتحتی سال 2026

۳۱ دسمبر ۲۰۲۲

| نمبر | مقدار      | نوع | توضیحات                                 |
|------|------------|-----|-----------------------------------------|
| 0.02 | 334,282    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 20,580     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 2,796      | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.02 | 235,276    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.01 | 165,362    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.01 | 170,163    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.06 | 637,091    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 8,500      | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 11,806     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.06 | 924,193    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.02 | 291,350    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.12 | 1,661,125  | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.07 | 981,048    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.05 | 667,539    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.06 | 848,438    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.01 | 211,038    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.02 | 242,768    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 20,000     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 22,350     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.01 | 116,563    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 15,000     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.01 | 135,641    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.01 | 96,794     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.04 | 620,979    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.04 | 579,936    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.79 | 11,279,477 | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.03 | 407,928    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 4,862      | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 32,300     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.07 | 982,117    | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 43,801     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 35,500     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 24,465     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 2,840      | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 39,846     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 46,620     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.01 | 94,452     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.01 | 66,247     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 55,000     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 34,278     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 30,555     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 17,948     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |
| 0.00 | 35,721     | 1   | سی ڈی سی - سٹرلٹاے پی ایچ-1 کھڑکی سب کھ |



# پیٹرن آف شیئر ہولڈنگ FFC

۲۰۲۳ ستمبر

| حصص یافتہ | تعداد       | حصص یافتہ | حصص یافتہ |
|-----------|-------------|-----------|-----------|
| سعودی فنڈ |             |           |           |
| سعودی فنڈ | 8,945,913   | 1         |           |
| سعودی فنڈ |             |           |           |
| سعودی فنڈ | 500         | 1         |           |
| سعودی فنڈ | 100         | 1         |           |
| سعودی فنڈ | 650,000     | 1         |           |
| سعودی فنڈ | 8,000       | 1         |           |
| سعودی فنڈ | 100         | 1         |           |
| سعودی فنڈ | 1,600,000   | 1         |           |
| سعودی فنڈ | 1,600       | 1         |           |
| سعودی فنڈ | 1,600,000   | 2         |           |
| سعودی فنڈ | 118,263,529 | 9         |           |
| سعودی فنڈ | 227,267     | 26        |           |
| سعودی فنڈ | 116,808,881 | 13        |           |
| سعودی فنڈ | 116         | 5         |           |
| سعودی فنڈ | 128,417,544 | 100       |           |
| سعودی فنڈ |             |           |           |
| سعودی فنڈ | 2,000       | 1         |           |
| سعودی فنڈ | 670,000     | 1         |           |
| سعودی فنڈ | 266,832     | 1         |           |
| سعودی فنڈ | 517,727     | 1         |           |
| سعودی فنڈ | 662,920     | 1         |           |
| سعودی فنڈ | 230,769     | 1         |           |
| سعودی فنڈ | 5,956,465   | 1         |           |
| سعودی فنڈ | 106,759     | 1         |           |
| سعودی فنڈ | 1,060       | 1         |           |
| سعودی فنڈ | 41,059      | 1         |           |
| سعودی فنڈ | 318,232     | 1         |           |
| سعودی فنڈ | 264,840     | 1         |           |
| سعودی فنڈ | 102,361     | 1         |           |
| سعودی فنڈ | 1,234,857   | 1         |           |
| سعودی فنڈ | 1,300       | 1         |           |
| سعودی فنڈ | 4,933,599   | 1         |           |
| سعودی فنڈ | 1,143,889   | 1         |           |
| سعودی فنڈ | 3,921,420   | 1         |           |
| سعودی فنڈ | 8,490,958   | 1         |           |
| سعودی فنڈ | 327,731     | 1         |           |
| سعودی فنڈ | 94,226      | 1         |           |



پراسی قارم

47 وال سالانہ عمومی اجلاس

میں اہم۔  
 فوجی فریڈا کرکینی لیجنڈ اور حامل عام حصص۔ محترم احترام۔ یا ان کے حاضر نہ ہونے کی صورت میں۔  
 کو اپنے اہلکارے ایماء پر کینی کے بروز منگل 25 مارچ 2025 کو ہونے والے 47 واں سالانہ عمومی اجلاس میں شرکت کرنے، حق رائے دی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا ہمارا بطور نمائندہ (پاکسی) مقرر کرنا کرتے ہیں۔

بظہور گواہ آج بتاریخ۔۔۔ دن۔۔۔ مارچ 2025 میرے اہلکارے دستخط ہوئے

.....

\_\_\_\_\_ کی موجودگی میں

پچاس روپے کے رسیدی ٹکٹ پر دستخط

اس دھنچکا کا کہنی کے ساتھ رجسٹرڈ دھنچکا کے نمونے سے مشابہت ہونا لازمی ہے

|                      |                   |            |
|----------------------|-------------------|------------|
| سی ڈی سی اکاؤنٹ نمبر |                   | فولیو نمبر |
| اکاؤنٹ نمبر          | شرکت دار کی شناخت |            |
|                      |                   |            |

اہم نکات:

- 1- ہر لحاظ سے مکمل اور محفوظ شدہ یہ قلم اجلاس سے کم از کم 48 گھنٹے قبل کچنی کے رجسٹرڈ آفس 156 دی مال راولپنڈی میں موصول ہونا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زائد پر کسی ناخرد کرتا ہے تو اس صورت میں تمام انسٹرومنٹ آف پراسی کی کا عدم قرار دے جائیں گے۔
- 3- سی ڈی سی اکاؤنٹ رکھنے والے ا کارپوریٹ ادارے کے لیے مزید برآں درج ذیل شرائط کو پورا کیا جائے گا۔
- (i) پراسی فارم کے حوالہ دکان کے شناختی کارڈ یا سپورٹ کی تصدیق شدہ نقل بھی دی جائیں گی۔
- (ii) پراسی کو اپنے اصل شناختی کارڈ یا سپورٹ میٹنگ کے وقت دکھانا ہوگا۔
- (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اور آف انٹرنی مع دخل کے نمونے (اگر پہلے جمع نہ کر لیا ہو) کچنی میں پراسی فارم کے ساتھ جمع کرانی ہوگی۔









## 525



دوران سال، FFC نے انگریز ٹیپ نمبر 10.96 ارب روپے کی سرمایہ کاری کی، جس میں سے 4.9 ارب روپے 28.86 لاکھ عام حصص کرنے پر خرچ کیے گئے۔

انگریز ٹیپ نمبر 2024 میں کماد کی پیداوار میں اضافے کے شاندار امکانات ظاہر کیے ہیں کیونکہ اس کے کماد کمپلیکس کو تیس کی فراہمی میں بہتری آئی ہے۔ اکتوبر سے دسمبر 2022 کے دوران، کمپنی نے 1.7 ارب روپے کا منافع کمایا (تعلیم کو کے فائدے علاوہ)، جو گزشتہ برس کی اسی مدت کے دوران 0.93 ارب روپے تھا۔ یہ منافع تیس کی (فائدہ دہائی) کے باعث تھا جو کہ پیداوار اور فروخت میں اضافے کا سبب بنا۔

مستقبل میں AGL کی جانب سے اعلیٰ معیار کی کمادوں کی درآمد کی قیمتوں پر فراہمی کے ذریعے گراپ کی مجموعی پیداواری صلاحیت اور مارکیٹ شیئر میں بہتری کی توقع ہے۔

### واقعات (Subsequent Events)

FFC کے بورڈ آف ایگزیکٹوز نے 29 جنوری 2025 کو مشفقہ اجلاس میں اپنے صدر ارمان کے لیے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے 21 روپے فی حصہ (210 لاکھ) حتمی منافع مجسمہ کی سفارش کی ہے۔ اس طرح سال کے لیے مجموعی ادائیگی (Payout) 34.86 روپے فی حصہ ہوگی جو کہ 76.63 لاکھ Payout بنتی ہے۔ اس رپورٹ کے مکمل ہونے کی تاریخ تحدید ملنے کوئی قابل قدر تیز رفتاری جو کہ گراپ کی مالی حیثیت پر اثر انداز ہو سکے۔

TEL کو سال 2018 میں ایک غیر مندرجہ پبلک کمپنی کے طور پر قائم کیا گیا تھا۔ اس کی بنیادی سرگرمی 330MW کے کوئٹے سے چلنے والے Power Plant کی تعمیر، ملکیت، چلاؤ اور برقرار رکھنا ہے جو کہ قریب ایک مقررہول ہائڈرو پاور پراجیکٹ قائم کیا گیا ہے۔ یہ پراجیکٹ CPEC کے تحت قائم کیا جا رہا ہے اور اس میں HUB China Power Company Limited Machinery Engineering Corporation کی شراکت داری ہے۔ TEL نے تھمائی سرگرمیوں اور آمدن کے حصول کا آغاز اکتوبر 2022 سے کرنا تھا۔ FFC اس منصوبے میں 30 لاکھ روپے کی مالک ہے جس کی مالیت 5.99 ارب روپے ہے۔ 30 دسمبر 2024 کو ختم ہونے والے سال کے لیے TEL نے 7.5 ارب روپے کا خالص منافع رپورٹ کیا، جو گزشتہ سال 9 ارب روپے تھا۔ اس کی بنیادی وجہ پچھلے عرصے کی ایڈجسٹمنٹ ہے، جو TEL کی جانب سے تاخیر سے ادائیگی سرمایہ کار کے (کاؤنٹر فٹمنٹ سے متعلق)۔

انگریز ٹیپ نمبر 15 دسمبر 1959 کو غیر مندرجہ پبلک ایجنسی کمپنی AGL پاکستان میں 1959 کو غیر مندرجہ پبلک ایجنسی کمپنی کے طور پر رجسٹرڈ ایکٹ 1913 (ایکٹیز ایکٹ 2012) کے تحت قائم ہوئی اور 2006 میں حکومت نے اسے پرائیویٹائز کر دیا تھا، پاکستان اسٹاک ایکسچینج پر مندرجہ، AGL بنیادی طور پر پیرا اور سنگل پیر فاسیلیٹ (SSP) کمادوں کی تجارتی اور فروخت میں مصروف ہے۔ اس کے پیداواری پلانٹس میں 433 ٹھکانے کا ایک جوڑ پلانٹ اور 81 ٹھکانے کا ایک SSP پلانٹ شامل ہیں، جو جو درجہ اولیہ درجہ مقامات پر واقع ہیں۔

پرنسٹن اسکند آباد، ضلع میانوالی

ایف سی اے اعداد و شمار، برقی پور

FCCL نے پچھلے تینوں ادواروں پر آمدنی فروخت، اور لاگت میں کمی کی سخت عملیوں کے واسطے پرمختری حاصل کی۔ پچھلے مدت کے دوران کمپنی نے 8.8 ارب روپے کا خالص منافع کمایا جو پچھلے سال کے 7.7 ارب روپے کے مقابلے میں 14 لاکھ اضافہ ہے۔

ایف سی اے اعداد و شمار، برقی پور PMP 2004 میں مراکش میں ایک پرائیویٹ کمپنی کے طور پر قائم کیا گیا تھا۔ یہ FFC کے 12.5 لاکھ، افیو Foundation کے 12.5 لاکھ، FFBL کے 25 لاکھ اور مراکش کی حکومت کی ملکیت Office Cherifien Des Phosphates کے 50 لاکھ حصے کے ساتھ ایک مشترکہ خصوصیت (Joint Venture) ہے۔ کمپنی نے اپنے کاروبار کا آغاز 2008 میں کیا اور یہ فاسفورک ایٹم، کماد اور دیگر مصنوعات کی تجارتی اور فروخت کے کاروبار میں مصروف ہے۔ انعام کے نتیجے میں، FFC کی سرمایہ کاری گزشتہ برس کے 12.5 لاکھ کے مقابلے میں 37.5 لاکھ ہو گئی ہے۔

اس کا پرنسٹن جرف لاسٹر مراکش میں واقع ہے اور اس کی سالانہ پیداواری صلاحیت 375 ہزار ٹن مصنوعی فاسفورک ایٹم ہے جو کہ بنیادی طور پر FFBL کو DAP کی پیداوار کے لیے بطور خام مال پیدا کی جاتی ہے جبکہ اندر پیداوار کو بین الاقوامی منڈی میں فروخت کیا جاتا ہے۔

پچھلے مدت کے دوران PMP نے 15 ارب روپے کا منافع ریکارڈ کیا، اس کے فاسفورک ایٹم پلانٹ کی استعداد میں اضافے کا پراجیکٹ، جس سے پیداوار میں 50 ہزار ٹن سالانہ اضافے کی امید ہے، جس کی تکمیل بجٹ کے اندر ہی 2025 میں متوقع ہے۔

Fahim, Panchan

ایف سی اے اعداد و شمار، برقی پور

ایف سی اے اعداد و شمار، برقی پور

ایف سی اے اعداد و شمار، برقی پور

2025، 14 مئی

Anwar Ali Hayer

ایف سی اے اعداد و شمار، برقی پور

ایف سی اے اعداد و شمار، برقی پور

# گروپ کی مالیاتی کارکردگی

کھٹی کے آؤڈیٹڈ 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے OLIVE کے مالیاتی گوشواروں پر اپنی رائے بغیر کسی تحفظات کے دی گئی ہے۔

## اولیٰ سال 2024

فوجی فورڈ لیونڈ 26 ستمبر 1988 کو پاکستان میں ایک پبلک لیونڈ کھٹی کے طور پر رجسٹرڈ ایکٹ 2017 کے تحت قائم کیا گیا، اور اس کے حصص پاکستان اسٹاک ایکسچینج پر مندرجہ ہیں۔ پہلے یہ کھٹی فوجی فریڈائزرز میں قائم لیونڈ (FFBL) کی فوجی کھٹی کے طور پر کام کر رہی تھی، لیکن FFBL کے FFCL میں انضمام کے بعد، جو کچھ جوڑائی 2024 سے ہو رہی ہے، اس کے منسلک زمرے میں تبدیل ہو گئی۔ نتیجتاً، FFBL اور FFCL 47.84 لیونڈ کھٹی حصص FFCL کو پھٹی کر دیا گیا۔

علاوہ ازیں، FFCL اپنے مالی منسلک زمرے کی ادارت سے FFCL کے ذریعے FFCL میں 18.45 لیونڈ اور اپنے 75 لیونڈ منسلک زمرے کی ادارت سے FFCL کے ذریعے 11.9 لیونڈ ادارت سے کھٹی شیئرز بھی رکھتا ہے۔ اس طرح، FFCL کی FFCL میں کل انکریٹس لب 78.19 لیونڈ ہو گئی ہے۔

FFCL بنیادی طور پر فوجی فورڈ لیونڈ اور فوجی فورڈ لیونڈ کے ذریعے اور غذائی مصنوعات کی پروڈکٹس، اور فروخت میں مصروف ہے۔ اس کے برادر پورٹ فولیو میں "اس آؤڈیٹ پر" شامل ہے، جو اعلیٰ معیار کی اداری مصنوعات فروخت کرتا ہے، اور ایک معروف ٹی کریمر برانڈ، "مڈوٹی" بھی شامل ہے۔ اس کا بیورو اداری پلانٹ بحال، منسلک سرگودھا میں واقع ہے۔

دوران سال 2024 کے فوجی سیرینج اور فوجی انفراسٹرکچر فورڈ لیونڈ کو حاصل کر کے اپنی مصنوعات کی رفتار اور مارکیٹ تک رسائی کو مزید وسعت دی۔ بلند افراط زر، زیادہ خرچہ اور ایک شدید ڈیپریسی ایشن لی کے تقاریر جیسے منکرو آؤٹسکپنگ کے باوجود، FFCL نے منظم قوتی کارخانہ برقرار رکھا۔ اس نے 23.4 ادب روپے کی آمدن حاصل کی، جو پچھلے سال کے مقابلے میں 21 لیونڈ زیادہ ہے، اور آرگٹ کو کم کرنے کے لیے کئے اقدامات کے نتیجے میں عام نتائج 45 لیونڈ اضافے کے 3.7 ادب روپے رہا۔ نتیجتاً، کھٹی کا خالص نتائج 8 لیونڈ اضافے کے ساتھ 656 ملین روپے ہو گیا۔

FFCL اپنا درآمدی منافع بنیادی طور پر فوجی فورڈ لیونڈ میں وسعت، آرگٹ میں کمی اور خریداریاتی شرائط اداری کے ذریعے کسانوں کے لیے دھان کی فروخت فراہمی کو یقینی بنانے کے لیے آؤڈیٹ کے متبادل ذرائع کو مل دیا ہے۔ مسابقتی پھلینگز کو کمائیابی سے عبور کرنے کے بعد، کھٹی اب سے نتائج حاصل کرنے اور حصہ داران کو اصل قدر نتائج فراہم کرنے کے لیے پھلینز بن پڑھتی ہیں۔

کھٹی کے آؤڈیٹڈ 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے FFCL کے مالیاتی گوشواروں پر اپنی رائے بغیر کسی تحفظات کے دی گئی ہے۔

## دوسرا سال 2024

FFCL کو گھٹے سے پہلے 11 سال 11 سب سے پہلے کا منصوبہ ہے، جو بنیادی طور پر لیونڈ ایکٹس کے اندر واقع ہے۔ یہ منصوبہ پاکستان کے توانائی بحران کو حل کرنے کے لیے لپٹاؤں کیا گیا ہے اور۔ کے۔ ایکٹس کے گذارے فوجی فورڈ لیونڈ (FFBL) کو آرگٹ کی فراہم کرتا ہے، جبکہ فوجی کھٹی کی پخت کرتے ہوئے FFCL کے بنیادی فریڈائزرز پلانٹ (سابقہ FFBL فریڈائزر پلانٹ) کو بھی فراہم کرتا ہے، جو پہلے فوجی کھٹی کے ذریعے چلایا جاتا تھا۔

FFCL نے 19 مئی 2017 کو کمرشل آپریشنز کا آغاز (COD) کیا تھا، اس پراجیکٹ پر کل اگست تقریباً 291 ملین امریکی ڈالروں کی پراجیکٹ کی Equity-to-Debt کی شرائط 2872 تھی FFBL کے FFCL میں انضمام کے بعد، جو گیم جولائی 2024 سے ہو رہی ہے، FFCL میں FFBL کی 75 لیونڈ حصص "اسی" FFCL کو پھٹی ہو گئی FFCL کے ذریعے پیدا ہونے والی کل FFCL کے بنیادی فریڈائزر پلانٹ میں اشتغال ہوتی ہے اور کے۔ ایکٹس کو برآمد بھی کی جاتی ہے۔

اس سال FFCL نے 32 ادب روپے کی آمدنی حاصل کی، جو گزشتہ سال کے مقابلے میں 10 لیونڈ زیادہ ہے، جس کی بڑی وجہ توانائی کی زیادہ پیداوار تھی جس میں 2.4 ادب روپے کے انکریٹس گھٹے شامل ہیں۔ سال کے لیے خالص نتائج 7 ادب روپے تک جا پہنچا، جو گزشتہ سال کے 4 ادب روپے کے منافع کے مقابلے میں 88 لیونڈ زیادہ ہے۔ FFCL نے اپنے تمام طویل المدتی قرضوں کی ادائیگی بھی وقت سے پہلے مکمل کر لی۔

عملی طور پر، FFCL نے FFCL کے بنیادی فریڈائزر پلانٹ کو 157.5 GWh بجلی فراہم کی اور کے۔ ایکٹس لیونڈ 326 GWh بجلی سوا کی، اس کے ساتھ FFCL کے بنیادی فریڈائزر پلانٹ 1.529 Steam KMT فراہم کی۔ کھٹی نے اپنی سالانہ سرمائے اور گیم بھال بھی کامیابی سے مکمل کی۔

FFCL اپنے عملی اور مالیاتی فطرت کا جو طریقے سے تدابیر کرتے ہوئے، مستقبل میں منظم اور منسجم نتائج حاصل کرنے کے لیے چاہے۔

کھٹی کے آؤڈیٹڈ 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے FFCL کے مالیاتی گوشواروں پر اپنی رائے بغیر کسی تحفظات کے دی گئی ہے۔

## مشترکہ کمپنیاں (Associated Companies)

### فوجی فورڈ لیونڈ (FFBL)

دسمبر 1991 میں ایک پبلک لیونڈ کھٹی کے طور پر قائم ہوا اور بنیادی طور پر فیکٹس کے کارخانہ میں مصروف ہے۔ جو 608 رائجیل کے نیٹ ورک بشمول 120 اداری بجلی کی برائیکس، 61 سب برائیکس اور منسلک بحران میں ایک Wholesale ایک برائیک کے ساتھ مصروف عمل ہے۔ FFCL 2012 میں 10.46 ادب روپے کی سرمایہ کاری کے ذریعے AKBL میں 43.15 لیونڈ انکریٹس حاصل کی۔

برائیک نیٹ ورک میں اضافے کے لیے اعلیٰ سود آمدن میں اضافہ حاصل کرتے ہوئے معمری ایکٹس کی کارکردگی پر نمایاں اثر انداز ہو گیا۔ فعال لگن اور سرمایہ کاریوں کی پھلینگز سے توجہ، نامزد منافع کا سبب بنے۔ ایکٹس نے ریچرچ مدت کے دوران 21.1 ادب روپے کا منافع کیا جو گزشتہ سال 17.9 ادب روپے تھا۔

دسمبر کے اپڈیٹس 1.4 کمر ب روپے تک پہنچ گئے PACRA نے طویل مدت کے لیے ایکٹس AA+ اور مالیاتی دہائی کی دوبارہ توثیق کرتے ہوئے ایکٹس کی Outlook کو بھی Stable قرار دیا ہے جبکہ مختصر مدت کے لیے A+ اور بنیادی گورنر رکھا گیا ہے۔ ایکٹس ذریعہ خوردہ توسیع (retail expansion)، ایکٹس اصلاحات اور پھلینز اور فراہمی سرمایہ کاری کے ذریعے حصہ داران کے سرمایے میں اضافے پر توجہ مرکوز کیے ہوئے۔

### فوجی فورڈ لیونڈ (FFCL)

FFCL پاکستان اسٹاک ایکسچینج پر مندرجہ ایک پبلک کھٹی ہے جو 1992 میں معرض وجود میں آئی، کھٹی بنیادی طور پر فیکٹس اور اس کے سبب سے لے کر پچھلے سال کے کارخانہ سبب سے لگتی ہوئی پیداواری صلاحیت 7.47 ملین ٹن ہے۔ سال 2021 میں FFCL عسکری سبب لیونڈ "بھول" کے بعد آؤڈیٹڈ عسکری سبب لیونڈ کے FFCL میں انضمام کی تسمیم کی منظوری دی ہے۔ اس تسمیم کی معجزہ 10 ادب روپے تک لے گئی 2022 میں منظوری اسے دی ہے۔ اس انضمام کے نتیجے میں FFCL ایکٹس کی سبب کی مارکیٹ کی تسمیم سب سے بڑی کھٹی بن گئی ہے اور اس کی استعداد 10.8 ملین ٹن ہے۔

عسکری سبب اور FFCL کے حصہ داران کے درمیان حصص کے تبادلے کے نتیجے میں FFCL کی FFCL میں ملکی سال 202 میں 6.79 لیونڈ سے کم ہو کر 4.28 لیونڈ ہو گئی۔



FFCEL نے اپنی چھٹی ملاجیوں کو بڑھانے، اپنی نیم کو خصوصی تربیت فراہم کرنے اور مختلف اشتراکات کے ذریعے صنعت بھری صلاحیت بڑھانے پر توجہ مرکوز کی۔ اس کے ساتھ ساتھ، خواتین کی پیشہ وارانہ تربیت، تعلیم، پانی کی لراہی، اور چھٹی ملی تربیت جیسے مختلف اقدامات کے ذریعے کئی کامیابی کارپورٹ سماجی ذمہ داری کی تکمیل کے لیے فراہم کی ہیں۔

FFCEL کے آڈیٹز نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کئی کے مالیاتی گوشواروں پر اپنی رائے بغیر کسی تحفظات کے دے دی ہے۔

### 29 جنوری 2021 کو FFC نے I-FWEL کی 100 فیصد

تحتیت حاصل کر لی، جو کہ ایک غیر مندرجہ (Unlisted) پبلک کمپنی ہے۔ I-FWEL اس سے ملنے والے MW 50 کا پراجیکٹ ہے جسے ملنے والے اور فروخت کرنے کے مقصد کے تحت قائم کیا گیا تھا۔ اس نے اپنی جاری سرگرمیوں کا آغاز اپریل 2015 میں کیا تھا۔ FFC نے اس منصوبے میں 17.49 ارب روپے کی سرمایہ کاری کی ہے۔

I-FWEL نے پھر یہ کارکردگی کا مظاہرہ کیا اور اوسط دستیابی کا عنصر 98.10 فیصد حاصل کرتے ہوئے 91.37 GWn ملے قومی گز کو فراہم کی۔ اس کی کم رفتار اور وسیع پیمانے پر مرمت کے باوجود، کئی کی عملیاتی کارکردگی عمدہ رہی۔ آمدن فروخت معمولی کمی کے ساتھ 6.55 ارب روپے رہی۔

تمام ملے کے فراہم ادارے سے پھر وصولیوں نے نقدی کی دستیابی کو لایوں طور پر بڑھایا، جس سے مزید سرمایہ کاری ممکن ہوئی اور ترقیاتی دیگر ادائیگی 71 فیصد اضافے کے ساتھ 708 ملین روپے تک پہنچ گئی۔ I-FWEL کا خالص منافع بھی 5.1 ارب روپے تک بڑھ گیا، جو پچھلے سال کے مقابلے میں 6 فیصد (اندازہ) ہے۔ یہ کئی کے انجینئری مالیاتی نظم نسق اور محکمہ پمپوزی کے عزم کو ظاہر کرتا ہے۔

کئی نے کارپوریٹ سماجی ذمہ داری کے تحت خواتین کی پیشہ وارانہ تربیت کے لیے ایک شارع قائم کی، جس میں گھریلو اشتغال کے ملز سسٹم، تعلیم، صحت، اور چھٹی تربیت پر توجہ مرکوز کی گئی ہے۔ یہ عہدہ اخلاقی اقدامات کے لیے بڑے عزم کو ظاہر کرتا ہے اور ایک دستاوار اور آزادی فراہم کنندہ کے طور پر I-FWEL کی ساتھ مستحکم بنانا ہے۔

I-FWEL کے آڈیٹز نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کئی کے مالیاتی گوشواروں پر اپنی رائے بغیر کسی تحفظات کے دے دی ہے۔

### 29 جنوری 2021 کو FFC نے I-FWEL کی 80 فیصد ملکیت

میں حاصل کر لی، جو کہ ایک غیر مندرجہ پبلک کمپنی ہے۔ I-FWEL اس سے ملنے والے MW 50 کا پراجیکٹ ہے جسے ملنے والے اور فروخت کرنے کے مقصد کے تحت قائم کیا گیا تھا۔ اس نے اپنی جاری سرگرمیوں کا آغاز دسمبر 2014 میں کیا تھا۔ FFC نے اس منصوبے میں 16.02 ارب روپے کی سرمایہ کاری کی ہے۔

سال 2024 کے دوران I-FWEL نے اوسط دستیابی کا عنصر 98.13 فیصد حاصل کرتے ہوئے پھر یہ کارکردگی کا مظاہرہ کیا۔ پانچ 101.24 GWn ملے قومی گز کو فراہم کی۔ یہ کارکردگی، اس کی کم رفتار اور وسیع پیمانے پر مرمت کے باوجود، پھر یہ عملیاتی کارکردگی عمدہ رہی۔ آمدن فروخت معمولی کمی کے ساتھ 6.55 ارب روپے رہی۔

مالیاتی طور پر کئی کی آمدن فروخت گزشتہ برس کے مقابلے میں 13 فیصد کی کمی کے ساتھ 5.74 ارب روپے ہو گئی۔ تمام ملے کے فراہم ادارے سے پھر وصولیوں نے نقدی کی دستیابی کو لایوں طور پر بڑھایا، جس سے مزید سرمایہ کاری ممکن ہوئی اور ترقیاتی دیگر ادائیگی 71 فیصد اضافے کے ساتھ 708 ملین روپے تک پہنچ گئی۔ I-FWEL اس سے ملنے والے MW 50 کا پراجیکٹ ہے جسے ملنے والے اور فروخت کرنے کے مقصد کے تحت قائم کیا گیا تھا۔ اس نے اپنی جاری سرگرمیوں کا آغاز دسمبر 2014 میں کیا تھا۔ FFC نے اس منصوبے میں 16.02 ارب روپے کی سرمایہ کاری کی ہے۔

I-FWEL کے آڈیٹز نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کئی کے مالیاتی گوشواروں پر اپنی رائے بغیر کسی تحفظات کے دے دی ہے۔

### 29 جنوری 2021 کو FFC نے I-FWEL کی 80 فیصد ملکیت

FFC پاکستان کا Individual Quick Freezable (IQF) (IQF) ایک نیا نمونہ کا حامل پلانٹ ہے جو کہ تازہ اور مجمد (Frozen) کھانوں اور سبزیوں کی پراسیسنگ کرتا ہے۔ اس کا رفاہ OPA ہے، جو کہ گورنمنٹ سرحد آؤٹسٹک میں ہے۔ یہ ایک غیر مندرجہ (Unlisted) پبلک کمپنی ہے جسے FFC نے اکتوبر 2013 میں ملکی ملکیتی ذیلی کئی کے طور پر خریدا تھا۔ سال 2013 پراجیکٹ میں FFC کی مجموعی سرمایہ کاری 6.34 ارب روپے ہے۔ دوران سال، FFC نے 5 ارب روپے کی مزید سرمایہ کاری کی جس کے نتیجے میں اس پراجیکٹ میں مجموعی سرمایہ کاری 11.34 ارب روپے تک پہنچ گئی۔

کئی نے 6.3 ارب روپے کی آمدنی حاصل کی، جو گزشتہ برس کے مقابلے میں 17 فیصد زائد ہے۔ Quick Revenue Restaurants (QSR) کی فروخت میں کمی، دیگر ملے کے باعث مارچین کی خریداری کی صلاحیت پر ملے اثرات اور سالانہ فروخت کے پیکٹات نے منافع پر ملے اثرات، جس کے نتیجے میں سال

کے لیے 57.3 ملین روپے کا خالص سامان ہوا۔

FFC محکمہ قومی کوٹھنی بنانے کے لیے مختلف اقدامات کر رہا ہے۔ جیسے مغربی ملی اور کاروبار کو بڑھانا، ان کی جدوجہد اقسام تیار کرنا، کھانوں کی مقامی پیداوار کو فروغ دینا، اور ان کی کاشت کی دیکھ بھل گھرائی کے لیے اردن Imagery کا استعمال۔ کئی کی صنعت ملے خاص طور پر اپنی معیاریت، منصوبات، خصوصیات، فراہم، کو بڑھانے پر مرکوز ہے۔ جس نے اس کی سماجی پوزیشن کو بڑھا دیا ہے۔

مزید برآں، FFC نے ایک عالمی شہرت یافتہ فاسٹ فوڈ چین کی تکمیل جانی پاپل کامیابی سے مکمل کر لی ہے اور مختصر شدہ سپلائی کا راجہ حاصل کر لیا ہے۔ کئی اب ان کے پراجیکٹ کی منصوبہ حاصل کرنے کے لیے پرامید ہے، جہاں ایک اہم سنگ میل ہے اور برآمدات کے مواقع کھولنے کے ساتھ عالمی اداروں کے ساتھ اشتراک میں اضافہ کرے گا۔ FFC کی مارکیٹ میں سماجی ریزی کو مزید مستحکم کرے گا۔

آڈیٹز نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لئے کئی کے مالیاتی گوشواروں پر اپنی رائے بغیر کسی تحفظات کے دے دی ہے۔

### 29 جنوری 2021 کو FFC نے I-FWEL کی 80 فیصد ملکیت

FFC پاکستان کا Individual Quick Freezable (IQF) (IQF) ایک نیا نمونہ کا حامل پلانٹ ہے جو کہ تازہ اور مجمد (Frozen) کھانوں اور سبزیوں کی پراسیسنگ کرتا ہے۔ اس کا رفاہ OPA ہے، جو کہ گورنمنٹ سرحد آؤٹسٹک میں ہے۔ یہ ایک غیر مندرجہ (Unlisted) پبلک کمپنی ہے جسے FFC نے اکتوبر 2013 میں ملکی ملکیتی ذیلی کئی کے طور پر خریدا تھا۔ سال 2013 پراجیکٹ میں FFC کی مجموعی سرمایہ کاری 6.34 ارب روپے ہے۔ دوران سال، FFC نے 5 ارب روپے کی مزید سرمایہ کاری کی جس کے نتیجے میں اس پراجیکٹ میں مجموعی سرمایہ کاری 11.34 ارب روپے تک پہنچ گئی۔

کئی نے سال کے دوران ایک زائد آمدنی حاصل کی اور ایک نئے آئل ریفائننگ منصوبے کی کامیاب تکمیل اور مشرق وسطیٰ میں سے بین الاقوامی اشتراکی معاہدوں کے ذریعے اپنی منافع ملے کارکردگی میں مزید بڑھائی۔ اس کے علاوہ، اس نے نئے ملز فراہم کرنے کے لیے ملے ایبٹ آباد پھر اور سالانہ معاہدہ بھی حاصل کیا، جس سے قابل تجدید توانی کے شعبے میں اس کی پوزیشن مزید مستحکم ہوئی۔

اس نے ترقیاتی صنعت ملے مقامی، عالمی، اور مقامی اداروں کے ساتھ مضبوط روابط اور معاہدات میں اضافے پر مرکوز ہے، جسے چھٹی، اور لینڈ شپ کی تربیت کے خصوصی پروگراموں کے ذریعے فروغ دیا جا رہا ہے۔ یہ اقدامات کئی 2025 کو اس کے بعد ملے مسلسل آمدنی میں اضافے کے لیے ایک مضبوط بنیاد فراہم کرتے ہیں۔



# گروپ کی مالیاتی کارکردگی

## گروپ کی مالیاتی کارکردگی

FFC گروپ مندرجہ ذیل کمپنیاں پر مشتمل ہے۔

فرنیچر کمپنی (Folding Company) (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

فرنیچر کمپنی (FFC)

سال 2024 کے لیے گروپ کے مالی نتائج میں FFBL کا کارکردگی (FFC کے ساتھ انضمام کے بعد) اور سال کی دوسری ششماہی میں FFC کے ساتھ نتائج شامل ہونے والے اہلی اداروں کے حلقہ مالی نتائج ہیں۔ اس طرح، منسلک کمپنیوں کے نتائج کا حصہ سال کی پہلے ششماہی کے لیے (انضمام سے پہلے) اور سال کی دوسری ششماہی کے لیے (انضمام کے بعد) حلقہ انکمپنی کی مالیت کی مناسبت سے ریکارڈ کیا گیا ہے۔ تفصیلی اعداد و شمار موجودہ گروپ کے نتائج سے حلقہ ہیں جبکہ سال 2023 کے لیے بیان کیے گئے تھے۔

## نتیجہ و تقصان کا تجزیہ

نتیجہ و تقصان کا تجزیہ

گروپ نے 411 ارب روپے کی ریکارڈ آمدن حاصل کی، جو گزشتہ سال کے مقابلے میں 127 فیصد زائد ہے۔ اس میں بنیادی طور پر کھانے کے کاروبار سے حاصل کردہ 374 ارب روپے کی آمدنی شامل ہے، جو توانائی کے کاروبار سے 19 ارب روپے کی آمدنی (جس میں FFCEL، FFEL، FWEL اور بی بی سی کے ذریعہ حاصل کردہ FPCL شامل ہیں) اور خوراک کے کاروبار سے 18 ارب روپے کی آمدنی شامل ہے (جس میں FFF اور بی بی سی کے ذریعہ حاصل کردہ FFL شامل ہیں)۔ آمدنی

میں یہ اضافہ زیادہ تر کھانے کے کاروبار کی وجہ سے ہوا ہے۔

گروپ کی کارکردگی

گزشتہ قریب 268 ارب روپے رہی جس میں سے 247 ارب روپے کھانے کے کاروبار پر خرچ ہوئے، 4 ارب روپے توانائی کے کاروبار پر اور 17 ارب روپے تھائی کاروبار پر خرچ ہوئے۔ اس اضافے کا بنیادی سبب افزائش کے اثرات انضمام مالی کی لاگت میں اضافہ اور انضمام کے بعد کی مدت کے لیے FFBL کی اضافی لاگت فروخت ہے جو کہ تھائی مدت کے دوران شامل نہیں تھی۔

گروپ کی کارکردگی

اس طرح، گروپ کا عام منافع 144 ارب روپے رہا جو کہ سال 2023 کے 77 ارب روپے کے مقابلے میں 87 فیصد زائد ہے۔ کھانے کی آمدنی اور تھائی کاروبار نے ہاتھ میں 127 ارب روپے، 15 ارب روپے اور 2 ارب روپے کا حصہ لیا۔

گروپ کی کارکردگی

گروپ کی کارکردگی

32 ارب روپے کے انتظامی اور زرعی اخراجات گزشتہ سال کے مقابلے میں 132 فیصد بڑھ گئے۔ کھانے کی آمدنی اور تھائی کاروبار پر ہاتھ میں 29 ارب روپے، 1 ارب روپے اور 2 ارب روپے کی زرعی لاگت خرچ ہوئی۔

گروپ کی کارکردگی

مالیاتی لاگت، بشمول سال کی دوسری ششماہی کے دوران پورے تمام اور FPCL کے سوا کے اخراجات 7.9 ارب روپے رہی جو کہ گزشتہ برس 6.6 ارب روپے کے مقابلے میں صرف 1.3 ارب روپے کا اضافہ ہے جو کہ 20 فیصد بڑھا ہے۔

گروپ کی کارکردگی

گروپ کی کارکردگی

دیگر تقصیلات میں واجب الادا GIDC کی 0.2 ارب روپے کی Unwinding اور حکومت سے واجب الوصول سبڈی پر 1.2 ارب روپے کے Expected Credit Loss شامل ہیں۔ ہتھ منافع کی وجہ سے WWF اور WPPF کے اخراجات میں اضافے کے باعث دیگر اخراجات 89 فیصد اضافے کے ساتھ 10 ارب روپے ہو گئے۔

گروپ کی کارکردگی

نقد کا مجموعہ استعمال 27 ارب روپے کی دیگر آمدن کا باعث بنا جو گزشتہ برس کے 18 ارب روپے کے مقابلے میں 65 فیصد زائد ہے۔

گروپ کی کارکردگی

گروپ کی کارکردگی

منسلک کمپنیاں اور مشترکہ منصوبوں کے نتائج کا حصہ 23.7

ارب روپے ہو گیا جو کہ گزشتہ برس 11.24 ارب روپے تھا اور اس کا بنیادی سبب منسلک کمپنیوں کے نتائج میں اضافہ، مشترکہ منصوبوں کے مالیاتی نتائج میں بہتری اور FFC اور FFBL کے انضمام کے نتیجے میں PMP اور AKBL کے نتائج میں اضافہ ہے۔

گروپ کی کارکردگی

گروپ کی کارکردگی

گروپ کا منافع چار ماہ 57.4 ارب روپے رہا جو کہ 2023 کے مقابلے میں 112 فیصد زیادہ ہے۔ اس نمایاں اضافے کا بنیادی سبب گروپ کا زرعی منافع ہے۔

گروپ کی کارکردگی

نتیجہ، گروپ کا عام منافع 80 فیصد اضافے کے ساتھ 85.5 ارب روپے رہا جبکہ فی حصہ آمدن 60.10 روپے رہی جو کہ گزشتہ برس 37.30 روپے کی صورت میں تھا۔

گروپ کی کارکردگی

گروپ کی کارکردگی

گروپ کی کارکردگی

FFCEL، جو اسے مکمل طور پر والا سرٹیکل ادارہ، ایک غیر مندرجہ (Unlisted) پبلک کمپنی بنیاد FFC کی ایک مکمل منسلک ذیلی (Wholly Owned Subsidiary) کمپنی ہے۔ مکمل طور پر اور قریب کرنے کے بنیادی مقصد کے تحت قیام کے بعد FFCEL نے مئی 2013 میں تھائی سرگرمیوں کا آغاز کیا تھا اور اس کی مکمل طور پر کی اسٹوریٹ 49.5 MW ہے۔ اس کمپنی میں FFC کی موجودہ مالکیت 2.44 ارب روپے ہے۔

FFCEL کی توانائی کی پیداوار مستقل اور سبز رفتار ہو رہی ہے تاکہ زیادہ سے زیادہ مکمل پیدا کی جائے۔ 2024 میں ہوا کی کم رفتار نے FFCEL کی کارکردگی اور نتائج پر مثبت اثر ڈالا۔

کمپنی کا عام منافع 1.54 ارب روپے رہا، جو گزشتہ برس کے 2.03 ارب روپے کے مقابلے میں 24 فیصد کم ہے۔ اس کی بنیادی بنیاد ہوا کی کم رفتار کے باعث مکمل کی پیداوار میں کمی ہے۔ تاہم، مکمل کے خرچہ دار سے بہتر وصولیوں کے باعث نقد کی دستیابی میں نمایاں بہتری ہوئی، جس سے جاری سرمایہ کاری ممکن ہوئی اور دیگر آمدن میں اضافہ ہوا۔

پاورٹ نے 98 فیصد دستیابی حاصل کرتے ہوئے محدود مالیاتی کارکردگی برقرار رکھی اور قومی گزشتہ 71.9 GWh مکمل فراہم کی، جو مقرر کردہ معاہدے سے زیادہ ہے۔ یہ کاروبار اس لیے بالخصوص قابل ذکر ہے کہ ٹھیکہ شدہ تول کی بحالی و مرمت کی سرگرمیوں اور دونوں 132 کھوٹ پاور ٹرانسمارمرز کے آن لائن نیپ ٹیکرز (OLTC) کی ایک دہائی میں ایک بار چھ ماہی بحالی و مرمت کے ٹیمپلنگز کے ذریعہ حاصل کی گئی۔

Figure 1

قلندر گشتیاں

Answer: Axi Hyper

© 2004 Blackwell Publishing Ltd *Journal of Internal Medicine* 255: 111–118

1990

2020-2021



## مستقبل کی توقعات

[illegible]

م PEF منصوبہ برائے کام ہادی، ہمیں کے اور قابل ہیں اپنے انہی  
چھنے کے عمل کو بھی جائزہ لیں گے کہ انہوں نے کیا چکس اپر عمرہ کا خیال کے  
حقانہ و ملت کے ساتھ۔

[illegible]

قرآن مجید کی تعلیمات پر عمل کی صورت میں جو انسان بن جائے گا وہ دنیا کی تمام نعمتوں سے محروم نہیں رہے گا۔

تفصیلی نئے حکم میں پیش کی گئی ہے کہ قریب 73 مراکز، جن میں سے 55 سب سے کم عمر کے بچوں کے لیے ہیں، جہاں ان کے ساتھ رہنے والے افراد کو بھی کھانا ملے گا۔  
2025 میں تفصیلی رپورٹ کے ساتھ اس حوالہ سے مزید تفصیلات پیش کی جائیں گی۔

Response: **استجابة للتحديات والغموض**  
to Future Challenges And  
Uncertainties

محکم دلائل سے مزین متنوع و منفرد موضوعات پر مشتمل مفت آن لائن مکتبہ

### Life Support Palace Performance

کھلی کے باقی ۱۰۰ اور باراتی کے لیے ہم نام الی اشول میں اور ہمارے  
لئے ایک چارٹر فراہمی کا کر رہا ہے۔ ۲۰۱۳ء کی حالیہ صورتوں کی تحقیق کے نتیجے

یہ شکل اداسی کی طرح ہے۔ جو عظیمیٰ حجم کو جیتتی ہے۔ گراں پائے چاشنی کی  
بیرہ بیچہ اور آبی نشانی اور وہاں *ordofval* سے مشابہت کی بنیاد پر مرکب  
تعداد کتنی کے طور پر لیا جاتا ہے اس کی اصل کے لئے ضروری ہے۔

کھائی کی اچھی مقدار پتی ہے اور ان کے خوراک اور ان کی کارائی میں کوئی فرق نہیں ہے۔  
 اور ان کے لئے اس طرح کے فطری طور پر بنی ہوئے غذا کے ساتھ ساتھ ان کے لئے جو غذا  
 جو ان کے لئے بنی ہوئی ہے ان کے لئے بنی ہوئی ہے۔ ان کے لئے بنی ہوئی ہے۔ ان کے لئے بنی ہوئی ہے۔  
 ان کے لئے بنی ہوئی ہے۔ ان کے لئے بنی ہوئی ہے۔ ان کے لئے بنی ہوئی ہے۔ ان کے لئے بنی ہوئی ہے۔  
 ان کے لئے بنی ہوئی ہے۔ ان کے لئے بنی ہوئی ہے۔ ان کے لئے بنی ہوئی ہے۔ ان کے لئے بنی ہوئی ہے۔

ہی آفرقی حصول کی عینیت حق سہا، حق  
 (Manufacture) Intellectual Property (MIP) نامی  
 134+120, 130 ہائی گریڈ۔

Links and Uncertainties Answering P

[illegible]

شری سہیلی کے باعث 2023-2024 میں سہیلی کے لیے ایک نیا  
 اور نیا شہر کی تعمیر ہو رہی ہے۔

202 میں ہوا کی سڑک سے آگے اس کی انٹرنیشنل کی وجہ سے آگے کر کے۔  
 کئی کی سڑک کی سڑک سے آگے اس کی انٹرنیشنل کی وجہ سے آگے کر کے۔  
 اس سڑک کی سڑک سے آگے اس کی انٹرنیشنل کی وجہ سے آگے کر کے۔

حیدر آباد: DAP کا قیام حالیہ دنوں میں شہر اور دیہاتی ماحول میں فصلوں کے ہمواری کے لئے ضروری ہے۔

تجرباتی طور پر اس میں سب سے زیادہ اضافہ DAP کی قیمت کو دیکھنا سہولت  
 ملتی ہے جس کے نتیجے میں کھیتی کی بنیادی کارآمدی سہولت ملتی ہے۔

[illegible]

حجہ مکہ کا اہل تقویٰ اور عیسا کے ساتھ اہل علم و سادہ سادہ کے لیے ایک ایسا اور  
علم و سادہ ہے جس سے ان کو اپنی اہل و عیال کے لیے ایک ایسا اور  
کے لیے عیسا کے لیے ایک ایسا اور علم و سادہ ہے۔

یہ پیشگی کی تحریکات سمجھنا آسان نہیں ہیں۔ ان کی ضرورت اور اہمیت کو جاننا  
گرتے ہیں۔ جبکہ 31 اگست 2024 کو آٹھ سالہ اسرائیل کے لیے نئی اوراد نام  
ان کے حالات میں جان لیوا تھا۔ وہ شہر اوراد اوراد الیسی کی اس پیشگی  
تھیں علی اوراد کے حالات کے اس طور پر نام کرتے ہیں کہ وہ تو قوت میں  
موجود ہے۔ لیکن یہ بھی کہ ان کے لیے یہ ہے۔

کچلی کے ملحقہ کھدے شہر کی کامیابی کے فرائض اٹھارہ ایک ایک کی آکھہ مال کا و  
حرے شہر کے لئے کامیابی ہے۔

پہلے مالی اعزاز کا ہولناکی سے قہر کرتے ہوئے کچھ انتہائی مادی اور غم آلود  
(ESG) کے اصول کو تسلیم کرتی کیا جسے عمل میں چل کر کے کے پے پڑا  
ہے۔ 2017 سے 2020 کے دوران کے اعداد کی چرچ کرتے ہوئے کچھ کی قیاد  
Sustainability پر توجہ میں شایعہ کاروں کو پے پڑا ہے۔ (2017) ایک  
میں سب سے کم کے مطابق جس کی تصویر (اصول کاروں کو سوانہ کی) کے مطابق

تحتی و بالیدہ، مخصوص داری جیسے کے لیے ہر ذریعہ اور ذریعہ داری کو فراہم کرنے میں ہم کار کا کرتی ہیں، ہر کار خانی کو حق کا جتنی حصے کے لیے کو شکر ہیں، کو شکر اور کار کا کار داری کے معاملے کے ساتھ ساتھ مستحق اور کار کا انصاف اور انصاف کو ملی ہوئی ہے اور وہی کار خانی کے لیے داری ہیں۔

John: Pinckney

450

Answer: All Haploids

المجلس هو الذي يقرر في جميع المسائل التي تتعلق بالجامعة.

انگریزی

2025.5.19

## مستقبل کی توقعات

میں مل کر اس کے لیے ایک نیا راستہ تلاش کیا۔ اس کے لیے انھوں نے ایک نیا ادارہ بنایا جس کا نام "Stakeholder Management" ہے۔ اس ادارہ کے تحت انھوں نے ایک نیا ادارہ بنایا جس کا نام "Stakeholder Management" ہے۔ اس ادارہ کے تحت انھوں نے ایک نیا ادارہ بنایا جس کا نام "Stakeholder Management" ہے۔

(2024 Review) © T.K. 2024

[illegible]

گرچہ 2022 میں مالی خسروا کے پیش کی گئی تھی، تاہم حقیقی خسروا کے لیے اسے اس وقت تک نہیں دیا گیا ہے۔

تھا کہ اس وقت تک کہ اس کا

(Supply/Demand

پنجاب کی حکومت نے پانچویں بجٹ میں 2024-25 کے لیے 18.5 کروڑ روپے کی رقم مختص کر دی ہے۔

سال کے عواظ میں حالی پر سدا کرتے ہیں گیتوں کے قلم میں لکھی راہی، جس کی انہی راہی  
 پر چھوٹی کشتیاں تھیں لہا لہا کی اور کچھ عرب میں صحرانورد کی صورت حال تھی جس نے  
 ان کی گیتوں میں صحرانورد کے تھکے دل کو تازہ کر دیا ہے۔

حالیہ اسٹیج کے تحت پورے سال زرم اور اسی وجہ سے طلبہ اور محکمہ مالی کے  
تجربوں میں اضافہ کیا۔ جہاں کہ چاہے مسئلہ اور مالی طلبہ اور محکمہ مالی کے  
کے نام پر جو کہ IDAP کے تحت ہے، وہاں کہ چاہے مسئلہ اور محکمہ مالی کے  
میں کہ چاہے مسئلہ اور محکمہ مالی کے

[illegible][illegible]

فصل اول در بیان احوال و حال

مقامی DAP گریٹ کا کاروباری طرز میں اپنا رشتہ دھونڈنا ہے جس سے زیادہ اہمیت  
ہے جس کی وجہ سے مقامی DAP کی تعمیراتی کارپوریشن کے خلاف ایک شکایت  
مقامی جی ایم آر کے لئے کی گئی ہے۔

کڑھتوں میں ہونے والی سنگین نقصان

### Analysis/Comparison of $\mathcal{L}_1$ vs $\mathcal{L}_2$

### Last Year's Forward-Looking

## (Statement / State of Projects)

[illegible]

کامل تھوہ لڑا، لڑائی میں اس کی سب سے بڑی کامیابی یہ تھی کہ اس نے اپنی فوجیں  
اپنے لیے بچا رکھی تھیں۔ اس نے انہیں اپنے ساتھ لے کر اپنے گھر کی طرف لوٹا۔

قرآن کی تعلیم کے لئے کئی کئی اسکول کھلے۔

[illegible]

ثمنین و نقد فوراً کے ارے کو ای سہڑی اور ستر لاکھ کے چاہا ہے جسے  
شہد کے ساتھ چاہی آئی ہے یہ ہم نے کسی کو بھی صبر حال کی وجہ سے نہیں  
دے دی ہے۔

کھو جانے والوں کے لئے جہیز کی قیمتیں 2023 سے کم ہوں گی

گودار و قلم شوریعی استعمال ہونے والی خط و کتابت کا نام

Source of : حضرت مولانا محمد رفیع

### Information and Assumptions

(Used for Projections/Forecasts)

[illegible]

ہی مضمون کو پورا کرنے کے لیے ذیل معلومات کو مستحق نگہبازی کی نظر سے گزرتا ہے۔  
 ۱۔ ایک سال کے تجربہ رکھنے والے صاحبزادے اور صاحبزادیوں کے لیے۔  
 ۲۔ ایک سال کے تجربہ رکھنے والے صاحبزادوں کے لیے۔  
 ۳۔ ایک سال کے تجربہ رکھنے والے صاحبزادیوں کے لیے۔  
 ۴۔ ایک سال کے تجربہ رکھنے والے صاحبزادوں کے لیے۔  
 ۵۔ ایک سال کے تجربہ رکھنے والے صاحبزادیوں کے لیے۔  
 ۶۔ ایک سال کے تجربہ رکھنے والے صاحبزادوں کے لیے۔  
 ۷۔ ایک سال کے تجربہ رکھنے والے صاحبزادیوں کے لیے۔  
 ۸۔ ایک سال کے تجربہ رکھنے والے صاحبزادوں کے لیے۔  
 ۹۔ ایک سال کے تجربہ رکھنے والے صاحبزادیوں کے لیے۔  
 ۱۰۔ ایک سال کے تجربہ رکھنے والے صاحبزادوں کے لیے۔

اور وہی سطور یہ جو کہ کئی کے قصہ مشہور میں ملے ہیں کہ وہ اپنے بھائی، اپنے بھائی کے  
 خاں، اپنے بھائی کے بھائی، اپنے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے  
 بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے  
 بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے  
 بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے بھائی کے

[illegible]

Fidarp Outlook 

## International Economics

## Outline

2024-2025 کے دوران ترقی کو شریعت کے چاروں شعبوں میں اضافہ کرنا،  
 خارجہ تعلیم، مذہب، اعلیٰ تعلیم اور ترقی کے تمام شعبوں میں اضافی کام کرنا  
 سہارا دینا، چاروں شعبوں میں کام کرنا، سہارا دینا، 2025 میں اضافی کام کرنا  
 ترقی کے 4 شعبوں میں کام کرنا، ترقی کے تمام شعبوں میں اضافی کام کرنا  
 ترقی کے 4 شعبوں میں کام کرنا، ترقی کے تمام شعبوں میں اضافی کام کرنا  
 ترقی کے 4 شعبوں میں کام کرنا، ترقی کے تمام شعبوں میں اضافی کام کرنا

Ergonomic Outlook of the *Ar-Ramla*

## Country

GDP کی موسمیاتی تبدیلی کی توقع ہے، تاہم عالمی اقتصادیات کم رہے گی۔  
آئی ایم ایف کی رپورٹ میں کہا گیا ہے کہ عالمی معیشت میں ترقی کے لیے  
یہ 2028ء تک ایک اعلیٰ شرح پر 3.2 فیصد رہے گا۔  
یہ عالمی معیشت کی ترقی کے لیے ایک اعلیٰ شرح ہے۔  
اقتصادی ترقی کے لیے ایک اعلیٰ شرح ہے۔

Future Outlook

## LFFC

2024 تک کے لیے ریٹائرڈ 17 لاکھ 50 ہزار کے قریب ہیں، اور اگلی 75 کا سال بعد 2028 تا 2030 سال کے کرنا ہے، جس میں ہلکے اور کمزور لوگ، انعامات کا انہیں میں کم اور تعلیم کا کام کے نہ دیا جی سے ان کا عمر بڑھتی اور کم ہوگا۔

دعوتِ حق کی روشنی میں اپنے دل سے تمام تاریکیوں کو نکال دے اور اپنے دل کو اللہ کی رضا و رغبت سے ہم آہنگ کر لے۔ اللہ تعالیٰ ہمیں اس دعا کی قبولیت عطا فرمائے۔ آمین

4



## نمایاں خطرات اور مواقع

[illegible][illegible][illegible]

| تفصیلی شدہ معیار                                                                                                                                                                                                                                                                             |               |               | لیباری معیار  |               |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| درجہ اولیٰ                                                                                                                                                                                                                                                                                   | امکان         | شعبہ          | درجہ اولیٰ    | امکان         | شعبہ          |
| اولیٰ                                                                                                                                                                                                                                                                                        | اولیٰ         | اولیٰ         | پہلے          | پہلے          | پہلے          |
| کم مبالغہ حسرت کرنے والے اور مبالغہ خالی اور مالی سرمایہ کاریاں                                                                                                                                                                                                                              |               |               |               |               |               |
| سرمایہ                                                                                                                                                                                                                                                                                       | سرمایہ        | سرمایہ        | نقد           | نقد           | نقد           |
| مالیاتی اعلیٰ                                                                                                                                                                                                                                                                                | مالیاتی اعلیٰ | مالیاتی اعلیٰ | مالیاتی اعلیٰ | مالیاتی اعلیٰ | مالیاتی اعلیٰ |
| تمام اعلیٰ کارآمد معیاروں سے ملنے والی اور مالیاتی اخراجات کو روکنے والے معیاروں سے ملنے والی سرمایہ کاریاں                                                                                                                                                                                  |               |               |               |               |               |
| مالیاتی اعلیٰ اور سرمایہ کاری کی ترغیبات سے آگے بڑھنے کے لیے سرمایہ کاریوں کی سخت گیریاں پیش کرنا                                                                                                                                                                                            |               |               |               |               |               |
| Horizontal کے ساتھ ساتھ Vertical معیار                                                                                                                                                                                                                                                       |               |               |               |               |               |
| سرمایہ کاریوں اور اخراجات Due Diligence کے عمل کے بعد کی جاتی ہیں جس میں سرمایہ کاری کی اہلیت کا معیار (ROD/IRR/ROIC) اور معیار (BOD) کے اعلیٰ معیاروں کے ساتھ ساتھ سرمایہ کاری کی سخت گیریاں اور مالیاتی اعلیٰ اور مالیاتی ترغیبات سے آگے بڑھنے کے لیے سرمایہ کاریوں کی سخت گیریاں پیش کرنا |               |               |               |               |               |

| تفصیلی شدہ معیار                                                                                                          |               |               | لیباری معیار  |               |               |
|---------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| درجہ اولیٰ                                                                                                                | امکان         | شعبہ          | درجہ اولیٰ    | امکان         | شعبہ          |
| اولیٰ                                                                                                                     | اولیٰ         | اولیٰ         | اولیٰ         | اولیٰ         | اولیٰ         |
| اسلامی سرمایہ کاری کے معیار اور مالیاتی اعلیٰ اور مالیاتی ترغیبات کے ساتھ ساتھ                                            |               |               |               |               |               |
| سرمایہ                                                                                                                    | سرمایہ        | سرمایہ        | نقد           | نقد           | نقد           |
| مالیاتی اعلیٰ                                                                                                             | مالیاتی اعلیٰ | مالیاتی اعلیٰ | مالیاتی اعلیٰ | مالیاتی اعلیٰ | مالیاتی اعلیٰ |
| کماؤ کے کاروبار میں مسلسل نمو رکھنے والے سرمایہ کاریوں کے ساتھ ساتھ سرمایہ کاریوں کے ساتھ ساتھ سرمایہ کاریوں کے ساتھ ساتھ |               |               |               |               |               |
| Horizontal کے ساتھ ساتھ Vertical معیار                                                                                    |               |               |               |               |               |
| ESG سے متعلق ترغیبات سے ملنے والی سرمایہ کاریوں کے ساتھ ساتھ سرمایہ کاریوں کے ساتھ ساتھ سرمایہ کاریوں کے ساتھ ساتھ        |               |               |               |               |               |

| تفصیلی شدہ معیار                                                                                                                     |               |               | لیباری معیار  |               |               |
|--------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| درجہ اولیٰ                                                                                                                           | امکان         | شعبہ          | درجہ اولیٰ    | امکان         | شعبہ          |
| اولیٰ                                                                                                                                | اولیٰ         | اولیٰ         | اولیٰ         | اولیٰ         | اولیٰ         |
| اسلامی سرمایہ کاری کے معیار اور مالیاتی اعلیٰ اور مالیاتی ترغیبات کے ساتھ ساتھ                                                       |               |               |               |               |               |
| سرمایہ                                                                                                                               | سرمایہ        | سرمایہ        | نقد           | نقد           | نقد           |
| مالیاتی اعلیٰ                                                                                                                        | مالیاتی اعلیٰ | مالیاتی اعلیٰ | مالیاتی اعلیٰ | مالیاتی اعلیٰ | مالیاتی اعلیٰ |
| مالیاتی اعلیٰ اور مالیاتی ترغیبات سے ملنے والی سرمایہ کاریوں کے ساتھ ساتھ سرمایہ کاریوں کے ساتھ ساتھ سرمایہ کاریوں کے ساتھ ساتھ      |               |               |               |               |               |
| Horizontal کے ساتھ ساتھ Vertical معیار                                                                                               |               |               |               |               |               |
| اسلامی سرمایہ کاری کے معیار اور مالیاتی اعلیٰ اور مالیاتی ترغیبات کے ساتھ ساتھ سرمایہ کاریوں کے ساتھ ساتھ سرمایہ کاریوں کے ساتھ ساتھ |               |               |               |               |               |

## نمایاں خطرات اور مواقع

| تعلیمی شدہ افراد                                                            |         |         | تعلیمی نگران |         |         |
|-----------------------------------------------------------------------------|---------|---------|--------------|---------|---------|
| شعبہ                                                                        | امکان   | حصہ     | شعبہ         | امکان   | حصہ     |
| بند                                                                         | کم      | بند     | بند          | بند     | بند     |
| <p>بند 1: تعلیمی شدہ افراد کی تعداد</p> <p>بند 2: تعلیمی نگران کی تعداد</p> |         |         |              |         |         |
| م                                                                           | سید     | نورانی  | نورانی       | نورانی  | نورانی  |
| آپریٹنگ                                                                     | آپریٹنگ | آپریٹنگ | آپریٹنگ      | آپریٹنگ | آپریٹنگ |

[illegible]

| تخلیف شدہ افراد                                             |       |                 | جائیگی افراد |       |              |
|-------------------------------------------------------------|-------|-----------------|--------------|-------|--------------|
| شہادت                                                       | امکان | تخلیف شدہ افراد | شہادت        | امکان | جائیگی افراد |
| بند                                                         | کم    | بند             | بند          | کم    | بند          |
| عقار و دارائی کی کٹوتی و تصفیہ کے لیے جوائنٹ کمیٹی کی تشکیل |       |                 |              |       |              |
| حکم                                                         | سب    | سب              | حکم          | سب    | سب           |
| اپنی مرضی                                                   | مدنی  | مدنی            | اپنی مرضی    | مدنی  | مدنی         |

1. اگر دارائی میں کسی شخص کی حصہ داری ہو تو اس کی کٹوتی کے لیے جوائنٹ کمیٹی کی تشکیل ضروری ہے۔  
 2. اگر دارائی میں کسی شخص کی حصہ داری نہ ہو تو اس کی کٹوتی کے لیے جوائنٹ کمیٹی کی تشکیل ضروری ہے۔  
 3. اگر دارائی میں کسی شخص کی حصہ داری ہو تو اس کی کٹوتی کے لیے جوائنٹ کمیٹی کی تشکیل ضروری ہے۔  
 4. اگر دارائی میں کسی شخص کی حصہ داری نہ ہو تو اس کی کٹوتی کے لیے جوائنٹ کمیٹی کی تشکیل ضروری ہے۔





## نمایاں خطرات اور مواقع

| تکلیف شدہ امور                   |       |       | ایجابی امور |       |       |
|----------------------------------|-------|-------|-------------|-------|-------|
| شعبہ                             | امکان | تکلیف | شعبہ        | امکان | ایجاب |
| ادب                              | کم    | ادب   | ادب         | ادب   | ادب   |
| <p>سختی یا ہمدردی کے لحاظ سے</p> |       |       |             |       |       |
| ادب                              | ادب   | ادب   | ادب         | ادب   | ادب   |
| ادب                              | ادب   | ادب   | ادب         | ادب   | ادب   |

[illegible][illegible]

## نمایاں خطرات اور مواقع

| ایمانی امور                                 |      | تعلیمی امور |      |
|---------------------------------------------|------|-------------|------|
| امدادی                                      | شعبہ | امدادی      | شعبہ |
| امدادی                                      | شعبہ | امدادی      | شعبہ |
| کمزور و کمزورین کے لئے تعلیمی و تعلیمی امور |      |             |      |
| امدادی                                      | شعبہ | امدادی      | شعبہ |
| امدادی                                      | شعبہ | امدادی      | شعبہ |

[illegible]

| ایمپالیبل                                                                 |             | لیکویڈ    |      |
|---------------------------------------------------------------------------|-------------|-----------|------|
| ایمپالیبل                                                                 | سکین        | لیکویڈ    | سکین |
| ایمپ                                                                      | ایمپ        | ایمپ      | ایمپ |
| شرح: Liquidity کے لغوی معنی تھیں کہ کاروبار، مالیاتی ادارہ یا ان کا کسٹمر |             |           |      |
| مربوط                                                                     | توجہ        | مبہ       | مبہ  |
| ایمپ                                                                      | تھیں وہ مہم | واری ایمپ | تھیں |
| تھیں                                                                      | تھیں        | تھیں      | تھیں |



[illegible]





(Financial Capital) الرأسمال المالي

گزارش: اقتصاد، *Macroeconomic Review*

ایک ایسی تنظیم بنائی جائے جس کے ذریعہ پاکستان کے تمام شہریوں کو ایک ہی طرح کی تعلیم فراہم کی جاسکے۔

اگر یہ عالمی مصیبت معمولی عالمی کے لئے نہ تھی تو اس میں ہر انسان کے لئے ہر قدر غم و غصہ کے حق تھا۔ مگر اس کے بعد جو بات سامنے آئی وہ تو غم و غصہ کے علاوہ کچھ اور بھی تھی۔ اس کے علاوہ کچھ تو اس میں ایسا بھی تھا جو دنیا کی ہر قوم و ہر نسل کے لئے تھا۔ اس کے علاوہ کچھ تو اس میں ایسا بھی تھا جو دنیا کی ہر قوم و ہر نسل کے لئے تھا۔ اس کے علاوہ کچھ تو اس میں ایسا بھی تھا جو دنیا کی ہر قوم و ہر نسل کے لئے تھا۔

2025 کے لیے پاکستان کی مالی سالانہ بجلی 3 لاکھ 70 کروڑ روپے سے زیادہ ہے۔  
 جس میں 1 لاکھ 40 کروڑ روپے بجلی کی پیداوار کے لیے مختص ہیں۔  
 دوسری جانب پاکستان کی بجلی کی پیداوار کے لیے 1 لاکھ 40 کروڑ روپے مختص ہیں۔

Aggravation:  $\text{NaOH} \rightarrow \text{Na}_2\text{O}$ [illegible]

CPGnet Development (E.g.)

ایسٹن کا کہنا ہے کہ انھوں نے صرف ایک سالہ کی عمر میں 2002ء کے انتخابات کے لیے اپنے  
 خطاب کی انصاف کی سہ سے طرح چاہی، لیکن اس نے ان کی اپنی فصول کی کاشت  
 اسے بدل دیا کہ انھوں نے ان کے سیاسی نظریات کی بنیاد پر سوشل سائنس

ماہی کے اظہار میں اس کے ذہن کے ساتھ ساتھ اس کے جسم کے اندر بھی ایک عجیب و غریب دنیا ہے۔ اس دنیا کو سمجھنے کے لیے ہمیں اس کے اندر گھسنے کی ضرورت ہے۔ اس کے اندر کی دنیا کو سمجھنے کے لیے ہمیں اس کے اندر گھسنے کی ضرورت ہے۔ اس کے اندر کی دنیا کو سمجھنے کے لیے ہمیں اس کے اندر گھسنے کی ضرورت ہے۔

Library and Control Unit

[illegible]

پروگرام (مجموعہ) کی (۱۹۹۹) کی مشروں میں حوالہ دہشت کے لئے ہے۔  
 اس کے باعث ہے۔

Unhappy and

ہمارے ۱۵۰ سالہ جشن ۲۵ سالہ آزادی ۲۵ سالہ عرصہ کے بعد کہ ۱۹۹۹ء کو، ہمارے آزاد  
 قومی کی نئی جدت میں ہم نے حکومت آزاد کشمیر کے قیام کے بعد، ہمارے  
 آزاد کشمیر کے آزادی کے لئے کی گئی ہے۔ ہمارے آزاد کشمیر کے لئے  
 آزاد کشمیر کے لئے آزاد کشمیر کے لئے آزاد کشمیر کے لئے آزاد کشمیر کے لئے  
 آزاد کشمیر کے لئے آزاد کشمیر کے لئے آزاد کشمیر کے لئے آزاد کشمیر کے لئے  
 آزاد کشمیر کے لئے آزاد کشمیر کے لئے آزاد کشمیر کے لئے آزاد کشمیر کے لئے

VFC Performance  VFC

[illegible]

FFBI کے مصداق (انجین کے اندر) آؤتھن کیے گئے ہر ایئر فیلڈ کے لیے  
 150.87 ملین روپے کا اضافہ بھی ضروری ہے جو کہ ایئر فیلڈ کے  
 فراہم کنندہ FFBI کے 29 فی صد حصص کے لیے کافی ہے۔  
 KPMG Tesnar Hadi & Co. Chartered Accountants  
 20 اگست 2024 کو جاری کردہ  
 Computation Letter میں لکھی گئی تھی کہ انجین کے ایئر فیلڈ کی  
 فراہمی کے لیے ضروری ہو گا کہ ایئر فیلڈ کے اندر آؤتھن کیے گئے ہر ایئر فیلڈ کے لیے

Prodecessor Method کا نام ہے اس نظام کو Accounting استعمال کرتے ہیں ان کا کیا ہے جو کہ SECP کے 63580 (2022) 12/22/2022 سے پہلے کے Accounting System پر Common Control Friends کے ساتھ ہے۔

اللہ تعالیٰ ان کی دعاؤں کی وجہ سے ہماری قوم کو ہر لحاظ سے بہتر بنائے۔ آمین

فہرست کے تحت درج کیے گئے ہیں۔ FFL، FPC اور FPL کی تفصیلات کے لیے ملاحظہ فرمائیے۔  
 اگرچہ یہاں پر ایک ہی فہرست ہے، مگر اس کے تحت درج کیے گئے ہیں۔ 25، 26، 27، 28، 29، 30، 31، 32، 33، 34، 35، 36، 37، 38، 39، 40، 41، 42، 43، 44، 45، 46، 47، 48، 49، 50، 51، 52، 53، 54، 55، 56، 57، 58، 59، 60، 61، 62، 63، 64، 65، 66، 67، 68، 69، 70، 71، 72، 73، 74، 75، 76، 77، 78، 79، 80، 81، 82، 83، 84، 85، 86، 87، 88، 89، 90، 91، 92، 93، 94، 95، 96، 97، 98، 99، 100، 101، 102، 103، 104، 105، 106، 107، 108، 109، 110، 111، 112، 113، 114، 115، 116، 117، 118، 119، 120، 121، 122، 123، 124، 125، 126، 127، 128، 129، 130، 131، 132، 133، 134، 135، 136، 137، 138، 139، 140، 141، 142، 143، 144، 145، 146، 147، 148، 149، 150، 151، 152، 153، 154، 155، 156، 157، 158، 159، 160، 161، 162، 163، 164، 165، 166، 167، 168، 169، 170، 171، 172، 173، 174، 175، 176، 177، 178، 179، 180، 181، 182، 183، 184، 185، 186، 187، 188، 189، 190، 191، 192، 193، 194، 195، 196، 197، 198، 199، 200، 201، 202، 203، 204، 205، 206، 207، 208، 209، 210، 211، 212، 213، 214، 215، 216، 217، 218، 219، 220، 221، 222، 223، 224، 225، 226، 227، 228، 229، 230، 231، 232، 233، 234، 235، 236، 237، 238، 239، 240، 241، 242، 243، 244، 245، 246، 247، 248، 249، 250، 251، 252، 253، 254، 255، 256، 257، 258، 259، 260، 261، 262، 263، 264، 265، 266، 267، 268، 269، 270، 271، 272، 273، 274، 275، 276، 277، 278، 279، 280، 281، 282، 283، 284، 285، 286، 287، 288، 289، 290، 291، 292، 293، 294، 295، 296، 297، 298، 299، 300، 301، 302، 303، 304، 305، 306، 307، 308، 309، 310، 311، 312، 313، 314، 315، 316، 317، 318، 319، 320، 321، 322، 323، 324، 325، 326، 327، 328، 329، 330، 331، 332، 333، 334، 335، 336، 337، 338، 339، 340، 341، 342، 343، 344، 345، 346، 347، 348، 349، 350، 351، 352، 353، 354، 355، 356، 357، 358، 359، 360، 361، 362، 363، 364، 365، 366، 367، 368، 369، 370، 371، 372، 373، 374، 375، 376، 377، 378، 379، 380، 381، 382، 383، 384، 385، 386، 387، 388، 389، 390، 391، 392، 393، 394، 395، 396، 397، 398، 399، 400، 401، 402، 403، 404، 405، 406، 407، 408، 409، 410، 411، 412، 413، 414، 415، 416، 417، 418، 419، 420، 421، 422، 423، 424، 425، 426، 427، 428، 429، 430، 431، 432، 433، 434، 435، 436، 437، 438، 439، 440، 441، 442، 443، 444، 445، 446، 447، 448، 449، 450، 451، 452، 453، 454، 455، 456، 457، 458، 459، 460، 461، 462، 463، 464، 465، 466، 467، 468، 469، 470، 471، 472، 473، 474، 475، 476، 477، 478، 479، 480، 481، 482، 483، 484، 485، 486، 487، 488، 489، 490، 491، 492، 493، 494، 495، 496، 497، 498، 499، 500، 501، 502، 503، 504، 505، 506، 507، 508، 509، 510، 511، 512، 513، 514، 515، 516، 517، 518، 519، 520، 521، 522، 523، 524، 525، 526، 527، 528، 529، 530، 531، 532، 533، 534، 535، 536، 537، 538، 539، 540، 541، 542، 543، 544، 545، 546، 547، 548، 549، 550، 551، 552، 553، 554، 555، 556، 557، 558، 559، 560، 561، 562، 563، 564، 565، 566، 567، 568، 569، 570، 571، 572، 573، 574، 575، 576، 577، 578، 579، 580، 581، 582، 583، 584، 585، 586، 587، 588، 589، 590، 591، 592، 593، 594، 595، 596، 597، 598، 599، 600، 601، 602، 603، 604، 605، 606، 607، 608، 609، 610، 611، 612، 613، 614، 615، 616، 617، 618، 619، 620، 621، 622، 623، 624، 625، 626، 627، 628، 629، 630، 631، 632، 633، 634، 635، 636، 637، 638، 639، 640، 641، 642، 643، 644، 645، 646، 647، 648، 649، 650، 651، 652، 653، 654، 655، 656، 657، 658، 659، 660، 661، 662، 663، 664، 665، 666، 667، 668، 669، 670، 671، 672، 673، 674، 675، 676، 677، 678، 679، 680، 681، 682، 683، 684، 685، 686، 687، 688، 689، 690، 691، 692، 693، 694، 695، 696، 697، 698، 699، 700، 701، 702، 703، 704، 705، 706، 707، 708، 709، 710، 711، 712، 713، 714، 715، 716، 717، 718، 719، 720، 721، 722، 723، 724، 725، 726، 727، 728، 729، 730، 731، 732، 733، 734، 735، 736، 737، 738، 739، 740، 741، 742، 743، 744، 745، 746، 747، 748، 749، 750، 751، 752، 753، 754، 755، 756، 757، 758، 759، 760، 761، 762، 763، 764، 765، 766، 767، 768، 769، 770، 771، 772، 773، 774، 775، 776، 777، 778، 779، 780، 781، 782، 783، 784، 785، 786، 787، 788، 789، 790، 791، 792، 793، 794، 795، 796، 797، 798، 799، 800، 801، 802، 803، 804، 805، 806، 807، 808، 809، 810، 811، 812، 813، 814، 815، 816، 817، 818، 819، 820، 821، 822، 823، 824، 825، 826، 827، 828، 829، 830، 831، 832، 833، 834، 835، 836، 837، 838، 839، 840، 841، 842، 843، 844

[illegible]

ظہور شدہ عوارض کا مجموعی حوالہ رقم ۲۵۴ ہے۔ اس میں سے ایک سو تین کے علاوہ باقی تمام مریضوں کی حالت بہتر ہوئی ہے۔

### Productivity

2020 کے 2.8% درآمدی اضافے کی بجائے سالانہ 2020 کی 11% اضافی

یہاں کی امریکی مشینیں آسانی سے فٹنگ کے پورے کم پرائز کے خلاف 452 ڈالر کی بجائے 32 ڈالر پر Boren DAP کی مثال سے خریدیں۔ فٹنگ کے 157 ڈالر DAP اور باقی کی کم قیمت کی مجموعی قیمت 3,293 ڈالر کی بجائے 3,136 ڈالر بن گئی۔ فٹنگ کے پورے کم پرائز کی مثال سے خریدیں۔

انہی اعلیٰ درجہ کارکنوں کا سبب ہے کہ وہ اعلیٰ کلاس میں پیدا ہوتے ہیں۔ انہی اعلیٰ درجہ کارکنوں کا سبب ہے کہ وہ اعلیٰ کلاس میں پیدا ہوتے ہیں۔ انہی اعلیٰ درجہ کارکنوں کا سبب ہے کہ وہ اعلیٰ کلاس میں پیدا ہوتے ہیں۔

1. [Visit our website](#)

[illegible]

DAF کے لئے اسے 854 ڈیڑھ لکھ کی گئی اس میں 45 ڈیڑھ لکھ DAF کے لئے ہے۔  
 139 ڈیڑھ لکھ کے لئے DAF کے لئے ہے۔

تعمدات کی مجموعی فراہم شدہ 3,81,62,42,42 کی بجائے 2,87,00,00,00 کی فراہم شدہ۔

**Journal of Management Education**

## STAFFING

[illegible][illegible]

1200L 

542











# 07

## ڈائریکٹرز رپورٹ

کمپنی اور گروپ کی کارکردگی پر ڈائریکٹرز کا تجزیہ

543 چیئر مین کا جائزہ

542 مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کا تبصرہ

541 مالیاتی سرمایہ

538 نمایاں خطرات اور مواقع

532 مستقبل کی توقعات

530 چیئر مین کا تجزیہ (گروپ)

529 گروپ کی مالیاتی کارکردگی

525 47 ویں سالانہ عام اجلاس کا نوٹس

521 پراکسی فارم

520 پیٹرن آف شیئر ہولڈنگ FFC

517 پیٹرن آف شیئر ہولڈنگ - سبسڈریز



## سر ورق

ترقی اور ہریالی کی ہم آہنگی میں، ہمارے دیرپا سفر میں ایک اہم مرحلے کے طور پر تاریخی انضمام اور حصولیت نے نہ صرف ہماری صلاحیتوں اور دائرہ کار کو بڑھایا بلکہ زمین کی زرخیزی، قومی غذائی تحفظ، اور کانوں کو اختیار بنانے کے لیے ہمارے عزم کو مزید مضبوط کیا۔ سونا سینغرز کی شروعات اور انتہائی موثر کھادوں کا تعارف ہمارے مشن کو آگے بڑھاتا ہے، جو زرعی جدتوں اور پائیدار طریقوں کو یکجا کرنے پر مرکوز ہے، تاکہ ہماری کھادیں باآسانی قابل رسائی ہوں، معاشی ترقی کو فروغ ملے اور حصہ داران کی قیمت میں اضافہ ہو۔

ہم اپنی حکمت عملیوں میں ای ایس جی معیارات کو شامل کر کے دیرپا استحکام کے حصول کا عزم رکھتے ہیں، تاکہ ایک ایسے مستقبل کی جانب پیش قدمی کر سکیں جہاں ہم وسیع پیمانے پر مثبت اثرات مرتب کرتے ہوئے ترقی کر سکیں۔





[www.ffc.com.pk](http://www.ffc.com.pk)

Head Office: 156 The Mall, Rawalpindi Cantt., Pakistan  
UAN +92-51-111-332-111