



Integrated **Growth**
Expanding **Value** Frontiers

**20
25**

Annual Integrated Report

Cover Story



The rising arc reflects ambition extending beyond established horizons, while the grounded architecture embodies the quiet strength of enduring industrial capability. The deep blue expanse conveys calm authority, institutional confidence and unwavering stewardship. The expanding constellation reveals boundaries widening through disciplined strategic extension into complementary platforms. Growth branches outward, strengthening the core through purposeful diversification and integrated capital deployment.

In this expression lies transformation, an enterprise of scale and scope, deliberate in vision and steady in ascent. Here, ambition is anchored in discipline, diversification reinforces resilience and integrated growth expands value frontiers into enduring value.

A photograph of an industrial facility, possibly a refinery or chemical plant, at night. The facility is illuminated with bright yellow and white lights, and its complex structure of towers, pipes, and storage tanks is reflected in a body of water in the foreground. The sky is a deep blue with some light clouds.

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

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ڈائریکٹرز رپورٹ

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کمپنی اور گروپ کی کارکردگی پر ڈائریکٹرز کا تجزیہ

About Annual Integrated Report 2025

Integrated Thinking and Delivery on our Purpose

Vision
Mission

Leading Through Our Purpose

Values
Practices

Value for/in our business model

FFC's vision, mission, codes and values are centered on creating and preserving value across the organization. By applying integrated thinking, we evaluate the factors that drive value creation, informed decision-making, resource allocation and performance outcomes. Our business model, together with the Sustainability Report, emphasizes environmental, social, governance and economic impacts, providing transparency on issues that are material to FFC and its stakeholders.

FFC has prepared Disclosures with reference to the IFRS Sustainability Disclosure Standards (SDS) IFRS S1 and IFRS S2, without voluntary or mandatory adoption of the standards. The Disclosures are intended to demonstrate readiness for future compliance, establish a baseline understanding of sustainability-related risks and opportunities and support internal capability development.

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

- + Value creation
- Value preservation
- Value erosion

Governance, Strategy and Future Outlook

The Board of Directors safeguards sustainability and long-term prosperity by upholding a transparent and accountable governance framework aligned with our vision, mission and values (VMVs), ensuring the protection of stakeholder interests. Our business strategy clearly articulates short, medium and long-term objectives, supported by forward-looking statements that address expected performance, project status and underlying key assumptions. As a Sustainability leader, we actively engage with SECP on the ESG Regulatory Roadmap, with additional details provided on page 112.

Board and its
Sub Committees

Governance, Strategy & Future Outlook

Management,
KPIs & Objectives

Risk Governance

Enterprise Risk Management

Mitigation of
Risks

Enterprise Risk Management

Under the stewardship of the MD & CEO, FFC has established a robust and independent risk governance structure that systematically identifies, assesses and monitors risks and opportunities across the operating landscape, with a strong focus on material impacts on our capitals. Further details of our risk management and internal control framework are outlined on page 90. We are progressively integrating sustainability considerations into our risk management approach in accordance with relevant guidelines. At the same time, FFC continues to refine and strengthen its Enterprise Risk Management (ERM) framework to proactively manage risks through well-defined and effective mitigation strategies.

Our Capitals

Driven by a strong commitment to sustainable value creation, our organization cultivates a culture of empowerment and accountability by strategically deploying resources and capitals, with a focused emphasis on ESG through standardized, scalable and efficient business practices. These capitals are comprehensively detailed in the Directors' Report and the Sustainability Report.



Financial
Capital



Manufactured
Capital



Intellectual /
Organizational
Capital



Human
Capital



Social &
Relationship
Capital



Natural
Capital

Resource Allocation

Capitals

Value Creating
Business Model

Identify & Prioritize

Materiality Assessment

Validate & Approve

Materiality Assessment

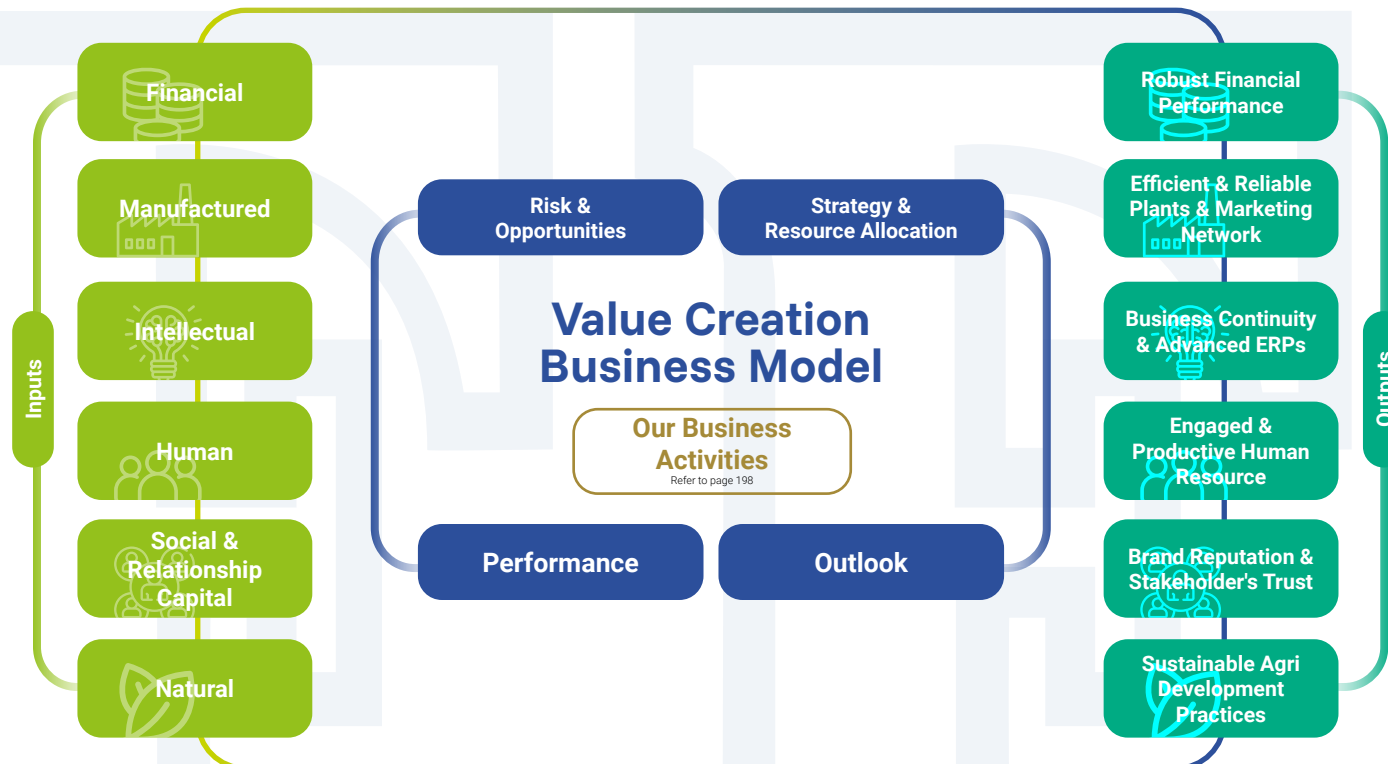
The materiality assessment focuses on identifying issues, risks and opportunities that materially affect our capitals and our capacity to sustain long-term business performance. This structured approach enables us to generate shared value in a dynamic environment, while carefully considering our impacts on the economy, environment and society. The assessment is conducted through four defined phases—identification, prioritization, validation and approval. A detailed discussion of the materiality assessment is presented within each of our capitals.

Integrated Reporting Process

External Environment

GOVERNANCE

Purpose, Mission, Vision



Reporting Boundary of the Integrated Report

Financial Reporting Entity

FFC

07
Subsidiaries

04
Associates

01
Joint Arrangements



Employees



Customers



Suppliers



Business Partner



Communities



Others

Reporting Frameworks

Reporting Process

Reporting Standards

Reporting Process

This Report has been developed with contributions from cross-functional process owners across FFC and its subsidiaries. The financial reporting and corporate affairs teams rigorously review the information to ensure its reasonableness and validity, applying relevant reporting criteria and established guidelines. Materiality considerations extend to both financial and non-financial disclosures, with financial information grounded in audited statements. The Sustainability Report is prepared by a cross-functional team under the oversight of the Sustainability Committee and related feedback may share at 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
- CFA ESG Award
- Sustainability Reporting Standards (S1 & S2)

Legal / Regulatory

Legal / Regulatory & Reporting Frameworks

Compliance & Control

Management Sign-off

Approving the Integrated Report

Board Approval

Integrity of The Report

The integrity of this Report is upheld through a robust and well-structured integrated reporting process, supported by multiple layers of review and approval. The Directors' Report and Financial Statements are thoroughly reviewed by the Audit Committee and subsequently approved by the Board of Directors. The Annual Integrated Report 2025 has been prepared in accordance with the principles and guidelines of the <IR> Framework and the BCR ICAP/ICMAP Framework. The Board formally endorsed and authorized the issuance of the Directors' Report on January 29, 2026. Sustainability report is also reviewed by Board's sustainability Committee.

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);
- Fersa 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

Navigating through this report

page 558-559 will also assist the readers to understand and evaluate the ten domains of this report.

Our Integrated Report

Reporting Period

The report is prepared and published annually in compliance with and covers the period January 01 to December 31, 2025. The report is published on February 23, 2026.

Data Compilation Methodologies

All financial data has been extracted from Audited Financial

Statements (which are also part of this report). Data included across the report in Directors report, financial information, various Capitals and Sustainability Report covers FFC's Head office, Manufacturing Plants, Marketing Offices and Locations.

There are no changes in the report's reporting period and data measurement methodologies.

The business model transforms key inputs including financial manufactured intellectual human social and natural capital into outputs such as fertilizer production energy generation and related services which generate economic returns stakeholder value and sustainable outcomes.

The online PDF version can be accessed at <https://ffc.com.pk/investor-relations/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 stake-holders needs and provide them with a holistic view of our value creation potential.

Compliance beyond Reporting Criterion

Refer to Corporate Governance Section (page 106) under 'Governance practices exceeding legal requirements' and 'Disclosures beyond BCR Criteria' for the compliances beyond reporting criteria.



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



An artisan in Qissa Khawani Bazar meticulously engraves intricate patterns onto brass and copper chests and vessels, preserving a centuries-old tradition of handcrafted metal artistry.

A person wearing a yellow robe is holding a large, ornate metal box with intricate carvings. The box is highly detailed with floral and geometric patterns. The background is a blurred image of the same box and the person's hands.

01

Company Overview

General Information about the Company and its Operations

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Company Information

Board of Directors

Lt Gen Anwar Ali Hyder, HI(M) (Retired)
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 Saif Anjum

Maj Gen Muhammad Aneeq Ur

Rehman Malik, HI(M) (Retired)

Mr Farhad Shaikh Mohammad

Mr Mohammad Majid Munir

Syed Shahzad Nabi

Ms Fatima Asad Khan

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 Khurram Shahzada, SI(M) (Retired)

Tel No. +92-51-8453101

Fax No. +92-51-8458831

E-mail: secretary@ffc.com.pk

Registered Office

156 - The Mall, Rawalpindi
Cantt, Pakistan

Website: 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

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 EZ/I/P-1, Eastern Zone,

Bin Qasim, Karachi 75020

Tel: +92-21-34724500-29

Fax: +92-21-34724530-31

Marketing & Sales Office

Sona Tower,

One - H, Gulberg II,

Lahore, Pakistan

Tel No. +92-423 3320001-09

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

Soneri Bank Limited

Standard Chartered Bank (Pakistan)

Limited

Bank Makramah Limited

The Bank of Punjab

United Bank Limited

Islamic Banks

Al Baraka Bank (Pakistan) Limited

Bank Islami Pakistan Limited

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited

MCB Islamic Bank Limited

Meezan Bank Limited

The Bank of Khyber



www.ffc.com.pk

Highlights 2025



Rs **132.6** Billion
Earnings before Interest Tax &
Depreciation (EBITDA)



2,886 KT
Sona Urea sales*



2,903 KT
Sona Urea production



Rs **17.4** Billion
Investment income



Rs **111.6** Billion
Contribution to National
Exchequer



22.4 Billion
Dividend Income



244
Sona Stores - Company
owned Sales Outlets



69%
Return on Capital
Employed (ROCE)



Rs **432.4** Billion
Highest ever turnover

43%
Urea Market Share

62%
DAP Market Share



USD **1.3** Billion
Import substitution



112%
Avg. Urea Operational Efficiency



Rs **37** Per Share
Dividend payout to shareholders



Rs **1,718** million
Donations

Product Portfolio

Principal Activities of the Company

The Company is primarily engaged in the manufacturing, import, and marketing of fertilizer products, alongside strategic investments in energy production, food processing, financial services, and chemical manufacturing. FFC drives growth through market expansion, product innovation, and service excellence, supported by a robust distribution network and strong farmer engagement. Advanced fertilizer solutions, including Sona Urea Zinc-Coated and Sona Boron DAP, combined with sustained investment in R&D, enhance soil fertility and crop yields. Value-added agronomic services and farmer training further strengthen agricultural productivity and reinforce industry leadership.



Sona Urea (Prilled) & Sona Urea (Granular)

Agricultural Use

Urea is a high-analysis nitrogen fertilizer containing 46% nitrogen, a vital nutrient for plant growth and chlorophyll formation essential for photosynthesis. It is applied in split doses (basal and top-dressing) to support the growth of crops, vegetables, and orchards. In irrigated areas, urea is top-dressed on standing crops followed by irrigation to reduce ammonia volatilization losses. In rain-fed conditions, application before or after rainfall helps minimize nutrient losses. FFC produces both prilled and granular urea, with granular urea offering superior handling and ease of application due to its larger granule size.

Industrial Use

Urea serves as an important raw material in the manufacture of plastics, adhesives, and other industrial products.

Sona Urea (Neem Coated)

Agricultural Use

Neem Coated Urea is a high-quality nitrogen fertilizer containing 46% nitrogen, essential for healthy plant growth and green leaf development. The neem oil coating allows nitrogen to be released slowly over time, ensuring better nutrient use by crops, reduced losses, and improved yields. It also helps protect crops by repelling certain soil pests such as nematodes.

The fertilizer is applied in split doses (basal and top-dressing) for crops, vegetables, and

orchards to support strong vegetative growth. Its slow-release nature makes Neem Coated Urea both efficient and environmentally friendly.

Sona DAP

Agricultural Use

Di-ammonium Phosphate (DAP) is a high-nutrient phosphatic fertilizer containing 46% phosphorus (P_2O_5) and 18% nitrogen. Its high solubility makes it ideal for basal application and fertigation. DAP helps develop strong roots, improves energy transfer within plants, and supports better grain and fruit formation. Its slightly acidic nature suits most Pakistani soils, while the nitrogen content promotes healthy early crop growth.

Industrial Use

DAP is also used as a fire-retardant in firefighting products and in industrial applications such as metal finishing, yeast nutrition, and sugar purification.

Sona SOP

Agricultural Use

Sulfate of Potash (SOP) is a high-quality potassium fertilizer that improves yield and quality, especially in fruits and vegetables. It contains 50% potassium (K_2O) and 18% sulfur, which help plants grow stronger, activate enzymes, tolerate stress, and improve sweetness and quality of produce. Sulfur also supports oilseed crops and helps improve salt-affected soils. With less than 1.5% chloride content, Sona SOP is a premium, European-origin fertilizer, ideal for high-value and chloride-sensitive crops.

Industrial Use

SOP is sometimes used in glass manufacturing.

Sona MOP

Agricultural Use

Potassium chloride, or Muriate of Potash (MOP), is the most widely used potassium fertilizer globally, accounting for over 90% of potash applications. It is the most concentrated granular potassium source and a cost-effective choice for farmers. Sona MOP contains 60% K_2O and is suitable for a wide range of crops, including sugarcane, maize, rice, wheat, cotton, orchards, vegetables and other field crops. Its uniform granules allow for even broadcast application, and it can be safely blended with other granular fertilizers.

Industrial Use

MOP is also utilized in medicine, food processing, and scientific research.

Sona Boron

Agricultural Use

Sona Boron, supplied as Borax (Di-Sodium Tetra Borate Decahydrate) in 3 kg packs with minimum 10.5% boron, addresses widespread micronutrient deficiencies in soils. It supports key plant processes including cell division, elongation, pollination, and fruit/seed development. Water-soluble and crystalline, it is easily absorbed by crops and compatible with other fertilizers.

Sona Zinc

Agricultural Use

Sona Zinc is a 27% Zinc Sulphate Monohydrate micronutrient fertilizer available in 3 kg packs. Zinc is essential for chlorophyll synthesis, enzyme activation, and nutrient uptake. With over 85% of Pakistani soils deficient in zinc, FFC provides high-quality granular Sona

Zinc, suitable for broadcast application and fertigation.

Sona Boron DAP

Agricultural Use

Sona Boron DAP is Pakistan's first DAP-based enhanced-efficiency fertilizer, combining 46% P_2O_5 , 18% nitrogen, and 0.1% boron. The uniform boron distribution in each granule ensures efficient uptake by plants, enhancing yield potential. It is recommended as a basal dose for all crops and orchards, with flexibility for use 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 nutrient distribution, improves zinc availability, and prolongs nitrogen efficiency by minimizing losses. This leads to better plant growth, higher nutrient uptake, and increased crop yields. SUZC is suitable for all crops and orchards and can be applied via broadcast or fertilizer spreaders.

Renewable Energy

The Company contributes to Pakistan's green energy supply through its subsidiary companies:

FFC Energy Limited (FFCEL)

FFCEL was established to develop, own, and operate a 49.5 MW wind power facility, delivering clean electricity to the national grid (NTDC).

Foundation Wind Energy - I Limited (FWEL I)

FWEL I operates a 50 MW wind power plant, supplying renewable electricity to Pakistan's national grid (NTDC).

Foundation Wind Energy - II Limited (FWEL II)

FWEL II operates an additional 50 MW wind power facility, also connected to the national grid (NTDC), supporting the country's sustainable energy needs.

FFBL Power Company Limited (FPCL)

FPCL is a coal-fired power generation project with a gross capacity of 118 MW. Since commencing operations in 2017, FPCL has provided reliable electricity to Port Qasim Plant and K-Electric, supporting industrial operations and contributing to Pakistan's economic growth.

Technical Services

OLIVE Technical Services (Private) Limited

OLIVE provides specialized technical support, including operations, maintenance, inspection, and IT services, delivering comprehensive solutions to optimize performance and efficiency.

Food Business

Fauji Fresh n Freeze Limited (FFF)

FFF, a wholly owned subsidiary, delivers premium frozen fruits, vegetables, and French fries to the domestic market, ensuring hygiene, convenience, and year-round availability. Its state-of-the-art IQF facility in Sahiwal operates under BRC, ISO, and Halal certifications. The flagship brand, **Opa!**, is gaining traction as a preferred choice for frozen French fries and vegetables. Key products include peas, sweet corn, strawberries, broccoli, and mixed vegetables.

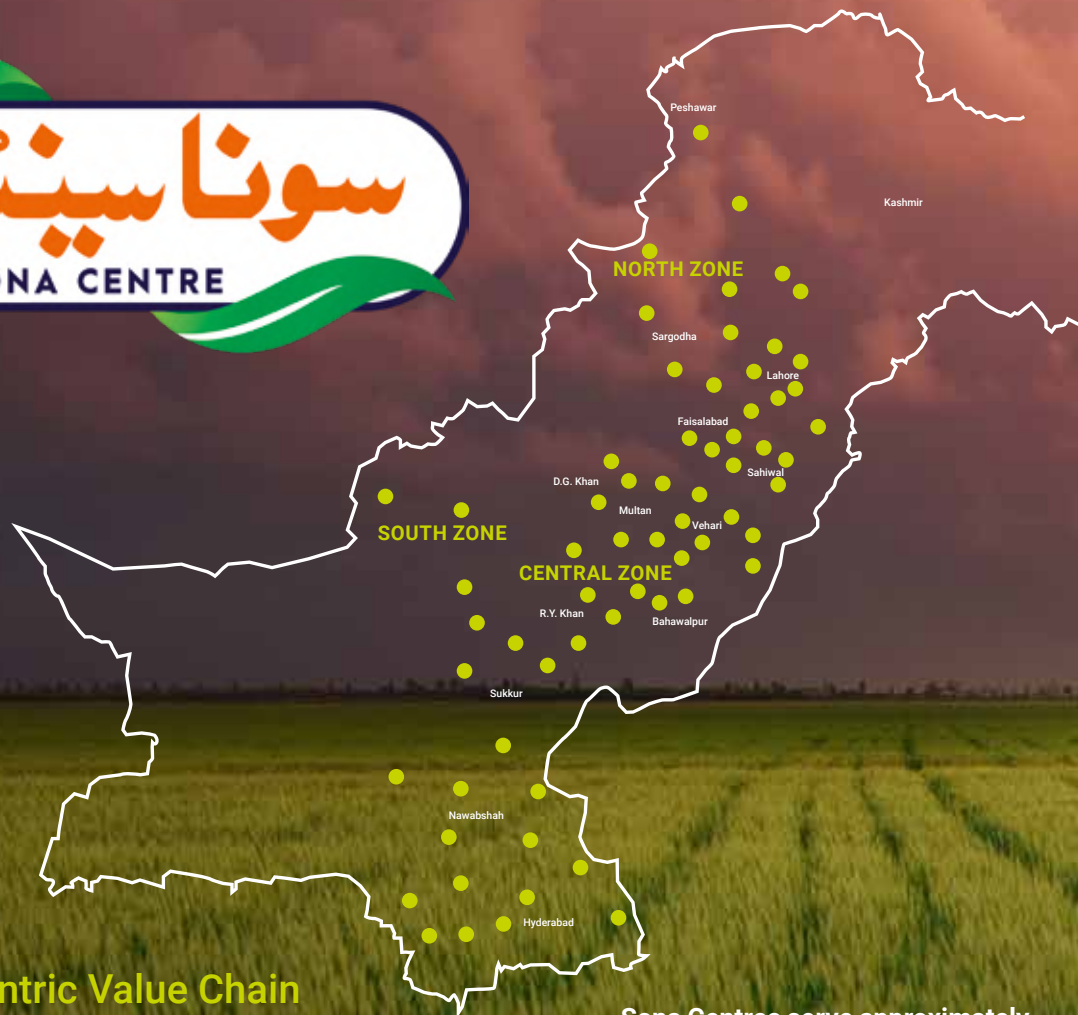
Fauji Foods Limited (FFL)

FFL produces high-quality, nutritious dairy products under the House of **Nurpur** brand and leads the tea creamer segment with DOSTEA. Committed to food quality and sustainable practices, FFL focuses on delivering consistent consumer value while supporting long-term growth.



SONA Centres

Integrated Farmer Services



Farmer Centric Value Chain

Sona Centres operate as integrated farmer support hubs, bringing together technical advisory, agri-inputs, precision agriculture, and financial services on a single platform. With outreach across Pakistan, the model focuses on improving farmer productivity, promoting balanced nutrient use, and strengthening FFC's direct engagement with growers.

Services include soil testing, crop planning, high-quality seeds, fertilizers, micronutrients, crop protection, and insurance products (crop and life insurance through State Life), alongside financial inclusion through microfinancing, smart loans, digital payment portals, and bank partnerships. As FFC's field-level brand touchpoints, the centres enhance awareness, ensure correct product usage, and enable precision farming through drone and satellite solutions. By integrating advisory, inputs, and financial services, Sona Centres strengthen value-chain linkages, support future produce procurement initiatives, and position themselves as **one-stop** solution hubs driving sustainable agriculture and national food security through modernized agri-service delivery at the grassroots level.

Sona Centres serve approximately

118,000

Farmers Nationwide, Extending Their Reach
Across Pakistan's Key Agricultural Regions.

The Company remained committed to ensure easy access to high quality fertilizers at retail rates to the farmers, besides offering a range of agriculture services through Sona stores. The outreach to the farmers was increased to **244 Sona Stores** with plans of further expansion in the coming year.

Enhanced Efficiency Fertilizer

New Products

FFC focuses on Enhanced Efficiency Fertilizers (EEF), including Sona Urea - Neem Coated, Sona Urea - Zinc Coated, and Sona Boron DAP, as part of its commitment to sustainable and low-carbon agriculture / reduced carbon emission. These fertilizers are designed to optimize nutrient use efficiency, reduce losses, and lower greenhouse gas emissions, supporting climate-smart farming practices while improving soil health and crop productivity.

FFC is preparing to introduce Urease inhibitors next year which will further improve nitrogen utilization, boost yield, and provide farmers with sustainable and high-performance solutions, reinforcing FFC's role in promoting responsible and efficient agriculture.



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 & Sales Office	Lahore	Sona Tower, One - H, Gulberg II, 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	Port Qasim, Karachi	Plot No. EZ/I/P-1, Eastern Zone, Port Qasim, Karachi, Sindh
Resident 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 st 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

Foundation Wind Energy I and II Limited

Head Office	Rawalpindi	5 th Floor, Sona Tower, 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, C1/C2, Sector B, Jinnah Boulevard DHA Phase II, Islamabad
Plant Site	Port Qasim, Karachi	EZ/I/P-1, Eastern Zone, Port Qasim, Karachi 75020, Sindh

OLIVE Technical Services (Private) Limited

Head Office	Islamabad	Sona Tower, C1/C2, Sector B, Jinnah Boulevard DHA Phase II, Islamabad

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

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

Agritech Limited

Registered Office	Lahore	75-76 D-1, 4th Floor, Askari Corporate Tower, Main Boulevard, Gulberg III, Lahore, Punjab
Haripur Unit	Haripur	Hazara Phosphate Business, Hattar Road, (District: Haripur), Khyber Pakhtunkhwa
Mianwali Unit	Mianwali	Formerly Pak American Fertilizers Limited, Iskanderabad, Daudkel, (District: Mianwali), Punjab

Askari Bank Limited

Head Office	Islamabad	3 rd 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 Cantt	Near Wah Railway Station Tehsil Taxila, Punjab
	Nizampur	Village Kahi, Nowshera Punjab

Thar Energy Limited

Head Office	Karachi	11 th 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 Islamkot, District TharParker, Sindh

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 Marketing 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, favour 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.



Brand Image

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



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.



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.



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.



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 define the culture we strive to cultivate as an organization. Standards outline how employees and the organization are expected to conduct themselves both internally and externally. They serve as a foundation for decision-making and guide 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.



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



Excellence

in high-quality products and services to our customers

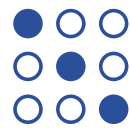


Reputation

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

Consistency

in our words and deeds



Teamwork

to synergize for achieving strategic objectives



Compassion

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



Innovation

to create value and sustain competitive advantage

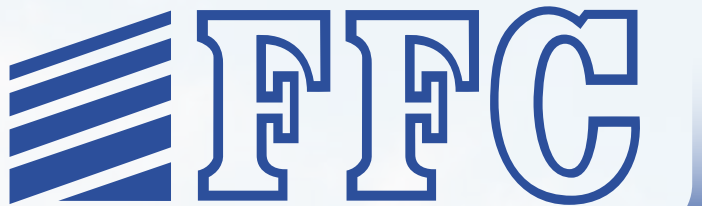


Policy Statement on Ethics and Business Practices

- 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 Standards 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 behavior 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 & Group Structure



Subsidiary Companies



Associated Companies



Joint Venture Company



FFC Energy Limited

Recognizing the significance of green energy, the Company ventured into wind power by establishing its wholly owned subsidiary, FFC Energy Limited (FFCEL), in 2009. FFCEL commenced commercial operations in May 2013 with a generation capacity of 49.5 MW.



FFBL Power Company Limited

FFBL Power Company Limited (FPCL) operates a coal-based power plant at Port Qasim, Karachi, with a net capacity of 103 MW (gross 118 MW), achieving its commercial operations date on 19 May 2017. FFC holds a controlling 75% equity stake in FPCL.



fauji foods

Fauji Foods Limited

FFL established in 2015 following the acquisition of Noon Pakistan Limited, operates in the dairy segment, offering products including milk, cheese, butter, tea whitener, flavored milk, pasta, and cereals. Its flagship brand, Nurpur, is one of Pakistan's oldest and most recognized dairy brands. Following the merger with ex-FFBL, FFC holds 82.16% ownership through direct and subsidiary shareholdings.



Foundation Wind Energy Limited I&II

In 2021, the Company strengthened its position in the renewable energy sector by acquiring a 100% equity stake in Foundation Wind Energy-I Limited (FWEL-I) and an 80% stake in Foundation Wind Energy-II Limited (FWEL-II). Together, these projects contribute a total wind power generation capacity of 100 MW.



Fauji Fresh n Freeze Limited

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



Olive Technical Services (Private) Limited

OLIVE Technical Services (Private) Limited, a wholly owned subsidiary of FFC, has been established to deliver a comprehensive range of plant-related technical services, including operations, maintenance, inspection, engineering, and IT/SAP solutions. OLIVE is set to elevate FFC's existing services portfolio to new levels of excellence.

Built on a resilient business model, empowered by a dedicated workforce and diversified portfolio; FFC is shaping a prosperous future. Guided by a bold vision and clear purpose, FFC strives to create enduring value and rank among Pakistan's most admired enterprises.

Fauji Fertilizer Company Limited (FFC), Pakistan's largest urea manufacturer, was established in 1978 as a joint venture between Fauji Foundation, a charitable trust (43.70% equity) and Haldor Topsoe A/S of Denmark. From an initial capacity of 570 thousand tonnes urea, FFC has expanded to over 3 million tonnes across four plants. Since inception, it has contributed more than US\$ 21.55 billion to the National Exchequer by supplying over 75.2 million tonnes of urea domestically, reducing the country's import dependency.



Fauji Cement Company Limited

Fauji Cement Company Limited (FCCL), a public limited company incorporated on November 23, 1992, is listed on the Pakistan Stock Exchange (PSX). The Company is primarily engaged in the manufacture and sale of various types of cement, with an annual production capacity of 10.5 million tonnes. FFC holds a 4.29% equity stake in FCCL, representing an investment of PKR 1.5 billion



Askari Bank Limited

In 2013, FFC made an initial investment of PKR 10.46 billion to acquire a 43.15% equity stake in Askari Bank Limited (AKBL), marking a strategic move toward portfolio diversification. FFC holds 64.72% of equity interest in AKBL, post merger with ex-FFBL.

Askari Bank Limited, incorporated on October 9, 1991 as a public limited company, is primarily engaged in commercial banking. As of year-end, the Bank had a market capitalization of PKR 145.74 billion and operates a nationwide network of 757 branches, including 365 Islamic banking branches and 66 sub-branches, along with a Wholesale Banking branch in the Kingdom of Bahrain.



Pakistan Maroc Phosphore, S.A.

Pakistan Maroc Phosphore (PMP) is a private limited company incorporated in Morocco in 2004 as a joint venture between FFC (37.5% shareholding post ex-FFBL merger), Fauji Foundation (12.5%) and Morocco's Office Chérifien des Phosphates (OCP) (50%). The company commenced operations in 2008 with an annual capacity of 375,000 tonnes of industrial phosphoric acid, securing a reliable raw material supply for FFC's DAP production. PMP is accounted for by FFC as an overseas associate under the equity method in accordance with IFRS and does not constitute a foreign operating subsidiary of FFC. FFC's operating revenue, capital expenditure, pre-tax income and income taxes arise substantially from domestic operations in Pakistan, while its exposure to PMP is limited to equity-accounted results, import of phosphoric acid and receipt of dividends, as disclosed in the relevant notes to the consolidated financial statements.



Agritech Limited

Agritech Limited (AGL), incorporated in Pakistan on 15 December 1959, operates two manufacturing facilities located in Mianwali and Haripur. The Company's core business is the production and sale of urea and granulated single super phosphate (GSSP) fertilizers. FFC holds 37.36% equity stake in AGL.



Thar Energy Limited

Thar Energy Limited (TEL), incorporated in 2016, is a 330 MW coal-based power project developed under the China Pakistan Economic Corridor (CPEC) in partnership with HUB Power Company Limited (60%) and China Machinery Engineering Corporation (10%). FFC holds a 30% equity stake in TEL, which achieved commercial operations in October 2022.

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

2004

Equity investment of PKR 706 million in PMP (12.5%)

2008

De-Bottle Necking of Plant-III (capacity increased to 718 KT urea - 125% of design)

Equity Investment of PKR 1.5 billion in FCCL (4.29%)

2010

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

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 by South Asian Federation of Accountants (SAFA) in SAARC region

Launch of **Opal** French Fries brand by FFFL

2017

Highest ever DAP offtake - 513 KT

Highest ever all Fertilizer sales - 3,223 KT

2023

13th consecutive 1st position - PSX Top 25 Companies

Overall 1st position for the 15th time in Best Corporate Report Awards 2022 by ICAP/ICMAP

Silver Winner for Good Corporate Governance in SAARC Anniversary Award (SAFA) - Annual Report 2022

Awarded for Best ESG Reporting by CFA Society

2024

Merger of ex-FFBL with and into FFC in record time of Pakistan's Corporate History

FFC acquired a 28.86% equity stake in AGL

75 Sona Centres operational

Amir S. Chinoy Corporate Excellence Award in Industrial Category by MAP

IFA Industry Stewardship Champions

1992

De-Bottle Necking of Plant-I (capacity increased to 695 KT urea)

Listed with Islamabad Stock Exchange

1993

Investment in ex-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)

2011

SAP-ERP implemented in the Company

2012

FFCEL inauguration

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

2013

Acquisition of 100% equity stake in FFFL

Acquisition of 43.15% equity stake in AKBL

Commencement of commercial operations by FFCEL

2018

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

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)

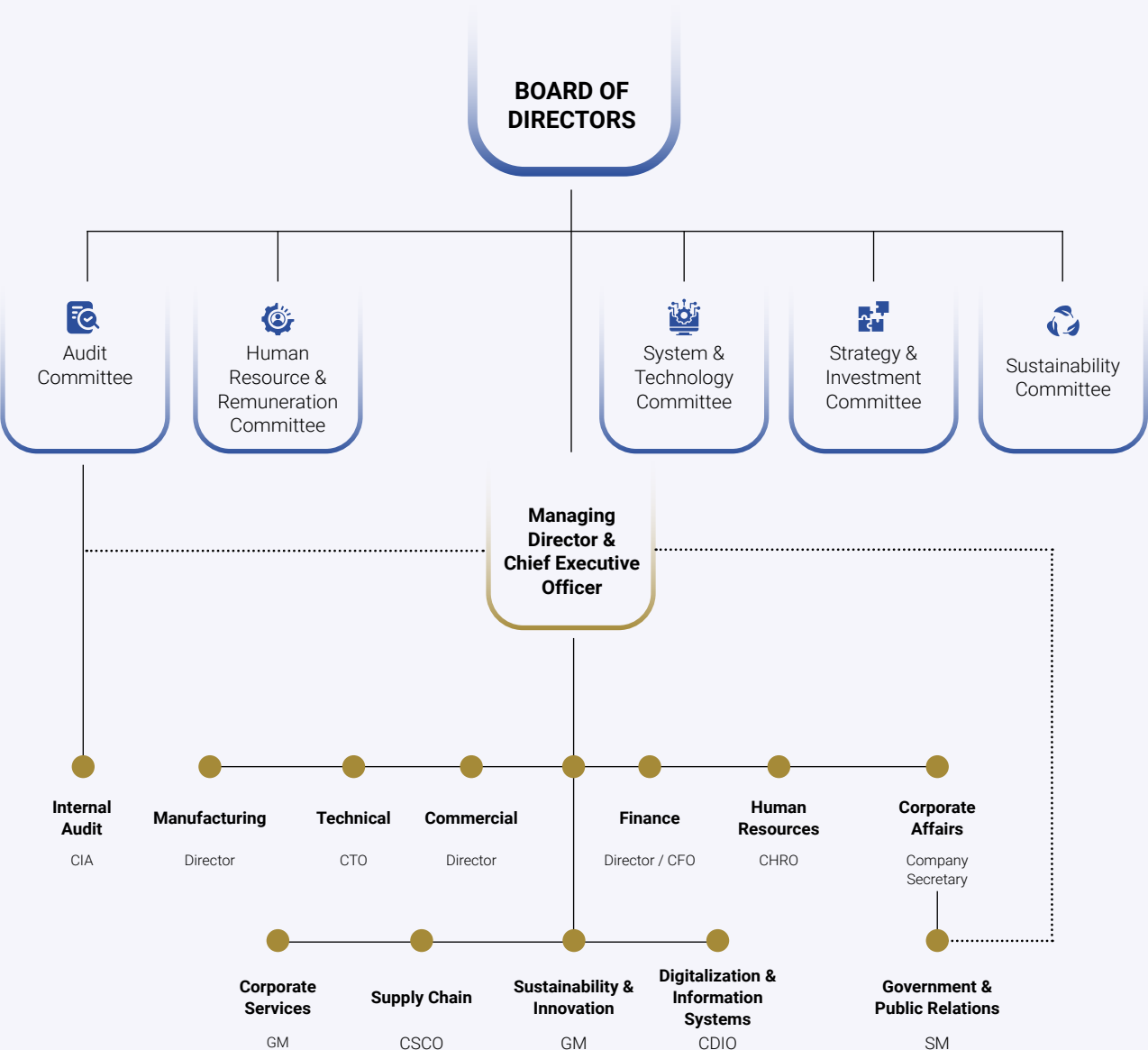
Awarded Largest National Taxpayer from Manufacturing Sector for 2nd consecutive time

Maiden dividend from FWEL-I (PKR 1.75 billion) and FWEL-II (PKR 1.40 billion)

2025

- Overall winner (Gold) of SAFA Award, Gold in Manufacturing Sector, Silver in Corporate Governance (SAARC Anniversary Award) and Bronze in Integrated Reporting - Annual Report 2024
- Secured 1st position in the Chemical & Fertilizer Sector for 21st time in the Best Corporate Report 2024 by ICAP/ICMAP
- Secured 1st position in the Sustainability Report for the 9th time by ICAP/ICMAP
- Best Corporate Excellence Award for 9th time in Fertilizer Sector by MAP
- Contribution to National Exchequer Rs 111.6 billion
- Initiated proceeding for acquisition of full control in FFBL Power Company Limited
- FFC intends to join the winning consortium of the airline's privatization process

Organizational Chart



CFO	Chief Financial Officer
CIA	Chief Internal Auditor
CHRO	Chief Human Resources Officer
CTO	Chief Technical Officer
CSCO	Chief Supply Chain Officer
CDIO	Chief Digital & Information Officer
GM	General Manager
SM	Senior Manager

Number of Employees

FFC has employed 4,235 people in its operations including plants, marketing offices and head office. Location-wise break-up of number of employees has been disclosed on page 223 of the Report.

Disclosure of total number of employees has been made in Note 45.4 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 198 of the Report.

External Environment

Significant factors affecting the external environment and our associated responses have been disclosed in detail on page 196 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

- 231st Board of Directors Meeting
- Final Dividend 2024 - 210%

02

February

- 1st Corporate Briefing

03

March

- 47th Annual General Meeting
- 232nd Board of Directors Meeting

04

April

- 233rd Board of Directors Meeting
- 1st Interim Dividend 2025 - 70%

05

May

- 2nd Corporate Briefing

06

June

- 234th Board of Directors Meeting

07

July

- 235th Board of Directors Meeting
- 2nd Interim Dividend 2025 - 120%

08

August

- 3rd Corporate Briefing
- Restructured Shares Department into an Investor Relations function in line with best corporate governance and disclosure practices

10

October

- 236th Board of Directors Meeting
- 3rd Interim Dividend 2025 - 95%
- 4th Corporate Briefing

11

November

- 237th Board of Directors Meeting
- 1st position Best Corporate Report 2024 for Chemical and Fertilizer Sector
- 1st position Best Sustainability Report 2024
- Overall Gold in SAFA Awards held in Islamabad, Pakistan

12

December

- Extraordinary General Meeting
- 238th Board of Directors Meeting
- Amongst PSX Top 25 Listed Companies
- Best in Fertilizer Sector, MAP Corporate Excellence Award

Strategy and Resource Allocation

FFC focuses on sustaining its fertilizer business through alternative feedstock, domestic and international diversification, and customer-focused innovation, while ensuring responsible growth, food security, and industry leadership.

Significant Changes in Objectives and Strategies

FFC strategic objectives are closely aligned with its mission and vision to drive sustainable growth and industry leadership. By enhancing agricultural productivity while safeguarding stakeholder value and national food security, FFC reinforces its position as a pioneer in the fertilizer sector.

In consideration of the evolving business environment, the Company formulates and implements its strategic objectives and corresponding strategies in a structured and professional manner. While no material changes have been made to the strategic objectives or core strategies, additional initiatives aligned with these objectives have been incorporated into the Strategic Plan.

Strategic Objective: Sustain growth in fertilizer business			Nature Medium term and long term	★★★ Priority High
Resources allocated	Human capital, financial capital, manufactured capital and intellectual capital	 	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		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	
Future relevance of KPI	The KPI will remain relevant in future			

Strategic Objective: Diversify locally and globally through leveraging synergies and fostering strategic partnerships			Nature Short term, medium term and long term	★★★ Priority High
Resources allocated	Human capital and financial capital	 	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		Strategy: Identify and evaluate best-suited opportunities in growth sectors through utilizing in-house business expertise and strategic partnerships	
Future relevance of KPI	The KPI will remain relevant in future			

Strategic Objective: Strategize portfolio management to drive long-term growth and exceed shareholders' expectations			Nature Short Term and Medium Term	★★★ Priority High
Resources allocated	Financial Capital	 	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		Strategy: Appraise performance of existing investments and position accordingly	
Future relevance of KPI	The KPI will remain relevant in future			

**Strategic Objective:**

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

**Nature**

Short term and medium term

★★★★ Priority

High

Resources allocated	Manufactured Capital, Human Capital and Financial Capital
KPI Monitored	Customer Satisfaction Index and Net Profit Margin
Status	Ongoing process
Future relevance of KPI	The KPI will remain relevant in future



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.

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

Strategic Objective:

Improve operational efficiency through cost economization and enhanced synergies among functions

**Nature**

Short term

★★★★ Priority

High

Resources allocated	Manufactured Capital, Human Capital and Financial Capital
KPI Monitored	Net Profit Margin
Status	Ongoing process
Future relevance of KPI	The KPI will remain relevant in future



Optimal operations facilitate further cost economization. External factors particularly input costs and international price volatility may affect the Company's performance.

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

Strategic Objective:

Demonstrate sustainable social, environmental and corporate governance commitment

**Nature**

Long term

★★★★ Priority

High

Resources allocated	Human Capital, Financial Capital, Social and Relationship Capital and Natural Capital
KPI Monitored	Net Energy Efficiency
Status	Ongoing process
Future relevance of KPI	The KPI will remain relevant in future



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.

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

Strategic Objective:

Nurture innovative thinking, teamwork and strong organizational purpose

**Nature**

Long term

★★★★ Priority

High

Resources allocated	Human Capital, Social and Relationship Capital
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



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.

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 emerging developments in technology, sustainability and environmental, social and governance (ESG) matters. In shaping its broader business strategy, the Company also considers demographic trends, public health, poverty alleviation and educational needs, recognizing the dynamic external business environment. These external factors play a critical role in influencing FFC's long-term strategic direction. The strategy is reviewed and refined annually, translated into a structured action plan and executed through disciplined resource allocation. Management continuously monitors both immediate challenges and potential future developments to ensure effective planning and strategic flexibility. Further details on FFC's ESG journey are shared on pages 112-113 and 175.

The Legitimate Needs, Interests of Key Stakeholders and Industry Trends

FFC prioritizes the legitimate interests of its key stakeholders, including customers, employees, shareholders, suppliers, regulators and the communities in which it operates. Each business unit actively addresses stakeholder needs to build trust, loyalty and a strong reputation. Industry trends and market dynamics; covering consumer behavior, technology and regulatory changes are closely monitored by leadership to ensure they are effectively integrated into strategy and operations.

Strategic Decisions Process

The dedicated Corporate Strategy Office, supported by a structured strategic planning and management system, ensures that our strategy evolves in alignment with the Company's vision while addressing associated risks throughout both development and implementation phases. Strategic decisions are thoroughly deliberated across multiple levels, taking into account the organization's risk appetite, before approval and execution.

Positioning in the Wider Market

FFC is well-positioned to provide farmers with a diverse range of fertilizers, supported by comprehensive agri-services, experienced agri-scientists and data-driven application solutions. It is the only fertilizer manufacturer in Pakistan whose products are delivered nationwide. The Company has also established dedicated research functions to evaluate and develop fertilizer varieties that meet both market demands and global sustainability standards.

Relation of Long Term Strategies with our Business Model

Pakistan's economy is closely tied to the agriculture sector, making food security a key priority for both the market and policymakers. Ensuring the sustainability of its core business i.e., fertilizer manufacturing and marketing, remains a cornerstone of FFC's long-term strategy, whether through existing or new sources of raw materials.

Resource Allocation Plans to Implement Strategy

To realize its strategic objectives, the Company allocates financial and human resources to key initiatives, ensuring seamless alignment between business planning and strategic priorities.

Sustainable Competitive Advantage

FFC's skilled human and intellectual capital, efficient manufacturing and marketing processes, solid financial foundation and strong governance framework collectively ensure a sustainable competitive advantage.

Value Creation Business Model

Our value-creating business model focuses on generating revenue, delivering stakeholder value and providing meaningful benefits to our customers. A detailed description is available on page 198.

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

Strategic plans define objectives, Key Performance Indicators (KPIs), benchmarks and performance criteria to track progress. KPIs are monitored in real time, enabling management oversight and informed decision-making. Likewise, strategic initiatives are continuously assessed for scope, cost and timeline to ensure alignment with desired outcomes and provide actionable insights for management 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.

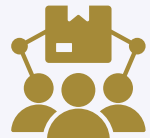


Potential of new Entrant into the Industry

The threat of new entrants in Pakistan's fertilizer industry remains limited, driven by significant capital intensity, constrained raw material availability, and an already saturated market. Entering the sector requires heavy investment in plant infrastructure, research capabilities, and brand development, while incumbent players benefit from established cost efficiencies and extensive distribution networks, creating substantial barriers to entry.

Power of Suppliers

FFC's sustainable growth is underpinned by dependable suppliers supporting its raw materials, equipment, and financial requirements. The Company maintained uninterrupted feed and fuel gas supplies from Mari Energies Limited at government-notified rates, with procurements remaining within approved budgets. Strong creditworthiness, evidenced by AA+ long-term and A1+ short-term ratings, enables access to financing on favorable terms.

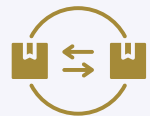


Competition in the Industry

Pakistan's fertilizer industry is highly competitive, with the urea segment dominated by local producers, while other fertilizer products are largely supplied by importers. Substantial fixed investments in land, plant, and human resources intensify competition, pushing companies to aggressively pursue market share to achieve economies of scale and enhance profitability. In 2025, FFC maintained a strong market position with a combined share of 43% in urea and 62% in DAP, as reported by NFDC.

Threat of Substitute Products

With a rising population, timely availability of essential nutrients is critical to achieving higher crop yields, while technological advancements continue to shape agricultural productivity. FFC invests in research and development to deliver efficient fertilizer solutions, producing urea and DAP, importing DAP, and supplying secondary nutrients such as sulphur, zinc, and boron to maximize soil and land potential.



Power of Customers

FFC emphasizes customer relationship management beyond credit support and discounts by delivering value through its Agri Services platform, which facilitates advanced knowledge transfer to support farmers' sustainable growth. Strong customer loyalty, preference for the **Sona** brand, and an efficient supply chain remain central to FFC's success.

Profile of the Board

FFC Board comprises members with extensive experience in finance, economics, information technology and business management, ensuring robust oversight, sound governance and strategic direction. Through its collective expertise, the Board supports FFC's sustainable growth, long-term value creation and commitment to responsible and compliant business practices.



Lieutenant General Anwar Ali Hyder, HI(M) (Retired)

Chairman

Joined the Board on April 06, 2024

Lieutenant General Anwar Ali Hyder (Retired), a distinguished national leader and seasoned executive with over four decades of experience across defence, public administration, corporate governance and development sectors. He currently serves as Chairman of the Fauji Group of Companies and Managing Director / CEO of Fauji Foundation, where he leads strategic direction, institutional growth and stakeholder engagement across one of Pakistan's largest business and welfare conglomerates.

Prior to this role, he served as Federal Minister for Defence and Defence Production in the 2023-24 interim cabinet and was a member of the Apex Committee of the Special Investment Facilitation Council (SIFC), where he played a pivotal role in advancing investment and economic reform.

General Hyder also led the Naya Pakistan Housing and Development Authority (NAPHDA) as Chairman, driving large-scale affordable housing initiatives through policy reform and public-private partnerships. His leadership has extended to academia, serving on the Boards of National University of Science & Technology (NUST), National University of Medical Sciences (NUMS) and National University of Technology (NUTECH), and as President of the National Defence University (NDU).

His military career culminated as Adjutant General and Principal Staff Officer to the Chief of Army Staff, with key responsibilities in welfare, policy, discipline and housing programs.

General Hyder holds a Master's degree in Strategic Studies from the U.S. Army War College and a MSc in War Studies from National Defence University, Islamabad. He has been honored with the Hilal-e-Imtiaz (Military) and the Chief of Army Staff Commendation Card for his exemplary service.

Known for his strategic foresight, institutional leadership and commitment to national development, General Hyder brings unmatched cross-sectoral experience to every role he undertakes.

Jahangir Piracha

Managing Director & Chief Executive Officer (MD&CEO)

Joined the Board on April 01, 2024



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

Beyond his executive roles, Mr Piracha is serving on multiple boards, 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.

• FFC Energy Limited	• Thar Energy Limited
• Foundation Wind Energy - I & II Limited	• Fauji Foods Limited
• FFBL Power Company Limited	• Fauji Fresh n Freeze Limited
• International Fertilizer Association - Board / Executive Committee	• Fauji Meat Limited
• Pakistan Maroc Phosphore SA	• Agritech Limited
• OLIVE Technical Services (Private) Limited	• Foundation University Islamabad
• Sona Welfare Foundation - Chairman	• Food Security & Agriculture Centre of Excellence - Chairman
• Askari Bank Limited	

His journey includes Chief Executives roles at Engro Polymer & Chemicals Limited, Engro Vopak & Elengy Terminal Limited and Engro Powergen Qadirpur Limited, 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.

A Chemical Engineering graduate from the University of Engineering and Technology, Lahore, Mr Piracha 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, he continues to lead with purpose, building organizations that are resilient, agile and prepared for the future.

Maryam Aziz

Independent Director

Joined the Board on July 05, 2019



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. She is a Fellow Chartered Accountant from the Institute of Chartered Accountants of Pakistan and additionally holds professional certifications from Institute of Internal Auditors USA, 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. She joined ORIX Group, a Japanese multinational financial group in 2002 and was associated with them for twenty years in both local and international roles. Her experience included critical C-suite positions including Chief Financial Officer, Chief Internal Auditor, and Head of Enterprise Risk Management at ORIX Leasing Pakistan. In her regional experience, she served as Internal Control Advisor to ORIX Group and also spent over 5 years as Finance Director at an IFC-led leasing venture in Kazakhstan. She has conducted and supervised multiple advisory and internal audit assignments for ORIX group companies in the MENA region including Saudi Arabia, Oman and United Arab Emirates.

She served as an Independent Director on the Board of Engro Powergen Qadirpur Limited and served for three years as a director on the Board of ORIX Modaraba where she also chaired the Risk Committee.

Ms Aziz brings valuable experience in governance of financial reporting and risk management to the FFC Board.



Saad Amanullah Khan

Independent Director

Joined the Board on September 29, 2018



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).

Currently, Mr Khan holds directorship on the boards of following companies along with Fauji Fertilizer Company Limited:

• Karachi Electric	• Burque Corporation
• Jaffer Brothers	• International Packaging

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 - Chairman	• CTM360 (Cyber Threat Management) - Director
• I AM KARACHI - Co-Founder / President	• Omni Motorsports (Private) Limited - Co-Founder / Director
• Pakistan Innovation Foundation - Co-Founder / Chairman	• Youth Impact – Chairman of Advisory Committee
• South East Asia Leadership Academy Co-Founder / Ex-Chairman	

He authored a business book **It's Business, It's Personal** published in 2014 in the USA 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.



Yassir Ghiyati Ibn Ziyad

Non-Executive Director

Joined the Board on October 03, 2023



Yassir Ghiyati is an accomplished executive who currently serves as the Chief Commercial Officer of Topsoe, which is a leading global provider of advanced technology and solutions for energy transition. He earned a Master of Science in Chemical Engineering from the Technical University of Denmark and has more than two decades 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, power-to-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.

Syed Bakhtiyar Kazmi

Non-Executive Director

Joined the Board on November 18, 2020



Syed Bakhtiyar 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.

He holds the directorship on the boards of other companies along with Fauji Fertilizer Company Limited, some of which are as follows:

• Fauji Cement Company Limited	• Fauji Akbar Portia Marine Terminals Limited
• Askari Bank Limited	• Fauji Oil Terminal and Distribution Company Limited
• Fauji Foods Limited	• Foundation Power Company Daharki Limited
• Mari Energies Limited	• Fauji Fresh n Freeze Limited
• The Hub Power Company Limited	• Mari Technologies Limited
• Agritech Limited	• Sky47 Limited

Mr Kazmi served KPMG 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 and 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.

Shoaib Javed Hussain

Non-Executive Director

Joined the Board on March 26, 2021



Shoaib Javed Hussain is the CEO of State Life Insurance Corporation of Pakistan and the Chairman of Insurance Association of Pakistan. He holds directorship on the boards of following companies:

• Fauji Fertilizer Company Limited	• Institute of Financial Markets of Pakistan
• Pakistan Cables Limited	

He has over 20 years of management experience at leading Global Insurance Groups & Consultancies in the United Kingdom and Asia. Mr Hussain brings extensive expertise in finance, audit, risk, and strategy, with a strong track record of delivering results through proactive and dynamic leadership. He combines technical acumen with strategic insight to lead complex initiatives including M&A, due diligence, capital and liquidity management, financial audits, and risk programs, while driving policy, governance, and control enhancements and engaging effectively with global regulators and supervisory authorities.

Prior to 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 professional career at an Actuarial consultancy in Pakistan and holds an MSc in Actuarial Management from Cass Business School, City University London. He is a Fellow of the Institute of Actuaries, UK.



Major General Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired)

Non-Executive Director

Joined the Board on October 09, 2024



Major General Muhammad Aneeq Ur Rehman Malik (Retired) currently serves as Director Human Resource at Fauji Foundation and forms part of Central Board of Directors. He also holds the directorship on the boards of following companies along with Fauji Fertilizer Company Limited:

• FFC Energy Limited	• Daharki Power Holdings Limited
• Foundation Power Company (Daharki) Limited	• Fongreen Silicon Technologies Limited
• Foundation University Islamabad	

General Malik 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 has held senior leadership roles across international and domestic assignments, including service as a Military Observer and Advisor with UNAMSIL and as Lead of the Military Training Mission in Bahrain. Domestically, he supported the 2005 earthquake response, led the Anti-COVID-19 operations as a Field Formation Commander, and as Director General Anti-Narcotics Force, represented Pakistan on global platforms, strengthening international cooperation and achieving record drug seizures through the National Inter-Agency Task Force on Drugs.

General Malik 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 (Honors) in War Studies. He is a certified director from the Pakistan Institute of Corporate Governance along with certifications in ESG and Sustainability.



Saif Anjum

Non-Executive Director

Joined the Board on August 21, 2024

Saif Anjum is an officer of the Pakistan Administrative Service and is currently serving as the Secretary Ministry of Industries and Production. He holds directorship on the boards of following companies along with Fauji Fertilizer Company Limited:

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

During his 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 and District Coordination Officer Okara. He also served as Director General Sasti Roti Authority and Personal Staff Officer to Chief Minister Punjab.

Mr Anjum holds Master's degree in Development Policy and Management from the University of Manchester, United Kingdom.

Mohammad Majid Munir

Non-Executive Director

Joined the Board on August 20, 2025



Mohammad Majid Munir is an accomplished professional in the fields of Investment Banking and Strategy, having amassed extensive experience in strategy consulting, mergers and acquisitions, private and public equity, and capital restructuring across a wide range of industries, including industrials, financials, logistics, real estate, consumer goods and entertainment.

He holds the directorship on the boards of following companies along with Fauji Fertilizer Company Limited:

• Fauji Cement Company Limited	• Fauji Akbar Portia Marine Terminals Limited
• Fauji Foods Limited	• Entertainment Pakistan Limited
• FFBL Power Company Limited	• Eastridge Prime Care (Private) Limited
• Fongreen Silicon Technologies Limited	• Treet Battery Limited
• Foundation Power Company Dharki Limited	

Mr Munir has designed and delivered high-impact strategic initiatives at both sectoral and national levels, including advising Bahrain's Economic Development Board on industrial policy, developing climate finance and national education reform strategies. He has also led transaction advisory engagements across emerging markets, securing equity and hybrid investments, structuring cross-border M&A, raising growth capital from international investors, and driving deals end-to-end from origination to close.

Mr Munir has worked with renowned organizations such as Credit Suisse, Arthur D. Little and Bank Alfalah across Pakistan, Middle East and Far East. He has also held leadership positions as President and Vice President of the Board of the LUMS Alumni Association.

Mr Munir holds an MBA in Finance from Lahore University of Management Sciences (LUMS) and a BSc in Finance and International Business from New York University's (NYU) Stern School of Business.

Farhad Shaikh Mohammad

Independent Director

Joined the Board on October 09, 2024



Farhad Shaikh Mohammad is engaged in the matters of finance and accounts of the Din Group and is actively involved in philanthropy. He holds the directorship on the boards of following companies along with Fauji Fertilizer Company Limited:

• Din Corporation (Private) Limited - Director / CEO	• Din Energy Limited - Director
• Din Sphere (Private) Limited - Director / CEO	• Din Power Limited - Director
• Din Developments (Private) Limited - Director / CEO	• ACT2 Din Wind (Private) Limited - Director
• Din Leather (Private) Limited - Director	

He is a finance graduate and has participated in various courses such as Corporate Governance Leadership and Corporate Finance Management. He acquired certificate under the Directors' Training Program, as required by Listed Companies (Code of Corporate Governance) Regulations, 2019, from Pakistan Institute of Corporate Governance in 2011.

He has been invited as guest speaker at many universities and conferences.



Syed Shahzad Nabi

Non-Executive Director

Joined the Board on December 17, 2025



HR&R S&T

Syed Shahzad Nabi is Group Director Technical at Fauji Foundation Group, he oversees the evaluation and strategic direction of all technical domains across the Group's companies. He drives the adoption of advanced technologies, enhances operational efficiency and sustainable industrial growth, ensuring that every initiative aligns with the Group's vision of innovation and national development.

He holds the directorship on the boards of following companies along with Fauji Fertilizer Company Limited:

• FFBL Power Company Limited	• Foundation Solar Energy Limited
• Mari Energies Limited	• FonGreens Silicon Technology
• Sky47 Limited	• Fauji Kabirwala Power Company Limited
• Foundation Power Company Daharki Limited	• FonGreen Private Limited

He is a distinguished Mechanical Engineer with over 35 years of leadership experience across Pakistan's industrial and energy sectors. He brings deep expertise in machinery diagnostics, plant operations, and management across fertilizer, petrochemical, and energy sectors, complemented by strategic leadership in Human Resources, Procurement, Industrial Relations, and HSE.

Mr Nabi has led due diligence, audits, efficiency assessments, and major incident investigations, driving operational excellence and safety, while planning and executing mega turnarounds in fertilizer, petrochemical, and power sectors. As a professional trainer, he has developed numerous skill-building programs for engineers and managers, including the flagship Training System (TTM), which became an industry benchmark.

Early in his career, he was a professional basketball player, honing discipline, teamwork, and composure under pressure. He has held key leadership roles, including board member of Engro Polymer & Chemicals and Chairman of both the Pakistan Chemical and Energy Sector Skill Development Company and the Excom Technical Sub-Committee.



Fatima Asad Khan

Independent Director

Joined the Board on January 17, 2026



S&I

Fatima Asad Khan serves as a Chief Executive Officer of Abacus, one of the world's leading international technology, outsourcing and people firm driving large-scale digital transformation across industries and geographies. With over 26 years of experience, she has pioneered progressive solutions in corporate governance, strategy, enterprise technology, AI, data and cloud services, human capital management and sustainability.

She holds the directorship on the boards of following companies along with Fauji Fertilizer Company Limited:

• Faysal Bank	• Kaarvan Crafts Foundation
• Interloop Limited	• JA Worldwide (Pakistan Chapter)
• Bata Pakistan	• Power IT Company
• Kashf Foundation	

Ms Khan began her career with Coopers & Lybrand and PricewaterhouseCoopers after earning her MBA from Lahore University of Management Sciences (LUMS). She has led Abacus' strategic partnerships and currently oversees eight business areas across technology, outsourcing, and people, driving digital transformation and leveraging AI, IoT, blockchain, and machine learning across four continents.

A Certified Corporate Director from Harvard, she is active in global and national boards and women's leadership forums, and has served as Trustee of LUMS and President of its SDSB Alumni Association. Recognized with top national awards for IT and women entrepreneurship, she has guided Abacus to 11 Global DEI Best Practice Awards and participates in government working groups and international leadership conferences.

Syed Atif Ali

Chief Financial Officer



Syed Atif Ali joined Fauji Fertilizer Company Limited (FFC) in April 2022 as Chief Financial Officer, bringing over two decades of leadership experience in finance, corporate strategy, mergers & acquisitions, and large-scale transformation across multinational and complex group environments. A Chartered Accountant and Fellow Member of ICAP and ACCA (UK), he began his career with KPMG and later held senior leadership roles in leading multinational organizations like Tetra Pak and ICI Pakistan Limited.

In addition to his executive role, he serves on the Boards of following:

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

As CFO, he has reinforced FFC's financial strength through disciplined capital allocation, robust financial controls, cost and working capital optimization, and strong treasury management, driving enhanced efficiency, cash generation and financial resilience.

During his tenure, FFC achieved various strategic milestones including the successful merger of FFBL into FFC, and the acquisition of Agritech Limited, further expanding the Company's scale, strengthening its fertilizer portfolio, and unlocking significant operational and financial synergies, reinforcing market leadership and long-term profitability.

He has led group-wide financial integration and governance harmonization, improved transparency, risk management, and efficient utilization of group resources, while supporting strategic investments across fertilizer, agri business, and energy sector to drive sustainable growth. Under his financial stewardship, FFC has earned top recognition for excellence in corporate reporting, governance, and transparency at the international (SAFA) and local (ICAP) reporting awards.

Brigadier Khurram Shahzada, SI(M) (Retired)

Company Secretary



Brigadier Khurram Shahzada (Retired) joined Fauji Fertilizer Company Limited as Company Secretary on March 24, 2025. He also holds the appointment of Company Secretary OLIVE Technical Services (Private) Limited a wholly owned Company of FFC. Brigadier Shahzada plays a pivotal role in ensuring smooth functioning of the Company's operations from a legal and regulatory perspective. He has completed Directors' Training Program organized by Pakistan Institute of Corporate Governance in Year 2023.

He was commissioned in Pakistan Army in Year 1991 and had rich experience of Command, Staff, Instructions, Security, Administration and Human Resources Management Assignments at the most prestigious Military - Civil Establishments, both inland and abroad.

Brigadier Shahzada is a graduate of Command and Staff College, Quetta and holds master's degree in Security & Warfare Studies from National Defence University (NDU), Islamabad. He possesses exceptional leadership and strategic planning skills, with a proven track record of successful project management and team development.

He has served in the United Nations Peacekeeping Mission and has also represented Pakistan at various international forums, including the NATO Defense College in Rome, Italy. The officer has remained engaged with vary nature of employment, encompassing with the assignments at both operational and strategic nature.

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 four (04) non-executive members, two of whom including the Chairman are independent directors. The members are a group of highly qualified individuals comprising two Fellow members of ICAP, a Masters' in Business Administration and one having 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	Jan 27	Apr 22	Jul 22	Oct 20	Dec 16	Meetings Attended
Saad Amanullah Khan Chairman						
Syed Bakhtiyar Kazmi Member						
Mazhar Abbas Hasnani Member			Resigned			
Farhad Shaikh Mohammad Member						
Mohammad Majid Munir Member	Appointed on Aug 20					

Quorum of the Meetings

The quorum of the Audit Committee meeting is to be comprised of either two members or 50% 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 the following:

- 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 Director's 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 of all material controls (financial, operational, compliance)
 - o Ensure that risk mitigation measures are robust along with integrity of financial information
 - o Ensure appropriate extent of disclosure of company's risk framework and internal control system in Directors' Report

Board Committees

- 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 or may be assigned by the Board of Directors.



Human Resource and 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 consists of two non-executive and two 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.

The Chairperson of the Committee is an independent non-executive director, and the MD&CEO does not hold membership of the Committee.

Attendance in the HR&R Committee Meeting

The HR&R Committee met twice during the year, which meets the minimum regulatory requirement.

Directors	Jan 22	Jul 15	Meetings Attended
Farhad Shaikh Mohammad <i>Chairman</i>			
Saad Amanullah Khan <i>Member</i>			
Qamar Haris Manzoor <i>Member</i>			 Resigned
Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired) <i>Member</i>			
Syed Shahzad Nabi <i>Member</i>	Appointed on Dec 16		

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 CBA agreement from the Board of Directors.
- Carryout annual review of grievances initiated in accordance with the Grievance Policy.

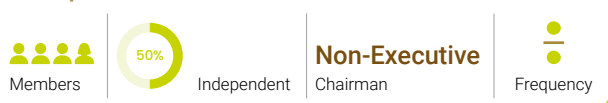


System & Technology Committee

Objective

System and Technology Committee advises the Board on technical aspects of plant operation, digitalization, Information Technology, and emerging trends, with the goal of enhancing efficiency, business continuity, and technological innovation within the company.

Composition



FFC's S&T Committee comprises of four (04) non-executive directors appointed by the Board, including three independent directors.

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	Jan 20	Apr 14	Jul 16	Oct 14 & 20	Dec 10	Meetings Attended
Yassir Ghiyati Ibn Ziyad Chairman						●●●●●
Maryam Aziz Member						●●●●●
Qamar Haris Manzoor Member						●●●●● Resigned
Saad Amanullah Khan Member						●●●●●
Syed Shahzad Nabi Member	Appointed on Dec 16					

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 four (04) non-executive directors; where two are independent Directors headed by an independent Chairperson of the Committee who shall be appointed by the Board from among the Board Members.

Attendance in the S&I Committee Meeting

The committee met twice during the year, meeting the regulatory requirement.

Directors	Jan 20	Oct 14	Meetings Attended
Dr Shamshad Akhtar Chairperson			
Syed Bakhtiyar Kazmi Member			
Maryam Aziz Member			
Mazhar Abbas Hasnani Member		Resigned	
Mohammad Majid Munir Member	Appointed on Aug 20		

Members Audit Committee who participated on Invitation

Saad Amanullah Khan Member	
Farhad Shaikh Mohammad Member	

Quorum of the Meetings

The quorum of committee 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.

Board Committees

- 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 Business Strategy, any 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 / advisers 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.

Sustainability Committee

Objective

Sustainability Committee independently reviews, 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.

Composition



The committee comprises of three (03) non-executive directors; where one of them is Independent Director heading as the Chairman of the Committee, appointed by the Board from among the Board Members.

Attendance in the Sustainability Committee Meeting

The Committee met twice during the year, meeting the regulatory requirement.

Directors	Feb 28	Jul 10	Meetings Attended
Saad Amanullah Khan Chairman			● ●
Yassir Ghiyati Ibn Ziyad Member			● ●
Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired) Member			● ●

Quorum of the Meetings

The quorum of committee 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 Sustainability Committee shall have the roles and responsibilities set out below and any other functions expressly delegated to the Committee by the Board and that the Board is authorised to delegate according to applicable laws, codes, and regulations.

- Advise the Board on establishing a sustainability strategy, and keeping in 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.



Joint Committee Meeting

Joint session of Strategy & Investment Committees was held with the Audit Committee, during the year.

Attendance in Joint Session

Directors	Jun 11	Meetings Attended
Saad Amanullah Khan <i>Chairman</i>		
Dr Shamshad Akhtar <i>Member</i>		
Syed Bakhtiyar Kazmi <i>Member</i>		
Maryam Aziz <i>Member</i>		
Farhad Shaikh Mohammad <i>Member</i>		
Mazhar Abbas Hasnani <i>Member</i>	Resigned on May 23	

Management Committees



Management Committees



Jahangir Piracha

Manging Director & Chief Executive Officer



Executive Committee



Strategy Committee



CSR Committee

Syed Atif Ali

Director Finance / CFO Member

Aamer Fayyaz Ghuman

Director Manufacturing Member

Mohammad Ali Janjua

Director Commercial Member

Syed Aamir Abbas

Chief Technical Officer Member

Brig Muhammad Qamar Ul Islam, SI(M) (Retired)

Chief Human Resource Officer Member

Muhammad Abdullah

GM-M&O (Goth Machhi) Member

Khurram Saleem

GM-M&O (Mirpur Mathelo) Member

Noor Ul Hassan

Plant Head-M&O (Port Qasim) Member

Muhammad Afzal

Chief Operating Officer - FPCL Member

Brig Zulfqar Ali Haider, SI(M) (Retired)

General Manager - Corporate Services Member

Col Salar Malik (Retired)

General Manager - Sustainability & Innovation Member

Chaudhary M. Azhar Nawaz

Chief Digital & Information Officer Member

Brig Tauqeer Alam Gilani, SI(M) (Retired)

Chief Supply Chain Officer Member

Mian Zaka Ud Din

General Manager - Sales Member

Brig Khurram Shahzada, SI(M) (Retired)

Company Secretary Committee Secretary

Syed Atif Ali

Director Finance / CFO Member

Aamer Fayyaz Ghuman

Director Manufacturing Member

Mohammad Ali Janjua

Director Commercial Member

Syed Aamir Abbas

Chief Technical Officer Member

Col Salar Malik (Retired)

General Manager Sustainability & Innovation Member

Brig Khurram Shahzada, SI(M) (Retired)

Company Secretary Committee Secretary

Syed Atif Ali

Director Finance / CFO Member

Aamer Fayyaz Ghuman

Director Manufacturing Member

Mohammad Ali Janjua

Director Commercial Member

Syed Aamir Abbas

Chief Technical Officer Member

Brig Khurram Shahzada, SI(M) (Retired)

Company Secretary Member

Air Commodore Syed Farooq Ahmed Bokhari (Retired)

Senior Manager - CSR Committee Secretary

SWOT Analysis

S Strength

- Robust financial position supported by a strong balance sheet
- Stable operations backed by state-of-art production facilities.
- Established brand equity
- Essential product portfolio contributing to national food security
- Well established marketing and distribution network
- Continuous development of innovative and eco-friendly fertilizer formulations
- Competent & committed human resources
- Diversified investment portfolio enhancing financial stability
- High barriers to entry in the industry

- Operating in a mature industry with relatively stagnant overall demand growth
- Strong, established dealer networks of competitors limiting rapid market share expansion
- Reliance on depleting natural resource as key feed stock
- Relatively homogeneous product portfolio, constraining pricing flexibility and differentiation

W Weaknesses

O Opportunities

- Pursuing horizontal and vertical diversification to expand revenue streams
- Expanding and upgrading the product portfolio through value addition across macro and micronutrients
- Adoption of energy-efficient technologies to optimize gas consumption and reduce costs
- Exploration and development of alternative raw material and feedstock sources to strengthen long-term sustainability

- Policy uncertainty and government intervention, including pricing pressures on fertilizers
- Depleting domestic natural gas reserves impacting long-term feedstock security
- Weak farm economics affecting farmers' purchasing power and fertilizer demand
- Rising raw material, fuel, and operating costs, including GIDC-related impacts
- Provision of concessionary gas rates to competitors, creating competitive imbalance
- Margin compression due to sustained increases in input and operating expenses

T Threats



The blue pottery artisans of Multan breathe life into clay with luminous cobalt hues and delicate floral motifs, carrying forward a radiant tradition of timeless craftsmanship.



02

Directors' Report

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

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Chairman's Review

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



Dear Shareholders,

The Board continued to exercise its oversight responsibilities during the year, ensuring transparency, effective information flow, and optimal deployment of resources amid a challenging environment.

Safeguarding the interests of stakeholders remains a primary objective of the Board, in addition to effective implementation of risk management framework through the Audit Committee by way of continued internal control evaluation to uphold good governance.

We express our heartfelt condolences on the sad passing of Dr. Shamshad Akhtar, who contributed immensely towards growth of the Company during her tenure on the Board.

The Company remained committed to ensure easy access to high quality fertilizers at retail rates to the farmers, besides offering a range of agriculture services through Sona stores. The outreach to the farmers was increased to 244 Sona stores.

The Company earned net profitability of PKR 73.6 billion, and the Board is pleased to announce a final cash dividend of PKR 8.50 per share, with a total payout of PKR 37 per share for 2025.

I would also like to acknowledge the valuable contributions by the directors who completed their term during the year and welcome new directors who bring in diverse expertise in governance, strategy and business acumen.

The incoming directors underwent comprehensive orientation programs to apprise them of Company's business environment, Board's strategies, fiduciary duties and directors' responsibilities towards the shareholders.

The Board and its Committees met regularly to review and approve the annual business plan, financial statements, and other matters in accordance with their terms of reference.

The Board consists of thirteen members including twelve elected directors in addition to MD&CEO who is a deemed director. The Board includes four independent non-executive directors of which two represent female directorship as part of gender diversity.

The Company increased its equity stake in Agritech Limited during the year. FFC has also acquired full control in FFBL Power Company Limited (FPCL) during January 2026 and has issued 16 million shares of FFC to Fauji Foundation (FF) as purchase consideration of FPCL shareholding. Investment in Pakistan International Airlines has also been approved by way of joining the winning consortium of the airline's privatization process.

FFC has implemented effective systems and procedures for the efficient monitoring and reporting of sustainability activities, in compliance with IFRS, which have become applicable during 2026.

The Pakistan Institute of Corporate Governance (PICG) conducted a detailed, impartial evaluation of the Board and its Committees' performance collectively as well as individually for each member, ensuring a comprehensive review.

The Board stands committed to providing strategic direction and oversight to the Company for offering sustained returns to its shareholders, besides contributing towards food security in the Country.



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

Chairman

Rawalpindi
January 29, 2026

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,

The year 2025 marked notable progress for the Company, reflected in growth in market capitalization, advancement of diversification initiatives, expanded farmer outreach, and smooth execution of the ex-FFBL integration.

The fertilizer value chain remained volatile during the year with unfavorable climatic conditions, irregular crop yields and farmer liquidity concerns. These factors resulted in an oversupplied fertilizer market and escalated inventory levels for most part of the year.

The Government provided timely support to the agriculture sector including provision of concessionary agricultural financing. The Company took effective measures to offload the inventory, with FFC closing the period with the lowest inventory in the industry.

2025 represents full year operations of the merged entity compared to six-month performance of ex-FFBL only during last year. The Company achieved net profitability of PKR 73.6 billion during the year, translating into earnings per share of PKR 51.69 as compared to PKR 45.49 in 2024.

Aggregate urea production stood at 2,903 thousand tonnes, while DAP output was recorded at 837 thousand tonnes, with average capacity utilization of 112% and 124% respectively, by maintaining optimum standards of Environment, Health and Safety.

Combined urea offtake reached 2,886 thousand tonnes and DAP stood at 834 thousand tonnes during the year. The Company continued to enhance engagement with the farming community through expansion of the Sona Center retail network.

The Company achieved sales revenue of PKR 432 billion, mainly attributable to aggregation of full year operations of Port Qasim Plants during 2025. No inflationary impact was passed on during the year to support the farming community. Urea also continued to be marketed at substantially lower prices compared to international rates.

Other income was a key contributor to performance, largely comprising dividend receipts of PKR 22.4 billion from subsidiaries and associates.

The Company continued to contribute significantly to the National Exchequer through payment of taxes and levies amounting to PKR 111.60 billion, compared to PKR 94.11 billion in the preceding year. In addition, availability of locally produced fertilizers contributed to foreign exchange savings of around USD 1.34 billion through import substitution.

FFC strengthened its standing in the capital markets through its inclusion in the KMI-30 Index, reflecting the Company's commitment to Shariah-compliant principles. The stock market recognized the growth potential, driving the Company's share price to a record high of approximately PKR 591 per share at year-end, translating into market capitalization of around USD 3 billion. The initiative was undertaken in first quarter of 2025 and the Company was able to achieve and maintain the thresholds prescribed by the PSX Shariah Committee during second half of 2025.

Shareholders will be pleased to note that FFC was ranked amongst the top Companies listed on the PSX. The Company's emphasis on transparency, governance, and reporting quality was further acknowledged through the Overall Winner and Gold Award at the SAFA Best Presented Annual Report Awards for the second consecutive year, along with recognition at the ICAP Best Corporate & Sustainability Report Awards 2024. These accolades reaffirm FFC's continued commitment to excellence in governance, sustainability, and disclosures.

The Company increased its stake in Agritech Limited during the year, in line with its objective of reliable supply of urea in the market and price stability besides ensuring food security in the Country.

Future Outlook

The Government has approved allocation of gas from the Ghazij / Shawal discoveries in the Mari Field to the FFC Port Qasim plant site. Actualization of full potential of Ghazij / Shawal will take time and the present gas supply arrangement between FFC Port Qasim and SSGCL shall continue till finalization of gas supply arrangements from Ghazij.

The pressure enhancement facility (PEF) undertaken by the Company is expected to come online during 2026, enabling the Company to sustain its fertilizer production levels.

Building on the progress achieved during the year, the Company remains firmly committed to sustaining and strengthening the Shariah-compliant status on a continuous basis. This commitment is embedded in the Company's strategic and financial decision-making processes, with ongoing monitoring of investment structures, financing arrangements, and operational practices to ensure continued alignment with Shariah principles.

Thar Energy Limited (TEL) has started yielding benefits to the Company by announcing a first interim dividend of PKR 300 million during 2025. TEL further announced a dividend of PKR 5.1 billion during 2026, which is an indicator of strong performance by the associate during its initial years of operations.

Going forward, domestic urea offtake is expected to normalize, however higher inventory levels carried by the industry are expected to pose a challenge to Company, but FFC is fully geared to market all its fertilizer production during 2026.

FFC remains committed to safeguard national food security, while also contributing significantly to the National Exchequer. The Company is also well positioned to generate sustainable value for shareholders.

On behalf of the Board,



Jahangir Piracha

Managing Director & Chief Executive Officer

Rawalpindi
January 29, 2026

Contributing to SDGs



Inputs	Equity & Reserves PKR 135,584 Million	Long-term Finances PKR 61,300 Million	Total Assets PKR 437,485 Million
Outputs	Return on Capital Employed - 69%	Return on Equity - 54%	Net Profit Margin - 17%
	Earning per Share - PKR 51.69	Dividend per Share - PKR 37	

Value Creation



Value Preservation



Value Creation Business Model – page 198

Capital Snapshot



Dividend Income

PKR 22.4 bn



Investment Income

PKR 17.4 bn



Profitability

PKR 73.6 bn



Gross Profit Ratio

30%



Dividend Payout

72%



Breakup value / share

PKR 95

Macro – Economic Overview

Building on recovery during 2024, The economy maintained its upward trajectory in 2025, supported by improved macroeconomic measures, stronger fiscal and external account balances and easing inflation.

Despite persistent supply-side constraints, growth prospects significantly improved. Investor confidence has notably increased, which resulted in GDP growth of 2.68% in 2025, marking a continuation of the recovery phase. However, sustaining this positive momentum necessitates transitioning from short-term stabilization measures to comprehensive long-term reforms.

The global economy is adjusting to heightened protectionism, policy uncertainty, and fragmentation, as shifting trade measures and fiscal stances reshape growth prospects. After a resilient start driven by front-loading of trade and inventory management, growth is moderating as these temporary factors unwind.

Global growth is projected to slow to 3.2% in 2025 and 3.1% in 2026, with subdued trade expansion and declining but uneven

inflation. Downside risks remain dominant, underscoring the need for credible, predictable, and sustainable policy actions to restore confidence and support medium-term growth. (Source: IMF World Economic Outlook, October 2025).

In 2026, Pakistan's economic outlook focuses on maintaining macroeconomic stability and advancing structural reforms for sustainable growth. Real GDP is projected to grow by 3.2–3.6 percent, supported by a primary surplus target of 1.6–2.5 percent of GDP and a medium-term inflation target range of 5-7 percent, as per SBP monetary policy statement published in Dec 2025. The recovery faces challenges from public debt, energy sector circular debt, and climate vulnerability, requiring resolute on implementation of governance, tax, and energy reforms, including electricity tariff adjustments.

Agriculture Sector

Pakistan's agriculture sector remains a key driver of the economy, contributing 23.54% to GDP and employing over 37% of the labor force in 2025. The sector recorded modest growth of 0.56%, led by livestock and vegetable production, while major crops such as wheat and cotton faced decline due to floods, adverse climatic conditions. To meet these challenges, the Government continues to prioritize investment through credit facilitation,



modernization of farming techniques, and improved seed quality, aiming to boost productivity and strengthen national food security.

Fiscal Development

Pakistan continued to make significant progress in fiscal consolidation during 2025. The fiscal deficit narrowed, while the primary surplus showed marked improvement, reflecting sound policy measures and stronger revenue performance supported by effective tax reforms, improved administration, and higher non-tax receipts, signaling a robust fiscal position.

The Government's ongoing collaboration with the IMF under the Extended Fund Facility (EFF) is emphasizing fiscal consolidation, broadening the tax base, and addressing long-standing reforms to tackle macroeconomic imbalances. These initiatives have reinforced fiscal stability and laid a strong foundation for sustained and resilient economic growth.

Money and Credit

The State Bank of Pakistan initially maintained a tight monetary policy to control inflation and stabilize the economy. With easing inflationary pressures and improving external indicators, the SBP initiated a gradual easing cycle in June 2024.

The policy rate reduced to 10.5% by the end of December 2025 as compared to 13% in December 2024, backed by lower inflation, stable exchange rate, and improved foreign exchange reserves. Going forward, inflation is expected to remain within the SBP's target, allowing monetary policy to further support economic recovery and investment.

Inflation

During 2025, inflationary pressures eased, indicating economic stability, with the CPI remaining within the State Bank of Pakistan's (SBP) medium-term target range of 5-7% in the last quarter of 2025. However, inflation is expected to rise above the target range towards the end of FY26 due to a low base effect, before reverting to the range in FY27. The outlook remains subject to risks from volatile global commodity prices, energy price adjustments, fiscal consolidation and uncertainty in wheat and allied products and perishable food prices. (SBP MPC review Dec 2025)

FFC Performance

The financial figures for 2025 comprise of full year results of the merged entity compared to six months performance only of ex-FFBL during 2024.

Production

The Company achieved total urea production of 2,903 thousand tonnes during the year operating at 112%. Production during 2024 stood at 2,841 thousand tonnes.

Sona DAP production during 2025 stood at 837 thousand tonnes, including 36 thousand tonnes of Boron DAP, while 32 thousand tonnes of DAP was imported during the year.

Sona DAP production by Port Qasim during second half of 2024 stood at 452 thousand tonnes while 157 thousand tonnes DAP was imported by FFC.

Sales

The Company recorded total urea sales of 2,886 thousand tonnes based on production figures mentioned earlier, compared to 2,942 thousand tonnes last year which also included 95 thousand tonnes urea imported by the Government.

Sona DAP offtakes stood at 834 thousand tonnes, including 58 thousand tonnes of imported DAP during 2025. DAP offtakes during second half of 2024 stood at 654 thousand tonnes.



Stakeholders' Key Insights

- 01 ● Inclusion in KMI-30 Index
- 02 ● Share price reached PKR 591 per share
- 03 ● Market capitalization ~USD 3 billion
- 04 ● Compliance thresholds maintained in second half of 2025

Inclusion in KMI-30 Index

FFC strengthened its standing in the capital markets through its inclusion in the KMI-30 Index, reflecting the Company's commitment to Shariah-compliant principles. The stock market recognized the growth potential, driving the Company's share price to a record high of approximately PKR 591 per share at year-end, translating into market capitalization of around USD 3 billion. The initiative was undertaken in first quarter of 2025 and the Company was able to achieve and maintain the thresholds prescribed by the PSX Shariah Committee during second half of 2025.

Moving Forward

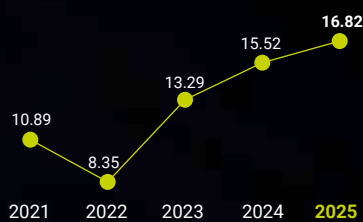
Building on the progress achieved during the year, the Company remains firmly committed to sustaining and strengthening the Shariah-compliant status on a continuous basis. This commitment is embedded in the Company's strategic and financial decision-making processes, with ongoing monitoring of investment structures, financing arrangements, and operational practices to ensure continued alignment with Shariah principles.

Key Financial Metrics At a Glance

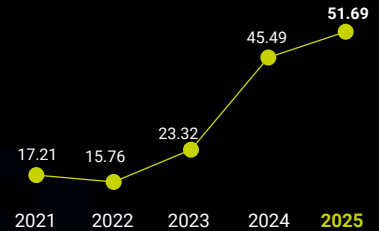
Return on Equity
Percentage



Return on Assets
Percentage



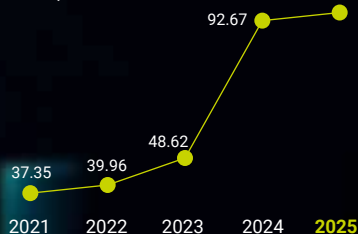
Earnings per Share
PKR



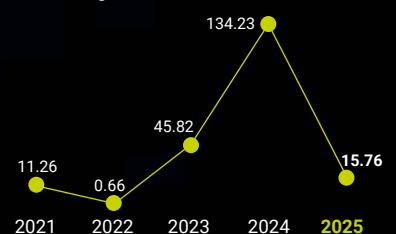
Dividend per Share
PKR



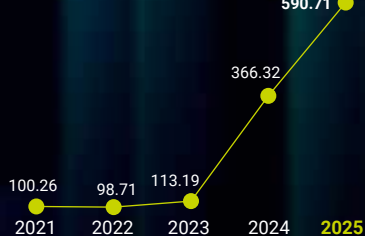
Break up Value
PKR per share



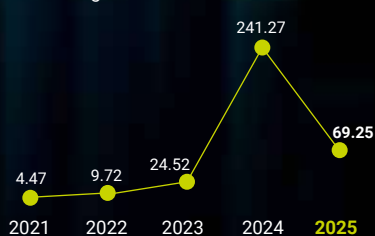
Growth in Turnover
Percentage



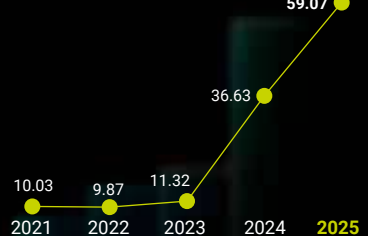
Market Price per Share
PKR at Year-End



Total Shareholder Return
Percentage



Price to Book Ratio
Times



Financial Capital

Financial Position Analysis

Equity and Reserves

2025 | 135.58 bn 2024 | 131.88 bn

At the close of the year, the Company's net assets stood at PKR 135.6 billion. The increase is mainly attributable to addition of profitability for 2025, net of dividend distributions during the year.

As a result, the Company closed the year with a strong equity base, with the break-up value per share recorded at PKR 95.27.

Long term borrowings

2025 | 61.30 bn 2024 | 38.20 bn

Long term borrowings (including current portion) increased to PKR 61.30 billion at the close of the year, compared to PKR 38.20 billion last year, owing to drawdowns of PKR 30 billion during the year, largely towards the close of the year to meet the funding requirements of key CAPEX projects. Repayments amounting to PKR 6.9 billion were made during the year.

Short term borrowings

2025 | 18.59 bn 2024 | 31.28 bn

Short-term borrowings amounted to PKR 18.6 billion at the close of the year, compared to PKR 31.3 billion in the previous year.

Trade and Other Payables

2025 | 194.05 bn 2024 | 186.05 bn

Trade and other payables stood at PKR 194.1 billion at the close of the year, compared to PKR 186.1 billion last year, reflecting an increase of 4%. The increase was largely driven by higher advances from customers. Payables to phosphoric acid supplier also increased on account of higher international phosphoric acid prices.

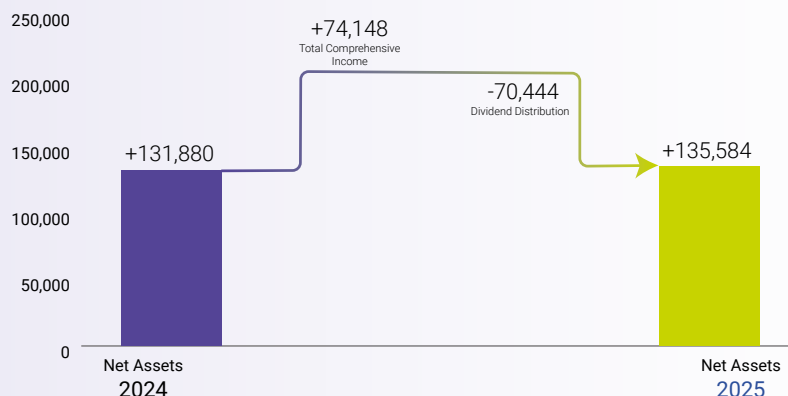
Contingencies and Commitments

2025 | 97.67 bn 2024 | 96.23 bn

Full Disclosure regarding Contingencies and Commitments is given in note 13 of Financial Statements.

Growth in Net Assets

(Rs million)

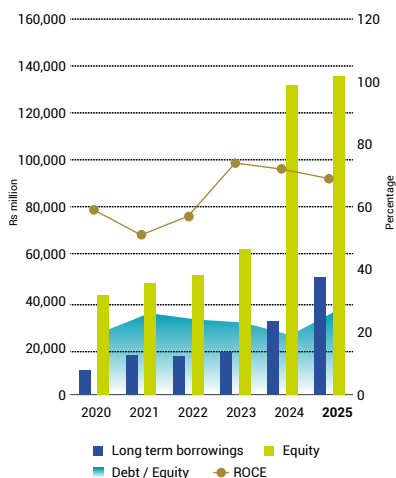


Long Term Borrowings

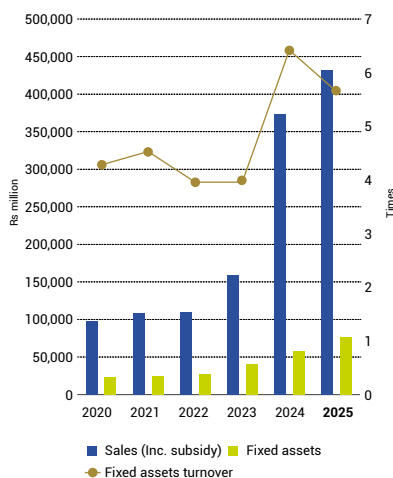
(Rs million)



Equity & Debt

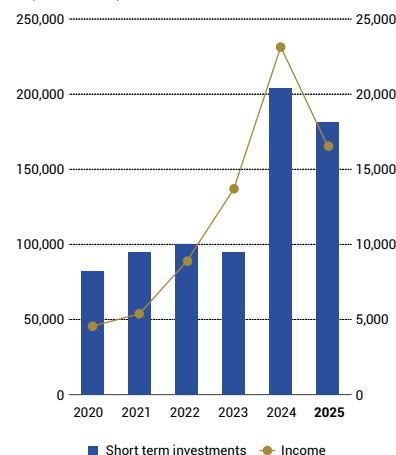


Turnover, Fixed Assets and Fixed Assets Turnover



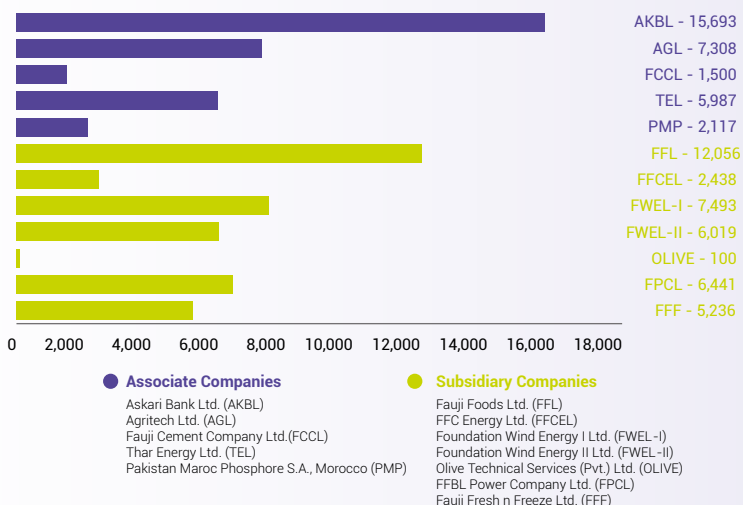
Short Term Investments and Income

(Rs million)



Equity Investments

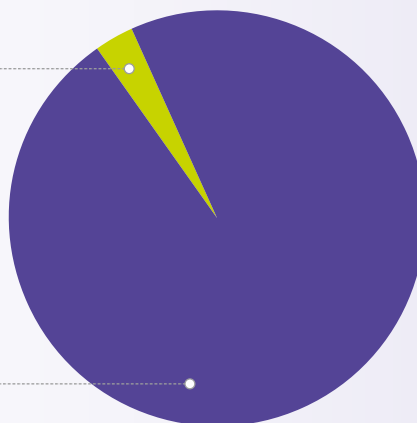
(Rs million)



Trade Debts

Past due
3%

97%
Not yet due



Profit Distribution and Equity / Reserve Analysis

The Company's equity and reserves at the beginning of the year stood at PKR 131.9 billion, whereas PKR 29.89 billion was approved by the shareholders as final dividend for 2024.

During 2025, the Company earned total comprehensive income of PKR 74.1 billion and declared three interim dividends aggregating PKR 40.6 billion, while no transfers were made to general reserves.

The aggregate equity and reserves at the close of the year therefore stood at PKR 135.6 billion, as detailed below:

	Rs in million	Rs per share
Opening equity and reserves	131,880	
Final dividend 2024	(29,884)	21
Net profit -2025	73,564	
OCI	583	
Available for appropriation	176,143	
First interim dividend 2025	(9,962)	7
Second interim dividend 2025	(17,077)	12
Third interim dividend 2025	(13,520)	9.5
Closing December 2025	135,584	

Property, Plant and Equipment

2025 | 76.55 bn | 2024 | 58.21 bn

Property, plant and equipment stood at PKR 76.6 billion at year end as compared to PKR 58.2 billion in 2024. The increase is mainly attributable to ongoing reliability and sustainability projects.

Long Term Investments

2025 | 79.07 bn | 2024 | 76.78 bn

Long-term investments stood at PKR 79.1 billion at year end as compared to PKR 76.8 billion in 2024. The increase primarily reflects further investment in AGL during the year, including acquisition of 101 million ordinary shares at a cost of PKR 2.4 billion, comprising PKR 306 million in cash investment and PKR 2.1 billion through conversion of listed convertible preference shares. As a result, the Company's equity stake in AGL increased to 37.36% at year end. The market value of the Company's total equity holding in AGL stood at PKR 15.2 billion as at December 31, 2025.

Following further investments during the year, unlisted preference shares in AGL amounted to PKR 5.9 billion at year end.

Stores, Spares and Loose Tools

2025 | 15.57 bn | 2024 | 14.03 bn

Stores, spares and loose tools amounted to PKR 15.6 billion at year end as compared to PKR 14.0 billion in 2024, reflecting an increase of 11%, primarily on account of general inflation.

Stock in Trade

2025 | 38.23 bn | 2024 | 23.74 bn

The company's stock-in-trade totaled PKR 38.2 billion at the close of 2025 compared to PKR 23.7 billion last year. The increase largely represents higher closing stock of manufactured Sona DAP due to weak demand, along with elevated phosphoric acid inventory carried at higher international prices.

Trade Debts

2025 | 20.15 bn | 2024 | 943.63 mn

Trade debts aggregated to PKR 20.2 billion at the close of the year as compared to PKR 944 million last year. The significant increase is mainly due to higher credit sales towards the close of the year.

Other Receivables

2025 | 5.16 bn | 2024 | 17.75 bn

Other receivables declined to PKR 5.2 billion at year end from PKR 17.7 billion last year mainly due to additional provision against sales tax receivable during the year.

Short Term Investments

2025 | 181.46 bn | 2024 | 203.98 bn

Short term investments were recorded at PKR 181.5 billion at year end as compared to PKR 203.9 billion last year, mainly due to higher investments and working capital requirements.

Total Assets

2025 | 437.49 bn | 2024 | 416.95 bn

Total asset base of the Company increased by 5% to PKR 437.5 billion at year end, driven by higher property, plant and equipment, growth in long-term investments and increased stock in trade and trade debts, partly offset by lower short-term investments.

Financial Capital

Profit or Loss Analysis

The financial figures for 2025 comprise of full year results of the merged entity compared to six months performance only of ex-FFBL during 2024.

Turnover

2025 | 432.41 bn 2024 | 373.54 bn

During the year, the Company achieved urea turnover of PKR 229 billion while DAP revenue stood at PKR 201 billion, aggregate revenue including other fertilizers stood at PKR 432 billion while revenue during 2024 was recorded at PKR 374 billion based on the quantities stated earlier.

Cost of Sales

2025 | 301.80 bn 2024 | 246.36 bn

Cost of sales for the year increased to PKR 302 billion from PKR 246 billion last year, mainly because of inflation, in addition to full year operational activity of the merged entity, during 2025. No Inflationary impact was passed on during 2025 to support the farming community.

The impact of rising costs was partially offset through effective cost controls and efficiency improvement measures, which helped in mitigating the pressure of inflation and other adverse factors.

Distribution Cost

2025 | 32.34 bn 2024 | 29.36 bn

Distribution costs amounted to PKR 32.3 billion during the year compared to PKR 29.4 billion last year. The increase of 10% is primarily due to handling of higher product volumes, inflation and increase in sales and promotional expenditures of the combined entity for the full year.

Finance Cost

2025 | 6.52 bn 2024 | 6.52 bn

Finance cost for the year aggregated to PKR 6.5 billion compared to PKR 6.5 billion last year. The cost remained in line with last year on account of decrease in interest rates and lowering financing requirements due to higher cash generation.

Other Losses

2025 | Nil 2024 | 5.42 bn

No other losses were recorded during the year, as compared to PKR 5.4 billion in the preceding year on account of impairment on investment in FFF and unwinding charges on GIDC liability.

Other Expenses

2025 | 10.73 bn 2024 | 9.99 bn

Other expenses increased to PKR 10.7 billion from PKR 9.9 billion last year. The increase is primarily attributable to higher WPPF charges in line with full year profitability in 2025.

Other Income

2025 | 39.84 bn 2024 | 35.23 bn

Other income for the year stood at PKR 39.8 billion, which included dividend income from subsidiaries and associates, amounting to PKR 22.4 billion. Other Income stood at PKR 35.23 billion last year.

Provision for Taxation

2025 | 47.30 bn 2024 | 46.38 bn

Provision for taxation increased to PKR 47.3 billion from PKR 46.4 billion last year, owing to higher profitability.

Profit for the Year

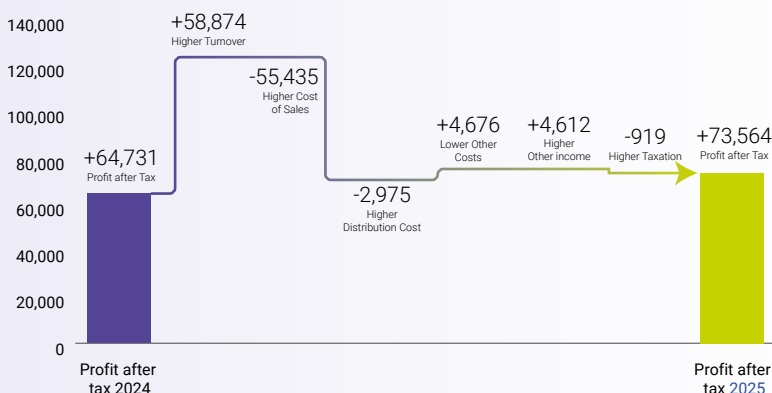
2025 | 73.56 bn 2024 | 64.73 bn

The Company achieved net profit of PKR 73.6 billion during the year, compared to PKR 64.7 billion in the previous year. This improvement in profitability is mainly attributable to the inclusion of full-year results of ex-FFBL operations, benchmark dividend income and continued focus on cost discipline across the business.

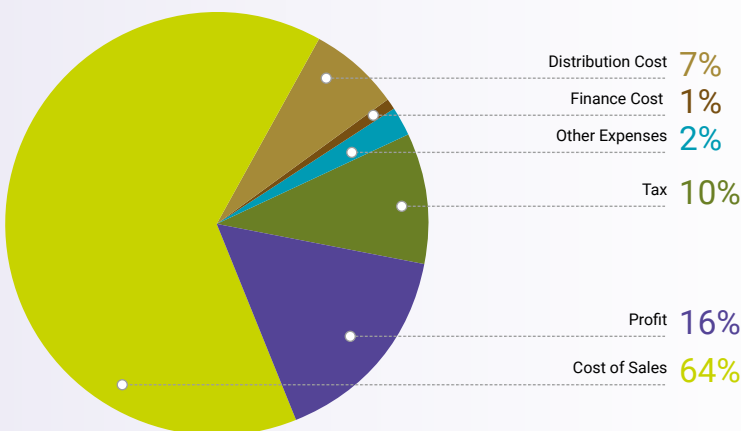
The shareholders of FFC also approved the acquisition of 25% shareholding in FFBL power Company Limited owned by Fauji Foundation to strengthen its power portfolio and governance oversight. The Share capital of FFC thus stood at 1,439 million shares effective January 2026.

Profit or Loss Waterfall

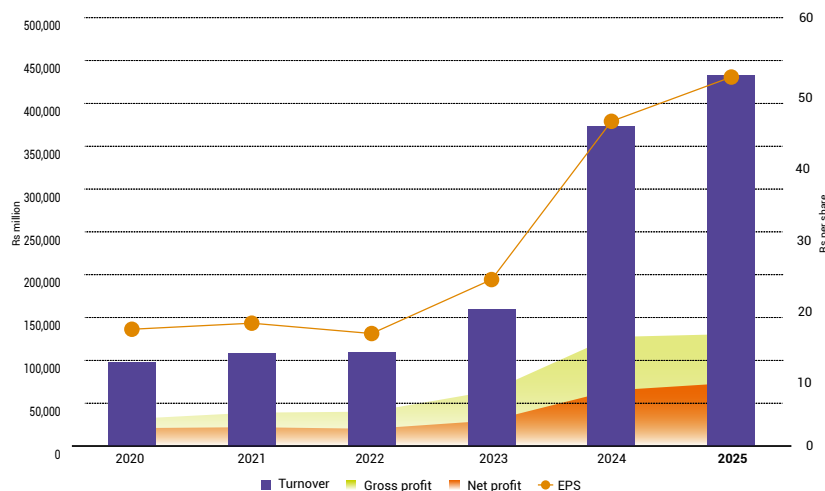
(Rs million)



Income Utilization

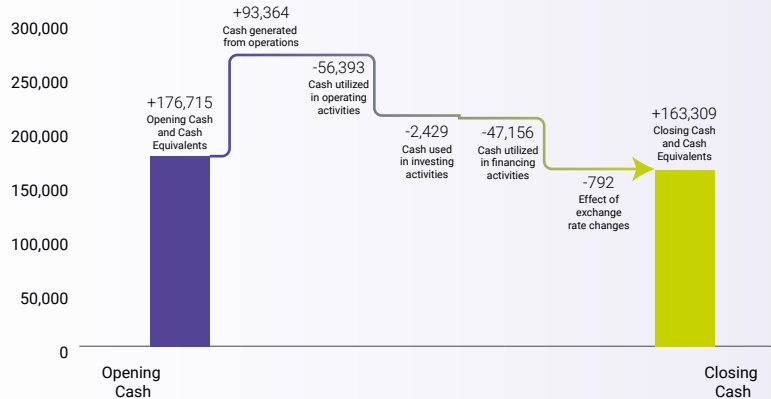


Profitability

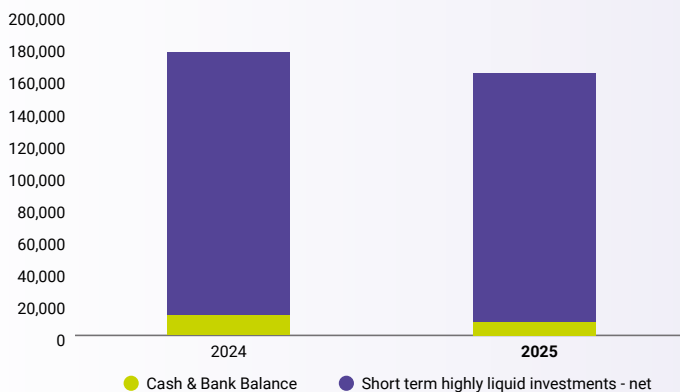


Cash Movement

(Rs million)



Cash & Cash Equivalents



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.

Cash Flows from Operating Activities

2025 | 36.97 bn 2024 | 106.40 bn

Cash flows from operations were recorded at PKR 93.4 billion, compared to PKR 159.6 billion last year. This decline is mainly attributable to significant working capital utilization, particularly on account of higher trade debts and increased DAP inventory at close of the year. The increase in trade debts was largely due to higher credit sales towards close of the year in order to clear inventory in a low demand environment across the industry. Net cash generated from operating activities was further impacted by higher income tax payments, and consequently, net cash generated from operations stood at PKR 36.9 billion, compared to PKR 106.4 billion last year.

Cash Flows from Investing Activities

2025 | (2.43) bn 2024 | (11.03) bn

In order to ensure sustained operations, the Company continued its investment in capex projects with an expenditure amounting to PKR 23.6 billion during the year. In addition, an investment of PKR 5.2 billion was made in Agritech Limited.

Dividend receipts amounting to PKR 22.4 billion and interest and profit received of PKR 1.7 billion were recorded during the year. Consequently, net cash used in investing activities stood at PKR 2.4 billion, compared to net cash used of PKR 11.0 billion last year.

Cash Flows from Financing Activities

2025 | (47.16) bn 2024 | (24.12) bn

To meet the funding requirements of key projects, the Company raised long-term borrowings of PKR 30 billion during the year, while repayments amounting to PKR 6.9 billion were also made. In order to ensure a regular income stream for its shareholders, the Company paid dividends amounting to PKR 70.3 billion during the year. Consequently, net cash used in financing activities was recorded at PKR 47.2 billion, compared to PKR 24.1 billion utilized last year.

Cash and Cash Equivalents

2025 | 163.31 bn 2024 | 176.72 bn

As a result of the above movements, cash and cash equivalents at year end stood at PKR 163.3 billion, compared to PKR 176.7 billion last year. The closing balance comprises short term highly liquid investments of PKR 179.6 billion and cash and bank balances of PKR 8.3 billion, offset by short term borrowings of PKR 18.6 billion and bank balances under lien of PKR 6.0 billion.

Subsequent Events

The Board of Directors in its meeting held on January 29, 2026 is pleased to recommend a final cash dividend of PKR 8.50 per share i.e. 85% for the year ended 2025, for shareholders' approval, taking the total payout for the year to PKR 37 per share i.e. a payout of 71.58%.

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

PKR 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.

2025 Performance

Turnover improved primarily due to aggregation of full year results of ex-FFBL into FFC.

Change
16%

2025 **432,410**

2024 373,537

Market price per share

PKR

Why is this a KPI?

The market price of Company's share on the Pakistan Stock Exchange as at December 31, 2025

2025 Performance

FFC share price experienced a remarkable gain of approximately 61%, attained the status of the top constituent of KSE-100 Index.

Change
61%

2025 **590.71**

2024 366.32

Investment Income

PKR 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.

2025 Performance

Declining interest rates compressing Investment income

Change
(29%)

2025 **17,427**

2024 24,403

Break-up value

PKR

Why is this a KPI?

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

2025 Performance

The break-up value per share was recorded at Rs 95.27.

Change
3%

2025 **95.27**

2024 92.67

Dividend Income

PKR million

Why is this a KPI?

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

2025 Performance

Healthy payout by subsidiary / associated companies resulted in dividend income of Rs 22.4 billion.

Change
107%

2025 **22,417**

2024 10,829

GP 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.

2025 Performance

Gross profit margin stood at 30% due to higher imported material costs coupled with aggregation of full year results of ex-FFBL.

Change
(4%)

2025 **30.21**

2024 34.05

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.

2025 Performance

Contribution to National Exchequer through import substitution clocked in at USD 1.3 billion in 2025

Change
(7%)

2025 **1,339**

2024 1,435

NP 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.

2025 Performance

Net Margins stood at 17.01%

Change
(0.3%)

2025 **17.01**

2024 17.33

Earnings per share

PKR

Why is this a KPI?

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

2025 Performance

The Company achieved EPS of Rs 51.69 during 2025 compared to Rs 45.49 last year.

Change
14%

2025 **51.69**

2024 45.49

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.

2025 Performance

Stable earnings before interest and tax, despite increase in capital employed led to ROCE of 68.55%.

Change
(3.5%)

2025 **68.55**

2024 72.09

Dividend per share

PKR

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.

2025 Performance

The Merged entity announced Dividend per Share of Rs 37 per share in 2025 compared to Rs 34.86 last year.

Change
6%

2025 **37.00**

2024 34.86

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.

2025 Performance

Enhanced profitability resulted in an ROE of 54.26% compared to last year of 49.08%.

Change
(5.2%)

2025 **54.26**

2024 49.08

Non-Financial KPIs

Manufactured Capital



Urea Production Efficiency
112%



Farmers Engagement

118,000

Farmers registered covering 1.7 million acres



Number of Plants

04

Intellectual Capital



Sona Dost app 2.0
Digital Platform



Green infrastructure
Data Centre



SAP RISE
Implementation underway

Natural Capital



Water conservation
automation of Tubewells



Precision Farming
Agri Drones



GHG Emission

2.4 million MT

Human Capital



Workforce
4,235



Total Training Hours
127,108



Training hour per employee
30

Social and Relationship Capital



Contribution to National
Exchequer
Rs **111.6** billion



Donations
Rs **1,718** million

Empowering **50,000 +**
students with education that
changes lives

Financial Capital

Analysis of Non- Financial Key Performance Indicators



Manufactured Capital

(Page No. 122-138 & 205-216)

Our involvement in the importation, manufacturing, marketing, and distribution of high-quality fertilizers is aimed at creating value for our stakeholders — the People — and, ultimately, contributing to the broader economy.

Producing Quality Fertilizer

At the core of our operations is a commitment to safeguarding and enhancing the productive potential of farms while improving the earnings of our end consumers. Guided by our strategic vision and dedication to meeting customer expectations, we strive to deliver high-quality products that comply with international environmental and safety standards, thereby supporting the wellbeing of local farms and the broader planet.

Investing in Better Farm Productivity

Through four decades of sustained dedication and strategic investment in farm advisory services, FFC has played a pivotal role in enhancing farm productivity. This ongoing commitment has helped build a strong and loyal customer base, reinforce the Sona brand's presence in the marketplace, and create meaningful value for both FFC and the farming community.



Intellectual Capital

(Page No. 140-145 & 235-247)

Although intellectual capital does not carry the same visibility as monetized forms of capital in the value creation process, the Company remains firmly committed to investing in its development. This education stems from the conviction that intellectual capital plays a vital role in strengthening operational efficiency and sustaining a competitive advantage in today's technology-driven era.



Human Capital

(Page No. 146-151 & 217-234)

The Company has built a culture of operational excellence by emphasizing mentoring, delegation, and succession planning, thereby nurturing a highly skilled workforce. Our comprehensive policy defines approaches for succession planning, employee recognition, talent acquisition, and leadership development. FFC remains dedicated to managing HR priorities and fostering an environment that attracts, develops, and retains top talent.

Providing Employment

FFC, has a workforce of 4,235 professionals as of December 31, 2025, 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 2025, FFC disbursed salaries and benefits amounting to Rs 21.8 billion, compared to Rs 19.7 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.

The assessment of significant non-financial key performance indicators (KPIs) has been conducted, addressing those relevant to the business and its stakeholders across various forms of capital, as outlined in the International Integrated Reporting Framework.

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. 154-164 & 173-185)

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

Creating value for our local partners is a key focus at FFC, achieved through efficient local procurement practices that support the country's economic development. Our commitment to sustainability spans the supply chain, where we work closely with trusted partners to promote responsible practices and nurture a sustainable business ecosystem.

Create and Share Value in Local Communities We Operate

FFC plays an active role in supporting local communities by contributing through taxes and voluntary financial assistance in critical areas such as education, health, sports, and infrastructure development. This commitment is especially focused on neighboring communities, generating positive impacts across the country. Furthermore, our local presence and collaboration with regional suppliers enhance economic activity, driving growth and prosperity in the 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. 165 & 205-216)

Agriculture forms the backbone of Pakistan's economy, securing the nation's food supply through the utilization of its natural capital. Amid an evolving environmental landscape characterized by climate variability, resource scarcity, and ecosystem changes, the Company recognizes the importance of investing in targeted capital expenditures and implementing climate-resilient agricultural practices. This approach underscores FFC's proactive commitment to managing its environmental impact while supporting sustainable and resilient farming.

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

The year 2025 marked notable progress for the Company, reflected in growth in market capitalization, advancement of diversification initiatives, expanded farmer outreach, and smooth execution of the ex-FFBL integration. The fertilizer value chain remained volatile during the year with unfavorable climatic conditions, irregular crop yields and farmer liquidity concerns. These factors resulted in an oversupplied fertilizer market and escalated inventory levels for most part of the year. The Company took effective measures to offload the inventory, with FFC closing the period with the lowest inventory in the industry.

Despite headwinds, the Company achieved outstanding results, surpassing key operating and financial benchmarks set for the year. The Company's effective treasury management and strategic diversification projects yielded healthy dividend payouts, 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 capitals connectivity statement

The Group manages financial, manufactured, intellectual, human, social, and natural capitals in an integrated manner. Capital allocation decisions are evaluated for operational reliability, safety, farmer value, environmental stewardship, and sustainable cash generation.

Balanced positive and negative disclosure

While financial performance remained strong, the year presented cost volatility, pricing pressures, and macroeconomic uncertainty. Management addressed these through disciplined cost control, operational efficiency, and proactive risk management.

KPI methodology disclosure

Financial KPIs are derived from audited financial statements. Non-financial KPIs are compiled from operational systems and validated through internal controls. Measurement boundaries, assumptions, and rounding conventions are applied consistently.

Six Year Analysis

Horizontal Analysis of Statement of Financial Position

The fertilizer sector operated in a challenging environment during 2025 despite gradual stabilization in macroeconomic indicators. Following a prolonged period of economic stress, Pakistan's economy showed signs of recovery supported by easing inflation, improving fiscal and external account balances, and prudent monetary policy measures. However, irregular crop yields, unfavorable climate conditions, liquidity concerns, and pressures on farm economics constrained fertilizer demand, resulting in an oversupplied market and elevated industry inventory levels during most part of the year.

Amid these conditions, FFC implemented focused commercial and operational initiatives, supported by efficient resource utilization and timely decision-making, enabling it to effectively reduce inventory levels and close the period with the lowest inventory position in the industry while sustaining market leadership, further strengthening its overall financial position and long-term growth trajectory.

Horizontal Analysis

Shareholders' Equity

Shareholders' equity, comprising share capital and reserves, has surged by impressive rate of 219% since 2020. This growth was primarily driven by the merger with ex-FFBL, resulting in issuance of new shares and recognition of merger reserves. Additionally, revenue reserves witnessed six year annual average increase of 26%, supported by higher earnings and profit retention.

Non-Current Liabilities

Long-term borrowings followed a declining trend from 2020 to 2023, primarily supported by strong operational cash flows generated by the Company. However, over the last two years, long-term borrowings have increased, resulting in a compound annual growth rate of approximately 36% over the past six years, mainly driven by the need for funds for equity investments and capital projects undertaken by the Company. Deferred liabilities amounted to Rs. 10.96 billion, representing an increase of 108% compared to 2020, largely attributable to higher deferred taxation, while compensated leave absences remained relatively stable during the period. Consequently, total non-current liabilities stood at Rs 61.21 billion as compared to Rs 48.74 billion in 2020.

Current Liabilities

Current liabilities increased from Rs 81.67 billion in 2020 to Rs 240.70 billion at the end of 2025, reflecting an average annual growth rate of 24%, mainly due to liabilities assumed from ex-FFBL and higher working capital requirements during the period. Trade and other payables stood at Rs 194.05 billion, including significant components such as GIDC of Rs 84.98 billion, trade creditors of Rs 40.39 billion, accrued liabilities of Rs 38.47 billion and advances from customers amounting to Rs 17.002 billion, along with other balances.

Non-Current Assets

Non-current assets demonstrated significant growth, increasing from Rs 61.05 billion in 2020 to Rs 161.83 billion in 2025, reflecting a substantial strengthening of the Company's asset base. Property, plant and equipment recorded an average annual growth of 27% during the period, reaching Rs 76.55 billion at year end compared to Rs 58.21 billion in the previous year. This growth was primarily driven by capital expenditures relating to the Pressure Enhancement Facilities (PEF) project, along with ongoing reliability, efficiency, and sustainability initiatives.

Over the past six years, in line with its diversification strategy, FFC has expanded its investment portfolio through acquisition of 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, long-term investments include FFBL Power Company Limited (FPCL), Fauji Foods Limited (FFL), and increased shareholding in Askari Bank Limited and Pak Maroc Phosphore. The Company also invested in ordinary shares

and non-convertible unlisted preference shares of AGL, including an additional equity investment of Rs 2.38 billion during the year. Consequently, long-term investments, including PIBs and TFCs, stood at Rs 79.07 billion at the end of 2025, representing an overall growth of approximately 228% since 2020.

Current Assets

Stores, spares, and loose tools registered an average annual growth of 29% since 2020. Balances remained relatively stable until 2021; however, subsequent increases were primarily driven by inflationary pressures, local currency depreciation, and inclusion of ex-FFBL balances.

Stock-in-trade remained elevated during 2025, reflecting a six-year annual growth rate of 160%, mainly due to higher closing inventory of Sona DAP owing to low demand, along with raw material inventory of phosphoric acid.

Over the six-year period, trade debts were maintained at manageable levels, except during 2025 when a higher proportion of sales was undertaken on credit amidst unfavorable market conditions. Trade debts stood at Rs 20.15 billion at year end. Owing to placement of surplus cash in short-term investments considering cash availability, short-term investments reached Rs 181.47 billion, more than doubling since 2020 and supported by enhanced cash generation. Consequently, total current assets rose from Rs 111.9 billion in 2020 to Rs 275.65 billion in 2025.

Horizontal & Vertical Analysis

Cash Flows Analysis

Ratio Analysis

	2025	25 Vs 24	2024	24 Vs 23	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Equity and Liabilities												
Equity and Reserves												
Share capital	14,231	–	14,231	12	12,722	–	12,722	–	12,722	–	12,722	–
Capital reserves	28,000	–	28,000	17,400	160	–	160	–	160	–	160	–
Revenue reserves	93,299	4	89,552	82	49,075	29	37,953	10	34,632	17	29,654	31
Surplus/ (deficit) on remeasurement of investments to fair value - net	53	(45)	97	–	(104)	–	–	–	–	–	–	–
	135,583	3	131,880	113	61,853	22	50,835	7	47,514	12	42,536	20
Non – Current Liabilities												
Long term borrowings - secured	50,250	61	31,300	72	18,200	12	16,295	(3)	16,740	58	10,627	64
Lease liabilities	–	–	–	–	–	(100)	17	(29)	24	(59)	59	(5)
Deferred government grant	–	–	–	–	–	–	–	–	–	(100)	25	–
Gas Infrastructure Development Cess (GIDC) payable	–	–	–	–	–	(100)	7,941	(62)	20,802	(37)	32,772	–
Deferred liabilities	10,956	9	10,067	151	4,012	23	3,272	(13)	3,758	(29)	5,259	19
	61,206	48	41,367	86	22,212	(19)	27,525	(33)	41,324	(15)	48,742	345
Current Liabilities												
Current portion of long term borrowings - secured	11,050	60	6,900	13	6,095	12	5,445	21	4,504	4	4,335	(8)
Current portion of lease liabilities	–	–	–	(100)	17	6	16	(58)	38	65	23	(47)
Current portion of deferred government grant	–	–	–	–	–	–	–	(100)	41	(53)	87	–
Trade and other payables	194,053	4	186,052	74	108,256	19	89,836	44	62,481	34	46,621	(39)
Mark - up and profit accrued	940	2	923	(29)	1,304	(13)	1,506	108	723	163	275	(59)
Short term borrowings - secured	18,595	(41)	31,279	128	13,738	(76)	57,994	49	38,954	54	25,258	16
Unclaimed dividend	851	28	663	28	517	8	479	1	472	1	468	(14)
Provision for taxation	15,206	(15)	17,888	68	9,289	65	6,486	31	4,956	8	4,604	49
	240,695	(1)	243,705	75	139,216	(14)	161,762	44	112,169	37	81,671	(24)
Total Equity And Liabilities	437,484	5	416,952	87	223,281	(7)	240,122	19	201,007	16	172,949	13
Assets												
Non - Current Assets												
Property, plant & equipment	76,550	32	58,211	45	40,223	46	27,631	15	23,987	5	22,841	3
Intangible assets	1,591	1	1,572	–	1,572	–	1,573	–	1,576	–	1,572	–
Long term investments	79,070	3	76,780	58	48,721	(4)	50,525	10	46,115	33	34,675	12
Long term loans & advances - secured	4,530	154	1,785	(32)	2,630	(42)	4,556	50	3,044	57	1,945	62
Long term deposits & prepayments	91	(1)	92	667	12	–	12	(20)	15	7	14	17
	161,832	17	138,440	49	93,158	11	84,297	13	74,737	22	61,047	9
Current Assets												
Stores, spares and loose tools	15,566	11	14,028	80	7,784	24	6,301	38	4,558	3	4,434	16
Stock in trade	38,229	61	23,744	1,048	2,068	(89)	19,488	1,760	1,048	228	320	(95)
Trade debts	20,153	2,035	944	1,827	49	(87)	372	(55)	833	(64)	2,287	(83)
Loans and advances - secured	5,682	23	4,617	35	3,415	258	953	26	759	(4)	789	(56)
Deposits and prepayments	1,059	–	1,059	49	711	136	301	349	67	31	51	–
Other receivables	5,164	(71)	17,746	(13)	20,501	(23)	26,621	18	22,619	8	20,965	19
Short term investments	181,456	(11)	203,982	115	94,737	(6)	100,269	5	95,196	16	81,902	70
Cash and bank balances	8,343	(33)	12,392	1,344	858	(44)	1,520	28	1,190	3	1,154	(80)
	275,652	(1)	278,512	114	130,123	(16)	155,825	23	126,270	13	111,902	15
Total Assets	437,484	5	416,952	87	223,281	(7)	240,122	19	201,007	16	172,949	13

Six Year Analysis

Vertical Analysis of Statement of Financial Position

	2025		2024		2023		2022		2021		2020	
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Equity and Liabilities												
Equity and Reserves												
Share capital	14,231	3	14,231	3	12,722	6	12,722	5	12,722	6	12,722	7
Capital reserves	28,000	6	28,000	7	160	-	160	-	160	-	160	-
Revenue reserves	93,299	21	89,552	21	49,075	22	37,953	16	34,632	17	29,654	17
Surplus/ (deficit) on remeasurement of investments to fair value - net	53	1	97	-	(104)	-	-	-	-	-	-	-
	135,583	31	131,880	31	61,853	28	50,835	21	47,514	24	42,536	24
Non - Current Liabilities												
Long term borrowings - secured	50,250	11	31,300	8	18,200	8	16,295	7	16,740	8	10,627	6
Lease liabilities	-	-	-	-	-	-	17	-	24	-	59	-
Deferred government grant	-	-	-	-	-	-	-	-	-	-	25	-
Gas Infrastructure Development Cess (GIDC) payable	-	-	-	-	-	-	7,941	3	20,802	10	32,772	19
Deferred liabilities	10,956	3	10,067	2	4,012	2	3,272	1	3,758	2	5,259	3
	61,206	14	41,367	10	22,212	10	27,525	11	41,324	21	48,742	28
Current Liabilities												
Current portion of long term borrowings - secured	11,050	3	6,900	2	6,095	3	5,445	2	4,504	2	4,335	3
Current portion of lease liabilities	-	-	-	-	17	-	16	-	38	1	23	-
Current portion of deferred government grant	-	-	-	-	-	-	-	-	41	-	87	-
Trade and other payables	194,053	44	186,052	45	108,256	48	89,836	37	62,481	31	46,621	27
Mark - up and profit accrued	940	1	923	-	1,304	1	1,506	1	723	-	275	-
Short term borrowings - secured	18,595	4	31,279	8	13,738	6	57,994	24	38,954	19	25,258	15
Unclaimed dividend	851	-	663	-	517	-	479	-	472	-	468	-
Provision for taxation	15,206	3	17,888	4	9,289	4	6,486	3	4,956	2	4,604	3
	240,695	55	243,705	59	139,216	62	161,762	67	112,169	56	81,671	48
Total Equity And Liabilities	437,484	100	416,952	100	223,281	100	240,122	100	201,007	100	172,949	100
Assets												
Non - Current Assets												
Property, plant & equipment	76,550	18	58,211	14	40,223	18	27,631	12	23,987	12	22,841	13
Intangible assets	1,591	-	1,572	-	1,572	1	1,573	1	1,576	1	1,572	1
Long term investments	79,070	18	76,780	19	48,721	22	50,525	21	46,115	23	34,675	20
Long term loans & advances - secured	4,530	1	1,785	-	2,630	1	4,556	2	3,044	2	1,945	1
Long term deposits & prepayments	91	-	92	-	12	-	12	-	15	-	14	-
	161,832	37	138,440	33	93,158	42	84,297	35	74,737	37	61,047	35
Current Assets												
Stores, spares and loose tools	15,566	4	14,028	3	7,784	3	6,301	3	4,558	2	4,434	3
Stock in trade	38,229	9	23,744	6	2,068	1	19,488	8	1,048	1	320	-
Trade debts	20,153	5	944	-	49	-	372	-	833	-	2,287	1
Loans and advances - secured	5,682	1	4,617	2	3,415	2	953	-	759	-	789	-
Deposits and prepayments	1,059	-	1,059	-	711	-	301	-	67	-	51	-
Other receivables	5,164	1	17,746	4	20,501	9	26,621	11	22,619	11	20,965	12
Short term investments	181,456	41	203,982	49	94,737	42	100,269	42	95,196	47	81,902	47
Cash and bank balances	8,343	2	12,392	3	858	-	1,520	1	1,190	1	1,154	1
	275,652	63	278,512	67	130,123	58	155,825	65	126,270	63	111,902	65
Total Assets	437,484	100	416,952	100	223,281	100	240,122	100	201,007	100	172,949	100

- Horizontal & Vertical Analysis
- Cash Flows Analysis
- Ratio Analysis

Vertical Analysis

Shareholders' Equity

Share capital as a percentage of equity declined from 30% in 2020 to 10% in 2025, mainly due to creation of merger reserve, reflected in increase in capital reserves as a percentage of equity from 0.4% in 2020 to 21% in 2025, along with growth in revenue reserves driven by historically higher profits and retention of earnings to support future diversification initiatives.

Non-Current Liabilities

The composition of non-current liabilities underwent a notable shift, with long-term borrowings as a percentage of total non-current liabilities increasing from 22% in 2020 to 82% in 2025. This change was primarily driven by the drawdowns to fund the Company's capital expenditures. In addition, reclassification of the long-term portion of Gas Infrastructure Development Cess (GIDC) to current liabilities during this period resulted in a reduction of Rs 32.77 billion in non-current liabilities since 2020.

Current Liabilities

The proportion of trade and other payables to current liabilities increased from 57% in 2020 to 81% in 2025, mainly due to reclassification of Gas Infrastructure Development Cess (GIDC) from non-current to current portion and inclusion of liabilities assumed from ex-FFBL following the merger. The proportion of short-term borrowings relative to current liabilities declined from 31% in 2020 to 8% in 2025, reflecting the Company's improved liquidity position.

Non-Current Assets

The percentage of non-current assets relative to total assets recorded a slight increase of 2%, rising from 35% in 2020 to 37% in 2025, reflecting the Company's strategic capital expenditure and investments undertaken to support long-term sustainability and operational resilience.

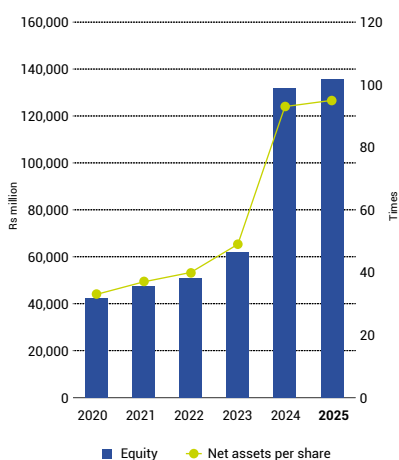
Current Assets

Stores, spares and loose tools represented around 6% of the Company's current assets, 2% higher than 2020 levels, mainly due to currency devaluation. Stock-in-trade as a percentage of current assets increased significantly to 14% in 2025 compared to approximately 0.3% in 2020, primarily driven by higher DAP inventory owing to low demand during the year and increased phosphoric acid raw material inventory. Similar elevated levels were also observed in 2024 and 2022, reflecting higher inventory balances arising from unfavorable market conditions.

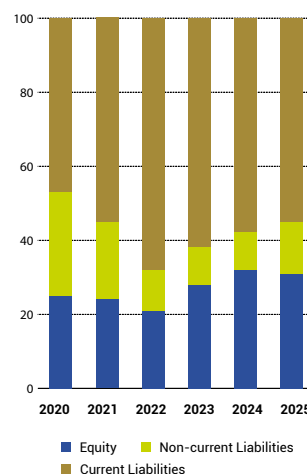
Trade debts as a percentage of current assets stood at 7% at year end 2025 compared to the six-year average of 2%, mainly due to higher credit sales amidst challenging market conditions. Other receivables as a percentage of current assets declined significantly to 2% from the six-year average of 13%, primarily due to additional provision recognized against sales tax receivable during the period. Short-term investments as a percentage of current assets declined from 73% in 2020 to 66% in 2025.

Overall trends in the statement of financial position remained aligned with the general direction of the Company and the fertilizer industry, except for the variations noted above.

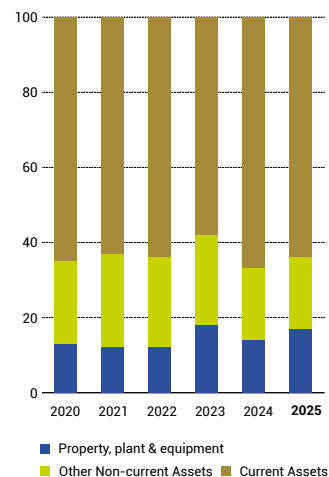
Equity & Net Assets per Share



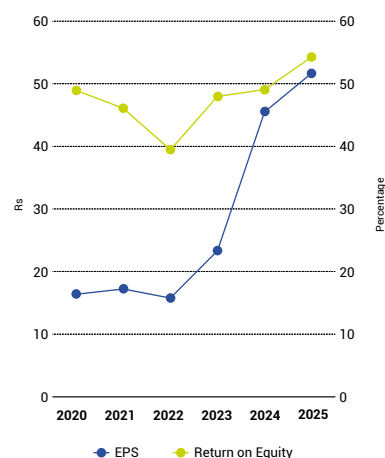
Financial Position Analysis - Equity & Liabilities (Percentage)



Financial Position Analysis - Assets (Percentage)



EPS and Return on Equity



Six Year Analysis

Horizontal Analysis of Statement of Profit or Loss

	2025	2025	2024	2024	2023	2023	2022	2022	2021	2021	2020	2020
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Turnover - net	432,410	16	373,537	134	159,472	46	109,364	1	108,651	11	97,655	(8)
Cost of sales	(301,799)	23	(246,364)	159	(95,220)	37	(69,317)	(1)	(69,772)	6	(66,072)	(12)
Gross profit	130,611	3	127,173	98	64,252	60	40,047	3	38,879	23	31,583	3
Distribution cost	(32,339)	10	(29,364)	132	(12,684)	25	(10,108)	20	(8,409)	7	(7,848)	(5)
	98,272	-	97,809	90	51,568	72	29,939	(2)	30,470	28	23,735	6
Finance cost	(6,518)	-	(6,524)	16	(5,624)	16	(4,868)	112	(2,292)	22	(1,874)	(24)
Other gains / (losses)	-	(100)	(5,415)	33	(4,060)	46	(2,789)	(1)	(2,811)	(171)	3,940	(458)
Other expenses	(10,734)	7	(9,989)	84	(5,434)	79	(3,037)	3	(2,947)	12	(2,639)	14
	81,020	7	75,881	108	36,450	89	19,245	(14)	22,420	(3)	23,162	40
Other income	39,844	13	35,231	106	17,097	18	14,442	82	7,919	23	6,429	(11)
Profit before taxation	120,864	9	111,112	108	53,547	59	33,687	11	30,339	3	29,591	25
Provision for taxation	(47,300)	2	(46,381)	94	(23,874)	75	(13,637)	62	(8,443)	(4)	(8,772)	32
Profit for the year	73,564	14	64,731	118	29,673	48	20,050	(8)	21,896	5	20,819	22
EPS	51.69	14	45.49	95	23.32	48	15.76	(8)	17.21	5	16.36	22

Horizontal Analysis

Turnover and Cost of Sales

FFC crossed the Rs 400 billion milestone for the first time, achieving its highest-ever turnover of Rs 432.4 billion in 2025. This represents an average annual growth of 35% since 2020, primarily driven by inclusion of full-year operations of Port Qasim plants. During the year, no inflationary impact was passed on in order to support the farming community, with urea continuing to be marketed at substantially lower prices compared to international rates.

Cost of sales remained broadly aligned with the growth in turnover, recording an average annual increase of 36% since 2020, mainly attributable to higher raw material prices, prevailing inflationary pressures, and full-year operational activity of the merged entity during 2025.

Gross Profit

Gross profit demonstrated strong growth over the last six years, recording a compound annual growth rate of 33%, increasing from Rs 31.58 billion in 2020 to Rs 130.61 billion in 2025. This performance was primarily driven by process optimization, efficient resource management and cost rationalization besides aggregation of full year performance of ex-FFBL.

Distribution Cost & Operating Profit

FFC maintained a compound annual growth rate of 17% until 2023. However, higher costs incurred during 2024 and 2025 increased the six-year average annual growth rate to 33%, which remained slightly lower than the corresponding growth in revenue over the

same period. The increase was primarily driven by distribution costs related to Sona DAP and Granular Urea following the merger with ex FFBL, along with higher transportation expenses, inflationary pressures, and increased sales and promotional expenditures to address subdued demand conditions. Consequently, operating profit increased from Rs 23.74 billion in 2020 to Rs 98.27 billion in 2025.

Finance Cost

Finance cost recorded a significant increase, reflecting a compound annual growth rate of 28% over the period. Until 2021, finance costs remained relatively stable, consistently hovering around Rs 2 billion mark and remaining well below the six-year average. However, a notable escalation was observed from 2022 onwards, primarily attributable to the prevailing high-interest rate environment in the country. As a result, finance cost increased to Rs 6.52 billion in 2024 compared to Rs 1.87 billion in 2020. Reduction in interest rates during 2025 resulted in finance cost remaining broadly in line with 2024 levels at Rs 6.52 billion, despite higher average outstanding borrowings during the year.

Other Expenses

Other expenses mainly comprise profit-based levies and research and development costs, which have increased over the years in line with the Company's profitability.

Other Losses

No other losses were recorded during the year, as compared to Rs 5.4 billion in the preceding year.

Other Income

Other income for the year stood at Rs 39.84 billion, reflecting an average annual growth rate of 44%. This increase was mainly driven by higher dividend payouts from subsidiaries, associates and joint venture, along with effective treasury management and prevailing high interest rates during the period, enabling the Company to achieve its highest-ever other income, representing an approximate six times increase compared to 2020.

Taxation

Tax charge over the years has generally remained aligned with the Company's profitability trends. Tax expense increased from Rs 8.77 billion in 2020 to Rs 47.3 billion in 2025, resulting in an effective tax rate for the current year approximately 39% higher than the average effective rate of around 30% in 2020, mainly due to the impact of super tax.

Profit for the Year

The Company's net profitability has maintained a strong upward trajectory. During the year, FFC achieved a significant milestone by reporting its highest-ever net profit of Rs 73.6 billion, reflecting an impressive average annual growth of 29% since 2020. This performance was primarily driven by inclusion of full-year results of ex-FFBL operations, highest-ever turnover, benchmark dividend income, and effective cost management. Overall, the Company's profitability experienced an outstanding growth of 253% in 2025 compared to 2020.

Horizontal & Vertical Analysis

Cash Flows Analysis

Ratio Analysis

Vertical Analysis of Statement of Profit or Loss

	2025		2024		2023		2022		2021		2020	
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Turnover - net	432,410	100	373,537	100	159,472	100	109,364	100	108,651	100	97,655	100
Cost of sales	(301,799)	(70)	(246,364)	(66)	(95,220)	(60)	(69,317)	(63)	(69,772)	(64)	(66,072)	(68)
Gross profit	130,611	30	127,173	34	64,252	40	40,047	37	38,879	36	31,583	32
Distribution cost	(32,339)	(7)	(29,364)	(8)	(12,684)	(8)	(10,108)	(9)	(8,409)	(8)	(7,848)	(8)
	98,272	23	97,809	26	51,568	32	29,939	27	30,470	28	23,735	23
Finance cost	(6,518)	(2)	(6,524)	(2)	(5,624)	(4)	(4,868)	(4)	(2,292)	(2)	(1,874)	(2)
Other gains / (losses)	-	-	(5,415)	(1)	(4,060)	(3)	(2,789)	(3)	(2,811)	(3)	3,940	4
Other expenses	(10,734)	(2)	(9,989)	(3)	(5,434)	(3)	(3,037)	(3)	(2,947)	(3)	(2,639)	(3)
	81,020	19	75,881	20	36,450	23	19,245	18	22,420	21	23,162	24
Other income	39,844	9	35,231	9	17,097	11	14,442	13	7,919	7	6,429	7
Profit before taxation	120,864	28	111,112	30	53,547	34	33,687	31	30,339	28	29,591	30
Provision for taxation	(47,300)	(11)	(46,381)	(12)	(23,874)	(15)	(13,637)	(12)	(8,443)	(8)	(8,772)	(9)
Profit for the year	73,564	17	64,731	17	29,673	19	20,050	18	21,896	20	20,819	21
EPS	51.69		45.49		23.32		15.76		17.21		16.36	

Vertical Analysis

Gross Profit

Gross profit margin demonstrated an upward trend up till 2023, improving from 32% in 2020 to 40% in 2023. However, it declined to 34% in 2024 following the merger, primarily due to lower margins on Port Qasim plant operations arising from higher raw material costs. The margin further reduced to 30% in 2025, mainly attributable to elevated international phosphoric acid prices and significant discounts offered to offload inventory amid subdued demand during the year.

Other Income

Other income as a percentage of turnover increased to 9% in 2025, aligning with the six-year average of 9% and exceeding 7% recorded in 2020, mainly driven by higher investment and dividend income during the period.

Taxation

Tax charge as a percentage of turnover generally remained aligned with movements in topline, averaging around 11% over the six-year period and standing

at 11% in 2025; however, a temporary increase to 15% was observed in 2023, primarily due to retrospective imposition of super tax.

Profit for the Year

Net profit margin for 2025 remained broadly in line with the previous year at 17%; however, it remained slightly below the six-year average of 19%, primarily due to lower margins from Port Qasim plant operations following the merger with ex FFBL in 2024.

Operating Profit

The operating profit margin has undergone a decline from 24% in 2020 to 23% in 2025, remaining below the six-year average of 27%. This reduction was primarily attributable to inclusion of costs related to Sona DAP and Granular Urea (Port Qasim plant operations), along with higher transportation expenses and prevailing inflationary pressures.

Other Expenses

Other expenses primarily comprise WPPF and WWF related costs, along with research and development expenditures. Over the years, these expenses have consistently mirrored the Company's profitability trends.



Six Year Analysis

of Cash Flows

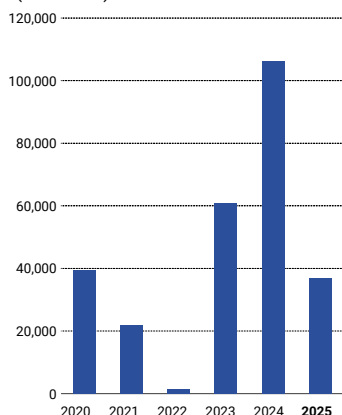
Summary of Cash Flows

Rs million	2025	2024	2023	2022	2021	2020
Net cash flow from Operating activities						
Profit before taxation	120,856	109,084	50,690	33,687	30,339	29,591
Adjustments for non cash & other items	2,361	17,096	9,730	(1,624)	4,026	(2,614)
Changes in working capital	(27,340)	33,796	23,303	(12,385)	179	22,078
Changes in long term loans and advances, deposits, prepayments and deferred liabilities	(2,512)	(412)	2,130	(1,350)	(1,403)	(925)
	(29,852)	33,384	25,433	(13,735)	(1,224)	21,153
Net cash generated from operations	93,365	159,564	85,853	18,328	33,141	48,130
Finance cost paid	(6,501)	(7,441)	(5,823)	(4,081)	(1,838)	(2,266)
Income tax paid	(49,886)	(44,509)	(17,444)	(12,670)	(9,283)	(6,320)
Levies paid	(6)	(1,209)	(1,708)	—	—	—
Net cash generated from operating activities	36,972	106,405	60,878	1,577	22,020	39,544
Net cash flow from Investing activities						
Fixed capital expenditure	(23,579)	(12,136)	(15,120)	(6,069)	(3,591)	(2,942)
Interest received	1,659	3,284	1,337	893	719	891
(Increase) / decrease in investments - net	(1,681)	(13,926)	6,033	(238)	(13,484)	(2,740)
Dividends received	22,417	10,829	1,800	4,499	2,150	1,151
Others	(1,245)	918	90	50	22	40
Net cash (used in) / generated from investing activities	(2,429)	(11,031)	(5,860)	(865)	(14,184)	(3,600)
Net cash flow from Financing activities						
Long term financing - disbursements	30,000	20,000	8,000	5,000	10,470	8,409
- repayments	(6,900)	(19,178)	(5,445)	(4,504)	(4,188)	(4,631)
Repayment of lease liabilities	—	(18)	(18)	(33)	(31)	(31)
Grant received during the year	—	—	—	—	—	190
Dividends paid	(70,256)	(24,928)	(18,460)	(17,335)	(16,853)	(14,131)
Net cash (used in) financing activities	(47,156)	(24,124)	(15,923)	(16,872)	(10,602)	(10,194)
Net (decrease) / increase in cash and cash equivalents	(12,613)	71,250	39,095	(16,160)	(2,766)	25,750
Cash and cash equivalents at beginning of the year	176,716	79,766	39,784	55,178	57,709	31,886
Effect of exchange rate changes	(792)	(250)	887	766	235	73
Acquisition of cash and cash equivalents pursuant to merger	—	25,950	—	—	—	—
Cash and cash equivalents at end of the year	163,311	176,716	79,766	39,784	55,178	57,709

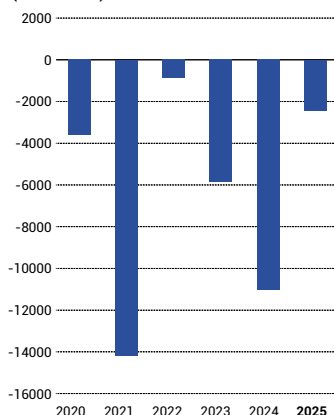
Free Cash Flows

Rs million	2025	2024	2023	2022	2021	2020
Profit before taxation	120,856	109,084	50,690	33,687	30,339	29,591
Adjustment for non-cash and other items	2,361	17,096	9,730	(1,624)	4,026	(2,614)
Changes in working capital	(27,340)	33,796	23,303	(12,385)	179	22,078
	95,877	159,976	83,723	19,678	34,544	49,055
Less: Fixed capital expenditure	(23,579)	(12,136)	(15,120)	(6,069)	(3,591)	(2,942)
Free cash flows	72,298	147,840	68,603	13,609	30,953	46,113

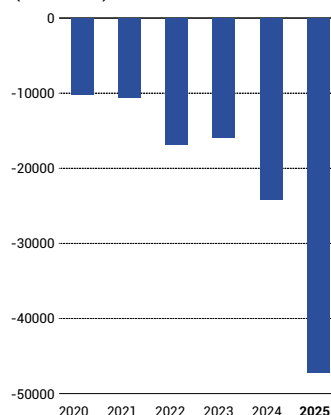
Cash Flows from Operating Activities
(Rs million)



Cash Flows from Investing Activities
(Rs million)



Cash Flows from Financing Activities
(Rs million)



- Horizontal & Vertical Analysis
- Cash Flows Analysis**
- Ratio Analysis

Cash Flows Analysis

Cash Flows from Operating Activities

Cash flows from operating activities stood at Rs 93.37 billion during the year, reflecting an increase of Rs 45.24 billion compared to 2020, primarily driven by improved profitability. However, operating cash flows remained lower than last year's level of Rs 159.56 billion, mainly due to significant working capital utilization, particularly on account of higher trade debts and increased DAP inventory at the close of 2025. The rise in trade debts was largely attributable to higher credit sales undertaken towards year end to offload inventory amid low demand environment.

Net operating cash generation for the year was further impacted by finance costs, which increased by 187% since 2020 due to higher borrowings. Income tax payments also rose significantly, increasing more than sixfold, primarily reflecting higher profitability along with the impact of super tax. Consequently, net cash generated from operating activities amounted to Rs 36.97 billion compared to Rs 39.54 billion in 2020.

Cash Flows from Investing Activities

Investing activities primarily comprised capital expenditure and equity investments in subsidiaries, associated undertakings and joint ventures. Despite a significant increase of 701% in capital expenditure since 2020 to support sustained operations, net investing cash outflows declined by 33% to Rs 2.4 billion by the end of 2025 compared to 2020, mainly driven by strong dividend inflows from subsidiaries, associated companies and joint ventures, reflecting the positive outcomes of the Company's strategic investment decisions.

Cash Flows from Financing Activities

To meet the funding requirements of key projects, the Company secured financing of Rs 30 billion while repaying

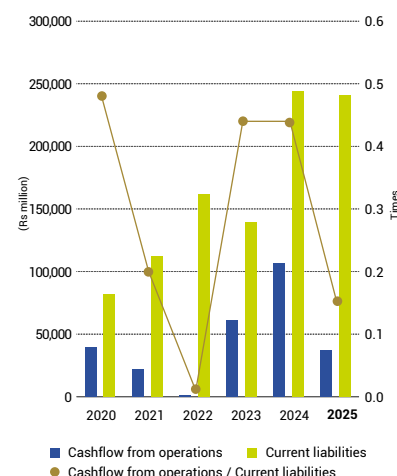
borrowings amounting to Rs 6.9 billion during the year. In line with its commitment to delivering consistent shareholder returns, FFC also disbursed dividends totalling Rs 70.26 billion. Consequently, net cash utilized in financing activities amounted to Rs 47.16 billion, approximately four times higher than Rs 10.19 billion utilized in 2020.

Cash and Cash Equivalents

Cash and cash equivalents stood at Rs 163.31 billion at the close of 2025, representing a significant increase compared to Rs 57.71 billion in 2020.

Direct Method Cash Flow

Cashflow from Operations / Current Liabilities



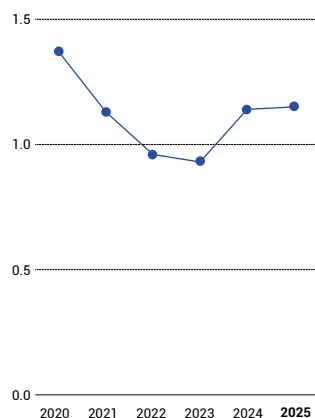
Rs million	2025	2024
Cash Flows from Operating Activities		
Cash receipts from customers - net	511,213	385,564
Cash paid to suppliers / service providers and employees - net	(408,138)	(228,832)
Payment to gratuity Fund	(394)	(385)
Payment to pension Fund	(29)	(43)
Payment to Workers' Welfare fund - net	(2,288)	(899)
Payment to Workers' Profit Participation fund - net	(7,000)	(7,700)
Finance cost paid	(6,501)	(7,441)
Income tax paid	(49,892)	(45,718)
Net cash generated from operating activities	36,971	94,546
Cash Flows From Investing Activities		
Fixed capital expenditure	(23,579)	(12,136)
Proceeds from sale of property, plant and equipment/Invnt.property	74	918
Interest received	1,659	3,284
Investment in Fauji Fresh n Freeze Limited	-	(5,000)
Investment in Agritech Limited	(3,859)	(10,992)
Loan to Agritech Limited	(1,318)	-
Advance against issue of shares to OLIVE Technical Services	-	(80)
other investment - net	2,178	14,004
Dividends received	22,417	10,829
Net cash (used in) / generated from investing activities	(2,428)	827
Cash Flows From Financing Activities		
Long term financing - disbursements	30,000	20,000
- repayments	(6,900)	(19,178)
Repayment of lease liabilities	-	(18)
Dividends paid	(70,256)	(24,928)
Net cash used in financing activities	(47,156)	(24,124)
Net (decrease) / increase in cash and cash equivalents	(12,613)	71,249
Cash and cash equivalents at beginning of the year	176,715	79,766
Effect of exchange rate changes	(792)	(250)
Acquisition of cash and cash equivalents pursuant to merger	-	25,950
Cash and cash equivalents at end of the year	163,310	176,715

Six Year Analysis

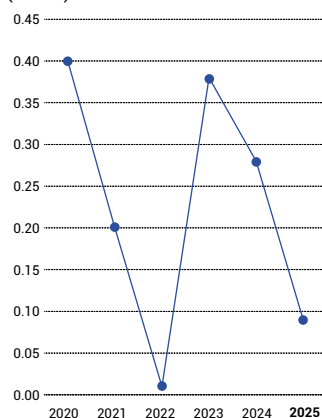
of Financial Ratios

		2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross profit ratio	%	30.21	34.05	40.29	36.62	35.78	32.34
Operating Margin	%	22.73	26.18	32.34	27.38	28.04	24.30
Net profit ratio	%	17.01	17.33	18.61	18.33	20.15	21.32
EBITDA margin to turnover	%	30.66	32.45	38.68	37.46	32.27	34.58
Operating leverage ratio	Times	0.53	0.74	1.17	27.50	0.33	(2.60)
Return on equity (Profit after tax)	%	54.26	49.08	47.97	39.44	46.08	48.94
Return on equity (Profit before tax)	%	89.14	84.25	86.57	66.27	63.85	69.57
Return on capital employed	%	68.55	72.09	73.91	57.43	50.78	59.19
Pre tax margin	%	27.95	29.75	33.58	30.80	27.92	30.30
Return on assets	%	16.82	15.52	13.29	8.35	10.89	12.04
Growth in EBITDA	%	9.37	96.52	50.56	16.84	3.82	18.44
Earning before interest, depreciation and tax	Rs in million	132,574	121,220	61,682	40,968	35,064	33,773
Earnings growth	%	13.65	118.15	48.00	(8.43)	5.17	21.68
Growth in turnover	%	15.76	134.23	45.82	0.66	11.26	(7.68)
Capital expenditure to total assets	%	5.39	2.91	6.77	2.53	1.79	1.70
Liquidity Ratios							
Current ratio	Times	1.15	1.14	0.93	0.96	1.13	1.37
Quick / Acid test ratio	Times	0.92	0.99	0.86	0.80	1.08	1.31
Cash to current liabilities	Times	0.68	0.73	0.57	0.25	0.49	0.71
Cash flow from operations to turnover	Times	0.09	0.25	0.38	0.01	0.20	0.40
Long term liabilities / current liabilities	%	25.43	16.97	15.95	17.02	36.84	59.68
Cash flow to capital expenditures	Times	1.57	8.77	4.03	0.26	6.13	13.44
Cash flow coverage ratio	Times	0.60	2.79	2.51	0.07	1.04	2.64
Activity / Turnover Ratios							
Inventory turnover ratio	Times	10	19	9	7	102	18.57
No. of days in inventory	Days	37	19	41	52	4	20
Debtors turnover ratio	Times	41	752	758	182	70	12.40
No. of days in receivables	Days	9	1	1	2	5	29
Creditors turnover ratio - GIDC	Times	3	3	1	1	2	1.46
- without GIDC	Times	20	19	12	12	21	24.64
No. of days in payables - GIDC	Days	121	128	253	271	180	250
- without GIDC	Days	18	19	31	30	17	15
Total assets turnover ratio	Times	0.99	0.90	0.71	0.46	0.54	0.56
Fixed assets turnover ratio	Times	5.65	6.42	3.96	3.96	4.53	4.28
Operating cycle - GIDC	Days	(75)	(108)	(211)	(215)	(171)	(201)
- without GIDC	Days	(28)	1	11	26	(8)	34

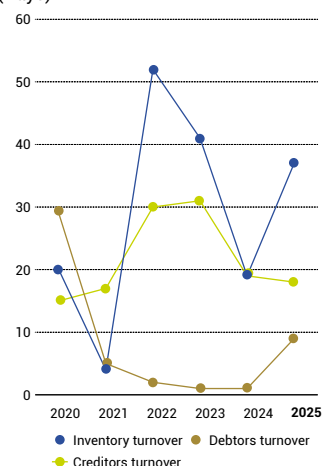
Current Ratio
(Times)



Cash Flow from Operations to Turnover
(Times)



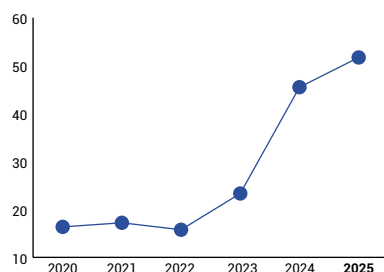
Inventory, Debtors and Creditors Turnover
(Days)



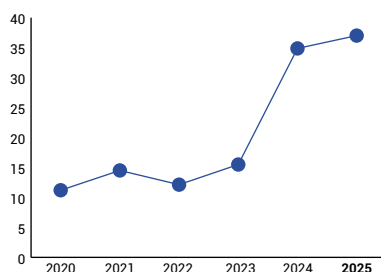
- Horizontal & Vertical Analysis
- Cash Flows Analysis
- Ratio Analysis

		2025	2024	2023	2022	2021	2020
Investment / Market Ratios							
Earnings per share (EPS) and Diluted EPS	Rs	51.69	45.49	23.32	15.76	17.21	16.36
Price earning ratio	Times	11.43	8.05	4.85	6.26	5.83	6.63
Dividend yield ratio	%	8.51	18.52	15.26	11.32	13.74	10.62
Dividend payout ratio							
- Cash (interim & proposed final)	%	71.58	76.63	66.41	76.97	84.25	68.44
- Cash & stock (interim & proposed final)	%	71.58	76.63	66.41	76.97	84.25	68.44
Dividend cover ratio	Times	1.40	1.30	1.51	1.30	1.19	1.46
Cash dividend per share (interim & proposed final)	Rs	37.00	34.86	15.49	12.13	14.50	11.20
Stock dividend per share (interim & proposed final)	%	-	-	-	-	-	-
Market value per share							
- Year end	Rs	590.71	366.32	113.19	98.71	100.26	108.50
- High during the year	Rs	601.47	420.11	120.77	126.89	113.68	114.54
- Low during the year	Rs	331.30	109.06	90.97	98.35	96.09	82.71
Breakup value (net assets per share)							
- without revaluation reserves	Rs	95.27	92.67	48.62	39.96	37.35	33.43
- Investment in Related Party at fair / market value	Rs	193.92	146.85	78.48	57.31	60.70	54.30
Retention (after interim & proposed cash)	%	28.42	23.37	33.59	23.03	15.75	31.56
Change in market value added	%	81.05	374.04	9.91	(6.61)	(16.19)	2.11
Price to book ratio	Times	59.07	36.63	11.32	9.87	10.03	10.85
Market price to breakup value	Times	4.56	2.03	2.09	2.68	2.83	3.15
Sustainable growth rate	%	15.42	11.47	16.11	9.08	7.26	15.45
Total shareholder return (TSR)	%	69.25	241.27	24.52	9.72	4.47	17.20

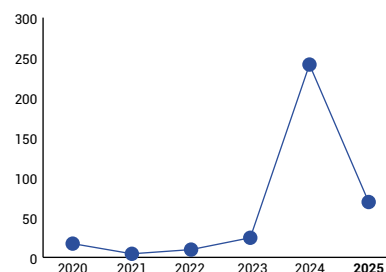
Earning Per Share (Rs)



Cash Dividend Per Share (Rs)



Total Share Holder Return (%)

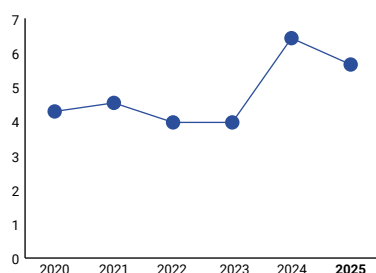


		2025	2024	2023	2022	2021	2020
Capital Structure Ratios							
Financial leverage ratio	Times	0.59	0.53	0.61	1.57	1.27	0.95
Weighted average cost of debt	%	10.58	11.60	21.55	17.29	10.91	6.44
Net Assets per share	Rs	95.27	92.67	48.62	39.96	37.35	33.43
Debt to equity ratio							
As per book value	Ratio	27.73	19.81	23.77	24.76	26.74	20.80
Interest cover ratio / Time Interest earned ratio	Times	19.54	18.03	10.52	7.92	14.24	16.79
Free-Float of shares as a percentage of total shares outstanding	%	60	60	54.72	54.72	54.58	54.06

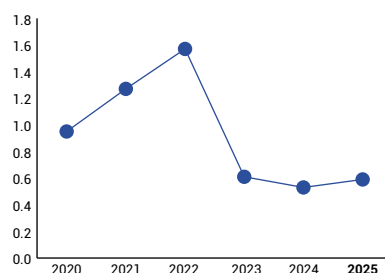
Others

Production per employee	MT/Employee	883	711	786	748	766	708
Revenue per employee	Rs M	102.10	93.48	49.70	34.01	33.21	27.81
Staff turnover ratio	%	10.74	3.00	10.90	8.40	15.95	7.58
Customer satisfaction index	%	90	94	89	89	97	96
Spare inventory as % of assets costs	%	3.56	3.36	3.49	2.62	2.27	2.56
Maintenance as % of assets costs	%	4.64	4.42	4.40	4.40	3.40	2.55

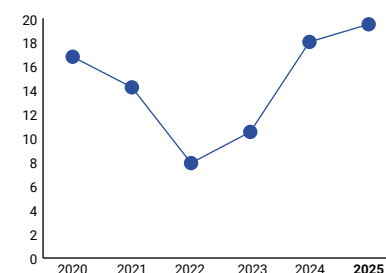
Fixed Asset Turnover Ratio (Time)



Financial Leverage (Time)



Interest Cover Ratio (Time)



Six Year Analysis

of Financial Ratios

Ratio Analysis

Profitability Ratios

All three profitability metrics, gross margin, operating margin and net profit margin continued their positive trend up till 2023; however, they declined following the merger primarily due to lower margins on Port Qasim operations arising from higher raw material costs. Gross profit margin reduced to 30% and net profit margin to 17% compared to 32% and 21% in 2020. Return on equity (pre-tax basis) and return on capital employed showed notable improvement compared to six-year average, while return on assets also strengthened, supported by record profitability driven mainly by highest ever dividend income from subsidiaries, associated companies and joint ventures.

Additionally, the ratio of capital expenditure to total assets stood at 5.39% compared to six-year average of 3.52% since 2020, primarily reflecting higher capital expenditure during the year to sustain infrastructure and ensure reliable supply of critical raw materials.

Liquidity Ratios

The Company's current ratio for 2025 stood at 1.15 times, slightly above the six-year average of 1.11 times since 2020 and marginally higher than the 1.14 times recorded in the previous year. This improvement was primarily driven by higher trade debts arising from increased credit sales and higher closing inventory levels. The quick ratio remained slightly below the six-year average. However, the long-term liabilities to current liabilities ratio stood at 25%, lower than the six-year average of 29%, mainly due to reclassification of

GIDC liability from non-current to current liabilities and inclusion of ex FFBL's current liabilities following the merger.

The cash flow coverage ratio remained well below the average, primarily due to significant working capital utilization, particularly due to higher trade debts and increased DAP inventory at the close of 2025.

Activity / Turnover Ratios

The Company experienced a notable reduction in demand for urea and DAP during the year. Consequently, inventory turnover days surged to 37 days compared to the average of 29 days since 2020 and rose significantly from 19 days in the previous year, primarily attributable to elevated Sona DAP inventory levels.

Debtor turnover days increased slightly to 9 days compared to the average of 8 days since 2020; in the previous year 2024, this metric stood at just 1 day, reflecting higher credit sales during the year 2025. Consequently, the Company's operating cycle stood at negative 75 days compared to an average negative cycle of 164 days since 2020.

Investment / Market Ratios

Earnings per share stood at Rs 51.69 for the year 2025, representing a significant increase of 216% compared to 2020. This strong performance was primarily attributable to highest-ever net profitability, driven by benchmark investment and dividend income during the period, along with continued focus on operational cost efficiency, which also supported significant surge in the Company's market price during the year. Further, breakup value per share

for 2025 reached Rs 95.27, exceeding the historical average of Rs 57.88 since 2020.

The Company declared a cash dividend of Rs 37 per share for 2025, resulting in a cash payout ratio of 72%, with no issuance of stock dividends.

Capital Structure Ratios

The Company's financial leverage improved significantly, with the leverage ratio declining from the six-year average of 0.92 to 0.59 in 2025. This improvement primarily reflects a strengthened equity base driven by creation of merger reserves, enhancement in share capital following the merger, and continued growth in reserves supported by sustained profitability. The debt-to-equity ratio improved to 19:81 during 2024 compared to previous years; however, it increased to 27:73 in 2025 mainly due to higher borrowings undertaken to finance capital projects.

The Company continues to maintain strong financial stability, supporting its capacity to meet commercial obligations. Despite multiple strategic investments, the interest coverage ratio remained robust at 19.54 times compared to the six-year average of 14.51 times since 2020.

Explanation of Negative Changes in Performance

All negative changes in performance over the past six years, including those identified through vertical and horizontal analysis of the statement of profit or loss, statement of financial position, statement of cash flows, and key ratios, have been explained in the relevant sections of this Report.

Summary of Financial Statements

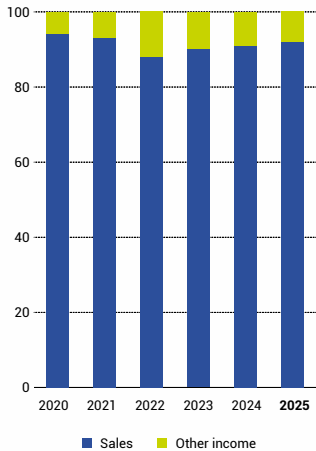
Rs million	2025	2024	2023	2022	2021	2020
Summary of Statement of Financial Position						
Share capital	14,231	14,231	12,722	12,722	12,722	12,722
Reserves	121,299	117,552	49,235	38,113	34,792	29,814
Shareholders' funds / Equity	135,530	131,783	61,957	50,835	47,514	42,536
Long term borrowings	50,250	31,300	18,200	16,295	16,740	10,627
Capital employed	185,780	163,083	80,157	67,130	64,254	53,163
Gas Infrastructure Development Cess (GIDC) payable	-	-	-	7,941	20,802	32,772
Deferred liabilities	10,956	10,067	4,012	3,272	3,758	5,259
Property, plant & equipment	76,550	58,211	40,223	27,631	23,987	22,841
Long term assets	161,832	138,440	93,158	84,297	74,737	61,047
Net current assets / Working capital	34,956	34,807	(9,094)	(5,937)	14,101	30,231
Liquid funds (net)	177,885	215,279	88,471	52,213	61,440	63,878
Summary of Statement of Profit or Loss						
Turnover - net	432,410	373,537	159,472	109,364	108,651	97,655
Cost of sales	(301,799)	(246,364)	(95,220)	(69,317)	(69,772)	(66,072)
Gross profit	130,611	127,173	64,252	40,047	38,879	31,583
Distribution cost	(32,339)	(29,364)	(12,684)	(10,108)	(8,409)	(7,848)
Operating profit	98,272	97,809	51,568	29,939	30,470	23,735
Finance cost	(6,518)	(6,524)	(5,624)	(4,868)	(2,292)	(1,874)
Other gains / (losses)	-	(5,415)	(4,060)	(2,789)	(2,811)	3,940
Other expenses	(10,734)	(9,989)	(5,434)	(3,037)	(2,947)	(2,639)
Other income	39,844	35,231	17,097	14,442	7,919	6,429
Profit before tax	120,864	111,112	53,547	33,687	30,339	29,591
Provision for taxation	(47,300)	(46,381)	(23,874)	(13,637)	(8,443)	(8,772)
Profit after tax	73,564	64,731	29,673	20,050	21,896	20,819
EPS - Basic & Diluted (restated) - Rs	51.69	45.49	23.32	15.76	17.21	16.36

Quantitative Data

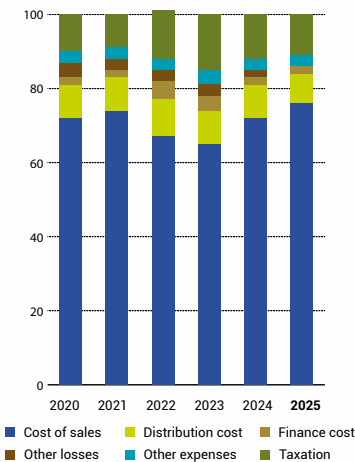
		2025	2024	2023	2022	2021	2020
Designed Capacity							
Plant I - Goth Machhi	KT	695	695	695	695	695	695
Plant II - Goth Machhi	KT	635	635	635	635	635	635
Plant III - Mirpur Mathelo	KT	718	718	718	718	718	718
Plant IV - Port Qasim (Urea)	KT	551	276	-	-	-	-
Plant IV - Port Qasim (DAP)	KT	650	325	-	-	-	-
Total designed capacity	KT	3,249	2,649	2,048	2,048	2,048	2,048
Plant wise Production - Sona Urea							
Plant I - Goth Machhi	KT	837	867	882	787	864	878
Plant II - Goth Machhi	KT	748	830	828	767	753	810
Plant III - Mirpur Mathelo	KT	862	858	811	850	890	799
Plant IV - Port Qasim	KT	456	286	-	-	-	-
Total production	KT	2,903	2,841	2,521	2,404	2,507	2,487
Plant wise Production - DAP							
Plant IV - Port Qasim (DAP)	KT	837	452	-	-	-	-
Capacity Utilization							
Plant I - Goth Machhi	%	120%	125%	127%	113%	124%	126%
Plant II - Goth Machhi	%	118%	131%	130%	121%	119%	128%
Plant III - Mirpur Mathelo	%	120%	119%	113%	118%	124%	111%
Plant IV - Port Qasim (Urea)	%	83%	104%	-	-	-	-
Plant IV - Port Qasim (DAP)	%	129%	139%	-	-	-	-
Total capacity utilization (Excl. Plant availability & other factors)	%	115%	124%	123%	117%	122%	121%
Urea Sales		2,886	2,942	2,505	2,423	2,477	2,512
DAP Sales	KT	776	523	-	-	-	-
Imported Fertilizer - Sales	KT	70	147	124	72	226	253
Others							
Market capitalization	Rs in million	840,645	521,313	144,005	125,583	127,555	138,038
Numbers of shares issued	Million	1,423	1,423	1,272	1,272	1,272	1,272
Contribution to National Exchequer	Rs in million	111,595	94,111	36,278	29,955	30,402	27,118
Savings through Import Substitution	Million US \$	1,339	1,435	1,001	1,293	1,293	623

Graphical Presentation

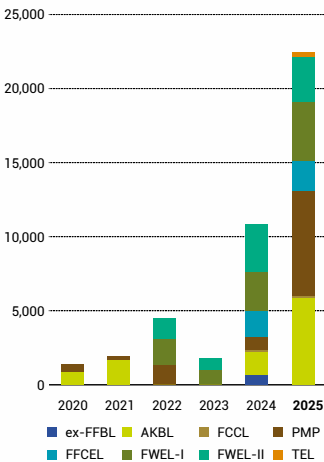
Profit or Loss Analysis - Income (Percentage)



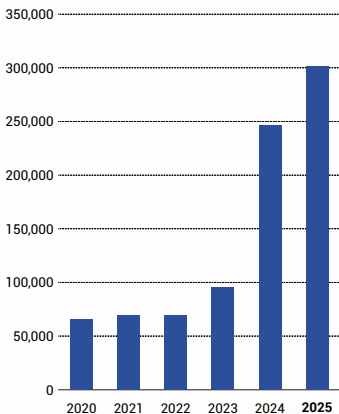
Profit or Loss Analysis - Expenses (Percentage)



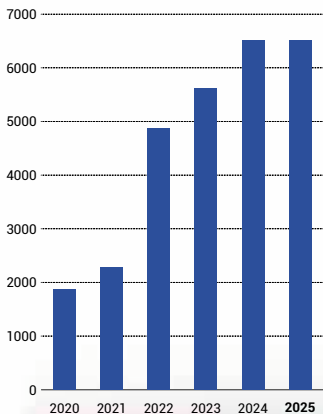
Dividend Income (Rs million)



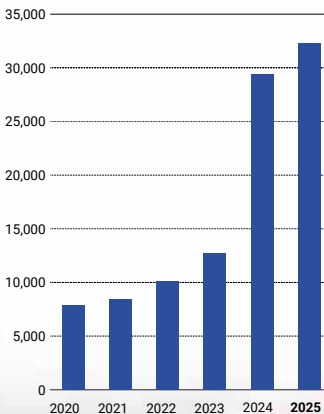
Cost of Sales (Rs million)



Finance Cost (Rs million)



Distribution Cost (Rs million)



Quarterly Analysis

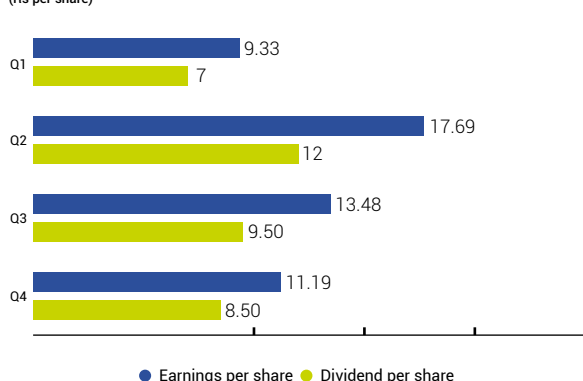
Analysis vs Last Year

Six Years Analysis

Quarterly Analysis

Rs million	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Annual
Turnover - net	63,637	91,812	127,251	149,711	432,411
Cost of sales	(40,988)	(60,854)	(88,032)	(111,926)	(301,800)
Gross Profit	22,649	30,958	39,219	37,785	130,611
Distribution cost	(6,098)	(8,720)	(8,601)	(8,920)	(32,339)
Operating profit	16,551	22,238	30,618	28,865	98,272
Finance cost	(1,699)	(1,708)	(1,555)	(1,556)	(6,518)
Other income					
Investment income	4,631	4,593	4,264	3,939	17,427
Dividend income	2,814	16,123	2,008	1,472	22,417
	7,445	20,716	6,272	5,411	39,844
Other expenses	(1,893)	(2,858)	(3,073)	(2,910)	(10,734)
Profit before taxation	20,404	38,388	32,262	29,810	120,864
Provision for taxation	(7,126)	(13,216)	(13,077)	(13,881)	(47,300)
Profit after taxation	13,278	25,172	19,185	15,929	73,564
Earnings per share	9.33	17.69	13.48	11.19	51.69

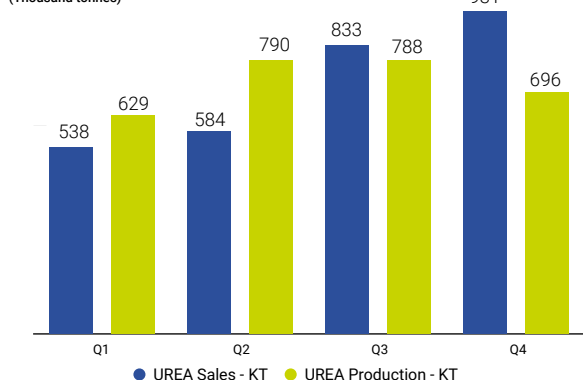
EPS & DPS



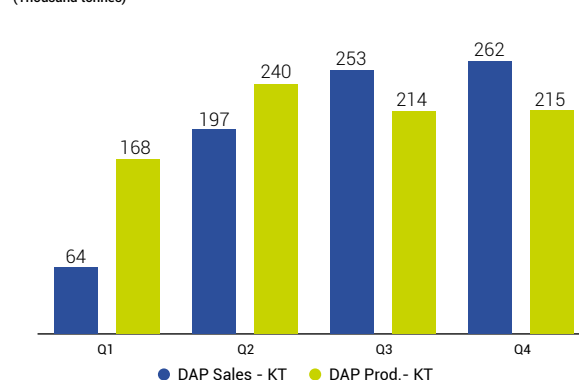
Analysis of Variation in Interim Results and Final Accounts

Net profit margin declined from 21% in the first quarter to 11% in the final quarter, primarily due to higher DAP sales in the latter part of the year, discounts extended to accelerate inventory liquidation in a subdued demand environment, and provision recorded against sales tax receivables. Dividend income from equity investments was concentrated in the second and third quarters, which supported overall profitability and enabled the Company to close the year with a net profit margin of 17%, broadly in line with the prior year. Long-term borrowings increased significantly in the fourth quarter to meet funding requirements associated with key CAPEX projects. Stock-in-trade reduced from PKR 60.4 billion in the third quarter to PKR 38.2 billion by year-end, reflecting substantial liquidation of inventory.

Urea - Production & Sales



Manufactured DAP - Production & Sales



Quarterly Analysis



Production

Aggregate Urea production of 629 thousand tonnes was achieved. Scheduled maintenance was undertaken at Goth Machhi and Port Qasim plants while no shutdown was carried out last year.

DAP output was recorded at 168 thousand tonnes.



Sales

The Company recorded Urea offtake of 538 thousand tonnes, down 26% compared to corresponding period 2024 mainly due to oversupplied market driven by weak farmer economics and drought.

DAP sales of manufactured and imported products stood at 88 thousand tonnes, dominating the DAP market leadership with a share of 63%.



Turnover & Other Income

Sona Urea turnover of PKR 44 billion was broadly in line with corresponding quarter of 2024. No NFML imported Urea was sold in 2025 compared to PKR 6.8 billion in corresponding quarter of 2024.

DAP turnover of PKR 19.2 billion was significantly higher than corresponding quarter of 2024, primarily due to integration of revenue from marketing of Sona DAP from Port Qasim Plant, following merger.

Aggregate product revenues of PKR 63.6 billion during the first quarter was 9% above last year.

Other income amounted to PKR 7.4 billion, reflecting a 28% year-on-year decline. This decrease was primarily attributable to the absence of dividend income from FWEL I & II, FFCEL, AKBL, and ex-FFBL, partially offset by dividend income received from FPCL.

Second quarter Urea production stood at 790 thousand tonnes taking the aggregate production to 1,419 thousand tonnes and capacity utilization of 109%.

DAP output during the second quarter was 240 thousand tonnes taking the aggregate production to 408 thousand tonnes and capacity utilization of 126%. No DAP was imported in the first two quarters compared to 56 thousand tonnes in 2024 owing to long market situation.

Sona Urea sales of 584 thousand tonnes was 9% more than the previous quarter, taking aggregate sale to 1,122 thousand tonnes.

Aggregate DAP offtake for first two quarters, including imported, stood at 288 thousand tonnes with a market share of 64%.

Urea turnover amounted to PKR 46.9 billion, representing a 7% decline compared to the corresponding quarter of 2024, with the average selling price remaining broadly in line year-on-year.

DAP turnover of PKR 44.5 billion was 612% higher than corresponding quarter 2024 mainly due to inclusion of product from Port Qasim plant.

FFC attained an aggregate revenue of PKR 155 billion, compared to PKR 116 billion during same period last year.

Other income amounted to PKR 20.7 billion in the second quarter, compared to PKR 5.5 billion in the corresponding quarter of 2024, driven mainly by dividend income of PKR 16.1 billion versus PKR 1 billion last year.

The Company produced 788 thousand tonnes Urea which was in line with previous quarter and corresponding third quarter 2024.

Aggregate DAP production stood at 622 thousand tonnes with capacity utilization of 128%. DAP was imported in the third quarter amounting to 32 thousand tonnes compared to 73 thousand tonnes in the corresponding quarter 2024.

Third quarter Urea sales recorded at 833 thousand tonnes which was 43% more than previous quarter and 14% more than corresponding period 2024. Aggregate urea offtake stood at 1,955 thousand tonnes. Sona DAP sales of 541 thousand tonnes accounted for 69% of the market with an improvement of 3% over same period of last year.

Aggregate fertilizer revenue stood at PKR 283 billion, with an improvement of 26% from last year stemming from inclusion of Port Qasim Plant's nine-months operations in 2025, compared to only a third-quarter contribution during the same period last year.

Aggregate discount amounted to PKR 3.7 billion while no discounts were offered last year. Average urea revenue per bag in third quarter was 3% lower than corresponding quarter last year.

Income on deposits declined by 50% to PKR 4.3 billion compared to corresponding quarter 2024 mainly due to decrease in interest rates.

Dividend income also decreased by 51% falling to PKR 2.0 billion.

The Company's Urea manufacturing facilities delivered 696 thousand tonnes in fourth quarter, down 12% from previous quarter and corresponding quarter 2024 owing to plant turnaround at Goth Macchi Plant II. Aggregate Urea production of 2,903 thousand tonnes was achieved while DAP output was recorded at 837 thousand tonnes, with average capacity utilization of 112% and 124%.

Total DAP imports for the year stood at 32 thousand tonnes compared to 157 thousand tonnes in previous year.

The Company recorded Urea sales of 931 thousand tonnes during the fourth quarter of 2025, 11% more than same quarter last year taking total offtake during the year to 2,886 thousand tonnes.

DAP offtake, including imported, during the fourth quarter 2025, stood at 293 thousand tonnes. Aggregate DAP offtake during the year stood at 834 thousand tonnes.

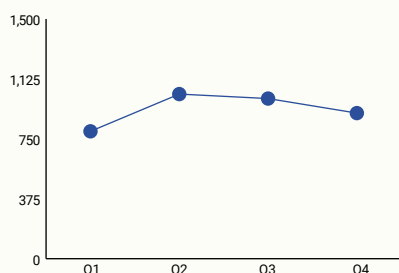
The Company achieved aggregate last quarter turnover of PKR 150 billion which was in line with corresponding quarter 2024.

Fourth quarter discounts amounted to PKR 5 billion, taking aggregate amount of discount offered during the year to 8.7 billion while no discount was offered last year.

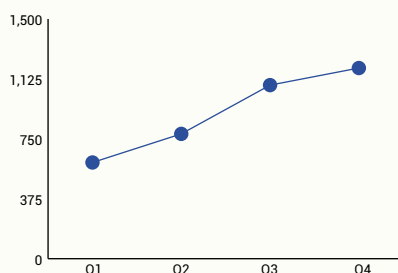
The Company achieved aggregate sales revenue of PKR 432 billion compared to PKR 374 billion last year, primarily driven by the consolidation of full-year operations of the Port Qasim plants in 2025.

The Company's fourth quarter income on deposits amounting to PKR 3.9 billion was 41% lower than corresponding quarter 2024 mainly due to lower interest rates.

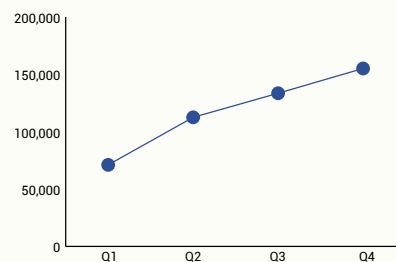
Production (Thousand tonnes)



Sales (Thousand tonnes)



Total Income (Rs million)





Operating Costs

The cost of sales for the first quarter amounted to PKR 41 billion, remaining consistent with the corresponding quarter of 2024.

Distribution costs increased to PKR 6.1 billion, reflecting a 17% rise over the previous year, primarily driven by dispatches from Port Qasim.



Profit

The Company recorded a gross profit of PKR 22.6 billion for the quarter, reflecting a substantial increase from PKR 17.3 billion in the corresponding period last year. This improvement was primarily driven by higher revenues following the inclusion of marketing of Port Qasim products.

No loss allowance on subsidy receivable was recorded as compared to PKR 1 billion recorded in corresponding quarter 2024.

The Company's profitability stood at PKR 13.3 billion, compared to 10.5 billion last year, reflecting a 27% increase with EPS clocking in at PKR 9.3 compared to PKR 8.3.

The company announced an interim dividend of PKR 7.00 per share.



Net Assets

Total Assets decreased by 11% mainly due to encashment of short term investments offset by settlement of short term borrowings and taxation liability.

Net Assets at the end of first quarter decreased by 13% compared to December 2024 mainly due to 2024 final dividend distribution.

Cost of sales at PKR 60.9 billion was 134% higher compared with the corresponding quarter of 2024, whereas distribution cost of PKR 8.7 billion recorded was 57% higher compared with last year. The significant increase is mainly due to integration of Sona DAP and Sona Urea Granular from Port Qasim.

For the six months period, higher input costs at the Port Qasim plants, compressed the gross margin to 34% from 42% last year. Furthermore, the long market situation caused the Company to offer discounts to offload inventories, diluting operating profitability. However, dividend income from PMP amounting to PKR 7.1 billion and energy companies amounting to PKR 11.9 billion during the six months enabled the Company to earn net profitability of PKR 38.5 billion, a 47% increase.

Second quarter profit of PKR 25.2 billion was 62% higher than corresponding period of 2024.

The Board declared second interim dividend of PKR 12.00 per share.

Total assets of the company increased by 4% compared to the previous quarter and stood at PKR 386 billion. Increase in stock in trade was offset by decrease in short term investments.

Net Assets increased by 13% due to increase in profitability during the quarter.

Third quarter cost of sales amounted to PKR 88 billion as compared to PKR 68.1 billion in corresponding quarter 2024 and 60.9 billion previous quarter primarily due to higher sales volume.

Distribution cost of PKR 8.6 billion was up 5% compared to corresponding quarter of 2024, primarily due to increase in dispatches.

Gross profit of PKR 39.2 billion was 2% lower than corresponding quarter 2024 despite increase in sales volume mainly due to discounts of PKR 2.7 billion denting GP margin.

Third quarter profitability clocked at PKR 19.2 billion, 22% down compared to corresponding quarter 2024 mainly due to lower income on deposits and dividend from equity investments.

The Board approved third interim dividend of PKR 9.50 per share.

Total Liabilities of PKR 270.9 billion increased by PKR 15.4 billion compared to last quarter mainly due to increase in trade and other payables.

Total Assets stood at PKR 403.4 billion increasing by PKR 17.4 billion mainly due to increase in long term and short term investments.

Net Assets at the end of third quarter increased only by 2%.

Cost of sales of PKR 111.9 billion was in line with corresponding quarter 2024. Increase in Urea sales compared to corresponding quarter 2024 was off set by decrease in DAP offtake.

Distribution expenses for the fourth quarter amounted to PKR 8.9 billion, reflecting a 14% decline compared to the same period in 2024, largely attributable to reduced dispatch volumes.

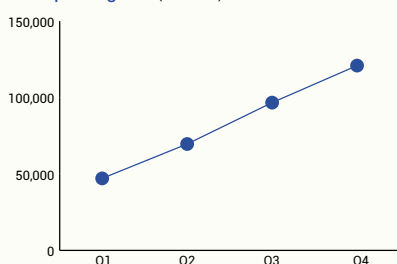
Gross profit for the fourth quarter stood at PKR 37.8 billion, down 3% compared to corresponding quarter of 2024 mainly due to discounts amounting to PKR 5 billion. Operating profit remained in line with corresponding quarter due to lower distribution cost.

Net profitability increased by 12% compared to corresponding quarter of 2024, clocking in at PKR 15.9 billion compared to PKR 14.2 billion mainly due to absence of impairment loss on investment in subsidiary.

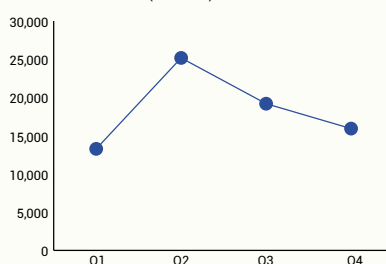
The Board announced final cash dividend of PKR 8.50 per share, taking total payout to PKR 37 per share for 2025.

Short-term investments increased sharply during the quarter, reflecting deployment of surplus liquidity. As a result, Total Assets rose by 8% to PKR 437.5 billion. However, this expansion was largely offset by a substantial rise in long-term borrowings, limiting the growth in Net Assets to only 2%.

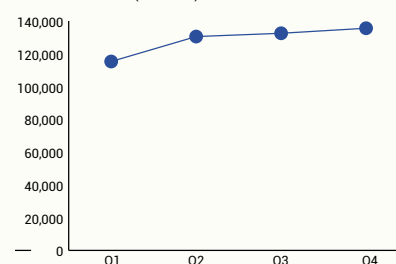
Operating Cost (Rs million)



Profit after Tax (Rs million)



Net Assets (Rs million)



Financial Capital

Legislative and Regulatory Environment and Impact of Government's Policies

The legislative and regulatory framework comprises the laws, regulations, and policies that govern the fertilizer industry, providing a fair and ethical structure to protect stakeholder interests. Presented below is a non-exhaustive list of key government policies relevant 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

FFC addresses its liquidity requirements mainly through internally generated cash from turnover, dividend receipts, and deposit income. This limited dependence on external funding helps maintain 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 MEL's Habib Rahi Limestone (HRL) Reservoir, crucial for fertilizer supplies.

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 43.70%. Unappropriated profit registered a notable increase of 4%, reaching Rs 84.5 billion, primarily due to improved profitability. The borrowings of the Company amounted to Rs 61.3 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.

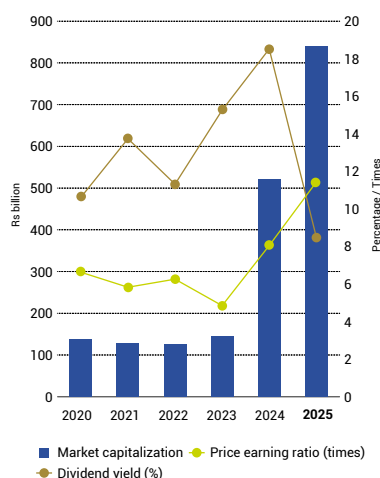
Credit Rating

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.

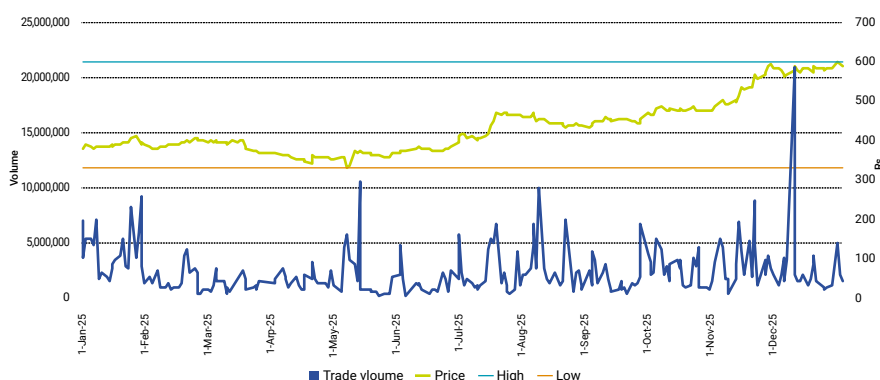
Market Price Sensitivity Analysis

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)	2,461	1.73
Sales Volume (% +/- 1)	886	0.62
Downtime (Days +/- 2)	513	0.36
Gas consumption / Price (% +/- 1)	1,206	0.85
Dividend Income (% +/- 5)	814	0.57
Income on Deposits (% +/- 5)	455	0.32
Finance Cost (% +/- 5)	186	0.13
Exchange valuation (% +/- 5)	593	0.42

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 / ex-FFBL's combined market share over the years.

FFC Market Share

Year	Urea	DAP
2025	43%	62%
2024	48%	62%
2023	43%	60%
2022	45%	62%
2021	47%	53%
2020	51%	53%

(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 23.58 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 PKR 8.5 per share for approval by the members at Annual General Meeting bringing the total dividend for the year to PKR 37 per share, aggregating to an annual payout of around 71.58%. 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 now been transferred to civil Judge Karachi.

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 2025, FFC contributed approximately Rs 111.6 billion to the National Exchequer through taxes and levies, a 19% increase from the previous year.

Additionally, the Company achieved a value addition of USD 1.3 billion in terms of foreign exchange savings through the import substitution of 2,886 thousand tonnes of Urea and 776 thousand tonnes of DAP sold during the year.

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 4.12 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, 2025. The Independent Auditors' Reports on the audit of FFC's separate and consolidated financial statements can be found on pages 303 and 423 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, 2026. 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 11.5 million.

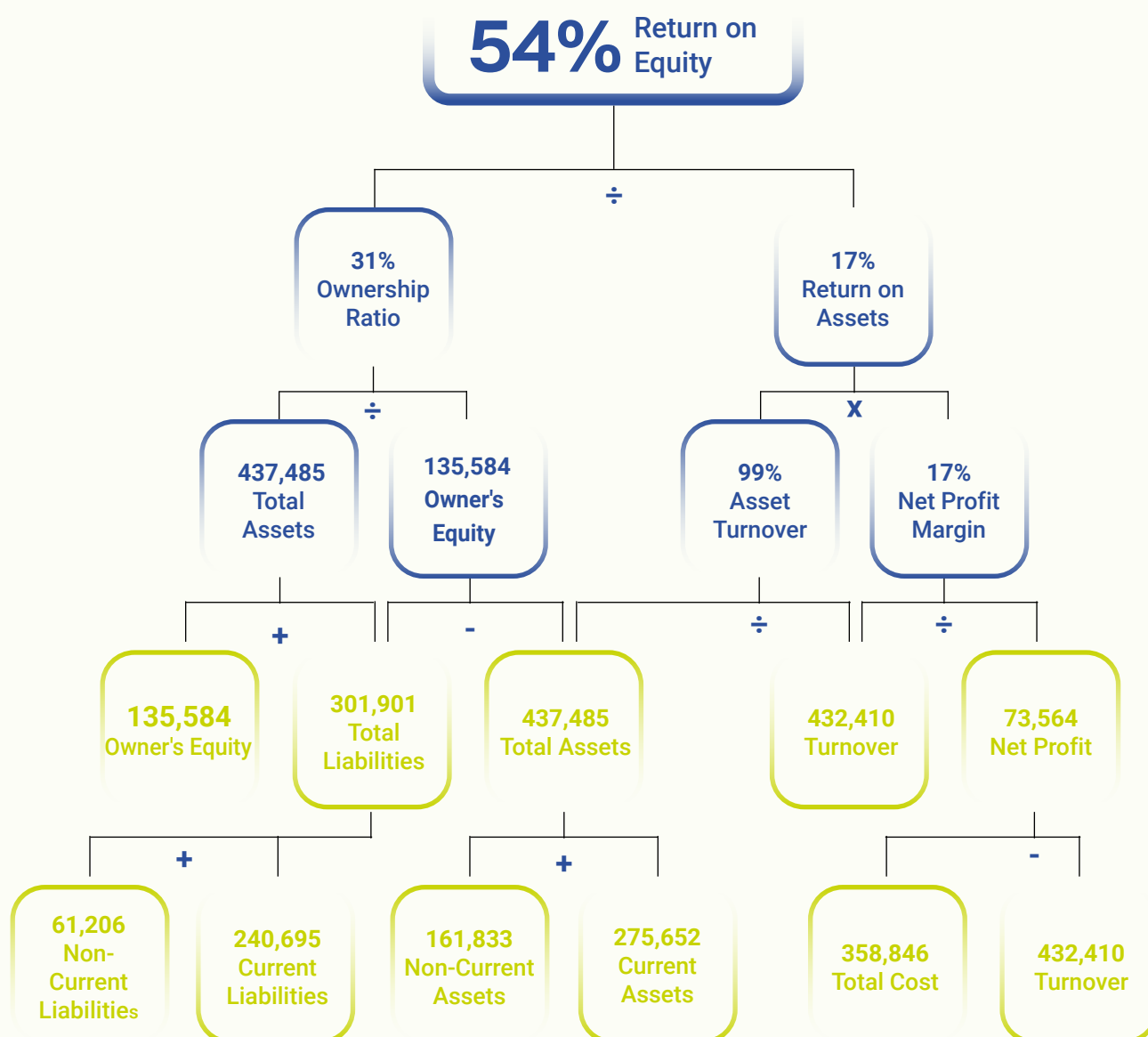
Cost Audit

BDO Ebrahim & Co., Chartered Accountants, served as the cost auditors of the Company for the financial year ended December 31, 2025, in accordance with the requirements of the Companies (Maintenance and Audit of Cost Accounts) Regulations 2020.

Dupont Analysis

DuPont Analysis	2025	2024
Tax burden	39%	41%
Interest burden	5%	6%
EBIT margin	29%	31%
Asset turnover	99%	90%
Leverage	69%	68%
Return on Equity	54%	49%

The Company achieved its highest ever revenue and dividend income during the year. However, increased raw material costs, particularly for Sona Urea Granular and Sona DAP at Port Qasim plant, resulted in net profit margin remaining broadly in line with last year at 17%. Record turnover during the year improved asset turnover to 99% from 90%, reflecting more effective utilization of the Company's asset base. Non-current assets registered a growth of 17%, primarily due to capital expenditure undertaken for plant sustainability initiatives, investments in Gas Pressure Enhancement Facilities (PEF), and additional investment in Agritech Limited (AGL) during the year, resulting in total assets increasing to Rs 437,485 million compared to Rs 416,952 million in prior year. Return on Equity improved to 54% from 49%, mainly driven by the Company's highest-ever profitability during the year.





Syed Imran Rizvi receiving MAP Corporate Excellence Award



Mr Azhar Khan receiving RCCI **Company of the Year** Award



Syed Atif Ali receiving SAFA Best Presented Annual Report Award



Corporate Awards & Achievements

In 2025, FFC received multiple prestigious awards, affirming our commitment to professional excellence and best practices and reinforcing our position as an industry leader.

SAFA Best Presented Annual Report Awards

FFC received multiple honors from the South Asian Federation of Accountants (SAFA), for Annual Report 2024, including:

- Gold Award as Overall Winner
- Gold Award for Best Presented Annual Report - Manufacturing Sector
- Silver Award for Good Corporate Governance in SAARC Anniversary Award
- Bronze for Integrated Reporting

These accolades recognize FFC's strong financial performance, exemplary governance and commitment to transparent and integrated reporting.



Brig Khurram Shahzada & Col Salar Malik receiving ICAP/ICMAP Overall Best Corporate Report Award



Syed Imran Rizvi receiving CFA Corporate Excellence Award for ESG Reporting



Syed Mustafa Haider receiving ICAP/ICMAP Best Corporate Report Award in Fertilizer Sector

ICAP / ICMAP Best Corporate Report Awards

FFC was honored by the joint committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP) with the following awards:

- Best Corporate Report 2024 in Chemical & Fertilizer Sector - 1st Position
- Best Sustainability Report 2024 - 1st Position
- Overall Best Corporate Report 2024 - 2nd Position

These awards recognize FFC's excellence in corporate reporting, sustainability and transparency.

PSX Top 25 Listed Companies

Since 1994, FFC has been consistently ranked among the Top 25 Listed Companies, reflecting its corporate and financial excellence, stakeholder dedication and the enduring trust of shareholders in its leadership.

CFA Society Annual Excellence Award

FFC was awarded the CFA Corporate Excellence Award for Environment, Social and Governance (ESG) Reporting, recognizing its adherence to international ESG standards, exemplary practices and unwavering commitment to advancing the global ESG agenda.

RCCI International Achievement Award

FFC was honored with the Company of the Year 2024 award by the Rawalpindi Chamber of Commerce and Industries for its exemplary performance, dedication and commitment.

MAP Corporate Excellence Award

FFC was honored for the 9th time with the Best Corporate Excellence Award in the Fertilizer Sector by the Management Association of Pakistan (MAP), recognizing its outstanding management practices, strong corporate governance, industrial achievements and consistent creation of shareholder value.

Risk and Opportunity Report

Enhancing risk management capabilities, clearly defining risk appetite, and proactively identifying potential risks are vital for organizational resilience, success, and sustainable growth. This requires agility at both strategic and operational levels to effectively navigate an ever-changing and dynamic risk landscape.

FFC recognizes the importance of Enterprise Risk Management (ERM) in identifying, monitoring and proactively addressing the risks and capitalizing the opportunities arising out of the macro and micro economic environment for the continuous delivery of value to its stakeholders.

The Board of Directors has approved FFC's Risk Management Framework which describes the risk identification and management processes and provides guidelines addressing key risk areas.

Evaluation of Key Business Risks

The Board conducts a thorough evaluation of the key risks that may impact the Company, encompassing risks that could compromise its business model, strategic objectives, operational performance, financial stability, or liquidity. This rigorous assessment ensures that potential threats to the Company's sustainability and growth are proactively identified and effectively managed.

Risk Governance Structure

Risk management supports the Company to achieve its strategic and operational objectives. It is an essential part of FFC's governance model. FFC has established an independent Risk Governance Framework to uphold robust risk oversight and promote informed, measured risk-taking.

Board of Directors

The Board of Directors acknowledges its role for governance of risk and determining the company's level of risk tolerance through risk management policies and risk appetite statement. A periodic review of key business risks is being carried out to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the company and shareholders.

Board Committees

The Audit Committee and System & Technology Committee assist the Board by reviewing and assessing risks, associated objectives, opportunities and mitigating strategies.

Strategy Committee

The Strategy Committee, a management-level body, is entrusted with integrating risk considerations into strategic planning and performance management to drive goal alignment and informed decision-making.

Risk Management Champions

Risk Management Champions are risk-conscious professionals appointed by their respective functions to communicate function-specific risks to the Company's Risk Office. They are also responsible for implementing effective risk management practices within their functions.

Company Risk Office

The Company Risk Office serves as the custodian of the Company's Risk Register, which encompasses enterprise-wide risks aligned with corresponding objectives, opportunities, and mitigation strategies.

Internal Audit

The Independent Internal Audit function regularly conducts reviews to ensure adherence to the Company's Risk Methodology and assess compliance across all areas.

Risk Management Policy / Enterprise Risk Management

The Board ensures that the Company has a robust Risk Management Policy in place to determine and assess the Company's level of risk tolerance; and presents a mechanism to minimize the negative impact of such risks on Company business. The Policy is approved and mandated by the Board of Directors and provides entity-wide risk management guidelines that cover key risk areas.

Key elements of the Risk Management Process are summarized as below:

Risk Identification

Risks impacting the business in both internal and external environments are identified by all major functions across the Company.

Risk Assessment and Evaluation

Relevant functions, through Risk Management Champions, assess and evaluate risks based on their likelihood and potential impact.

Risk Mitigation and Monitoring

Mitigation strategies are implemented by respective functions, with the Risk Office overseeing the monitoring of outcomes.

Risk Review

Risks are reviewed bi-annually by the Management's Strategy Committee and subsequently by the Audit Committee and the System & Technology Committee of the Board.

Risk Reporting

High level risks are reported to the Board of Directors with recommendations of the respective Committees.

Risk Register Updates

The Corporate Risk Register, maintained by the Risk Office, is regularly updated to reflect changes and incorporates recommendations from the Board and its Committees.

Key Risk Indicators

Key Risk Indicators form a vital part of FFC's risk monitoring framework, providing early-warning signals that help identify emerging risks before they materialize into significant issues.

Continuous Improvement and Capacity Building

FFC continuously strengthens its risk management culture through structured training and capability-building initiatives. Regular awareness sessions are conducted for Risk Champions and relevant stakeholders to keep them updated on evolving risk trends, industry best practices and enhancements within the ERM framework.

Key Sources of Uncertainty

The preparation of the Company's financial statements involves the use of estimates, judgments, and assumptions that influence the presentation of income, expenses, assets, and liabilities. Areas where these assumptions and judgments are significant, or where they impact the application of accounting policies, are detailed in Note 2.4 of the separate and consolidated financial statements. Key estimation uncertainties may lead to material adjustments in the carrying values of assets and liabilities upon realization.

Although risks can never be fully mitigated, it is important that management understands, prioritize and manage the risks that they are willing to accept according to the risk appetite in the context of overall corporate strategy.

Broad Types of Risks

FFC has an effective system in place for timely identification, assessment and mitigation of various risks and uncertainties it is exposed to in the normal course of business.

Strategic Risk

Strategic risk refers to the internal and mostly external events that may make it difficult, or even impossible, for an organization to achieve its objectives and strategic goals. These risks can significantly impact the organization's ability to achieve its goals and may have long-term consequences. The Board of Directors actively oversees the management of these risks and devises mitigating strategies wherever required.

Commercial Risk

Commercial risks pertain to factors that influence the organization's market position and profitability. Examples include a decline in market share, regulatory changes affecting product pricing, or other amendments that threaten the Company's commercial viability and overall financial performance.

Operational Risk

Operational risks arise from internal factors and procedural shortcomings that may adversely affect the organization's strategic capabilities. These include issues such as workforce turnover, supply chain disruptions, IT system failures, control breakdowns, fraud, or other criminal activities.

Financial Risk

Financial risks are divided into the following categories:

- Credit risk
- Liquidity risk
- Market risk

These risks are explained in notes 40.3 and 42.3 of the Company's separate and consolidated financial statements respectively.

Commercial Risk

Compliance risk refers to the potential for non-compliance with laws, regulations, or internal procedures, which could result in consequences such as warnings, show-cause notices, fines, penalties, or litigation, thereby

impacting on the Company's operations and reputation.

Reputational Risk

Reputational risk involves threats to the Company's reputation, image, and brand, which may arise from informal or formal complaints, negative media coverage (both domestic and international), or other events that could damage public perception.

Framework for Mitigating Risks and Potential Opportunities

Risk Governance

The roles and responsibilities at various levels of our risk management are outlined in our risk governance structure.

Board of Directors

The Board of Directors acknowledges its role for governance of risk. A periodic review of key business risks is being carried out to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the company and shareholders.

Board Committees

The Audit Committee monitors the Company's overall risk management process on a half yearly basis, focusing primarily on financial and regulatory compliance risks. Though, any unexpected adverse change in risks is immediately brought to the attention of the stakeholders.

The Human Resources & Remuneration Committee focuses on risks associated with its operational mechanisms, including evaluating compensations programs and effective succession planning to prevent the escalation of corporate risk and to ensure availability of competent human resources for critical company operations.

The System & Technology Committee plays a vital role in managing technological risks and ensuring that the company's plant operations remain competitive, efficient, and aligned with evolving technological advancements. It monitors critical risks such as plant reliability and process safety, ensuring that operational integrity, safety standards, and reliability measures are continuously strengthened to prevent disruptions, mitigate obsolescence & inefficiencies, and uphold regulatory compliance.

The Strategy & Investment Committee focuses on exploring new opportunities for expansion, diversification and divestment, ensuring that thorough due diligence is carried out, covering all aspects of the project including risks before its recommendation to the Board.

Policies and Procedures

The Risk Management Policy affirms our commitment to fostering a strong risk management culture and ensuring effective management of all risks. The Board and its committees have established policies and procedures aligned with best practices, promoting ethical values and a culture of accountability. Authority is delegated to senior management to maintain a consistent and uniform approach across functional areas.

Control Activities

Senior management assesses the risks and places appropriate controls to mitigate and respond to these risks through preventive, investigative and corrective measures which involves collaborating with all people to embrace the high standard of vigilance and responsibility.

Performance Management

In order to avoid risks associated with performance, a continuous cycle of monitoring is carried out to evaluate and analyze the effectiveness of implemented controls and to identify areas of weaknesses to devise plans for improvement.

Internal Audit

Internal Audit function provides independent objective evaluations and reports to the Audit Committee on the effectiveness of governance, risk management and control processes.

Risk Sensitivity Disclosure

Key sensitivities include fertilizer demand variability, foreign exchange movements, commodity pricing, and policy rate changes. Management monitors these through scenario analysis and incorporates mitigation measures into planning.

Link Risk to Value Creation and Capitals

Risk responses are aligned with the protection of financial, manufactured, human, and natural capitals and support long-term value creation.

Risk and Opportunity Report

Inherent Risk



Natural Gas disruption / depletion

Associated objective

Sustain growth in fertilizer business
Improve operational efficiency through cost economization and enhanced synergies among functions

Opportunities

Implementation of energy efficient technologies to conserve gas.

Mitigation Measures

Investing in alternate sources of raw material to ensure sustained gas volume. Continual investment in gas compression & pressure enhancement facilities to ensure sustained pressure.

Residual Risk



Capital  Financial  Natural  Manufactured

Source  External  Internal

Type  Operational  Strategic

Nature  Short term

Inherent Risk



Ageing plants reliability risk resulting in low service factor and high asset lifecycle cost

Associated objective

Sustained growth in fertilizer business
Improve operational efficiency through cost economization and enhanced synergies among functions

Opportunities

Implementation of proactive risk based processes (ARIM, RBI and PSM)

Mitigation Measures

Implementation of Action Plan for the replacement of problematic equipment.
Periodic liaison with plant designers for enhanced plant reliability

Residual Risk



Capital  Manufactured  Operational

Source  Relationship  Human

Source  Internal

Type  Operational  Reputational

Nature  Compliance

Nature  Short to long term

Inherent Risk



Risk of major accidents impacting employees, records, property and surrounding community

Associated objective

Improve operational efficiency through cost economization and enhanced synergies among functions
Demonstrate sustainable social, environmental and corporate governance commitment

Opportunities

Business continuity and uninterrupted operations.
Implementation of proactive risk based processes (ARIM, RBI and PSM)

Mitigation Measures

Stringent implementation of operating procedures, execution of employee trainings, safety audits, inspections of critical equipment and review of emergency plans ensures mitigation against the risk. Furthermore assets have been insured whereas phase wise implementation of risk based process safety / inspection system is in progress.

Residual Risk



Capital  Manufactured  Operational  Relationship

Source  Social  Human

Source  Internal

Type  Operational  Reputational

Nature  Compliance

Nature  Short to long term

Legend

Rating



Likelihood



Magnitude



Inherent Risk



Impact of Global fertilizer / raw material price fluctuation on the local market

Associated objective

Sustained growth in fertilizer business

Opportunities

Liaison with government to secure forex for country through active participation and sharing of real time statistics

Mitigation Measures

Engaging with the Government to play an active role in assessing supply gap in the Country to ensure that only required products having shortfall are imported, besides maintaining margins through stringent cost controls and output optimization.

Residual Risk



Capital Financial

Source External

Type Commercial

Nature Immediate to Short-term

Inherent Risk



Information Technology risks

Associated objective

Improve operational efficiency through cost economization and enhanced synergies among functions.

Opportunities

Ensure business continuity and uninterrupted operations

Mitigation Measures

Modern IT controls and firewalls are in place to secure against loss of confidential / proprietary information, whereas periodic system updates, IT audits, vulnerability awareness campaigns, and trainings are conducted to monitor and minimize the risk.

Residual Risk



Capital Financial Manufactured Intellectual Operational

Source External Internal

Type Operational

Nature Immediate

Inherent Risk



Interest rate risk, credit risk and liquidity risk affecting business and financial performance

Associated objective

Improve operational efficiency through cost economization and enhanced synergies among functions

Opportunities

Explore investment avenues to capitalize on high rate of return
Efficient customer relationship management and robust financial risk management

Mitigation Measures

Our efficient business finance / treasury management function ensures that adequate funds / credit lines as per Company's approved policies secure the Company against any adverse credit, interest rate risk and liquidity risk.

Residual Risk



Capital Financial

Source External Internal

Type Financial

Nature Short to Medium-term

Risk and Opportunity Report

Inherent Risk



Inconsistent Government policies, regulations etc negatively affecting fertilizer industry

Associated objective

Sustained growth in fertilizer business

Opportunities

Maximize market share and augment presence to counter any adverse impact

Mitigation Measures

Governmental intervention is beyond Company's control, nevertheless, the Company actively engages with all stakeholders to address ESG related issues impacting the industry and agricultural sector.

Residual Risk



Capital Financial
Source External

Type Strategic
Nature Immediate

Inherent Risk



Fluctuations in foreign currency rates

Associated objective

Improve operational efficiency through cost economization and enhanced synergies among functions

Opportunities

Evaluate possibility of fertilizer export
Implement effective FX risk management

Mitigation Measures

FX risk is mitigated by resultant change in interest rates and efficient treasury management function.

Residual Risk



Capital Financial
Source External

Type Financial
Nature Short term

Inherent Risk



Loss of stakeholder confidence in Sona brand name adversely impacting goodwill and affecting operations

Associated objective

Maintain outstanding brand image by providing premium quality innovative products and services
Demonstrate sustainable social, environmental and corporate governance commitment

Opportunities

Focused brand management to augment the Company's business profile

Mitigation Measures

The company maintains its brand value through years of quality fertilizer supply and Agri-services. We ensure proactive engagement with all stakeholders through an effective stakeholders' engagement programs (i.e. farm advisory, advertisements, documentaries, technical literature etc.) leading towards a positive corporate image / goodwill.

Residual Risk



Capital Relationship Social Natural Human
Source External Internal

Type Reputational Compliance
Nature Long term

Legend

Rating



Likelihood



Magnitude



Inherent Risk



Inability to pass on the costs/levies due to Government's intervention resulting in profitability decline

Associated objective

Sustain growth in fertilizer business

Improve operational efficiency through cost economization and enhanced synergies among functions

Opportunities

Exploration of alternative / cheaper sources of raw material and cost optimization

Mitigation Measures

FFC is committed to implement effective cost controls and operational efficiencies to mitigate this risk. The Company constantly engages with the Government at relevant forums to ensure availability of fertilizer at affordable prices.

Residual Risk



Capital Financial Natural

Source External

Type Commercial Financial Strategic

Nature Immediate to Short-term

Inherent Risk



High attrition of trained employees may render the operations incapacitated

Associated objective

Improve operational efficiency through cost economization and enhanced synergies among functions

Sustained growth in fertilizer business

Opportunities

Talent growth and retention

Mitigation Measures

FFC has a detailed succession plan assisted by extensive cross functional trainings. Employee compensation has been realigned with market trends. Development & implementation of talent growth & retention programme. Rolling out of organizational culture change program.

Residual Risk



Capital Social Human

Source External Internal

Type Financial Operational

Nature Immediate to Short-term

Inherent Risk



Delays in foreign payments due to lower forex reserves of Country, causing delays in supplies

Associated objective

Sustained growth in fertilizer business

Improve operational efficiency through cost economization and enhanced synergies among functions

Opportunities

Explore Imports Substitution Plan from competitive market.

Identify alternate local / Foreign suppliers for critical items and procurement options to be explored accordingly

Mitigation Measures

Identification of critical spares / chemicals and building up of inventories to ensure sustained operations, explore alternate procurement where possible, refurbishment plans for old parts & spares to cater for emergency requirements

Residual Risk



Capital Financial Manufactured Intellectual Operational

Source External

Type Operational Commercial

Nature Immediate

Risk and Opportunity Report

Inherent Risk



Low dividend yielding / Over-diversified strategic investments

Associated objective

Diversify locally and globally through leveraging synergies and fostering strategic partnerships
Strategize portfolio management to drive long-term growth and exceed shareholders' expectations

Opportunities

Horizontal as well as vertical diversification

Mitigation Measures

Investments are made after a formal process of due diligence which involves project appraisals (ROI / IRR / NPV etc), experts' evaluations, strategic reviews by management / BOD and devising improved business strategies / management teams. Furthermore, participations in boards of subsidiaries and associates to deliberate on dividend distributions.

Residual Risk



Capital Financial Intellectual
Source External Internal

Type Financial Strategic
Nature Immediate to Medium-term

Inherent Risk



Reduced sales due to unfavourable farm economics, disruption of product supply chain owing to environmental, social or governance incidents.

Associated objective

Sustain growth in fertilizer business
Improve operational efficiency through cost economization and enhanced synergies among functions

Opportunities

Diversified Supply chain network and service providers
Horizontal as well as vertical diversification

Mitigation Measures

ESG related risks are catered through robust inventory management, a vast dealers network, diversified pool of supply service providers, provision of product on credit basis, introduction of small sized bags, knowledge/assistance pass on to farmers through farm advisory centres (FAC)

Residual Risk



Capital Financial Manufactured
Source External

Type Commercial Operational
Nature Immediate to Short-term

Inherent Risk



Volatile law and order situations, disasters and climatic uncertainties.

Associated objective

Sustained growth in fertilizer business
Improve operational efficiency through cost economization and enhanced synergies among functions

Opportunities

Ensure business continuity and uninterrupted operations

Mitigation Measures

FFC has a well established security management, disaster recovery / business continuity plans, at all locations and the staff is fully equipped to manage the risks. The Company also has insurance coverage to safeguard against any monetary losses.
The Company also undertakes routine emergency handling drills and regular patrolling of critical installations.

Residual Risk



Capital Financial Human Manufactured
Source External

Type Commercial Operational
Nature Immediate

Inherent Risk



Interruption of steam and power impacting the production of Port Qasim Plant

Associated objective

Sustained growth in fertilizer business

Opportunities

Exploring alternative / additional backup sources to avoid any disruption.

Mitigation Measures

Backup boilers & gas turbines are available to cater for any steam and power interruption / shortage. Further insurance coverage in place to cover any adverse exposure.

Residual Risk



Capital Financial Manufactured Human Natural
Source Internal

Type Operational
Nature Immediate to Short-term

Legend

Rating



Likelihood



Magnitude



Inherent Risk



Non-compliance of laws and regulations

Associated objective

Demonstrate sustainable social, environmental and corporate governance commitment
Improve operational efficiency through cost economization and enhanced synergies among functions
Maintain outstanding brand image by providing premium quality products and services

Opportunities

Inculcating compliance culture throughout the Company

Mitigation Measures

FFC's entire business structure ensures that business relevant regulatory risks are evaluated and managed within the business functions. In addition, company's strategic management reviews any latest updates in regulatory framework, to prevent any breach of law / regulation. Trainings are conducted to keep employees abreast of all latest developments in laws and regulations. External experts are engaged for consultations

Residual Risk



Capital **Financial** **Relationship** **Natural**

Source **External** **Internal**

Type **Compliance**

Nature ●●●● Immediate to Medium-term

Inherent Risk



Merger / Integration & Beyond Challenges

Associated objective

Improve operational efficiency through cost economization and enhanced synergies among functions

Opportunities

Strengthened financial & strategic capabilities
Optimization through synergies and economies of scale.

Mitigation Measures

To ensure a smooth transition, various measures are in progress or planned. These include engaging legal and subject matter experts to ensure compliance and governance oversight, implementing integrated ERM to monitor and mitigate risks, and standardizing internal controls, including SAP and other systems, to harmonize processes.

Additional efforts involve mapping roles across both companies to identify gaps and alignment opportunities, executing talent retention strategies such as hiring freezes, communication plans, and retention programs to support employee adjustments, and developing contingency plans to address regulatory uncertainties while proactively engaging with government bodies. Leadership alignment on strategic goals, formulating a unified strategic plan, conducting team-building activities to foster cross-company collaboration, and establishing a unified employee evaluation framework through cross-functional collaboration to further support the integration process.

Residual Risk



Capital **Financial** **Human**

Source **External** **Internal**

Type **Operational** **Compliance**

Nature **Strategic**

Nature ●●●● Immediate to Long-term

Inherent Risk



Reduced Sales of the new Fertilizer variants impacting revenue

Associated objective

Sustain growth in fertilizer business
Maintain outstanding brand image by providing premium quality innovative products and services

Opportunities

Expansion of EEF product portfolio to meet rising demand for sustainable and efficient nutrient solutions, strengthening market position and farmer confidence.

Mitigation Measures

FFC ensures sustained adoption of enhanced-efficiency fertilizers by maintaining competitive pricing structures and leveraging flexible production planning to promptly adjust to market requirements. The Company also implements targeted promotional and incentive programs to build farmer awareness and encourage product uptake. These measures collectively support FFC's strategic objective of strengthening its market position while promoting efficient and sustainable fertilizer use.

Residual Risk



Capital **Financial** **Human** **Manufactured**

Source **External** **Internal**

Type **Operational**

Nature ●●●● Medium term

Corporate Governance

Strong corporate governance forms the cornerstone of enduring organizational success, fostering transparency, reinforcing stakeholder trust and enhancing credibility, while exemplifying excellence in professionalism, ethical conduct and accountability.

Function of the Board

The Board, fully aware of its responsibility to shareholders and the Company's reputation both domestically and internationally, has established a robust governance framework to achieve corporate objectives, uphold investor confidence and promote a culture of long-term value creation. This framework incorporates a formal Code of Conduct, Code of Business Ethics, Internal Control and Risk Management frameworks, and a Whistleblowing Policy. Aligned with global best practices, it not only exceeds statutory compliance and disclosure requirements but also meets the information needs of all stakeholders.



Composition of Board

The Board of Directors' composition and qualifications fully comply with the Companies Act 2017, the Code of Corporate Governance and the best practices outlined in the Articles of Association.

Diversity in the Board

The Board's diverse composition promotes independent and effective decision-making, free from undue influence. Comprising 13 seasoned professionals with expertise across multiple disciplines, the Board brings a well-rounded mix of skills and insights to navigate complex business challenges and enable strategic management. The directors diligently advocate for the interests

of all shareholders, both majority and minority, with none holding directorships in more than seven listed companies.

Category	Name
Independent Directors (excluding Female Director)	Saad Amanullah Khan
	Farhad Shaikh Mohammad
Non-Executive Directors	Lt Gen Anwar Ali Hyder, HI(M) (Retired) - Chairman
	Syed Bakhtiyar Kazmi
	Shoaib Javed Hussain
	Yassir Ghiyati Ibn Ziyad
	Saif Anjum
	Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired)
	Mohammad Majid Munir
	Syed Shahzad Nabi
Executive Director/ MD&CEO	Jahangir Piracha
Female Directors (Independent Directors)	Maryam Aziz
	Fatima Asad Khan

Profile of the Board

The [Company Overview](#) section provides detailed information on the Directors, including their names, roles (executive, non-executive, or independent), academic credentials, industry experience, and organizational affiliations.

Independent Directors

The Company's Board comprises four independent directors representing non-controlling interests. Carefully selected from the Pakistan Institute of Corporate Governance (PICG) database, they have formally consented to serve and submitted declarations confirming compliance with the independence criteria of the Companies Act 2017.



Corporate Governance

Executive & Non-Executive Directors

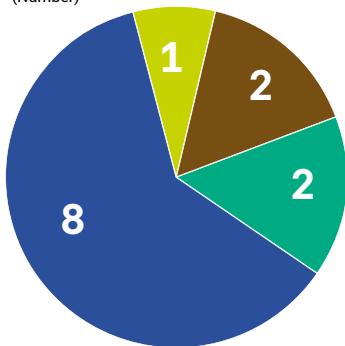
The Board comprises one executive and twelve non-executive directors, surpassing the regulatory requirement for a minimum two-thirds non-executive representation.

Female Directors

FFC's governance framework actively promotes gender diversity at the Board level. The Board currently comprises two female directors, exceeding the regulatory requirement of at least one female director for listed companies.

Composition of the Board

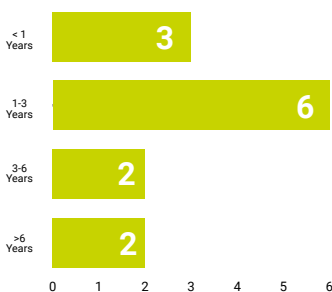
(Number)



● Executive Director
● Non-Executive Directors
● Female Directors (Independent)
● Male Directors (Independent)

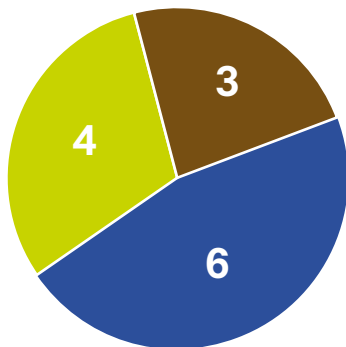
Directors' Tenure

(Number)



Directors' Qualification

(Number)



● Business / Finance ● Engineering ● Other

Changes to the Board

The current Board was constituted in October 2024 and will serve its term until October 2027. During the year, Mr Mazhar Abbas Hasnani and Mr Qamar Haris Manzoor resigned from the Board, and Mr Mohammad Majid Munir and Syed Shahzad Nabi were appointed in their place. The Board expresses its sincere appreciation to the outgoing directors for their valuable contributions and warmly welcomes the new members. It remains confident that the Board will continue to work cohesively toward achieving the Company's objectives and enhancing shareholder value.

With profound sadness, the Company records the passing of Dr Shamshad Akhtar, a highly respected and dedicated Board member, on 27 December 2025. Her remarkable legacy and invaluable contributions will be remembered with deep respect and gratitude.

Meetings of the Board

In line with regulatory requirements, the Board meets at least quarterly to effectively oversee the Company's performance, with additional meetings convened as necessary to address critical matters.

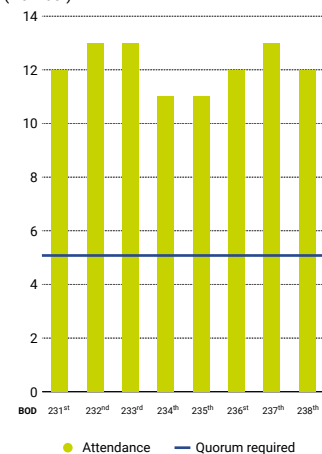
During the year, the Board of Directors held eight meetings to deliberate on routine and special agenda items and to provide strategic direction to management in achieving the Company's objectives.

Timely notices and detailed agendas were circulated in accordance with applicable laws. All meetings were conducted in compliance with the Companies Act 2017 and relevant regulations, with attendance exceeding the prescribed quorum. The Chief Financial Officer and the Company Secretary attended all meetings.

The Company Secretary duly recorded the proceedings and circulated the minutes to directors for review, which were subsequently confirmed and formally approved at subsequent Board meetings.

Attendance at BOD Meetings

(Number)



● Attendance — Quorum required

Board Meeting held outside Pakistan

All Board meetings were held in Pakistan as a cost-optimization measure, notwithstanding SECP provisions and business needs that could have necessitated meetings outside the country.

Attendance at Board Meetings

Name of Director	231 st BOD Jan 29	232 nd BOD Mar 13	233 rd BOD Apr 28	234 th BOD Jun 13	235 th BOD Jul 29	236 th BOD Oct 23	237 th BOD Nov 10	238 th BOD Dec 24	Total Attended
Lt Gen Anwar Ali Hyder, HI(M) (Retired)									08
Jahangir Piracha									08
Saad Amanullah Khan									08
Maryam Aziz									08
Syed Bakhtiyar Kazmi									08
Shoaib Javed Hussain									07
Yassir Ghiyati Ibn Ziyad									05
Qamar Haris Manzoor								Resigned	07
Saif Anjum									08
Mazhar Abbas Hasnani				Resigned					03
Farhad Shaikh Mohammad									08
Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired)									07
Dr Shamshad Akhtar (Late)									08
Mohammad Majid Munir	Appointed on Aug 20								03
Syed Shahzad Nabi	Appointed on Dec 16								01

Casual Vacancies Filled During the Year

New Appointment	Date of Appointment	Resignation	Date of Resignation
Mohammad Majid Munir	20 August 2025	Mazhar Abbas Hasnani	23 May 2025
Syed Shahzad Nabi	16 December 2025	Qamar Haris Manzoor	16 December 2025

Roles and Responsibilities of the Board

The Board of Directors acknowledges its vital role in maintaining the trust of shareholders, ensuring sustained success, protecting their interests, and delivering consistent value. Going beyond regulatory requirements, the Board diligently fulfills its responsibilities within the Company's governance framework.

Matters Reserved for the Board

The Board is entrusted with exercising its authority responsibly and with accountability, ensuring all decisions are made after careful deliberation in accordance with the Companies Act 2017, the Listed Companies (Code of Corporate Governance) 2019, and the Company's Articles of Association.

Key responsibilities of the Board include, but are not limited to:

- Overseeing and assessing governance practices
- Providing guidance and supervision on the Company's strategic direction
- Approving appointments, dismissals, compensation, and contract renewals for key management positions
- Reviewing recommendations from Board committees
- Addressing matters raised by the Chief Executive Officer to the Board or its sub-committees
- Evaluating and approving investments in new ventures
- Establishing internal control and risk management frameworks and addressing ethical considerations
- Approving business plans, cash flow forecasts, and strategic initiatives

- Managing related-party transactions
- Reviewing internal audit reports and external auditors' letters
- Approving financial statements and dividends, taking into account audit observations on the overall control environment

The Company's key policies, along with their approval and revision dates, are meticulously documented and maintained by the Board.

Board Committees

The Board has delegated certain responsibilities to its committees, which operate under approved Terms of Reference. These Committees review key matters and provide recommendations to the Board. Further details on their composition and functioning are provided in the [Company Overview](#) section of this report.

Corporate Governance

Governance of Risk and Internal Control

FFC's Risk Identification and Management Policy provides a structured framework for all functions and departments to identify key risks (strategic, commercial, operational, financial and reputational) and develop mitigation strategies. Progress on these initiatives is reported to the Board every six months.

The Board has also established an Internal Control Framework to ensure efficient operations, safeguard Company assets and uphold ethical conduct. Supported by the Audit Committee and External Auditors, this framework strengthens internal controls and protects stakeholder interests.

Integrity and compliance risks, including risks relating to fraud, corruption and abuse of authority, form part of the Company's structured risk identification and management processes. The Internal Control Framework incorporates measures designed to prevent, detect and address instances of misconduct and to safeguard Company assets.

Progress on risk mitigation initiatives and control enhancements is reported periodically to the Board, and identified deficiencies are tracked through structured issue management and remediation processes to ensure continuous strengthening of the governance environment. Compliance processes are subject to periodic evaluation to assess their adequacy and effectiveness and to implement improvements where required.

Further details on the roles and responsibilities of reviewers and evaluators are outlined in the [Risk and Opportunity](#) section and across the various Capitals.

Internal Audit

The Board appoints the Head of Internal Audit, who reports functionally to the Audit Committee and administratively to the Chief Executive Officer. Performance evaluations are jointly conducted by the Audit Committee Chairman and the Chief Executive Officer.

The Board ensures, the Head of Internal Audit has the required qualifications, experience, and knowledge of global best practices and the Company's policies. The Internal Audit team, comprising experts from multiple disciplines, identifies key risk areas, evaluates mitigation strategies, and ensures risks are managed within acceptable limits.

The Head of Internal Audit also oversees formal policies and regularly evaluates the effectiveness of the internal control framework established by the Board.

Matters delegated to the Management

The Board and Management have clearly defined roles. The Managing Director and Chief Executive Officer oversees day-to-day operations, ensuring they are conducted ethically, in compliance with the Company's Articles of Association and applicable regulations.

The Board sets strategic objectives, approves annual targets for production, revenue, costs and financial performance, and evaluates new investment opportunities within legal and regulatory frameworks.

Management oversees risk identification and mitigation, internal controls and preparation of financial statements in accordance with approved accounting standards and regulatory requirements, including the Companies Act 2017 and rules established by Securities and Exchange Commission of Pakistan.

Announcement of Financial Results

The Company consistently announces its Quarterly, Half-Yearly and Annual Financial Results promptly. The Board approves all financial statements within a defined schedule, with results declared within 30 days; a benchmark the Company has maintained for years.

Particulars	Results Announced on	Authorized Duration
First Quarter Financial Statements	April 28, 2025	Within 30 days
Half-Yearly Financial Statements	July 29, 2025	Within 60 days
Third Quarter Financial Statements	October 23, 2025	Within 30 days
Annual Financial Statements	January 29, 2026	Within 90 days

Directors' Orientation Plan

All newly appointed directors undergo a structured induction program to enhance their understanding of the Board's functions and their responsibilities toward shareholders.

The program covers the Company's operations, business environment, long-term strategy and applicable laws, while familiarizing 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 undertake training to stay updated on evolving governance, management, and leadership practices. These programs strengthen their understanding of the Company and its industry, enabling informed decision-making.

In compliance with regulatory requirements, Securities and Exchange Commission of Pakistan approved Director Training Programs are also attended by Heads of Departments and Female Executives.

Board of Directors

All Board members, have successfully completed the Securities and Exchange Commission of Pakistan approved Directors' Training Program certification ahead of the stipulated deadline.

Head of Departments

Exceeding the Code of Corporate Governance requirements, Brig Syed Saleem Bacha, Sitara-e-Imtiaz (Military) (Retired), and Lt Col Habib Ur Rehman Jami (Retired) completed the Directors' Training Program certification during the year.

Female Executives

In compliance with the Code of Corporate Governance, Ms Madeeha Ahsan, a female executive dealing with Corporate Affairs and Investor Relations, successfully obtained the Directors' Training Program certification during the year.

Policy of Security Clearance of Foreign Director

Foreign directors submit the required documents to the Securities and Exchange Commission of Pakistan, within the prescribed timeframe, to obtain clearance from the Federal Ministry of Interior. The Company provides full support to facilitate this process.

Appointment is contingent on receiving the official security clearance; if not granted, the Company will take appropriate measures to appoint a replacement.

Directors' Remuneration

The Board has established a formal, transparent policy for directors' remuneration in compliance with applicable laws and regulations. Key principles include:

- Remuneration reflects the directors' responsibilities and expertise, attracting and retaining highly qualified individuals who create value for the Company.
- Non-executive directors' independence is fully preserved.
- Directors do not set their own compensation.
- Executive directors do not receive fees for attending Board or Committee meetings.

Comprehensive details on remuneration for both executive and non-executive directors are provided in Note 36 of the financial statements.

Policy on Non-Executive and Independent Directors' Remuneration

As per the Company's Articles of Association, non-executive directors, including independent directors, are entitled to remuneration for attending Board and Committee meetings and for contributing their expertise. The Board determines the remuneration.

At the 227th Board Meeting held on 10th September 2024; the Board approved the directors' remuneration packages.

Chairman	Rs 400,000 for attending Board meetings
Directors	Rs 300,000 for attending Board and Committee meetings

Directors receive only meeting fees and reimbursement for expenses incurred in attending Board or Committee meetings, with no other form of compensation provided.

External Search Consultancy and its Connection with the Company

Selection of Chairman and Non-Executive Directors

No external search consultancy was engaged in the selection or appointment of the Chairman or any non-executive directors on the Company's Board.

Selection of Independent Directors

Independent directors are selected from the database maintained by the Pakistan Institute of Corporate Governance (PICG), in compliance with the Companies (Manner and Selection of Independent Directors) Regulations 2018. While PICG provides access to the database, facilitates training programs for Board members and supports the evaluation of their individual and collective performance, it has no other affiliations with the Company.

Evaluation of the Board's Performance by Consultant

The Pakistan Institute of Corporate Governance (PICG) was engaged to conduct an independent assessment of the Board, its committees and individual members to ensure impartial evaluation. The assessment aims to identify any gaps affecting Board effectiveness and recommend improvements aligned with best practices.

Conducted in two phases, the evaluation covers the key elements outlined in the Listed Companies (Code of Corporate Governance) Regulations 2019:

Phase 1

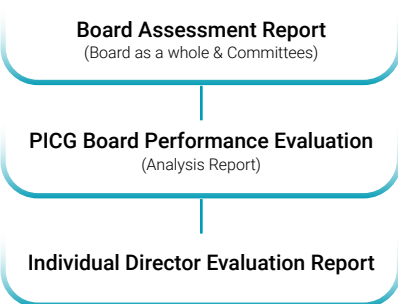
Board as a whole and its committees

Corporate Governance

Phase 2

Individual Board members

The deliverables were presented to the board to guide performance enhancement initiatives:



Based on the Strategic Performance Index, the Board, its committees and individual members demonstrated exemplary overall performance.

Roles and Responsibilities of the Chairman and MD&CEO

The Chairman of the Board and the Chief Executive Officer hold distinct but complementary responsibilities, aligned with applicable legal and regulatory requirements.

Chairman of the Board

The Chairman represents the non-executive directors and provides leadership and strategic direction to the Board. Key responsibilities include fostering a productive environment for directors while ensuring full compliance with statutory requirements.

The Chairman also sets the agenda, determines the topics for discussion in Board meetings, allocates sufficient time for deliberations, and ensures that accurate minutes are maintained in accordance with the Companies Act 2017.

Significant Commitment of the Chairman

In April 2024, Lt Gen Anwar Ali Hyder, (Retired), was appointed Chairman of the Board. He currently serves as the Managing Director of Fauji Foundation and holds positions as Chairman and / or Director on several associated boards, including its subsidiary companies, as detailed below:

Listed Companies:

- Fauji Cement Company Limited
- Askari Bank Limited
- Fauji Foods Limited
- Mari Energies Limited
- Agritech Limited

Unlisted Companies / Entities:

- Fauji Akbar Portia Marine Terminals Limited
- Fauji Trans Terminal Limited
- Fauji Oil Terminal and Distribution Company Limited
- Daharki Power Holding Limited
- Foundation Power Company Daharki Limited
- Fauji Kabirwala Power Company Limited
- Foundation Solar Energy (Private) Limited
- FonGrow (Private) Limited
- Fauji Fresh n Freeze Limited
- Fauji Meat Limited
- FFBL Power Company Limited
- Mari Mining Company (Private) Limited
- MedAsk (Private) Limited
- Pakistan Maroc Phosphore SA
- Mari Technologies Limited
- Sky47 Limited
- FonGreens (Private) Limited
- FonGreens Silicon Technologies Limited
- Foundation University Islamabad

Other than the commitments disclosed in his [Board Profile](#) within the [Company Overview](#), he has no additional significant obligations.

Chairman's Review on the Performance of the Board

In line with the Companies Act 2017, the Chairman's Review provides an assessment of the Board's effectiveness and its success in achieving the Company's overall objectives. The Annual Report 2025 elaborates on these matters in detail across relevant sections.

Managing Director and Chief Executive Officer

In April 2024, Jahangir Piracha was appointed Managing Director and Chief Executive Officer of the Company and serves as an executive director on the Board. He provides strong leadership and strategic direction to the management team, overseeing day-to-day operations and ensuring that the Company's activities are conducted in accordance with the policies and parameters established by the Board of Directors.

MD&CEO's Performance Review by the Board

The Board assesses the MD&CEO's performance against defined Key Performance Indicators (KPIs), assigned responsibilities, and regulatory requirements.

During the year, he delivered strong results across production, sales, turnover, profitability, and market share, while upholding high standards of employee health and safety.

The Board is satisfied with the progress of diversification initiatives and the continued evaluation of new investment opportunities.

Recognition of the Company's governance transparency at both national and international levels

further reflects the MD&CEO's effective leadership.

Policy of Retention of Board Fee by the Executive Director on other Companies' Board

In line with the Directors' Remuneration Policy, executive director do not receive fees for attending Board, Committee, or General Meetings of the Company. However, they are allowed to retain any meeting fees earned in their capacity as non-executive director of other companies, as this policy does not impose any restrictions on such earnings.

The MD&CEO, while serving as an executive director on FFC's Board, also holds non-executive directorships on several other company Boards, and the compensation he receives from these positions is governed by the respective Boards' approved policies.

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 also serves as a non-executive director on the boards of the following companies:

Listed Companies:

- Askari Bank Limited
- Fauji Foods Limited
- Agritech Limited

Unlisted Companies / Entities:

- FFC Energy Limited
- OLIVE Technical Services (Private) Limited
- Foundation Wind Energy - I & II Limited
- Thar Energy Limited
- FFBL Power Company Limited
- Fauji Fresh n Freeze Limited

- Fauji Meat Limited
- Pakistan Maroc Phosphore SA
- International Fertilizer Association
- Sona Welfare Foundation
- Food Security and Agriculture Centre of Excellence
- Foundation University Islamabad

Directors' Compliance Statement

The Board is pleased to confirm that:

- The financial statements fairly and accurately reflect the Company's financial position, performance, cash flows, and changes in equity, as prepared by management.
- Proper books of account have been maintained in compliance with statutory requirements.
- Accounting policies have been applied consistently, with all estimates based on sound judgment and reasonable assumptions.
- The financial statements are prepared in accordance with applicable International Financial Reporting Standards (IFRS) in Pakistan, with any deviations appropriately disclosed.
- The internal control system is robust, effectively implemented, and regularly monitored.
- There are no significant indications of any inability to continue business operations.
- The Company upholds exemplary corporate governance practices as per the Listing Regulations, fully adhering to best practices without material deviations.
- Taxation disclosures are comprehensive and provided in accordance with listing requirements.

Additionally, Note 24.5 to the Financial Statements provides detailed information on the value of employee retirement plan investments.

Oversight and Compliance with Best Corporate Practices

The Board and its Committees exercise active oversight over ethical conduct, internal controls and regulatory compliance in accordance with their respective mandates. In line with its Terms of Reference, the Audit Committee reviews major findings arising from internal investigations relating to fraud, corruption or abuse of authority, evaluates management's response and monitors the adequacy and operating effectiveness of the internal control and compliance framework, with corrective and preventive actions tracked to closure.

Declarations by the Chairman and the MD&CEO reaffirm the Company's commitment to integrity, transparency and adherence to the Code of Corporate Governance. The Company does not make political contributions.

FFC has consistently upheld global best practices and standards in corporate governance, for more than four decades. The Corporate Governance Compliance Report encompasses:

- Findings of the Audit Committee regarding adherence to the Code of Corporate Governance.
- Declarations from the Chairman and the Managing Director & Chief Executive Officer confirming full compliance with the Code.
- The Auditor's Report validating the governance practices.

Ethics and Compliance

The Company has implemented a robust ethics and compliance framework to ensure that integrity and ethical conduct are ingrained in all business operations, decision-making processes and adherence to applicable laws and regulations.

The Board affirms the Company's zero-

Corporate Governance

tolerance stance toward corruption, fraud, bribery and abuse of authority and recognises compliance with all applicable laws and regulatory requirements as a core governance obligation. Through its Ethics and Compliance Framework and Code of Conduct, applicable to all Directors and employees, the Company embeds integrity across operations and decision-making processes and reinforces clear expectations of ethical conduct in all business dealings.

The Company expects suppliers, contractors, intermediaries and other business partners acting on its behalf to adhere to equivalent standards of integrity and compliance with applicable legal requirements. Ethical expectations are communicated at the time of engagement and reinforced through induction and periodic awareness initiatives. The Company does not permit any form of bribery or improper payments in its business dealings, and business courtesies, gifts and hospitality are subject to defined approval processes and internal controls designed to prevent undue influence or conflicts of interest.

- 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 accessible on the Corporate Website.
- This commitment begins during the induction process and continues throughout their tenure with the Company.
- The Company maintains established reporting channels through which employees may raise concerns in confidence, and no individual shall suffer retaliation for reporting concerns in good faith.

To support sustainable growth and maintain stakeholder confidence, the ethics and compliance framework is regularly updated to remain aligned with relevant laws and regulations.

- Any instances of unethical

behavior or grievances are promptly identified, addressed, and corrective actions implemented to prevent recurrence.

- The Company also maintains a Register of Insider Information at the Corporate Office, which is periodically reviewed to ensure full compliance with regulatory standards.

Governance Practices Exceeding Legal Requirements

FFC is unwavering in its commitment to the highest standards of ethics and corporate governance, proactively adopting voluntary measures that exceed legal requirements. The following initiatives illustrate its dedication to sustainable growth, transparency and corporate responsibility:

- **Corporate Governance Excellence:** Complying with Pakistan Stock Exchange Top 25 Companies criteria, ensuring recognition for exemplary governance practices.
- **Enhanced Reporting Practices:** Implementing reporting standards recommended by ICAP, ICMAP, and SAFA to strengthen transparency in policies and operations.
- **Inclusive Board Composition:** Surpassing requirements for non-executive and female directors under the Code of Corporate Governance, promoting balanced and inclusive leadership.
- **Proactive Board Development:** Completing the Directors' Training Program ahead of schedule to enhance the Board's decision-making capabilities.
- **Advanced HSE Strategies:** Developing robust Health, Safety and Environment initiatives to safeguard employees and surrounding communities.
- **Impactful CSR Initiatives:**

Undertaking meaningful projects that address community welfare and contribute to sustainable development.

- **Global Standards Compliance:** Adhering to the UN Global Compact's Ten Principles, adopting International Integrated Reporting Council (IIRC) guidelines and applying Global Reporting Initiative (GRI) standards.
- **Comprehensive Financial Transparency:** Presenting detailed financial analysis in the Annual Report, including ratios, risk matrices and visual data, ensuring accessibility for stakeholders' informed decision-making.
- **Proactive Sustainability Reporting:** Early adoption and publishing of IFRS Sustainability Disclosure standards in the report.

These efforts underscore FFC's position as a leader in ethical governance, sustainability and transparency, reinforcing long-term stakeholder trust and value creation. Moreover, the Company has ensured compliance with the ICAP / ICMAP Best Corporate Report (BCR) 2025 requirements, reflecting its ongoing commitment to excellence in both financial and non-financial reporting.

This adherence highlights FFC's focus on accountability, transparency and the adoption of global best practices in corporate governance.

Report of the Audit Committee

A detailed account of the Audit Committee's performance and fulfillment of its responsibilities is covered on page 296 of the report. This section highlights the Committee's pivotal role in overseeing financial reporting, internal controls, risk management, and compliance with regulatory requirements.

Related Party

FFC's Related Party Transactions Policy ensures that dealings with affiliates are fair, transparent, and fully compliant with legal and regulatory requirements, with proper reporting and disclosures to maintain accountability and corporate integrity.

Transaction other than Ordinary Course of Business

The Company ensures that transactions with affiliated entities are conducted fairly, following arm's length principles and standard market practices.

All related party dealings are reviewed by the Audit Committee and approved by the Board, ensuring transparency and regulatory compliance.

Disclosure of Directors' Interest

The Board requires all members to disclose any personal interests in Company-related transactions. When a majority of directors are involved in related party transactions, such matters are submitted to shareholders at a General Meeting for approval, ensuring transparency and adherence to governance principles.

Note 41 in the Financial Statements provides a detailed list of all related parties engaged in transactions during the year, including their relationships and ownership percentages.

The Financial Statements include comprehensive disclosure on related party transactions, as mandated by the Fourth Schedule of the Companies Act, 2017.

Policy for Disclosure of Conflict of Interest

FFC has adopted a robust Code of Business Ethics to uphold integrity and

prevent conflicts of interest across the Company, including at the Board level. Directors are required to disclose any personal interests prior to engaging in Company business, with such disclosures reviewed by the Company Secretary and reflected in the Board agenda.

Directors abstain from deliberations or decisions where a conflict exists. In cases where a majority of directors are conflicted, the matter is submitted to shareholders at a General Meeting for approval, reinforcing transparency and strong governance practices.

Board's Policy on Diversity

FFC is committed to equal opportunity in employment, education, and professional development, fostering a workplace built on inclusion and merit. The Board actively promotes diversity across age, gender, ethnicity, and physical and mental abilities, embedding these values into the Company's culture and governance.

Aligned with SECP guidelines, FFC publicly discloses its Gender Diversity Policy and maintains a proactive stance against gender discrimination through its people management practices. The Company is equally committed to recruiting, developing, and retaining differently-abled individuals as part of its broader social responsibility agenda.

By offering rewarding career pathways and a supportive work environment, FFC attracts high-caliber talent and develops future leaders, strengthening innovation, performance, and long-term organizational success.

Human Resource Management and Succession Planning

FFC attracts and retains high-caliber professionals through robust talent

acquisition, continuous training and development, and competitive, market-aligned compensation. A structured succession planning framework focuses on developing internal talent and preparing future leaders, ensuring long-term sustainability and leadership continuity.

Diversity, Equity and Inclusion (DE&I)

We are committed to building a diverse, equitable, and inclusive workplace where all employees are respected and empowered. Our DE&I initiatives advance gender equality and women's participation through targeted recruitment, mentorship, and leadership development. We ensure fair and equal treatment across hiring, promotion, and compensation, while fostering an inclusive culture through diversity training, employee networks, and inclusive workplace policies.

Disclosure on Enterprise Resource Planning (ERP) System

FFC reached a significant milestone by becoming one of Pakistan's few companies to implement a state-of-the-art SAP ERP system over a decade ago. The Board-approved initiative was managed by a dedicated team responsible for evaluation, negotiation, documentation and enterprise-wide deployment.

Key features of the implementation include:

- **End-to-End Integration:** The SAP ERP system spans all core functions; including manufacturing, engineering, marketing, finance, human resources and procurement, across Head Office and operational locations, enabling seamless and standardized processes.

Corporate Governance

- **Continuous Training:** Role-based training is provided to all employees, including new hires, to ensure effective and consistent system utilization.
- **Strong Governance:** Major system changes and new initiatives require Senior Management approval, with capital investments reviewed by the Audit Committee and approved by the Board.
- **Robust Information Security:** Stringent controls, including segregation of duties, safeguard data integrity and operational reliability.

Additional details on the SAP ERP initiative and its contribution to strengthening FFC's intellectual capital are presented in the [Intellectual Capital](#) section of this report.

Business Continuity and Disaster Recovery Plan

The Board of Directors safeguards uninterrupted business operations through a comprehensive and regularly updated Business Continuity and Disaster Recovery Plan. Widely communicated across the Company, the plan ensures asset protection and operational resilience.

Key components include:

- **Data Protection & Archival:** Critical data is secured through reliable archival methods and remote backups.
- **IT Security & Backup Systems:** Real-time backups are reinforced with secure offsite storage.
- **Disaster Recovery Facility:** An alternate site serves as a disaster recovery center, with key personnel assigned to critical roles during emergencies.
- **Preparedness Testing:** Regular mock drills and simulations

validate the plan's effectiveness and readiness.

This framework underscores FFC's commitment to continuity, resilience and safeguarding its resources against potential disruptions.

Policy of Safeguarding of Records

FFC's Record Retention Policy is integral to its Business Continuity Plan (BCP), ensuring secure, organized, and efficient management of critical records. Key features include:

- **Extended Retention:** Records of long-term or permanent value are retained beyond statutory requirements to support business continuity.
- **Organized and Secure Archives:** Books of account and records related to legal, secretarial, contractual and taxation matters are systematically stored in secure facilities for easy retrieval.
- **Real-Time Backup:** Continuous on-site and offsite data backups protect against loss and support uninterrupted operations.
- **Advanced Protections:** Physical and digital records are safeguarded against fire, natural disasters and deterioration using state-of-the-art security measures.
- **Access Control:** Record access is regulated through hierarchical, password-protected authorization, integrated with the SAP ERP system.
- **Whistleblowing Mechanism:** Procedures are in place to report breaches or damage promptly, ensuring timely corrective action.
- **Disaster Recovery Site:** A remote backup site ensures continuity during emergencies.
- **Delegated Responsibility:** Departments are accountable for

managing and safeguarding their own records.

- **Digital Backup for Physical Data:** Printed documents are digitally backed up for secure, authorized access.

This policy underscores FFC's commitment to robust record management, operational resilience, and best practices in governance and risk mitigation.

Other Policies

The report highlights FFC's key policies, detailed in their respective sections:

- Disaster Recovery & Business Continuity - [Intellectual Capital](#)
- IT Governance - [Intellectual Capital](#)
- Human Resource Management - [Human Capital](#)
- Social & Environmental Responsibility - [Social and Relationship Capital](#)

These policies underscore FFC's dedication to sustainable operations, robust governance and social accountability.

Disclosure Beyond Best Corporate Reporting Criteria

FFC goes beyond standard reporting requirements to provide stakeholders with a comprehensive view of the Company's operational and financial performance. In addition to adhering to the ICAP/ICMAP Best Corporate Report (BCR) criteria, the report includes the following key disclosures:

- About this Report
- Navigating the Report
- Highlights 2025
- Board Profiles
- Board and Management Committees
- Chairman's Review

- MD&CEO Overview
- Macro-Economic Overview
- Contribution to the National Exchequer
- Credit Rating
- Corporate Awards & Recognitions
- Operational Performance
- Corporate Governance
- Investor Relations
- Marketing Overview
- Human Capital
- Health and Safety
- Directors' Report on Consolidated Financial Statements
- Directors' Report in Urdu
- Sustainability Report:
 - Global Reporting Initiative (GRI) Standards - Comprehensive Option
 - Sustainability Accounting Standards Board (SASB) - Chemical Industry Standard

- United Nations Global Compact (UNGC) - Ten Principles
- IFRS S1 and S2

The report also demonstrates FFC's commitment to the ICAP / ICMAP BCR 2025 criteria on IT Governance, Cybersecurity and Enterprise Resource Planning, highlighting the Company's exemplary performance.

Oversight by External Specialist

Upholding the highest ethical standards and complying with all applicable laws and regulations is fundamental to FFC's success. Accordingly, our core business functions engage external auditors on both statutory and voluntary bases to ensure rigorous adherence to best practices. The governance framework incorporates expert oversight and evaluations in key areas, including

production processes, intellectual property management, and financial capital administration.

Board Responsibility for Integrated Report

The Board affirms its responsibility for the integrity, completeness and balanced presentation of this Annual Integrated Report, including its alignment with strategy, governance, performance and outlook.

Board Oversight of Strategy Risk and Sustainability

The Board oversees strategy, risk management, capital allocation, sustainability priorities and material matters through structured review mechanisms.



Corporate Governance

COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

COMPLIANCE OF REGULATIONS

Regulation 3 - Number of Directorship

No individual holds directorship in more than 7 listed companies, either through election or nomination.

Regulation 4 - Diversity in the Board

The Board blends diverse skills, experience, and competencies essential for the Company's operations.

Regulation 5 - Minority Shareholder

A structured process is in place to facilitate proxies and candidates.

Regulation 6 - Independent Director

04 Independent Directors on the Board.

Regulation 7 - Female Director

02 Female Directors on the Board.

Regulation 8 - Executive Director

01 Executive Director

Regulation 9 - Chairman of the Board

Chairman and CEO positions are distinct and held separately.

Regulation 10 - Responsibilities of the Board

The Board ensures compliance through CCG-aligned best practices, including vision / mission / strategy, risk management, code of conduct, succession, remuneration, whistleblowing, general meeting attendance etc.,

Regulation 11- Agenda and Discussion in Meetings

Agenda and Board-Pack sent at least 7-days prior.

Regulation 12 - Minutes of Meeting

Minutes prepared, approved and disseminated within regulatory time.

Regulation 13 - Attendance at Meeting

CFO and Company Secretary are present at all meetings.

Regulation 14 - Significant Issues to Board

Significant matters are presented to the Board through the Audit Committee.

Regulation 15 - Related Party Transactions

All transactions are reviewed by the Audit Committee and, based on its recommendations, presented to the Board.

Regulation 16-17 - Formal Policy & Determination of Remuneration

A formal policy is in place and No director determines their own compensation.

Regulation 18 - Directors' Orientation Program

New directors receive structured induction on Board duties and shareholder responsibilities.

Regulation 19 - Directors' Training

All directors, along with two department heads and one female executive, are trained and certified.

Regulation 20-24 - Chief Financial Officer, Company Secretary and Head of Internal Audit

The Board approves all appointments, along with tenure and qualification criteria.

Regulation 25-26 - Responsibility of Financial Reporting and Corporate Compliance

All quarterly, half-yearly, and annual financial statements are endorsed by the CFO and CEO.

Regulation 27 - Audit Committee

The Audit Committee exists and functions in full compliance.

COMPLIANCE OF REGULATIONS

Regulation 28 - Human Resource and Remuneration Committee

The HR&R Committee exists and functions in full compliance.

Regulation 29-30 - Nomination and Risk Management Committees

The broad functions of these Committees are performed by other committees.

Regulation 31 - Internal Audit

Internal Audit: Structure and Operations

Regulation 32 - External Auditor

External auditor appointment complies with all regulatory requirements.

Regulation 33 - Rotation of Auditors

All non-financial companies must rotate their engagement partner every five years, as per regulations.

Regulation 34 - Director's Report

Disclosed in the Annual Report.

Regulation 35 - Disclosure of Significant Policies on Website

Key policies, Board committee synopsis and related information are available on the corporate website.

Regulation 36 - Compliance Statement and Auditor Review

The compliance statement, audited and certified by statutory auditors, is disclosed in the Annual Report.





ESG

FFC Driving ESG Excellence

FFC strengthened ESG integration in 2025 by aligning with the Sustainability Strategy 2030 under Board Sustainability Committee oversight, reinforcing governance, accountability, risk management and transparency in sustainability disclosures.

At FFC, Environmental, Social and Governance (ESG) practices are closely aligned with the Company's sustainability agenda and related disclosures. During 2025, the Board and Management continued to strengthen this alignment by advancing the implementation of the Sustainability Strategy 2030, ensuring that ESG principles are embedded within sustainability planning, operational controls and reporting processes.

Building upon the governance structures and capacity-building initiatives established in prior years, the Company's focus during the year remained on integrating ESG considerations into sustainability-related decision-making, performance monitoring and disclosures.

This approach supports consistency, transparency and compliance, while contributing to long-term value creation.

In response to evolving environmental challenges, including climate change, water scarcity and waste management, FFC continued to enhance its environmental management practices in line with the objectives outlined in the Sustainability Strategy 2030. Progress against sustainability priorities was monitored through established ESG oversight mechanisms.

The Board Sustainability Committee remained actively engaged throughout the year, providing oversight of ESG and sustainability-related matters. The Committee reviewed the implementation

status of the Sustainability Strategy 2030, assessed key sustainability risks and opportunities, and ensured appropriate governance over sustainability initiatives and disclosures. Further details are provided in the [Sustainability Section](#) of this report.

During the year, management continued work on the development of a SAP-integrated sustainability and ESG reporting module, aimed at strengthening data accuracy, consistency and transparency in sustainability disclosures in line with evolving regulatory and stakeholder expectations.

ESG considerations were further embedded into enterprise risk management, business planning and

capital allocation processes, ensuring that sustainability-related risks and opportunities were systematically evaluated and addressed. These measures supported informed decision-making and reinforced confidence among shareholders, regulators, lenders and other stakeholders.

The Company also continued to invest in targeted capacity-building initiatives to enhance organizational capability for the effective implementation of the Sustainability Strategy 2030 and associated ESG commitments.

As part of its commitment to responsible corporate conduct, FFC remained engaged in community development and social welfare initiatives, while undertaking measures to minimize the environmental impact of its operations, consistent with its sustainability objectives.

The Board recognizes ESG as a key enabler of the Sustainability Strategy 2030 and credible sustainability disclosures, and remains committed to the continuous enhancement of ESG practices in line with evolving regulatory requirements and international best practices, supporting sustainable growth, resilience and long-term value creation.

Materiality determination process summary

Material matters were identified through stakeholder engagement, management assessment, and Board oversight. Issues were prioritised based on significance to value creation, risk exposure, and stakeholder decision-making.

Assurance roadmap for sustainability metrics

The Group continues to evaluate the expansion of independent assurance over selected sustainability metrics in alignment with evolving reporting standards.



Environment

Conserving the Natural World

Climate

Carbon Emission, Physical Asset , Resilience & Climate Risk Mitigation

Pollution

Air, Water & Soil

Resource Use

Water Stress, Energy, Biodiversity, Land Use, Usage & Intensity

Waste

Packaging, Electronic, Waste-Water & Hazardous



Social

Investing in people and relationship

Business Model

Operations Resilience, Product Design, Supply Chain Management & Accessibility

Employee

Diversity & Inclusion, Wellness, Hiring & Advancement & Worker Experience

Customer

Product Safety / Quality, Selling Practices, Privacy & Data Security & Marketing



Governance

Building Trust in Society

Leadership

Board Diversity, Executive Pay Structure, Purpose, Values, Risk & Opportunities

Transparency

ESG Disclosure, Taxes, Accounting & External Assurance

Business

Practices, Competitive Behaviour, Ethics, Anti Corruption & Data Privacy

Investor Relations

FFC's Investor Relations function provides transparent and timely communication on financial performance, strategy and long-term growth. It supports informed decision-making, builds investor confidence and reinforces FFC's commitment to sustainable value creation.

Investor Relations Section on FFC Website

FFC's Corporate Website is a central hub for investors, shareholders, and stakeholders, providing comprehensive and up-to-date information. Fully compliant with regulatory requirements, the site is maintained in both English and Urdu and features details on the Company's business strategy, governance framework, products and services, financial performance, investor relations, dividend history, and more.

For quick access to reports and additional resources, please scan the QR code below.



The latest version of the Annual Report is available online in PDF format and supersedes all previously printed copies. It can be accessed here:

<https://ffc.com.pk/investor-relations/reports/>

General Meetings

FFC's shareholders convened for the forty-seventh Annual General Meeting on March 25, 2025, followed by an Extraordinary General Meeting on December 08, 2025.

Shareholders Encouraged to Attend General Meetings

At least 21 days before the Annual General Meeting, all shareholders receive an email containing the Notice of the Meeting along with FFC's Annual Report. The Notice is also published in leading national newspapers in both Urdu and English and is made available on the Pakistan Stock Exchange and FFC's corporate website.

All shareholders, regardless of the number of shares held, are entitled to appoint a proxy, participate via video conference (VC), and cast their votes through e-voting. During the meetings, shareholders can make suggestions, submit proposals, and voice concerns, with full rights to initiate or support agenda items. They may also request the minutes of the meeting within a specified period and raise questions on significant investments, potential acquisitions or mergers, or any corporate or capital restructuring plans.

FFC values shareholder engagement and ensures that all contributions, concerns, and recommendations are meticulously recorded in the meeting minutes. Stakeholders are kept informed of the progress and actions taken on matters raised, reflecting the Company's commitment to transparency, accountability, and active shareholder participation.

Encourages Minority Shareholders to Attend General Meeting

The Company invites minority shareholders to attend general meetings and actively encourages their participation. Requests and queries from minority shareholders are given careful attention and addressed thoroughly, ensuring their concerns are fully considered and adequately met.

Presence of Board Members

As per the Code of Corporate Governance, all directors are required to attend general meetings, except when excused for a valid reason.

Presence of the Chairman Audit Committee

The Chairman of the Audit Committee, Mr Saad Amanullah Khan, attended both General Meetings during the year to address queries and provide clarifications on matters within the Committee's mandate.

Issues Raised at Last General Meeting

Shareholders raised questions and sought clarifications on the agenda items, all of which were addressed satisfactorily. No significant issues or concerns were reported during the meetings.



Trading Performance During the Year 2025

Particulars	Price per Share
Opening Price	367.50
Closing Price	590.71
Highest Closing Price	601.47
Lowest Closing Price	331.30
Average daily traded volume (million shares)	2.43

Trading in Shares by Directors and Executives

During the year, a total of 3,041,204 FFC shares were traded solely by the Company's executives. There were no reported share transactions involving directors, their spouses, or minor children beyond this activity. All trading by managerial personnel is closely monitored and disclosed to the Stock Exchange in accordance with regulatory requirements, ensuring full transparency and compliance with corporate governance standards.

Shares held by Sponsors, Directors and Executives

As of December 31, 2025, the shareholding of FFC's sponsors, directors and executives is as follows:

Particulars	Number of Shares
Sponsors	621,863,631
Directors	2,382,700
Executives	63,141



Investor Relations

The Board ensures strict adherence to the annual review requirements of the Code of Corporate Governance. Demonstrating its commitment to exemplary governance, the Board has also established additional thresholds for identifying executives, beyond those mandated by the Code. This proactive approach enhances transparency, accountability and alignment with best practices, further strengthening FFC's governance framework.

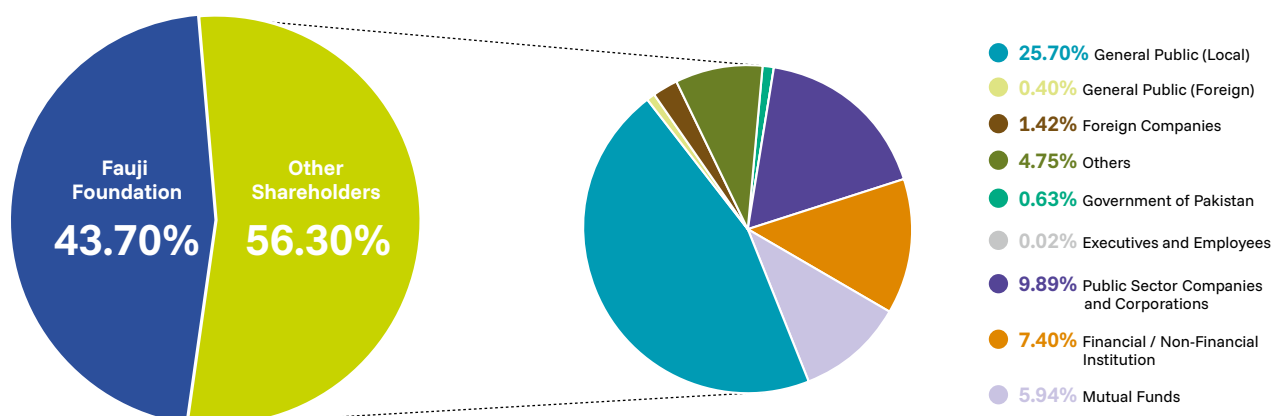
Disclosure of Beneficial Ownership

Apart from Fauji Foundation no shareholder, either directly or indirectly, holds more than 10% of FFC's shares. The [Shareholder Information](#) section outlines the Pattern of Shareholding, highlighting the Company's commitment to transparency and strong corporate governance.

Pattern of Shareholding

The Pattern of Shareholding presented below provides a snapshot of the distribution of the Company's equity share capital as on 31 December, 2025. Detailed information in this regard is set out in the section titled [Shareholder Information](#) of this Annual Report.

Pattern of Shareholding - 2025



Analysts' Briefing

FFC maintains transparency in its stakeholder relationships through regular interactive sessions and the timely sharing of relevant information, including financial and operational projections, regulatory updates, economic developments and other key details.

To enable informed investment decisions, the Company conducts analyst briefings to present its business outlook. During the year, FFC held four such briefings, where the Chief Financial Officer provided updates on the Company's current performance and future plans. These sessions were attended by investment analysts, representatives of national and international banks, investors and officials from the Pakistan Stock Exchange.

Period	Date	Place	Agenda
Year ended Dec 31, 2024	Feb 04, 2025	Head Office and Virtual Access	• Overview of the business environment and FFC's performance • Key achievements during the period • Progress on ongoing diversification initiatives • Outlook and anticipated future challenges
Period ended Mar 31, 2025	May 06, 2025	Virtual Access	
Period ended Jun 30, 2025	Aug 06, 2025		
Period ended Sept 30, 2025	Oct 29, 2025		

Each briefing featured comprehensive presentations followed by detailed question-and-answer sessions, ensuring all queries were thoroughly addressed. This approach reflects FFC's strong commitment to transparency and meaningful engagement with its diverse stakeholders.

Presentations from the briefings are accessible on Corporate Website.



<https://ffc.com.pk/investor-relations/analyst-briefing/>

Recognition as Corporate Role Model

FFC was recognized as a Corporate Role Model at the Initial Public Offering (IPO) Roundtable 2025, organized by the Securities and Exchange Commission of Pakistan (SECP) and Pakistan

Stock Exchange (PSX) in collaboration with the Industrialists' Association Peshawar. The recognition reflected FFC's strong financial performance, robust governance practices, and CSR initiatives aligned with the United Nations Sustainable Development Goals.

Consistently ranked first among PSX's Top 25 Companies, FFC's proactive investor relations practices and sustained high dividend payouts underscore its commitment to long-term shareholder value. Syed Imran Rizvi, Head of Investor Relations, represented the Company and highlighted how governance excellence supports sustained performance.

FFC also represented PSX at the World Federation of Exchanges (WFE) as one of its top listed companies, highlighting disclosure practices, governance standards, market access and the role of listed companies in strengthening transparency, market efficiency and investor protection.

Dividend Distribution Policy

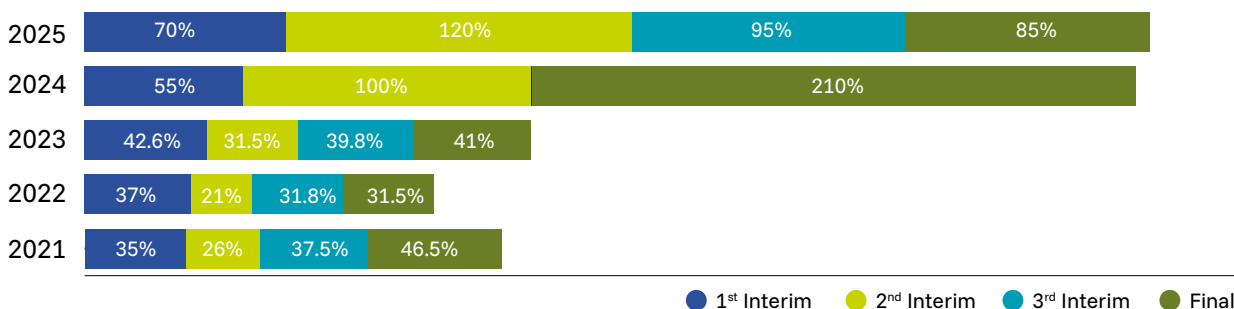
FFC's dividend practices are governed by the Companies Act 2017 and the Companies (Distribution of Dividend) Regulations, 2017, issued by the Securities and Exchange Commission of Pakistan (SECP). The Company's dividend policy reflects its commitment to rewarding shareholders while retaining sufficient funds to support future growth and business development.

In compliance with SECP and Pakistan Stock Exchange (PSX) guidelines, FFC disburses final dividends within ten working days of their declaration at the Annual General Meeting (AGM). For interim dividends, the Company announces the book closure and confirms dividend entitlements within fifteen days of Board approval, with payments completed within ten working days from the start of the book closure.

Dividend Distributed During the Year

Dividend	Declared On	Book Closure	Distributed on
Final 2024	Jan 29, 2025	Mar 23 - Mar 25, 2025	Apr 04, 2025
First Interim 2025	Apr 28, 2025	May 11 - May 13, 2025	May 16, 2025
Second Interim 2025	Jul 29, 2025	Aug 11 - Aug 13, 2025	Aug 19, 2025
Third Interim 2025	Oct 23, 2025	Nov 5 - Nov 7, 2025	Nov 13, 2025

Quarterly Dividend Payout History



Investor Relations

Investors' Grievance Policy

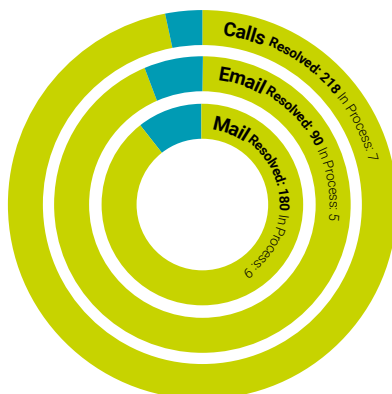
FFC values its relationships with shareholders and investors and is committed to safeguarding their interests. The Company emphasizes timely and transparent disclosure of material information to support informed decision-making.

The Investor Communication / Relation and Grievance Policy provides a clear framework for handling shareholder inquiries and complaints. Shareholders can reach FFC via email (investor.relations@ffc.com.pk), phone or mail, with all issues addressed promptly and documented thoroughly. Further contact details are available on the Corporate Website (www.ffc.com.pk) under Investor Relations and in the [Company Information](#) section of this report.

Redressal of Complaints

Throughout the year, shareholders and investors may raise a variety of grievances, including:

- Unclaimed dividends
- Undelivered dividends
- Transmission inquiries
- Loss or revalidation cases
- Updates to address or IBAN
- Requests for general clarifications



FFC ensures that all grievances are addressed promptly, efficiently, and transparently, reinforcing shareholder trust. Each case is handled individually, with close coordination between the Company, its paying agent, and registrar to achieve timely and satisfactory resolutions. This approach underscores FFC's commitment to excellent service and strong, positive relationships with its stakeholders.

Whistleblowing Policy

FFC is committed to practice transparent and ethical business module, supported by a comprehensive Whistleblowing Policy embedded within its governance framework. The policy enables stakeholders to report concerns confidently and promptly, promoting a culture of accountability and integrity across the Company. Key Features include:

- **Confidential Reporting:** Stakeholders can raise concerns while maintaining confidentiality.
- **Stakeholder Engagement:** Reporters can track progress, provide feedback, and raise objections if necessary.
- **Misuse Prevention:** Strict safeguards ensure false allegations are addressed, with defined consequences to misuse.
- **Public Access:** The policy is available on FFC's corporate website for ease of reference.

This framework reflects FFC's steadfast commitment to ethical governance and stakeholder trust.

Instances During the Year

During the year, FFC's management effectively resolved all minor issues. The Audit Committee confirmed that, there were no significant improprieties in the Company's financial, operational or legal affairs, reflecting FFC's commitment to robust governance and operational integrity.

Stakeholder Influence on Decision Making

Stakeholder feedback influenced operational priorities, distribution enhancements, sustainability initiatives, safety improvements and disclosure transparency during the year.



Stakeholders' Engagement

Identification of Key Stakeholders

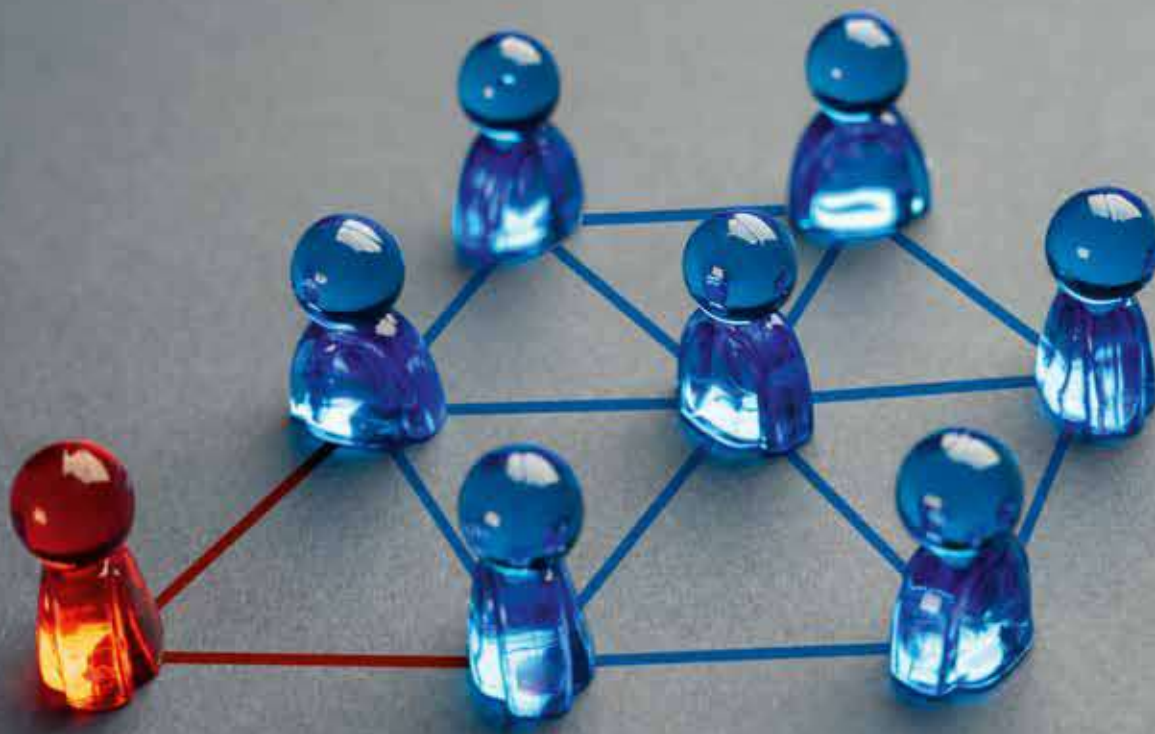
The Company allocates its capital strategically across essential activities and relationships, with careful identification of key stakeholders. Stakeholder engagement is an ongoing process that involves managing these relationships, assessing their frequency, and evaluating their potential impact on the Company's performance and value throughout the year. The stakeholder engagement cycle includes:

Stakeholder identification methodology

Stakeholders are identified through an influence and impact assessment framework, considering relevance, engagement frequency, and potential effect on value creation.

Evidence of stakeholder influence on decisions

Stakeholder feedback influenced distribution enhancements, plant reliability initiatives, safety improvements, and disclosure transparency.



Stakeholders' Engagement

Institutional Investors / Shareholders



FFC honors investor trust by delivering consistent returns while fostering transparent, enduring relationships with all stakeholders

		
Regular	General Meetings • Analyst's / Corporate Briefings • Publication of Price-Sensitive Information • Publication of Material Information	Dividend • Reinvestment from retained earnings • On-going improvement in Shareholders' value creation process • Sustainable development

Customers and Suppliers



FFC's investment in customer relationship management extends beyond financial incentives, focusing on knowledge transfer to farmers, improved agricultural productivity, and long-term partnerships with trusted suppliers through its Agri Services

		
Regular / Periodic	- Formal & Informal Meetings / Conferences - Technical Support Service	To achieve its vision, success and performance, FFC depends on: - Customer's Loyalty - Preference to the brand SONA - Company's supply chain management - Launching new products with advanced technology

Regulators



FFC upholds its responsibility as a corporate citizen, complying with all domestic and international legal requirements.

In 2025, FFC contributed Rs 110.1 billion in taxes and duties, reinforcing its status as one of Pakistan's largest taxpayers

		
Regular	- Meetings with Officials - Timely circulation of all disclosure - Data submission for Review, audit & Compliance - On time and transparent reporting	- Laws and regulations compliance - Determination of prices - Factors controlled by the Government

Analysts



FFC regularly engages analysts on projects already disclosed to regulators, adhering to insider trading rules. FFC held four briefings this year to update on its operational and financial performance.

		
Quarterly	- Analyst's / Corporate Briefings - Corporate Website - Press Releases	- Briefings clarify market misconceptions and foster positive investor perception - Timely circulation of all disclosures, both price-sensitive and material information

Frequency of
EngagementEngagement
ProcessEffect and
Value**Active collaboration with banks to optimize financing, manage liquidity, and support operational requirements**

Regular	• Appropriate business conduct • Regular contact / communication • Negotiation Meetings on rates for various financing matters	• Enables competitive rates, favorable terms, lower fees, superior service, and future readiness

**Banks
& Other
Lenders****FFC keeps the public informed of its developments, activities, and philanthropic initiatives via targeted communication channels.**

Occasional	Mediums used are: • Press Releases in Newspapers • News Section on Corporate Website	• Promotes stakeholder awareness, • Enhancing perception and engagement • Media coverage and other initiatives

Media**FFC values its workforce by providing a supportive environment, investing in local and international training, promoting health and fitness, and offering competitive compensation to foster employee growth, well-being, and engagement.**

Regular	• In-house Newsletters • Televised Broadcasts • Employee Portals • Electronic Bulletin Boards	• Salary and other benefits • Job Security • Social Status • Profit Sharing • Short-term & Long-term benefit schemes

Employees**FFC's CSR initiatives support local and broader communities, focusing on education, health, and economic development, and are aligned with the UN Sustainable Development Goals**

Regular	• Meetings • One-on-one Engagements • Publish Annual Report & Financial Statements • CSR Initiatives • Corporate Website	People of Pakistan provide the grounds for FFC to build its future on • World class product at affordable price • Responsive to social obligations • Contribution to social development

**Local
Community
and General
Public**



Manufactured Capital

Value Creation Business Model

Manufactured Capital

Refer page 198

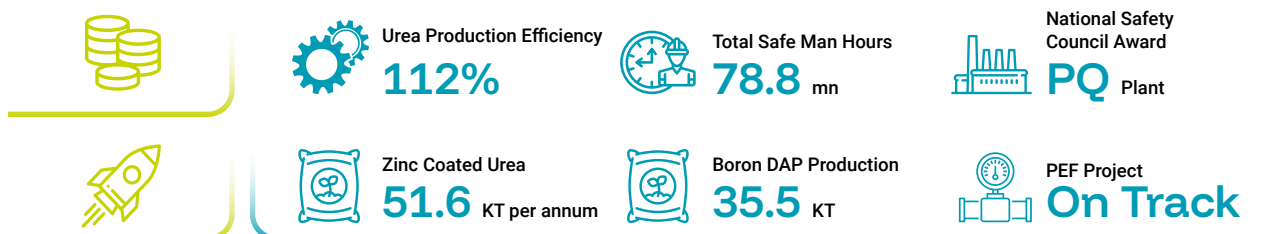
Contributing to SDGs



Inputs	Manufacturing Plants: 04	3 Zones, 13 Regions, 63 Districts	148 Warehouses
	Agri. Services Offices: 21	Research Center 01	Sona Centres / Stores: 244
	Integrated Work System (IWS)	Zero loss mentality	Lean Process Evaluations
	Hands-on-training for workers	Dealers/Warehouse trainings	HSEQ meetings/talks
Outputs	Produced 2,903 KT of Urea and 837 KT DAP	Urea Sold FFC 2,886 KT (43% market share)	DAP sold 834 KT (62% market share)
	227,000 farmers outreach through Agri-services	Farmers increased productivity	Rs. 9.3 billion invested
Value Creation	Value Preservation		

Value Creation Business Model – page 198

Capital Snapshot



FFC's Manufactured Capital comprises its production sites, advanced IT systems, Head Office infrastructure, and a well-established marketing, distribution, and Agri-services network. Together, these assets form a robust operational foundation that enables the Company to deliver on its strategic objectives and create sustainable value for all stakeholders. The merger of FFCL and FFBL, effective July 2024, marks a significant milestone for FFC and opens new horizons for the fertilizer industry. This strategic integration enhances the company's product portfolio, expands market share, and creates greater opportunities to deepen customer relationships.

In line with its commitment to operational excellence and innovation, FFC continues to invest in state-of-the-art technologies, system enhancements, and infrastructure upgrades. These ongoing investments strengthen the company's competitive position, improve efficiency and reliability across the value chain, and ensure that FFC remains responsive to emerging industry trends and future growth opportunities.

Operational Performance

As part of its strategic focus on operational excellence, FFC exceeded its annual targets, producing over 2903 KMeT of Urea (112% of design) alongside strong DAP output of 837KMeT, reinforcing its leadership in the fertilizer industry.

A portfolio of projects; covering asset sustenance, operational reliability, HSE improvements, regulatory compliance, and energy efficiency is underway. These initiatives support FFC's long-term profitability, enhance operational strength, and uphold its position as the country's leading fertilizer manufacturer.

Plant Site – Goth Machhi I & II

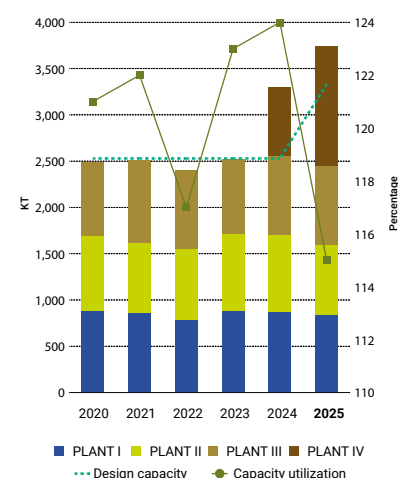
Operational performance of both the plants at Goth Machhi remained satisfactory during the year 2025 and Sona Urea production of 1,585 KMeT thousand tons [119% of design] was achieved, as compared to the budgeted production of 1,557 KMeT.

Continuous Operation

By the Grace of Almighty Allah, following records were achieved during the year;

- Ammonia Plant-II front-end on-stream operation of 1212 days; TA-2022 to TA-2025 Continuous Operations

Plant wise Production





Manufactured Capital

Neem Coated Urea

To address urea-related environmental concerns and enhance product efficiency in terms of crop productivity and nitrogen uptake, the development of slow-release urea fertilizers has become imperative. During the year, a total of 206 KMeT of Neem Oil Coated Urea was successfully produced and delivered, reflecting FFC's commitment to sustainable agriculture and value creation for all stakeholders.

Zincated Urea

Pakistan's soils are moderately zinc-deficient, with only 10–14% of farmers applying zinc separately, leading to 4–5% lower yields. FFC's production and shipment of 51.6 KMeT of Zincated Urea addresses this deficiency, improving soil health, crop productivity, and quality, while reinforcing the Company's commitment to sustainable agriculture and stakeholder value.

Plant III - Mirpur Mathelo

Plant performance remained satisfactory despite of urea reactor and waste heat boiler leakages, with cumulative **Sona** Urea production of 861 KMeT [120% of design] achieved against planned target of 847,000 tons.

Plant IV – Port Qasim

Operational performance of both DAP & Urea plants remained upto the mark with production levels 837 KMeT Vs. budgeted 831 KMeT [124% of design] and 456 KMeT Vs. budgeted 201 KMeT [83% of design].

Health, Safety & Environment

FFC's occupational health and safety management goes well beyond legal requirements, focusing on the physical, mental, and social well-being of all employees. The Company takes a proactive, long-term approach by fostering a culture of safety and health through regular training, awareness programs, incentives, and robust management systems. The safety of the contracted workforce is also ensured through strict adherence to the

Contractors' Code of Conduct, reflecting FFC's commitment to a safe, responsible, and sustainable workplace for all stakeholders.

Gold Award winner of ROSPA 2025

FFC-GM was honored with the prestigious RoSPA Gold Award, one of the world's most respected recognitions in health and safety. Achieving this award on our first attempt reflects the strength and maturity of our safety management systems, the commitment of leadership, and our continued dedication to providing a safe and healthy working environment for all employees and contractors.

FFC-GM was awarded the 22nd Annual Environment Excellence Award

FFC-GM was honored with the 22nd Annual Environment Excellence Award (AEEA) 2025 by the National Forum for Environment and Health (NFEH) in recognition of its exemplary environmental performance. Presented at a prestigious ceremony in Karachi, the award underscores FFC-GM's strong commitment to environmental sustainability and its ongoing efforts to adopt eco-friendly practices that minimize environmental impact.

Annual NFEH Fire Safety Award – 2025

The National Forum for Environment & Health (NFEH) annually recognizes organizations demonstrating exceptional performance in safety and environmental management. In 2025, FFC-GM received this prestigious award for its outstanding fire safety performance, notably achieving zero process fire incidents in 2024. This recognition, among the highest in Pakistan's fire safety sector, underscores FFC's unwavering commitment to maintaining the highest safety standards and ensuring safe, reliable, and responsible plant operations.

FPAP 3rd National Fire Safety Conference

FFC participated in the 3rd National Fire Safety Conference organized by the Fire Protection Association of Pakistan (FPAP), where the Company was honored with the Risk-Based Fire Safety Award. Through continuous improvement initiatives, enhanced emergency preparedness, and investment in modern fire protection systems, FFC-GM has significantly strengthened its fire safety framework.

IFA Protect & Sustain Certification

In the IFA Mid-Term Audit 2025, FFC-GM achieved an outstanding 100% score, reflecting the organization's robust systems, operational excellence, and unwavering commitment to continuous improvement.

HSE Certifications

HSEQ continued to advance the implementation of Process Safety Management (PSM) across FFC-GM by conducting mandatory trainings on PHA, LOPA, and QRA. During the year, 44 employees were trained, significantly enhancing the organization's capability to identify process hazards, evaluate risk layers, and implement robust preventive controls.

CAER Program

FFC-GM takes pride in its CAER program, which empowers communities through safety education and awareness, focusing on protecting families during emergencies and epidemics. As part of these initiatives, FFC conducted multiple CAER sessions for schools and village communities, equipping participants with essential knowledge on emergency preparedness and safe response practices. To further strengthen community readiness, Rescue 1122 delivered hands-on training in CPR, first aid, and basic life-saving techniques. Additionally, doctors from the FFC Medical Centre provided awareness on epidemics and preventive health measures, while the HSE team conducted sessions on ammonia emergency handling.

11th Annual Environment, Health & Safety (EHS) Award-2025

FFC-GM proudly received the 11th Annual EHS Award, powered by The Professionals Network, in recognition of its exemplary performance in Environment, Health, and Safety. This award highlights FFC's strong safety culture, effective risk management practices, and unwavering commitment to protecting employees, contractors, and the local community.

PSM implementations

At the beginning of the year, FFC-GM launched a comprehensive PSM Awareness Campaign, with active participation from the entire plant management and staff. To further advance PSM implementation, HSEQ significantly expanded its training and competency-building initiatives. For contractors, 7,800 PSM training hours were delivered, ensuring that safety

requirements were clearly understood and implemented, with 1,545 contractors completing mandatory safety trainings along with verbal assessments to verify comprehension of essential procedures. For management and staff, 7,038 hours of mandatory PSM trainings were conducted, focusing on hazard identification, risk evaluation, and effective PSM governance.

Drills

Throughout the year, FFC-GM enhanced emergency preparedness by conducting multiple Basic Life-Saving Skills (BLS) drills, environmental drills, and fire drills across the facility. To ensure employees were well-prepared, refresher training sessions on CPR and first aid were conducted beforehand, enabling participants to confidently apply essential life-saving skills during emergencies. Additionally, HSEQ delivered 1,800 hours of wet fire-fighting training, providing hands-on practice in hose handling and fire suppression techniques.

Hand, Eye and Face Safety Campaign

FFC-GM organized a Hand, Eye, and Face Safety Campaign as a refresher for employees, emphasizing the importance of PPEs and safe work practices. Past incidents were reviewed to highlight lessons learned and participants actively engaged in discussions. Tokens of appreciation were also presented to the presenters to recognize their contributions and encourage continued participation in safety initiatives.

World Environment Day

An Environment Poster Competition was held in the township at FFC-GM to celebrate World Environment Day, where children showcased their creativity through poster-making. Additionally, awareness talks were conducted at the plant site to educate attendees on environmental protection and sustainable practices.



Manufactured Capital

Legal Gap Analysis

FFC-GM and MM engaged SGS to conduct a comprehensive legal gap analysis, evaluating all applicable regulatory requirements. This assessment provided clarity on legal obligations, identified areas for improvement, and supported the strengthening of the overall compliance framework. To further promote safety awareness, HSEQ organized a school-level poster competition on key health and safety topics, engaging young students and fostering a positive safety culture. Additionally, a new safety induction video was developed to enhance onboarding effectiveness, ensuring clear communication of essential safety protocols to all personnel.

RoSPA Gold Award Winner

FFC Mirpur Mathelo has been awarded the RoSPA Gold Award 2025, recognizing its unwavering commitment to safety excellence, proactive risk management, and a deeply embedded culture of care. This achievement highlights HSEQ excellence in the fertilizer sector and represents another milestone in a journey defined by vigilance, discipline, and a steadfast commitment to never compromising on safety.

ISO Successful Recertification 2025-28

FFC Mirpur Mathelo has successfully renewed its ISO certifications for quality, safety, and environmental management against ISO 9001:2015 (Quality), ISO 45001:2018 (OH&S), and ISO 14001:2015 (Environmental Management System), reaffirming our commitment to international standards. This achievement reflects the dedication of our teams in driving operational integrity and continuous improvement. As a result, the certification cycle has been renewed, ensuring compliance from January 2025 to January 2028.

IFA Protect & Sustain Successful Recertification 2025-28

The IFA Protect & Sustain Certification (2025–2028) was successfully renewed for FFC Plant Site – Mirpur Mathelo and the Marketing Department through M/s SGS International. This certification reflects FFC's sustained excellence in Product Stewardship across the entire supply chain, from manufacturing to customer delivery. FFC MM demonstrated full compliance and integration of four international standards: ISO 9001, ISO 45001, ISO 14001, and RC14001.

2025 Audits & Certifications AT FFC-PQ

Surveillance Audit for Integrated Management System (IMS) certification was conducted by M/s Bureau Veritas Pakistan at the plant site on 15 August 2025, covering ISO 45001:2018, ISO 14001:2015 (EMS) and ISO 9001:2015.

To further strengthen the Health & Safety culture in 2025, refresher trainings on various topics including Work Permit System, Emergency Response Plan, and Behavior Based Safety were organized, focusing on overall improvement in workplace safety culture. The primary objective of this campaign was to enhance behavioral and operational discipline through collaborative efforts.

FFC-PQ has successfully achieved the IFA Protect & Sustain Stewardship Certification. Additionally, the company has obtained the WWF Green Office Diploma for FFC-PQ, with compliance verified through a formal gap analysis.

HSE Awards – FFC PQ

FFC-PQ has been awarded with both International & Local Safety Awards in recognition of our commitment and remarkable effort towards Health & Safety activities.

International Awards

- FFC-PQ has been awarded the "Hazard Recognition Award" by National Safety Council, USA
- PQ has been awarded the "Water Management" in Gold Category by Green World Organization, UK.

Local Awards

- FFC-PQ was awarded "22nd Annual Environment Excellence Award 2025", organized by National Forum Environment & Health
- PQ was awarded "Tree Plantation Award 2025", organized by National Forum Environment & Health
- FFC-PQ was awarded with The Foundation of Process Safety Award at the 11th International Award on Environment, Health & Safety 2025 ceremony, hosted by "The Professional Network", at Karachi.
- FFC-PQ was awarded with Emergency Response Award at the 11th International Award on Environment, Health & Safety 2025 ceremony, hosted by "The Professional Network", at Karachi.
- FFC-PQ was awarded with Fire Safety Award at 15th Annual Fire Safety & Security Convention and Awards Ceremony hosted by National Forum for Environment & Health (NFEH) and Fire Protection Association of Pakistan (FPAP).

Achievement of Ever-highest Million Man Hours

Plant-site GM, MM & PQ recorded ever highest; 31.47, 18.60 & 28.72 million man-hours of safe operation for its employees during the year, signifying commitment to employee safety. This accomplishment reflects the strong dedication to Occupational Health & Safety (OH&S) demonstrated by all employees in fostering a culture where every task

reinforces FFC's active care for the well-being of each individual contributing to its progress.

M&O Central Functions

Corporate Manufacturing Planning

As operations expand across multiple sites, enhanced governance over operating costs and disciplined capital planning are essential to maintain financial strength and optimize operating leverage. The function leads the formulation, review, and finalization of annual budgets and forecasts, evaluates capital projects (including Reliability and HSEQ) using robust financial criteria, and advises management on investment prioritization.

It also oversees high-level turnaround and production planning, ensuring efficient resource deployment, cost effectiveness, and alignment with business objectives across all sites.

IMPACT - Integrated Methodologies of Productivity and Comprehensive Trainings

IMPACT initiative designed to enhance technical trainings productivity and competency across all sites, focusing on three core strategies—Standardization, Integration, and Scale-up—with an overarching objective of achieving 100% standardization and integration in training programs and methodologies. It is positioned to elevate the organization's technical trainings landscape, fostering a culture of continuous learning and improvement by aligning training delivery through a unified platform, certification pathways, and strategic collaborations, thereby equipping employees to excel in a dynamic industrial environment, driving internal productivity and enabling external training offerings.

SAP Success Factors – Learning Module

We are now entering the next phase: the development and configuration of the Corporate Learning Management System (SAP SuccessFactors – Learning Module), designed to digitalize all sites technical trainings workflows across the organization.

A cross-site team of engineers visited Goth Machhi from November 3, 2025, for a duration of two weeks to populate, iterate, and test the digital workflows for the following programs:

- Staff Apprentice Technician Program
- Management Trainee Program
- On-the-Job Training Modules
- Skill Improvement Program (SIP)
- External Trainings

Central Reliability Road Map

FFC has implemented an enterprise-wide Reliability Roadmap, aligned with global best practices, to enhance asset performance and manage ageing infrastructure. The roadmap integrates standardized maintenance, risk-based asset management, reliability metrics, and structured governance across all sites. It focuses on reducing unplanned downtime, optimizing life-cycle costs, and strengthening a high-performance reliability culture, positioning reliability as a strategic enabler of safety, operational excellence, and sustainable value creation.

Enterprise-Wide Document Management System (DMS)

FFC has launched a strategically important enterprise digital transformation initiative through the implementation of an asset-centric, enterprise-wide Document Management System. Built on OpenText Extended ECM and fully integrated with SAP and Microsoft Office, the system strengthens data governance, enables seamless collaboration, and establishes a single source of truth across the organization.

This leadership-driven initiative enhances information accessibility, operational efficiency, and decision-making, advancing FFC's long-term digital and asset management vision.

Corporate HSEQ

To address evolving international safety standards and FFC's expanding multi-site footprint, Corporate HSEQ has been established to elevate enterprise-wide governance, assurance, and performance oversight.

The function strengthens FFC's well-established occupational health & safety and process safety culture while embedding global best practices across operations. By prioritizing employee well-being and risk excellence, Corporate HSEQ positions safety as a strategic pillar of sustainable and competitive business performance.

Selection of EHS Software

Implementing a centralized EHS management system is essential to provide unified data integration needed for consistent compliance and operational excellence.

NDMA

FFC in collaboration with NDMA is undertaking a strategic initiative to enhance and benchmark its disaster management and emergency response capabilities in alignment with national resilience objectives.

Learning & Development Centre - GM

ISO 29993:2017 – Learning Services Outside Formal Education

Significant progress has been made in standardizing and modernizing FFC's Corporate Learning & Development framework. L&DC has successfully conducted benchmarking and gap analyses across all sites and has updated

Manufactured Capital

the Management Trainee and Apprentice Technician Training plans. Meanwhile, internal and external Skill Improvement programs are being enhanced in alignment with ISO 29993:2017 – Learning Services Outside Formal Education.

Customized Training Program

These specialized training programs have been instrumental in fostering skill development and knowledge enhancement within the respective organizations, aligning with our commitment to delivering comprehensive and tailored solutions in the realm of professional development. This year, L&DC has diligently administered training programs catering to a diverse array of clients, including but not limited to:

- United Energy Pakistan (UEP)
- PGNiG (Polish Oil & Gas Company - Pakistan Branch ORLEN S.A.)
- M/s Mari Energies Limited
- MOL Pakistan Oil & Gas Co B.V.

Digitalization of Training Feedback

L&DC – GM digitalize training feedback was previously taken on paper, causing high paper consumption and waste. It has now been shifted to a digital format, significantly reducing paper use and supporting sustainability.

In-House Management Courses

L&DC - GM organized 55 In-House Management Courses for Management employees to polish their Management & Professional skills. 1,371 participants from FFC-GM completed these training courses.

Skill Improvement Program SIP

L&DC organized 80 Skill Improvement Program (SIP) for Staff employees to polish their skills on specialized jobs. Management Employees or Senior

Staff Employees share their experience and impart the training to their junior colleagues. 4,647 participants from FFC-GM completed these training courses.

Management Trainees Training

L&DC – GM organized Mid Term Training Sessions Batch 59th for 52 MTs and Orientation and Basic Training Batch 60 for 89 MTs.

Staff Apprentices Training

Staff Apprentices Batch-63 joined on April 21, 2025, consisting of 90 trainees. The apprentices underwent basic and trade training, divided into four groups: Electrical, Mechanical, Instrument, and Operation. Trade training was completed on September 09, 2025, after which all apprentices were sent to their respective plant units at Goth Machhi, Mirpur Mathelo, and PQ for on-the-job training.

PSM Refresher Training

L&DC- GM organized 08 PSM Refresher Training for Management and Staff Employees.

Internship Training

L&DC – GM organized 240 Students from Different University has completed their internship training.

Technical Training Center - PQ

Technical Training Centre-FFC PQ has acquired ISO-29993 certification in Year-2025 in areas of HSEQ, Technical Skills, and Soft skills as a part of training and development program, Non-Management Apprentice Program and Management Trainee Program.

Sustainability

Water and Power Conservation: At FFC-GM, targeted optimization measures led to total savings of approximately 116,000 m³ of water and 987 MWh of energy in the township, achieved through the innovative

use of CBD water for horticulture and the implementation of a drip irrigation system.

Sustainable Chemical Handling: The commissioning of a new stainless-steel Eliminox dosing system at FFC-GM successfully eliminated the use of hazardous Hydrazine Hydrate.

Waste Management: At FFC-GM, an Organic Waste Composting Facility was launched in the township to promote effective waste management, converting organic materials into nutrient-rich compost that supports local landscaping and agricultural activities and encourages environmentally friendly disposal practices.

EP-II Extension A Geo-Membrane

Lining: Evaporation ponds serve as the wastewater disposal system for the plant site, and FFC is committed to reducing its environmental footprint. The geo-membrane lining of the newly constructed Evaporation Pond–II Extension at FFC-GM was successfully completed, ensuring zero subsoil seepage. A total of 7.3 acres of land has been lined with HDPE, a synthetic material that prevents leaching of waste chemicals into the subsoil and helps preserve water quality.

Geo-membrane Lining of Evaporation Pond 'D' [Phase-I]

Lining: Geo-membrane lining of evaporation ponds is under way at FFC-MM to reduce risk of sub soil contamination. In the 1st phase, lining of 9 acres area has been completed and the lined pond has been taken into service. Lining of additional 09 acres area is underway, with project completion expected in 3rd Qtr. 2026.

Waste Oil Reuse: A total of 30 tons of waste oil was reused at FFC-PQ as an alternative of DAP coating Oil in the DAP Plant, diverting its disposal to landfill and supporting circular waste management. By replacing an equivalent amount of DAP coating Oil through this reuse initiative, the company achieved a cost saving of PKR 4,500 K while ensuring environmentally responsible operations.

Urea Fines Recovery (Recycled Input Materials): 2,500 tons of urea fines received from FFC GM and MM sites at FFC-PQ were recovered and utilized in the granulation process, significantly reducing the need for fresh raw materials. This recycling effort not only improved resource efficiency but also resulted in a substantial cost saving of PKR 77,500 K, while reducing industrial waste.

Water Recycling System: A total of 1,265,601 m³ of cooling water CBD was recycled, 1,107,145 m³ supplied to FPCL for their cooling system and 158,456 m³ used for horticulture within FFC-PQ. This large-scale water reuse minimized reliance on fresh water procurement and supported sustainable water conservation, generating a combined cost saving of PKR 83,308 K (FPCL: 64,768 K; Horticulture: 18,540 K).

CO₂ Condensate Reuse at DAP Plant: The DAP Plant at FFC-PQ, successfully reused 48,905 m³ of CO₂ condensate, converting what was previously a waste stream into a valuable process resource. This initiative reduced freshwater consumption and supported circular economy practices, delivering a cost saving of PKR 5,722 K through efficient condensate recovery and reuse.

Energy Audit & LED Retrofit: Following a detailed energy audit, 621 conventional lights across the plant were replaced with energy-efficient LED fixtures. This upgrade led to an annual energy reduction of 139,349 kWh, directly lowering electricity demand and reducing carbon emissions. The initiative resulted in a yearly cost saving of PKR 3,205 K, contributing to long-term energy sustainability.

New Product Launch (Enhanced Efficiency Fertilizer)

Urease Inhibited Treated Urea (UITU) Trial Test: Urease Inhibited Treated Urea (UITU) trial test conducted successfully for the launch of new EEF at FFC-GM. Development of the permanent facility layout for Urease Inhibitor Treated Urea, LIMUS will be pursued.

Installation of 2nd Zinc Coated Urea (ZCU) Manufacturing Line (EEF):

Installation of a 2nd Zinc Coated Urea Manufacturing Line at FFC-GM, having nominal capacity of 200,000 MeT per annum, was approved as a special project in 226th BOD meeting dated July 30, 2024. Project has been commissioned successfully.

Advancing Agricultural Innovation: Urea Briquetting Facility: The Greenfield Urea Briquettes (UB) Manufacturing Facility at FFC-MM, designed for an annual

production capacity of 12,000 metric tons, has been successfully installed and commissioned, with initial production dispatches made to Galaxy Rice Mills and SONA Centers, marking an important step toward product diversification.

During initial operations, some teething issues related to product yield have been observed, and various technical options are currently under evaluation to address these challenges. Once stabilized, the facility will convert surplus urea fines into high-strength, uniform briquettes.

Reliability Improvement

Plant - I

Replacement of 03-LIC-6V1
Replacement of Tube Bundle of LP Boiler, E-301B [Phase-II]
Replacement of MP Condenser, E-107
AC Plant Chiller-5.2 Replacement
Urea Reactor, R-101 Leak Detection Arrangement Installation
Rehabilitation of Ammonia Storage Tank, T-1101
Oxygen Scavenger Dosing System at Plant - I & II (Replacement)

Plant - II

Waste Heat Boiler, E-4207/8 Replacement
Replacement of MDEA Reboiler, E-4215 Bundle
Replacement of Tube Bundle of Flushing Condensate Cooler, E-4110B
BFW Cooler, E-4124 Tube Bundle Replacement
Material Upgradation of P-4101 A/B Buffer Oil Coolers, E-4132 A/B
Air Compressor's, Heat exchanger, E-4424 Tube Bundle (Replacement)
Synthesis Gas Compressor's cooler, E-4434 Tube Bundle (Replacement)
Replacement of Regeneration Gas Heater, E-4551 Tube Bundle
LS Header,PSV-42023, Additional (NEW)
Cooling Tower Biocide System Upgradation

Permanent CBD Arrangement for MDEA Reboiler

FV-41003 Discharge Valve of P-4101A/B (Replacement)

Plant - III

HRU Pumps, P-571A/B Seal Flush Media Change
Replacement of Knock out Vessel, V-4123
Replacement of Auxiliary Air Compressor Inter-cooler
KS Super-heater Damper, 02-HIC-14V Installation
Urea Cooling Tower Rehabilitation [Phase-II]
Overhauling of Power-End & Gas-End of K-211
Major Overhaul of 2nd Stage Compressor, EK-1501A
3D modelling project for all three GM and MM plants is underway: Plant - I, II & III

Plant - IV

Urea High Pressure scrubber, UH-221 re-tubing
High pressure carbamate condenser, UH-241 tubes re-plugging
HPCC (UH-241) In-Situ Repair & Re-plugging
HP Scrubber (UH-221) In-Situ Tubes Replacement
Ammonia ESDS PLC Upgradation
Ammonia Analyzer & HP equipment at Urea Reactor
Upgradation of PH&S Unit Weighers
Ammonia DCS PCUs Upgradation

Manufactured Capital

Energy Efficiency

Installation of Ammonia After Cooler, E-511 (GM-I)

Ammonia After Cooler, E-511 was originally part of Plant-I's refrigeration loop but was removed in 1983 following an exchanger failure, as adequate margin was available at that time. Currently, refrigeration limitations are being observed due to plant operation above design capacity. Reinstallation of E-511 is expected to provide energy and production gains. The installation has been approved under CAPEX-2024, and the exchanger along with associated piping has been installed in the field.

KS Superheater Burner Nozzles Replacement (MM)

KS Superheater (F-202), installed for raising steam temperature had chronic problem of delivering lower steam temperature at 496°C vs. design 510°C. A phased replacement of nine burner tips was carried out which raised superheated steam temperature to 503°C, improving energy efficiency. This project, completed at a cost of just 3 Mn PKR is delivering annual savings of PKR 50 Mn.

Gas Turbine (KGT-306A) decreasing Thermal Efficiency (PQ)

Synthesis compressor drive Gas turbine KGT 306A overhauling was successfully completed in Turnaround – 2025. After Overhauling Of KGT-306A gas turbine exhaust till date remained below 470 C and no external steam consumed for temperature control. Overall saving of 50 MT/Day of steam. Estimated Saving of Project in terms of Steam only is ~ PKR 27 Mn.

Cooling Tower Efficiency (PQ)

High cooling water supply temperature beyond design value was faced which was managed through online fills replacement, In March and Nov~Dec-2025 FFC-PQ successfully completed the online replacement of aging fills in the cooling tower cell F, G, H and I of the GEA-USA designed counterflow induced draft cooling tower.

Technological innovation (Energy-efficient & Process reliability (PQ)

At Ammonia plant, Feed Gas NG Booster Compressor originally recycles gas through cooler E-1008 which was a source of energy loss. By containing the required cooling gas for anti-surge, and thus remaining hot natural gas is directly utilized for downstream primary reformer for useful heat utilization.

Ammonia Plant Digitization

Implementation of Aspen Tech's Advanced Process Control (APC) at Ammonia-III commenced with the arrival of M/s Optiment & M/s Yokogawa teams to begin onsite implementation. This represents a significant leap toward enhanced process optimization, energy efficiency, and profitability. The AI-enabled APC forms a cornerstone of FFC's Industry 4.0 roadmap. Integration of APC with the DCS has been successfully completed, and controller deployment is in progress.

Corporate Social Responsibility

FFC is also dedicated to contribute in the development of our society, culture and the nation; because to us, it's not just a



business, it's our commitment to serve Pakistan.

Donation for Hazrat Bilal Trust Hospital, Goth Machhi, Rahim Yar Khan

HBTH is partner facility which is providing quality and free of cost health facilities to over 100,000 patients annually for marginalized and poor communities of surrounding areas at Goth Machhi, Rahim Yar Khan. To support HBTH activities and functioning Rs 6.6 million provided in the year 2025.

Various Interventions in Health sector are shown below:

- Medical Assistance (Provision of 7 x Wheel Chairs) to disable Person Resident of Tehsil Sadiqabad.
- Medical Assistance Provision of Medicine for Al-Khadimat Foundation Ahmed Pur Lamma Tehsil Sadiqabad.
- Established 04 x E-Clinic at the vicinity of FFC Goth Machhi

Merit Scholarship to Certified Nursing Assistant: Fauji Fertilizer Company (FFC) has awarded scholarships to 20 x girls from Tehsil Sadiqabad & Mirpur Mathelo for admission in Certified Nursing Assistant (CNA) Swedish College, Rahim Yar Khan.

School Adoption Program: SWF has comprehensive program for adopted schools which extends infrastructure, education, study aid and other admin support to Govt schools and colleges in selected area. Currently the program is working in Goth Machhi, Sadiqabad area where 5 x Govt schools have been adopted benefitting 1890 x students by providing qualified teachers, teacher training, provision of books and stationary items, library facilities and other admin support to the school.

- Rs 8.0 million funds were disbursed for 22 x teachers faculty members of Adopted Schools in the year 2025 in Tehsil Sadiqabad, District Rahim Yar Khan.
- Financial assistance of PKR 3.0 million for provisions of notebooks and stationery items to the Schools in the vicinity of Plant-site Goth Machhi, Tehsil Sadiqabad, District Rahim Yar Khan.

Clean and Green Tree Plantation of FFC Chowk 2KM both sides of National Highway: CSR GM has been actively promoting the 'Clean and Green Pakistan' vision for the past several years. In collaboration with the Horticulture Section, CSR has carried out extensive

plantation drives at various locations in and around FFC. These efforts aim to enhance environmental sustainability, improve green cover, and create a healthier ecosystem for the surrounding communities.

A 1,000-gallon skid-mounted filtration plant at Natho Khoso Village, Ghaghar Karachi, was fully rehabilitated by FFC-PQ with new sand and carbon filters, a UV stabilizer, a water pressure pump, and updated plumbing. This CSR project, completed at a cost of PKR 664 K, now provides the surrounding community with reliable access to clean drinking water, helping reduce water-borne diseases and improving overall public health outcomes.

Forward Looking Statement

To sustain the core business amid declining natural gas pressure, initiatives are underway to develop a natural gas pressure enhancement facility at the Mari gas wells. This project is intended to mitigate pressure decline and ensure the continuity and stability of gas production. In parallel, long-term growth of the core business is being pursued through the development and launch of new products. These initiatives aim to expand the company's product portfolio while supporting sustainable growth and strengthening its competitive position in the market.



Marketing Overview

The year 2025 commenced on a bullish note for international urea market, while the DAP market also remained stable to strong. Domestic fertilizer market remained compressed due to multiple factors.

Capital Snapshot



Urea Market Share

43%



DAP Market Share

62%



Digital Agriculture Platform

Sona AgTech



Distribution Transformation
Hub & Spoke Model



Digital Soil Sampling

NIR Project



Agri Warehousing

EWR

International Fertilizer Market

During 2025, the global fertilizer market witnessed significant fluctuations influenced by regional demand shifts, pricing fluctuations, and supply disruptions.

Urea

The international urea market experienced significant volatility during 2025, driven by geopolitical disruptions, shifting supply dynamics, and uneven regional demand. Prices remained firm in the first half of the year amid tight supply, strong tender activity from major buyers, and

temporary production disruptions in the Middle East, before correcting in the second half as geopolitical tensions eased and supply conditions improved. Market sentiment turned increasingly bearish towards year-end due to softer demand across Europe and Latin America, alongside affordability constraints. Looking ahead, urea prices are expected to firm during Q1 2026 on the back of renewed European demand following the implementation of the EU's Carbon Border Adjustment Mechanism (CBAM). However, fertilizer affordability and demand elasticity remain key downside risks to the outlook.

DAP

The global phosphate market remained broadly firm through much of 2025, supported by tight supply, robust demand, and geopolitical and trade disruptions, with China largely absent from the export market and major suppliers securing elevated DAP prices. India continued to act as the key price setter amid low inventories, while Southeast Asia, Africa and Pakistan followed with active procurement, before affordability concerns and buyer resistance emerged in the second half of the year. Market sentiment softened in Q3 and Q4 as Chinese exports returned under



restricted quotas, Indian inventories rose, and demand eased across Asia, the Americas and Europe. Seasonal lulls, high starting stocks and improved term coverage further pressured prices into year-end. Looking ahead, international DAP prices are expected to remain softer and volatile in 2026, with limited upside, shaped by seasonal demand cycles, the timing of Chinese exports, Indian buying patterns, and ongoing affordability constraints. Any price recovery is expected to be gradual and seasonally driven rather than structural.

Domestic Fertilizer Market

Pakistan's urea market has experienced a historic slowdown, driven by weak farmer economics, limited purchasing power and most critically, the Government's non-procurement of the wheat crop and the depressed market prices that followed. With the onset of the Rabi season, a gradual improvement in demand is anticipated, particularly in wheat- and potato-growing regions.

Urea

Urea sales declined sharply in Q1 2025, falling 40% year-on-year, with only marginal recovery in Q2, leaving January–June volumes 23% lower than last year. Sales momentum improved in subsequent months, narrowing the January–October decline to 7.6% and further to 3.8%

by January–November, supported by a strong rebound in November with sales of 817 KT. Despite this improvement, prolonged weak demand resulted in a significant inventory build-up, with industry stocks exceeding 1,400 KT by end-October and remaining elevated at 1,134 KT by November-end, compared to 755 KT last year.

Elevated inventories prompted aggressive discounting and dealer schemes across the industry, particularly by Engro and Fatima, which together hold approximately 70% of total stocks, while FFC maintained market leadership with a combined share of 53% (FFC+AGL). For December 2025, industry sales are expected to decline 27% year-on-year to 727 KT, with closing inventories projected at 902 KT, significantly higher than last year

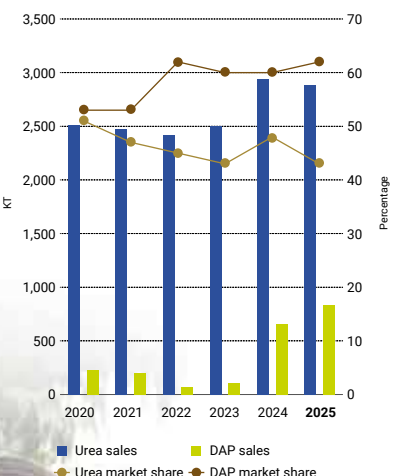
Marketing Overview

DAP

The DAP fertilizer market in Pakistan entered 2025 under significant pressure, with Q1 sales declining 64% year-on-year due to weak farm economics, low wheat prices and flood-related disruptions. Although Q2 recorded an 18% recovery, cumulative January–October demand remained 20% lower year-on-year, reflecting continued financial stress among farmers despite adequate product availability. High opening inventories and lower imports kept the market well supplied, while declining international DAP prices from October onward further weighed on sentiment. By January–November, sales reached 1,260 KT versus 1,500 KT last year, narrowing the decline to 16%, with FFC maintaining the highest market share at 62%. Aggressive discounting and price protection by competitors,

cautious dealer behavior, and falling global prices continued to suppress demand. Consequently, industry inventories remained elevated, with December-end stocks estimated at around 194 KT, nearly double last year's levels

Urea and DAP Performance & Market Share



FFC Marketing

During 2025, FFC continued to strengthen its leadership through targeted innovation, expansion of its domestic footprint, availability of balanced fertilizer solutions aligned with evolving soil and crop requirements. Operating amid a challenging and volatile fertilizer market, the Company outperformed its internal benchmarks and successfully preserved its leading market share. Proactive pricing discipline and prudent demand management enabled FFC to sustain strong operational performance while ensuring uninterrupted nationwide availability of its products. The domestic urea market remained stable at approximately 6.7 million tonnes, supported by concessional financing to farmers and a seasonal pickup in demand during the Rabi.



Urea

FFC achieved aggregate urea sales of 2,886 thousand tonnes during 2025, which included 449 thousand tonnes of Sona Granular produced by Bin Qasim facility.

Urea Market Share

The combined market share of urea remained at 43%.

DAP

FFC recorded combined DAP sales of 834 thousand tonnes.

DAP Market Share

FFC maintained its dominant position in the DAP market, selling 834 thousand tonnes during 2025 and achieving a combined all-time-high market share of 62%. This performance includes the offtake of 58 thousand tonnes of imported DAP.

Business Models

Sona Centres / Stores

Sona Centres function as integrated farmer support hubs that consolidate technical advisory, Agri-inputs, precision agriculture, and financial services into a single platform. With 244 centres across Pakistan, their business model is built on improving farmer productivity, promoting balanced nutrient use, and strengthening FFC's direct engagement with growers. They provide services such as soil testing, crop planning, high-quality seeds, fertilizers, micronutrients, crop protection, and insurance products (crop and life insurance through State Life). Financial inclusion is a central pillar, supported through microfinancing, smart loans, digital payment portals, and partnerships with banks.

These centres also act as FFC's field-level brand touchpoints, enhancing awareness, ensuring correct product usage, and enabling precision farming adoption through drone and satellite solutions. By integrating advisory, inputs, and financial services, Sona Centres strengthen value-chain linkages and support future initiatives like buying farmer produce (value chain integration). Overall, the model positions Sona Centres as one-stop solution hubs that empower farmers, reinforce FFC's leadership in sustainable agriculture, and contribute to national food security by modernizing Agri-service delivery at the grassroots level.

Sona Centre's Collaborations / Partnerships / MoUs

- FMC – Crop Protection
- YARA International – Biological Fertilizers
- State life – Life Insurance for Farmers
- Punjab Seeds – for Good Quality Seeds
- Adamjee Insurance – for Crop Insurance
- MoUs with Banks – Alfalah, BOP, Faysal Bank, Askari Bank

Hub & Spoke and Truck-It-In

FFC is implementing a Hub & Spoke model to enhance the delivery of Agri-inputs and farmer services. In this network, Sona Centres serve as the Hub, acting as localized farmer touchpoints that provide comprehensive advisory services, seeds, precision farming support, soil testing, and access to financial and insurance products.

The Spoke in this model is the Sona Store, created by converting existing FFC warehouses. Sona Stores offer the full range of Agri-inputs, including fertilizers, crop protection products, and the newly introduced biological fertilizers from Yara International.

FFC will launch Truck-It-In, a doorstep delivery service providing fertilizers, seeds, crop protection products, and bio-stimulants at nominal rates, reducing travel time and logistical challenges for farmers and bringing products closer to the end-user.

This integrated structure combines input supply, advisory services, digital tools, and doorstep delivery into a seamless ecosystem, strengthening FFC's ability to provide end-to-end Agri-solutions, enhance farmer convenience, and promote adoption of value-added products. It also enables FFC to efficiently scale its Agri-services network, optimize inventory and logistics, and maintain consistent service quality across regions.

Sona AgTech

Sona AgTech is the central digital enabler of FFC's modern agriculture strategy, connecting precision advisory, Sona Centres, digital payments, satellite analytics, and value-chain traceability into an integrated platform that supports farmers from land preparation to harvest.

Within this platform, two specialized advisory services operate **AgriLift** delivers AI-driven, satellite-based insights on crop health, soil conditions, stress detection, disease risk, and nutrient requirements, helping farmers make timely, data-backed decisions.

Marketing Overview

FARMDAR provides a complementary digital advisory system that integrates crop-specific recommendations, soil analysis, and real-time guidance, supporting smart fertilizer application and optimized resource use.

By linking these services with FFC's field teams and Sona Centres, Sona AgTech enhances 4R Nutrient Stewardship—right source, right rate, right time, right place—while enabling farmers to transition from conventional practices to data-driven, efficient, and climate-smart agriculture. The platform also connects farmers to suppliers,

banks, and warehouses through digital records, EWR integration, and financial access, allowing FFC to operate as a tech-enabled agronomy service provider and deliver an integrated, platform-based ecosystem for advisory, inputs, financing, and technology.

FFC is currently running two ongoing pilot AgTech projects, covering more than 17,700 acres with digital advisory and precision farming services. Building on the success of these pilots, preparations for a scale-up in Rabi 2025–26 are underway, aiming to expand digital coverage, enhance farmer engagement and strengthen the adoption of smart

farming practices across a larger area.

NIR Project (Digital soil sampling)

FFC plans to launch the NIR Project, which will involve on-the-spot digital soil sampling. Collected samples will be sent to AgroCares, Netherlands for calibration. After the calibration phase, a pilot project will be rolled out in two districts to provide real-time soil health assessment and precision fertilizer recommendations, enabling improved crop productivity and efficient resource use.



Special Warehousing Project (SWP)

The Special Warehousing Project (SWP) is FFC's strategic initiative to build a modern, EWR-based Agri-storage and trading ecosystem aimed at transforming agricultural markets in Pakistan. Designed as a 16 KT pilot across three accredited warehouses, the project fully complies with NCMCL standards, collateral management rules, and electronic warehouse receipt (EWR) regulations. The business model enables farmers and grain holders to deposit commodities in secure, professionally managed warehouses, receive EWRs as digital proof of ownership, and use these receipts to access formal financing. This directly addresses long-standing issues of post-harvest losses, lack of affordable credit, and exploitation through middlemen-driven price distortions.

Operationally, the complete EWR workflow—commodity intake, storage, receipt issuance, and release—has been tested and validated with live inventory. All SOPs, documentation, and controls are in place, confirming operational readiness. The model is built for scalability, with potential expansion up to 250 KT after optimization of the pilot phase. For FY-2026, FFC has incorporated the SWP pilot extension into the Annual Business Plan, focusing on expanding EWR-backed wheat storage and financing.

Strategically, the project aligns with FFC's broader objective of ecosystem leadership: enhancing farmer purchasing power, modernizing Agri-trade, and strengthening linkages with formal financial institutions. The team is also working closely with the Government of Punjab on the

wheat strategic reserve and private warehousing framework, though certain regulatory areas—oversight mechanisms, accreditation protocols, warehouse allocation criteria, and financing facilitation structures—are still under development. Once finalized, this alignment will enable seamless integration of SWP into provincial food security systems.

Overall, SWP represents a scalable, compliance-driven business model that supports farmer empowerment, transparency, and long-term modernization of Pakistan's agricultural value chain.

AI Chat-Bot Plan – Agriculture Advisory

FFC is developing an AI-powered chat bot to provide real-time agriculture advisory services to farmers. Initially focused on crop management, nutrient recommendations, pest & disease guidance and climate-smart practices.

The chat bot will act as a digital extension of FFC's field advisory teams. By offering instant, personalized advice, it aims to enhance decision-making at the farm level, improve input efficiency and support higher productivity, while gradually expanding to cover a broader range of farmer queries and services.

Specialty Fertilizers – EEF & Urease

FFC focuses on Enhanced Efficiency Fertilizers (EEF), including Sona Urea NC, Sona Urea ZC, and Sona Boron DAP, as part of its commitment to sustainable and low-carbon agriculture / reduced carbon emission. These fertilizers

are designed to optimize nutrient use efficiency, reduce losses, and lower greenhouse gas emissions, supporting climate-smart farming practices while improving soil health and crop productivity.

FFC is preparing to introduce Urease inhibitors next year which will further improve nitrogen utilization, boost yield, and provide farmers with sustainable and high-performance solutions, reinforcing FFC's role in promoting responsible and efficient agriculture.

FFC Partners with Yara International

FFC's partnership with Yara International is designed to introduce a high-value specialty fertilizer and biologicals portfolio into Pakistan by leveraging FFC's nationwide sales and Sona Centre ecosystem. Through this collaboration, FFC integrates YaraVita and YaraAmplix products—covering bio-stimulants, micronutrient solutions, seed treatments, and coated fertilizers—into a structured business model that builds a new specialty fertilizer vertical within FFC.

The rollout follows a phased approach: an initial pilot focused on direct farmer engagement and targeted regions, followed by consolidation through expanded sales coverage, dealer onboarding, and demand-tracking via QR-based traceability, and finally a scale-up phase aiming for 20–30% market share and potential local production.

Supported by FFC's field agronomists, Sona Centers, digital sales recording, and strong brand equity, the partnership positions both companies to capitalize on

Marketing Overview

the rapid growth of the biologicals market while enhancing farmer productivity, crop-specific nutrition, and sustainable agriculture practices in Pakistan.

Moving Forward

- Re-Pivoting the role of Agri. Services
- Initially in Pilot phase – initial sales to farmers will be through our Sona Centres & Agri. Territories.
- In Second phase – Engagement of sales team for imposing product placement in market, introduction of dealers under specialty fertilizer category.
- Scaled phase – addition of more products & domestic production along with export.

Agriculture Financing

Agricultural financing in Pakistan has shown strong momentum in 2025, supported by a forward-looking shift in policy by the State Bank of Pakistan (SBP). By empowering financial institutions to develop their own agricultural credit expansion plans, instead of working under fixed indicative targets, the SBP has successfully fostered greater institutional ownership and innovation in rural financing. Consequently, agricultural credit disbursement reached Rs 2,572 billion in 2025, reflecting a 16 percent growth over 2024 disbursement of Rs 2,216 billion.

SBP's Initiatives for Promotion of Agriculture

The SBP, in collaboration with federal and provincial authorities, has introduced a range of initiatives to expand agricultural credit access. Under the Prime Minister's Youth Business and Agriculture Loan Scheme, 20 banks were allocated Rs 32.5 billion for agriculture finance in FY 2025, of which Rs 22.46 billion had been disbursed by end December.

Since February 2022, Electronic Warehouse Receipt Financing has enabled 20 banks to lend Rs 1.8 billion against 637 receipts, backed by capacity building for over 120 bank staff. Progress on digital land records—most advanced in Punjab—has further facilitated access to finance, with 30 banks processing 39,453 fards and 10,273 charge registrations during H1 FY 2025, laying the groundwork for broader collateral-free lending across the country.

Additionally, the mandatory Crop Loan Insurance Scheme (CLIS) and Livestock Agriculture 41 Insurance Scheme for Borrowers (LISB), with premiums fully covered by the federal government, received reimbursements of Rs 200 million each in FY 2024. In FY 2025, Rs 180 million has been reimbursed under CLIS and Rs 280 million under LISB.

Kissan Card Scheme

The Government of Punjab successfully completed Phase 1 of the Kissan Card Scheme, disbursing PKR 35.81 billion to facilitate 542,000 small farmers owning up to 12.5 acres of land.

Under this scheme, a farmer could receive an interest-free loan of up to PKR 150,000 for 5 acres at the rate of PKR 30,000 per acre per season. The government allocated PKR 300 billion for the two-year program, with PKR 75 billion earmarked for each crop season.

In Phase 2 (Kharif 2025), the maximum loan limit was enhanced to PKR 300,000 for 10 acres. During this phase, the government disbursed PKR 96.54 billion among 710,834 farmers. Loan recovery from phase II is currently in progress.

Farmer Finances

Overall, market sentiments and farmers' financial conditions in 2025 remained weak due to lower market prices for wheat, sugarcane, and spring maize. In the case of cotton, farmer returns improved slightly owing to better yields.

Returns from autumn maize and paddy were also stronger, supported by improved market rates. Land lease rates declined as well, reflecting the overall liquidity pressure in the farming community. However, farmer cash flow showed signs of recovery in the second half of 2025, driven by better returns from cotton, autumn maize, and paddy.

Marketing Footprint

Punjab

Sales (Thousand Tonnes)	2,601	Dealers	2,259
Zones	2	Agri Service Territories	15
Regions	9	Warehouses	98
Sales Districts	41	Sona Centres / Stores	158

Sindh

Sales (Thousand Tonnes)	760	Dealers	571
Zones	1	Agri Service Territories	7
Regions	3	Warehouses	36
Sales Districts	16	Sona Centres / Stores	60

Azad Kashmir

Sona Centres / Stores	1

Khyber Pakhtunkhwa

Sales (Thousand Tonnes)	233	Agri Service Territories	4
Regions	1	Warehouses	10
Sales Districts	4	Sona Centres / Stores	18
Dealers	247		

Balochistan

Sales (Thousand Tonnes)	136	Agri Service Territories	1
Sales Districts	2	Warehouses	4
Dealers	98	Sona Centres / Stores	7





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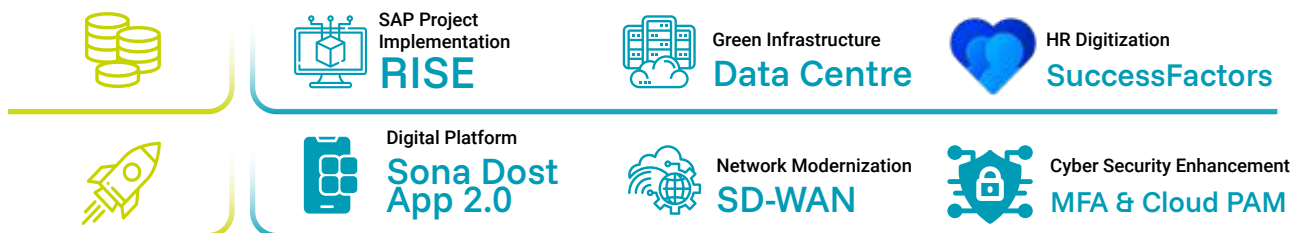
Contributing to SDGs



Inputs	Brand & Corporate Reputation	State-of-Art ICT Infrastructure	Knowledge of our People
	Techniques & Technologies through Sona Centres	Market Leadership	Trainings & Knowledge Sharing
Output	SAP- Based Learning & Development System	R&D to offer products for the benefit of farmers and national food security	70% farmers witnessed increased productivity after balanced fertilizer use
Value Creation	Value Preservation		

Value Creation Business Model – page 198

Capital Snapshot



IT Infrastructure Development & Operations

Energy Saving in existing Corporate Data Center

FFC operates a cutting-edge Corporate Data Center, managed by the ICT Division. Following Management guidelines and international best practices, the ICT Infrastructure Department's 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 maintained at 1.40, marking a significant milestone in our Green Data Center initiative.

Enhanced Operational Visibility at Network Operations Center (NOC) through Video Wall implementation

As part of ongoing efforts to achieve and maintain a higher uptime of

Data Center, Corporate Network and services and to modernize / optimize ICT operations, the existing Network Operations Center (NOC) was restructured with the implementation of an advanced video wall solution. The video wall consolidates critical operational dashboards, including live network status, and user complaint ticketing systems, into a centralized, continuously visible platform. This enhancement improves situational awareness, enables faster identification and escalation of incidents, and strengthens coordination among NOC personnel and the vendors.

Restructuring of Disaster Recovery (DR) Site at Goth Machhi for Business Continuity

Following the guidelines and to strengthen business continuity and disaster recovery capabilities, the DR site at Goth Machhi was successfully restructured using a vSAN cluster. The project optimized existing servers and

infrastructure resources, minimizing additional costs while enhancing storage capacity, performance, and fault tolerance.

The restructured DR site enables seamless replication of critical systems, ensures high availability during outages, and reinforces overall ICT resilience. This implementation supports rapid recovery, aligns with organizational ICT and cybersecurity standards, and significantly improves operational continuity across all sites.

Cybersecurity Posture Enhancement

Centralized Patch Management:

As part of ongoing efforts to strengthen the organization's Cybersecurity posture, the FFC Corporate ICT Infrastructure has been enhanced with a centralized patch management system for both operating systems and third-party applications.

This solution, administered from the Head Office, enables automated and

consistent deployment of security updates across all end-user systems, including those at remote site offices. The implementation ensures timely remediation of vulnerabilities, reduces operational risk, and supports adherence to established cybersecurity and compliance standards.

Migration of Privileged Access Management (PAM) from On-prem to Cloud and rollout to all FFC Sites

As part of ongoing efforts to strengthen cybersecurity and operational control, a cloud-based Privileged Access Management (PAM) system was successfully migrated

from On-prem infrastructure to Cloud and deployed across all site offices.

The solution centralizes administration of servers, privileged accounts, and administrative portals under Head Office oversight, ensuring consistent enforcement of access policies and preventing unauthorized access.

Post-Merger ICT Infrastructure Alignment

The email and domain infrastructure of ex-FFBL has been successfully unified with FFC, establishing a single, consolidated platform for communication and collaboration

across merged organizations. This integration enhances operational efficiency, streamlines user management, and strengthens security through centralized administration, less overheads and standardized identity controls. All users are now operating under the unified domain environment.

SD-WAN Deployment at FFC Sona Tower (ISB) and Port Qasim (PQ)

As part of the network modernization initiative, SD-WAN was successfully deployed at FFC Sona Tower and Port Qasim, connecting these post-merger sites to the existing FFC fabric. The



Intellectual Capital

configuration features two routers in high-availability (HA) mode with dual MPLS and internet links to ensure redundancy and resilience. All traffic has been rerouted through the SD-WAN fabric, optimizing communication across remote sites and reconfiguring IP Telephony routing. This deployment enhances performance, enables centralized management, and reduces costs while ensuring a scalable, compliant architecture aligned with Head Office standards.

Information Security

Building a Cyber Resilient Culture

Recognizing that employees are the primary line of defense against evolving cyber threats, the Information Security Department introduced the KnowBe4 awareness platform. As a global leader in security training and simulated phishing, KnowBe4 is central to FFC's strategy to foster a robust culture of security.

Over recent months, tailored training sessions based on real-world scenarios have been rolled out across all departments, ensuring that security vigilance remains practical and integrated into day-to-day operations.

Strengthening Cyber Resilience during Geopolitical Escalation

In response to geopolitical tensions and an evolving threat landscape, the Information Security Department, in coordination with System and Network Operations, implemented proactive measures to protect FFC's digital infrastructure. Key actions

included strengthening executive identity protections, reinforcing email and application security, and enabling geofencing and web application firewalls. Additionally, the team validated next-generation firewalls, applied threat intelligence, monitored endpoints, and ensured disaster recovery readiness. These steps maintained strong cyber resilience and business continuity within a dynamic threat environment.

Enhanced Security

To further strengthen the FFC's cybersecurity posture, Multi-Factor Authentication (MFA) has been enabled across key IT applications. MFA adds an additional layer of protection beyond traditional usernames and passwords by requiring users to verify their identity through multiple factors (such as a one-time code, biometric verification, or hardware token). This significantly reduces the risk of unauthorized access, credential theft, and account compromise, ensuring that critical systems and sensitive data remain better protected against evolving cyber threats.

ISMS 1st year Surveillance Audit to retain ISO 27001:2022 Certification

ICT Division along with all its four remote sites (IT Goth Machhi, IT Mirpur Mathelo, IT Lahore, IT Karachi) successfully retained Information Security Management System (ISMS) ISO/IEC 27001:2022 Certification in an externally conducted surveillance audit, which is the mandatory requirement of ISMS certifications. With this certification, ICT Division has demonstrated placing necessary

information security controls that conform to ISO standards. Additionally, it has demonstrated the ability to meet compliance requirements.

Planning and Governance

The newly formed Planning & Governance department has kicked off project to design & development of ICT Governance and Risk management framework. A key achievement was the centralization of ICT Annual budget planning, ensuring fiscal discipline and optimized resource allocation across the ICT organization. The department also focused on institutionalizing a robust project pipeline and development an ICT strategy directly aligned with key business functions.

Specialized training programs for Upskilling of ICT Personnel were arranged in coordination with HR L&D department. Comprehensive internal and external audits/assessments were coordinated centrally. These initiatives have fostered a culture of continual improvement and ensured that all ICT activities remain strategically aligned with the corporate Governance & Company's digital transformation goal.

Commercial

Sona Dost App 2.0

The Sona Dost App 2.0 developed and launched on Monday, September 1, 2025, with several key features to streamline sale operations and improve the dealer experience:

Self-Service Model: Empowering dealers with a comprehensive self-service platform to manage their accounts and transactions 24/7
Order Placement: Customers can now place orders at any time and from any location, ensuring continuous business operations. Increased
Operational Efficiency: The app streamlines workflows, significantly improving operational efficiency for sales teams.

Improved Financial Visibility: Dealers gain instant access to critical financial information, including authority letters, annual tax certificates, account statements, and detailed sales analysis.

SAP Implementation for FFC Sona Centre

FFC ICT successfully implemented a comprehensive SAP solution at FFC's Sona Center to support the sale and distribution of FMC pesticides, seeds, and monetized technical services. The system integrates sales and procurement processes, providing real-time visibility into inventory, order management, and financial performance. This digital capability enhances operational efficiency and supports the scalable growth of the new business segment.

Sona Centre Sales & Financial Dashboard

Cutting-edge sales and P&L dashboards have been implemented to provide real-time visibility into product inventory, cash and loan sales, registered farmers, and land ownership data. These dashboards enable trend analysis, performance monitoring, and data-driven decision-making, with consolidated insights delivered to Senior Management and the Sona Centre team.

The interactive P&L dashboard further tracks fertilizer sales margins, operating expenses, and profitability, strengthening financial oversight and empowering strategic, informed decisions.

SAP Implementation for FFC's Agritech Acquisition

After FFC acquired equity stake in Agritech, the ICT Division took the lead on a project to deliver a comprehensive SAP solution for sales, distribution, and logistics. This strategic implementation went live on May 1, 2025, and has successfully integrated the operations of both the Daudkhel and Haripur plants into FFC's existing systems. To ensure smooth SAP distribution operations, additional disaster recovery systems are implemented at AGL plants. Further different programs/ dashboards are developed to present daily production figures of AGL plants to Management.

Manufacturing

Document Management System

FFC is implementing a centralized Document Management System (DMS) based on OpenText Extended ECM (XECM) to strengthen corporate governance, compliance, and information security. The system provides structured, asset-centric document management with clear ownership, traceability, and audit readiness. Role-based access, version control, and AI-driven classification enhance cybersecurity and data integrity, while SAP integration enables secure, efficient workflows and reduces risks of unauthorized access or fragmented document handling.

Engineering Analytics

Engineering Analytics Services for Plant Site Mirpur Mathelo provides a centralized and integrated view of critical plant data, including feed fuel price trends, gas statistics, financial performance, historical plant performance, commodity and

urea pricing, and chemical catalyst insights. The solution also monitors energy efficiency impacts, major digitalization initiatives, and power projects.

Human Resource and Administration

RISE WITH SAP - Successful Go-Live of SAP SuccessFactors Employee Central

During the year, Fauji Fertilizer Company Limited (FFC) successfully achieved the Go-Live of SAP SuccessFactors Employee Central (EC), marking a significant milestone in the Company's HR digital transformation journey. This implementation represents the first major phase of Project OPTIMUS, aimed at modernizing and standardizing HR processes across the organization.

This strategic initiative aligns with FFC's broader digitization roadmap and provides a scalable foundation for the phased rollout of additional SuccessFactors modules, including Time Management, Talent Management, Learning, and Performance Management, further strengthening FFC's capability to support a future-ready workforce.

Medical e-Referrals Solution

The Medical e-Referrals System was successfully expanded to Bahria International Hospital (Rawalpindi) and Reliance Hospital (Islamabad), marking a key step in the digitalization of medical services. By eliminating manual referrals and physical visits, and enabling automated, decentralized service verification, enhancing convenience for employees and their families.

Intellectual Capital

Unlocking the AI Potential Session

ICT FFC conducted first of its kind session on Unlocking the AI Potential at FFC Head Office in collaboration with a training partner. It was an informative and immersive experience to understand ready-to-implement AI use cases & a clear roadmap to use AI.

Board Statement on Internal Controls Including IT Systems

The Board confirms that the Company has established an internal control framework covering financial reporting operational processes compliance and information technology systems. The effectiveness of these controls is reviewed through management assurance internal audit activities and oversight by the relevant Board committee.

Board Oversight of IT Systems Data

privacy cyber security and AI
The Board acknowledges responsibility for oversight of IT systems and controls including data privacy cyber security and responsible adoption of artificial intelligence.

Escalation of material cyber incidents

Any material cyber incident or non compliance event is escalated to senior management and the relevant Board committee together with root cause analysis and remediation plans.

AI Governance Controls

Deployment of AI solutions is governed through defined controls covering data quality privacy safeguards model validation change management and human oversight to ensure alignment with strategic objectives and regulatory requirements.

Future AI Adoption Roadmap

The Company plans to expand analytics automation and AI enabled decision support across operational and commercial functions. These initiatives are expected to enhance efficiency strengthen control effectiveness and support long term strategic objectives under defined governance safeguards.

IT Governance and Cybersecurity

Disclosure	Details
Board Responsibility for Cyber Risk Oversight and Regulatory Compliance	The Information Security Unit regularly evaluates the legal/regulatory framework, follows international best practices, and monitors laws like Copyright Ordinance 1962 and Prevention of Electronic Crimes Act 2016 through legal department under ISMS/ISO-27001. No major cyber security breach occurred during the year. A gap analysis against the ISMS framework was done, with actions underway to address identified gaps and reduce cyber-attack threats.
IT Governance, Cybersecurity Framework and Industry-Specific Requirements	FFC has a strong IT governance framework with formal policies covering security, access, networks, passwords, SDLC and acceptable use. Its cybersecurity program is aligned with ISO 27001 and supported by hybrid EDR, DNS protection and deep protection solutions. Regular vulnerability assessments, penetration testing, and compliance reviews ensure adherence to regulatory and industry standards.
Cybersecurity Governance: Board Oversight and Management Collaboration	Management keeps the Board regularly informed on the performance and evaluation of IT infrastructure. Cybersecurity risks are continuously assessed through the Corporate Risk Register, including risk profiling, mitigation strategies, remedial plans, and residual risk. The Head of ICT provides updates to the System & Technology Committee on critical IT assets, ensuring confidentiality, integrity, and availability. The Risk Office reviews the register at defined intervals and presents it to the Board's Audit Committee for oversight.

Disclosure	Details
Cybersecurity Early Warning System and Board Oversight	The Information Security Unit monitors, detects, and investigates cyber incidents, taking preventive and remedial actions against threats. During the year, no critical threats were reported. Robust controls are in place, including firewalls with IPS, web application and DNS security, server segregation, TrendMicro deep security with virtual patching, multifactor authentication, Privileged Access Management (PAM), Network Admission Control (NAC), advanced email protection, and endpoint protection (EDR) on client systems, all regularly updated to mitigate risks.
Independent Security Assessment and Third-Party Risk	Independent external auditors, including M/s SGS, conduct annual ISMS compliance audits of the ICT Division, with reports confirming compliance and highlighting observations, non-conformities (if any), and improvement recommendations. The latest audit was conducted from October 27-30, 2025. Additionally, FFC has engaged reputable third-party consultants to undertake an enterprise-wide IT risk assessment to further strengthen its cybersecurity posture.
IT Resilience and Cyber Risk Mitigation: Disaster Recovery and Insurance	A Disaster Recovery (DR) site is in place for critical systems, including SAP ERP, with regular data synchronization between the primary and DR sites to ensure rapid recovery in the event of a disruption. In addition to standard backups, periodic offline backups are maintained on a tape library to support recovery in the event of ransomware or malware incidents.
Digital Transformation and Industry 4.0 Enablement for Transparency and Governance	FFC's IT infrastructure is fully virtualized, with a private cloud environment that lowers total cost of ownership and enables rapid deployment of new solutions. The Company has further advanced its digital transformation by strengthening capabilities in Artificial Intelligence (AI), data analytics, and data governance through a dedicated AI and analytics team focused on value realization. AI awareness sessions have been initiated to drive organization-wide adoption, while business analytics dashboards have been developed for Engineering, Supply Chain and Sona Centers to support data-driven decision-making.
Cybersecurity Capability Building and Risk Awareness	The Information Security Department has strengthened the Company's security culture through the implementation of the KnowBe4 security awareness and phishing simulation platform. This initiative delivers engaging, role-based training to help employees identify and respond to threats such as phishing, social engineering, and ransomware. Regular awareness sessions across all departments continue to enhance employee vigilance and reinforce a strong human defense against cyber risks.



Human Capital

Contributing to SDGs



Inputs	Our talented & motivated workforce of 4,235 employees	People-centric & innovative culture	Spent PKR 555 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	PKR 21.8 billion paid in salaries & benefits	Strengthened Employees Engagement	Average 30 training hours per employee
	Attrition increased by 10%		

Value Creation



Value Preservation



Value Creation Business Model – page 198

Capital Snapshot



LinkedIn Learnings
26,000+
Learning Hours



Leadership Development
LUMS
Leadership Program



Employee Centric
Project Optimus



Cultural
Transformation



Training Hours
30 Per Employee



Diversity, Equity & Inclusion
DE&I

Merger and Workforce Scale

Our focus is to build a stronger, more efficient organization by integrating capabilities, consolidating resources, and unlocking operational and financial synergies. This strategic step supports long-term growth, market expansion, and improved stakeholder value.

This strategic consolidation has further cemented our standing as one of Pakistan's foremost fertilizer enterprises, underpinned by a fully integrated workforce of approximately 4,000+ employees supporting operations across multiple production sites and office locations nationwide.

The post-merger integration has been notably successful, characterized by a smooth workforce transition and strong convergence across key organizational pillars. The amalgamation has enabled the comprehensive harmonization of people policies, systems, governance practices, and cultural frameworks, ensuring uniformity in employee experience, leadership standards, and

operational ways of working across the enlarged entity.

HR Policies & Total Rewards

During the year, we continued to strengthen our Human Capital Management framework by reviewing and revising key HR policies in line with evolving market trends and emerging employee expectations. These enhancements were implemented not only to maintain market competitiveness in attracting and retaining talent, but also to further facilitate employees through improved benefits, workplace support, and a more responsive Total Rewards structure. We remain committed to fostering a positive employee experience by aligning our people practices with industry benchmarks, ensuring fairness, transparency, and inclusivity across all levels with at utmost focus on employee satisfaction, strengthen engagement, and reinforce a high-performance culture.

Enhanced Medical Coverage & Family Security Benefits

We recognize that for our people to be successful in the workplace they need support in their personal, as well as their professional, lives and that is why our wellness framework is designed to focus on employee's health. We



transitioned our In-Patient Department (IPD) medical coverage to an insurance-based model as part of its continued focus on strengthening employee wellbeing and enhancing the overall employee experience. This strategic shift was implemented to ensure improved access to quality healthcare services for employees across the country, supported through a structured network of hospitals and streamlined medical facilitation processes. The initiative reflects our commitment to create a supportive work environment, recognizing that employee wellbeing remains integral to organizational performance and sustainability.

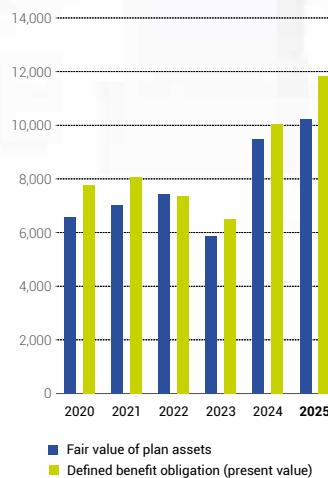
In addition to enhance healthcare coverage, we further strengthened our employee protection framework by extending the Pay Continuity Benefit which ensures that the employee's family continues to receive financial support for a period of five (5) years, reinforcing the Company's commitment to employee care and long-term family security.

Anti Harassment Policy Disclosure

The Board has approved the anti harassment policy to ensure a

workplace free from harassment intimidation and retaliation. Complaints are examined in accordance with established procedures and updates are provided to the Board through the relevant committee.

Retirement Benefits - Assets & Liabilities
(Rs million)



The HR Digital Revolution

This year marks a defining milestone for FFC as we progress toward one of the most significant HR transformations in our history. We are in the process of

successfully deploying an end-to-end SAP SuccessFactors solution under SAP RISE, aimed at fully digitalizing our HR landscape. Branded as **Project Optimus**, this initiative represents a strategic shift toward smarter, data-driven, and employee-centric processes. With the successful Go-Live of Employee Central, we have taken a major step forward in strengthening workforce management, transparency, and operational efficiency. This transformation lays the foundation for a future-ready HR ecosystem that will empower FFC in strengthening its long-term HR strategic ambitions.

Mercer | Mettl: Advancing Talent Potential at FFC

Another major milestone this year was the onboarding of the globally recognized Mercer | Mettl platform to assess employee potential across FFC. This initiative marked a significant step in strengthening our talent management framework, as the assessment was fully aligned with our core competencies, the foundation of our talent management processes. Employees were grouped into three cohorts: Beginners, Practitioners, and Champions, enabling a structured and progressive approach



Human Capital

to talent evaluation. In the first phase, we assessed the potential of Practitioners and Champions who form a critical part of our succession pipeline. This initiative has provided deep, data-driven insights, enabled more informed talent decisions and reinforced our commitment to building future-ready leadership.

Career Development & Planning

Advanced career development remains a strategic focus as we continue to invest in our people. During the year, we designed customized Individual Development Plans (IDPs) aligned with business needs and individual potential. These plans will be integrated into the 2026 Goal-Setting Cycle, ensuring structured growth and accountability. Furthermore, employees will have access to local and international training programs planned for 2026, supporting capability enhancement and leadership readiness. This initiative strengthens our talent pipeline and reinforces our commitment to sustainable growth and long-term organizational success.

Learning and Development

In 2025, Learning & Development at FFC focused on delivering structured, competency-aligned, and future-ready learning interventions across leadership, functional, and organizational capability areas. A mix of Leadership Development Programs, Competency-Based Trainings, Internal Learning Sessions, Staff Cadre Trainings, Conferences, and Digital Learning initiatives ensured comprehensive coverage across employee segments and evolving business needs.

Through these efforts, an average of 33 hours of structured learning per employee was achieved, an all-time high for the company surpassing best-practices benchmark for organizational

learning investment. This milestone reflects FFC's strong commitment to continuous learning and positions the organization favorably against peers in terms of workforce development intensity and learning maturity.

Key Learning Interventions & Capability Building

During the year, a wide range of Leadership and Developmental Programs were delivered, including flagship initiatives such as the LUMS Leadership Development Program, Young Leaders Program, Executive Coaching, and Competency-Based Trainings focused on Communication, Decision-Making, Result Orientation, Networking, and Empathy. Dedicated training interventions for Staff Cadre were also conducted to strengthen foundational capabilities and workplace effectiveness across the organization.

In addition, Local and Foreign Trainings contributed significantly to overall learning delivery. A strong emphasis was placed on leveraging Internal Trainers, who played a vital role in knowledge sharing and capability building by delivering multiple learning sessions for Management and Staff across functions. This blended learning approach ensured both Strategic Leadership Development and Operational Capability Enhancement across all levels.

Digital Learning & LinkedIn Learning Impact

Digital learning continued to be a major enabler of FFC's learning ecosystem in 2025. With 800 LinkedIn Learning licenses secured for the next three years, employees demonstrated strong ownership of self-directed learning, completing 26,000+ learning hours by year-end. This exceptional engagement

was further driven by targeted LinkedIn Learning campaigns, curated learning pathways, and internal awareness initiatives, reflecting a deep-rooted culture of continuous, on-demand learning.

As a result, FFC remained well ahead of global peers in LinkedIn Learning engagement, reinforcing its position as a learning-driven organization that actively invests in upskilling and reskilling its workforce.

Culture and Engagement

At Fauji Fertilizer Company, culture is not an initiative it is the foundation that guides how we lead, collaborate and deliver sustainable value. Our culture reflects who we are as an organization and how each colleague contributes to a shared purpose of excellence, integrity and responsibility. In an evolving business environment, we continue to strengthen a culture that enables performance while fostering trust, inclusion and accountability

During the year, our focus on employee engagement remained centered on connection, dialogue and ownership. Through structured forums, leadership interactions and organization-wide engagement platforms, we encouraged open conversations, idea sharing and meaningful participation. These efforts reinforced a sense of belonging and enabled colleagues to see their role not just in achieving results, but in shaping the future of FFC.

Looking ahead, our culture agenda is firmly aligned with our strategic priorities. We are committed to nurturing leaders at all levels, embedding values-driven behaviors and creating experiences that inspire pride and purpose. By continuing to invest in our people and their engagement, we aim to build a resilient, high-performance culture that supports long-term growth and strengthens FFC's legacy

Disclosure of Gender Pay Gap

We remain steadfast in our commitment to cultivating a workplace that flourishes on the principles of Diversity, Equity, and Inclusion (DEI). We offer equal opportunities for all employees, irrespective of gender, race or religion, and ensure that all employees are treated with fairness, dignity, and equity throughout every stage of their professional journey.

FFC continues to uphold a robust compensation philosophy underpinned by transparency, objectivity, and merit. Our remuneration framework is designed to remain free from bias, reinforcing the principle of equal pay for equal work, and ensuring consistency and equity across roles of comparable scope and responsibility. Gender pay gap snapshot is as below:

Gender Pay Gap 2025

2.16%
Mean



2.9%
Median

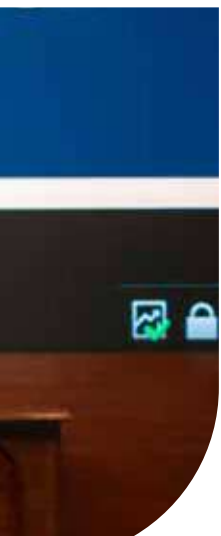




Our People & Shared Moments

Celebrating our people and the moments that strengthen collaboration, culture, and shared purpose at FFC.





Health & Safety

FFC goes beyond regulatory compliance to ensure the well-being of its workforce, integrating physical, mental and social health initiatives. Proactive measures including training, awareness programs, incentives and robust management systems; foster a strong safety culture. The safety of contracted workers is also maintained through strict adherence to the Contractor's Code of Conduct.

RoSPA Gold Award 2025

FFC Goth Machhi (GM) plant site has been awarded the RoSPA Gold Award 2025 by the UK's Royal Society for the Prevention of Accidents, recognizing its outstanding health and safety performance in 2024. This international honor underscores FFC GM's commitment to world-class safety standards, proactive risk management, and a culture of continuous improvement.

FFC Honored at the IEHS Awards 2025

FFC was honored at the 11th International EHS Awards 2025 in the category of The Foundations of Process Safety. The recognition highlights the efforts of FFC's Goth Machhi (GM), Mirpur Mathelo (MM) and Port Qasim (PQ) plant sites in establishing robust process safety systems, proactive risk management, and a zero-harm culture. It underscores FFC's commitment to EHS excellence, workforce empowerment, and sustainable operational integrity.

Excellence at NFEH Awards 2025

FFC was recognized at the 22nd NFEH Excellence Awards 2025 for its outstanding commitment to environmental protection. Its Goth Machhi (GM), Mirpur Mathelo (MM) and Port Qasim (PQ) plant sites demonstrated exemplary performance in energy efficiency, emission reduction, waste minimization, and resource conservation, reflecting FFC's strong environmental governance and sustainability-driven operations.

FPAP Fire Safety Award 2025

FFC Goth Machhi (GM) plant site received the "Risk-Based Fire Safety Award" at the FPAP Fire Safety Awards 2025, highlighting its proactive approach to fire risk management. The recognition reflects FFC's commitment to emergency preparedness, life and property protection, and operational safety through systematic risk assessments, modern firefighting infrastructure, and continuous training.

EHS Legal Gap Assessment

FFC's Goth Machhi (GM), Mirpur Mathelo (MM) and Port Qasim (PQ) plant sites completed an independent EHS Legal Gap Assessment by M/S SGS Pakistan to evaluate compliance with all regulatory requirements. The initiative establishes a robust Legal Risk Register and an EHS Action Plan, reinforcing FFC's commitment to proactive compliance, risk mitigation, and continuous operational improvement.

PSM Awareness Campaign

People First, Safety Always

To enhance workforce understanding of process safety and promote a safe, reliable work environment, the PSM Open Session fosters employee engagement, facilitates knowledge sharing, and strengthens a robust process safety culture across all levels.

Bravery in the Line of Duty

A major HDPE-fueled fire broke out near the Mirpur Mathelo (MM) By-Pass, the FFC firefighting team promptly contained the blaze, protecting lives and community property. Their swift and effective response, recognized by

a Letter of Appreciation from Assistant Commissioner MM (Dr. Rana Haseeb), reflects FFC's commitment to public safety, operational readiness, and community service.

A Milestone Worth Celebrating!

FFC Mirpur Mathelo (MM) celebrates a significant milestone in safety excellence - 18 Million Safe Manhours, reflecting the team's discipline, dedication, and commitment to a safe work environment. The achievement underscores FFC's ongoing focus on process safety, vigilance, and continuous learning across all operations.

Cleaner, Greener Community

FFC Goth Machhi (GM) launched a Composting Facility and Water-Saving Campaign to promote sustainable practices. The initiative converts organic waste into nutrient-rich compost, reducing landfill reliance and supporting eco-friendly agriculture, while reinforcing FFC's commitment to environmental stewardship and community engagement.

IFA Safety Benchmark Performance

In the IFA Safety Benchmark Survey, involving 64 fertilizer companies worldwide, FFC plants achieved outstanding rankings based on 2024 safety performance, highlighting the company's global competitiveness and strong safety culture. This reinforces FFC's commitment to safety excellence.

Plant Site	Goth Machhi	Mirpur Mathelo	Port Qasim
Global Ranking	Top 10% globally	Top 10% globally	Top 50% globally
Company TRIR	0.00	0.00	1.31
Contractor TRIR	0.00	0.00	0.48
Company LTIR	0.00	0.00	0.00
Contractor LTIR	0.00	0.00	0.48

Statement of Value Added

$$\begin{array}{rcl} \text{Revenue*} & & \text{Purchases} \\ \hline 505,066 & - & 288,469 \\ \hline & = & 216,597 \\ \hline & & \text{Wealth Generated} \end{array}$$

*inclusive of GST and other income

Wealth Delivered

216,597

PKR Millions



Society as Donations
1,718 | 1%



Employee as Remuneration
22,619 | 10%



WPPF / WWF
8,374 | 4%



Providers of Finance as
financial charges
6,518 | 3%



Shareholders as Dividend
52,655 | 24%



Retained within Business
21,492 | 10%



Government as Taxes
103,221 | 48%



Social and Relationship Capital

Contributing to SDGs



Inputs	3,175 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	Ranked among PSX Top 25 Companies, since 1994	PKR 111.6 billion direct & indirect tax contributions
	PKR 1.7 billion socio-economic investment	Secured 1 st position at SAFA Awards for the consecutive second year	No complaints from value chain partners

Value Creation



Value Preservation



Value Creation Business Model – page 198

Capital Snapshot



Gender Equality
SDG5



Health & Wellbeing
SDG3



Quality Education
SDG4



Tree Plantation
SDG13



Community Inclusion
Tum Akailay Nahi



Water Conservation
Reverse Osmosis Plants

FFC is committed to leading in responsible and sustainable welfare practices, setting global benchmarks for operational excellence.

Global Compliance with SDGs

Fauji Fertilizer Company (FFC), in collaboration with the Sona Welfare Foundation (SWF), designs its programs not only to address local community needs but also to align with global priorities for sustainable development. By integrating the United Nations Sustainable Development Goals (SDGs) into our strategy, we ensure that every initiative contributes to a broader vision of a just, inclusive, and sustainable world. From expanding access to education and healthcare to environmental stewardship and youth empowerment, FFC is actively supporting Pakistan's progress on the global development agenda.



Our Education and Scholarship Programs directly advance **SDG 4 (Quality Education)** by enabling children and youth, particularly those from underprivileged backgrounds, to access meaningful learning opportunities that pave the way for brighter futures.



Through comprehensive Skill Development Programs, including vocational training and women-focused initiatives, FFC



promotes **SDG 5 (Gender Equality)** and **SDG 8 (Decent Work and Economic Growth)**, empowering individuals with skills to secure dignified and sustainable livelihoods.



In the area of health, FFC contributes to **SDG 3 (Good Health and Well-being)** through free medical camps, nutrition support, and community health awareness initiatives.



Our Climate and Environment projects, such as tree plantation drives and carbon reduction efforts, support **SDG 13 (Climate Action)** and **SDG 15 (Life on Land)**, reinforcing our commitment to environmental protection.



Additionally, youth-centered sports and leadership programs advance **SDG 10 (Reduced Inequalities)** by fostering inclusion, resilience, and personal development.



By embedding SDG principles into our mission, FFC not only uplifts local communities but also strengthens Pakistan's contribution to the 2030 Global Development Agenda. Our vision is clear: to create sustainable impact that transcends borders; linking the well-being of people, the prosperity of communities, and the protection of our planet.



From out of School to University Graduate

Education Philosophy

Empowering over 50,000+ students with education that changes lives.

FFC has empowered over 50,000+ students through education initiatives aligned with the Sustainable Development Goals, addressing educational deprivation in underserved areas caused by poverty, limited access, and lack of higher and technical opportunities. Guided by a three-tier education model, the Company supports out-of-school children and intermediate students, nurtures high-performing youth through merit-based university scholarships, and equips young people with technical and vocational skills, including DAE programs. Special emphasis is placed on children below matriculation or without formal schooling, who face heightened risks of social exclusion and poverty.

To address this, 40% of FFC's skill-development scholarship quota is reserved for such youth, particularly in underserved communities such as Mirpur Mathelo and Goth Machhi, enabling their transition into productive members of society.

School on Wheels - Taking Dreams to Children's Doorsteps

Pakistan faces one of the world's highest numbers of out-of-school children, driven by poverty, limited school access, gender gaps, and low parental awareness, with the challenge particularly acute in

Tehsil Mirpur Mathelo. In response, FFC launched the School on Wheels initiative to bring education directly to underserved communities. The program addresses learning gaps by reaching children at their doorsteps through a fully equipped mobile classroom.

Each visit transforms learning into an engaging experience through storytelling, songs, interactive lessons, and creative play, delivered in collaboration with Bilal Maqsood's Pakkay Dost and linked with JICA's Accelerated Learning Program (ALP). Children are motivated through a joyful, inclusive environment, while parents are engaged through awareness sessions emphasizing education as a pathway to family uplift. The program's launch in Village Dino Mako reflected strong community participation and FFC's commitment to inclusive, lifelong learning.

FFC Educational Initiative, Mirpur Mathelo

Education is central to sustainable development. To expand access to quality learning, FFC established Sona Public School & College (SPS&C) in Mirpur Mathelo to foster academic excellence, social mobility, and leadership; particularly for students from underprivileged backgrounds. Serving Mirpur Mathelo and surrounding communities, SPS&C enrolls approximately 1,021 students, with 500 receiving free education and others benefiting from subsidized fees. These institutions offer school and college level programs supported by qualified faculty, modern resources, and strong governance, contributing to improved learning outcomes and sustainable community development.

FFC's School Adoption Initiative in Goth Machhi

Recognizing the urgent need to improve education in rural and underserved areas, Fauji Fertilizer Company (FFC) has adopted five government schools in Goth Machhi. Public schools in these communities often face overcrowded classrooms, limited teaching capacity, and lack of basic resources, putting many children at risk of dropping out.

FFC's intervention provides holistic support; covering teachers' salaries, classroom furniture, books, and learning materials, ensuring consistent instruction and a child-friendly learning environment. By alleviating financial burdens and improving school facilities, FFC has transformed these institutions into centers of quality education. Parents now see schooling as an accessible opportunity, giving their children hope for a brighter future.

Educational Scholarships

Naya Aasman Program

In Pakistan, higher education remains out of reach for many talented students from low-income and rural communities. Despite strong academic potential, financial constraints often force them to discontinue studies after matriculation. This challenge is especially severe in underserved areas such as Mirpur Mathelo, Goth Machhi, and Port Qasim, where limited resources and economic vulnerabilities restrict educational opportunities.

Without timely support, many students risk falling into the cycle of poverty, depriving their families and the nation of future leaders, professionals, and innovators. Recognizing this, FFC bridges the gap between school and higher education by awarding top matriculation graduates Intermediate Scholarships, enabling them to continue in F.A./F.Sc. streams.

These scholarships serve as a gateway to multiple pathways: university education for professional careers, technical skills programs like DAE, and vocational training, equipping youth with the knowledge, skills, and opportunities needed for sustainable livelihoods and meaningful contributions to society.

University Scholarships (1st Tier)

FFC awards fully funded, merit-based scholarships each year to outstanding students from adopted areas for graduation programs in MBBS, engineering, IT, computer sciences, and other HEC-recognized disciplines across Pakistan.

Social and Relationship Capital

Technical Skills Development Scholarships (2nd Tier)

FFC supports matriculants from low-income families to pursue technical training, bridging the gap between education and skilled employment while addressing industry shortages in engineering and technical fields.

Vocational Skill Development Scholarships (3rd Tier)

FFC equips youth from low-income and rural communities with practical, marketable skills in trades like IT, tailoring, and fashion, enabling sustainable livelihoods and economic empowerment.

Scholarships for Uneducated Children (Below Matric)

FFC reserves 40% of its scholarships for children without formal schooling, providing vocational training to break the cycle of poverty and transform them into skilled, contributing members of society.



Computer Literacy Program

The FFC Computer Lab at SPS&C, Mirpur Mathelo empowers students and local youth with digital skills for education and income generation. Through a three-month certified IT program in freelancing, web hosting, and practical applications, participants receive professional training and mentorship. By bridging the digital divide, FFC equips youth with market-relevant skills, fosters economic empowerment, and creates role models for their communities.

Certified Nursing Assistant Program

Women in underserved areas often face limited employment opportunities, while Pakistan's healthcare sector struggles with a shortage of trained support staff. FFC's Certified Nursing Assistant (CNA) Program empowers women through fully funded, two-year professional healthcare training, blending theory and hands-on patient care. With 30 seats per cohort, the program equips participants for immediate employment in clinics, hospitals, and elder care facilities, simultaneously strengthening healthcare delivery and creating sustainable livelihoods.



Social Education Program

FFC's Social Education Program goes beyond classroom learning to foster the holistic development of children in Mirpur Mathelo and Goth Machhi. While formal education imparts knowledge, this program equips students with essential life skills, including empathy, respect, honesty, responsibility, and emotional resilience. Through interactive sessions, guest lectures, and year-round activities, children learn values, social norms, and good manners that help shape character. The initiative nurtures confidence, creativity, and community-mindedness, preparing students not only for personal success but also to contribute positively to society and nation-building.



FFC Health Philosophy

In remote areas of Pakistan, many patients face long travel, high costs, and limited access to qualified doctors. FFC's healthcare network, including community hospitals and digital E-Clinics, provides timely, affordable care at the village level. Equipped with telemedicine, free diagnostics, and medicines, these E-Clinics connect patients to specialist doctors, improving health outcomes and making quality healthcare accessible to underserved communities.

Sona Welfare Hospital, Goth Machhi

serves around 35,000 patients annually, offering free consultations, medicines, ambulance services, subsidized surgeries, and diagnostic lab facilities with Aga Khan and Chughtai Labs at 40% discount. This 20-bed hospital provides comprehensive care, including eye, lab, X-ray, and OPD services, on a no profit, no loss basis.

Sona Welfare Hospital, Mirpur Mathelo

treats over 24,000 patients annually, offering mostly free or subsidized care through its 10-bed facility with eye ward, X-ray, labs, OPD, and a mother-child unit under a female doctor. The hospital provides free ambulance services, medicines, and discounted diagnostics with Aga Khan & Chughtai Labs (40%), all on a no profit, no loss basis.

E-Clinic Sehat Kahani

FFC has established E-Clinics in eight villages near Mirpur Mathelo and Goth Machhi, and one at Port Qasim, connecting underserved communities with specialist doctors via digital platforms. The clinics overcome barriers like poor roads and long travel, offering consultations in gynecology, pediatrics, dermatology, and general medicine. By reducing costs and providing timely, quality care close to home, these E-Clinics expand access to healthcare and set a benchmark for technology-driven rural health solutions in Pakistan.

Child Nutrition Program

Millions of children in Pakistan face malnutrition and stunted growth, particularly in low-income rural areas, affecting health, immunity, and learning.

Sona Welfare Hospital's Nutrition Program provides assessments, supplements, growth monitoring, and diet counseling, empowering children and families to overcome deficiencies and build healthy, sustainable eating habits.

Pregnant Women Program

In rural areas like Mirpur Mathelo and Goth Machhi, women face long fieldwork hours, limited nutrition, and poor access to maternal healthcare, putting mothers and newborns at risk. FFC's Pregnant Women Program provides antenatal check-ups, nutritional support, supplements, safe delivery guidance, and health awareness, ensuring safer pregnancies and healthier babies. By bridging this gap, FFC

strengthens families, reduces maternal and infant risks, and promotes community well-being.

Mental Health Clinic

Mental health in Pakistan is often neglected, leaving workers and families vulnerable to anxiety, depression, and stress-related disorders, especially in high-pressure, low-income settings. FFC's Mental Health Clinic in Port Qasim provides free counseling, psychiatric consultations, stress management, and referral services, offering a safe, stigma-free space for support. By addressing these challenges, the clinic improves psychological well-being and quality of life for hundreds of patients in the community.

School Nutrition Program

FFC's Free Milk Distribution Program tackles child malnutrition by providing daily milk servings to students in adopted government and low-income schools. The initiative improves children's health, concentration, and school attendance while laying a strong foundation for learning. By delivering nourishment directly to classrooms, FFC empowers young minds to thrive both academically and physically.

People with Disability - Tum Akailay Nahi

FFC, in partnership with Chal Foundation, organized a two-day disability screening camp in Mirpur Mathelo, providing free medical support to 465 people with disabilities. Specialists, including orthopedic surgeons and ophthalmologists, offered assessments, treatments and high-quality prosthetics to restore mobility and vision. The initiative empowered participants with greater independence, confidence and improved quality of life.

Social and Relationship Capital

Pink Ribbon - Cancer Care and Awareness Initiatives

FFC supports cancer patients in Pakistan by fully sponsoring treatment for two individuals annually, covering multiple cancer types at an average cost of PKR 2.7 million. Alongside treatment, FFC promotes early detection through Breast Cancer Awareness Campaigns and community education in Goth Machhi and Mirpur Mathelo. By combining care with advocacy, FFC saves lives, encourages timely medical intervention and strengthens community health.

Eye Screening Camp

During FFC's Eye Screening Camp, hundreds from surrounding villages were examined, revealing dozens of treatable conditions like cataracts. Patients received free surgeries at Sona Hospital, Goth

Machhi and customized eyeglasses, restoring their eyesight. The camp not only improved vision but also renewed independence, confidence and dignity for those who had long lived in near-blindness.



Planting for a Greener Future

FFC places climate action and environmental sustainability at the core of its mission, aiming to plant over one million trees across Pakistan. Plantation drives in Jhampir, Goth Machhi and other areas restore biodiversity, combat climate change, prevent soil erosion and improve air quality. Communities, including women and families, are actively engaged in nurseries, planting and care, while awareness campaigns in schools and local units foster a culture of environmental responsibility and hope for a greener future.

Relief & Rehabilitation Initiative

Following the catastrophic floods, which affected over 33 million people across Pakistan, FFC responded swiftly to support flood-affected families, with a strong focus on children and vulnerable communities. In Sindh, particularly around Mirpur Mathelo and Goth Machhi; homes, livelihoods and schools were destroyed, creating an urgent humanitarian crisis. FFC implemented a two-phased relief and rehabilitation strategy, addressing immediate survival needs while supporting long-term recovery and community rebuilding.



Clean Water Initiative

FFC has significantly improved access to safe drinking water in Goth Machhi by installing 11 state-of-the-art Reverse Osmosis (RO) plants, each with a capacity



of 10,000 liters per hour. Collectively, these plants serve over 300,000 people, benefiting 4,000–4,500 users daily. By providing reliable access to purified water, the initiative reduces waterborne diseases, improves community health, and enhances overall quality of life for surrounding populations.



Sports and Youth Development

Sports are essential for physical health, mental well-being, and character development, fostering discipline, teamwork, and resilience among youth. Recognizing their power to unite and inspire at the national level, FFC is committed to promoting sports from grassroots to international platforms. In support of this vision, FFC has

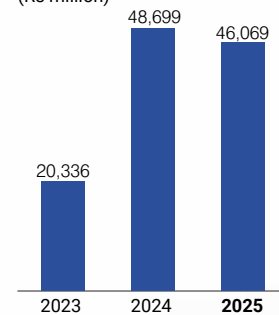
strengthened the Pakistan Junior Volleyball Team by providing professional coaching and technical support, enabling young athletes to compete at elite forums such as the FIVB U19 World Championship and represent Pakistan with pride.

From Grassroots to Global Recognition

What began as a grassroots effort with young athletes lacking international exposure evolved into one of Pakistan's most inspiring sporting milestones. With FFC's support, the Pakistan Junior Volleyball Team made its historic debut at the FIVB U19 World Championship, delivering stunning 3-0 victories over Belgium, Puerto Rico and Uzbekistan to top their pool. The team's courageous Round of 16 battle against reigning champions Poland, pushing the match to a dramatic fifth set, earned global

admiration, followed by a landmark 3-1 win against the USA. This remarkable journey showcased the power of structured training and support, setting a new benchmark for Pakistan's volleyball and inspiring a new generation of athletes.

Economic Value Added
(Rs million)



Sustainability Reporting and Corporate Social Responsibility

Role of the Board in Addressing Sustainability Risks and Opportunities

The Board ensures that sustainability considerations are embedded into the Company's strategic, financial, and operational decisions. This includes identifying, assessing, and managing sustainability-related risks and opportunities that could impact financial performance over the short, medium, and long term. For detail refer page 228, 277-287.

Governance, Strategy, Risk Management, and Metrics

The Company applies a structured approach to governance, strategy, risk management, and performance metrics to monitor sustainability outcomes. These four pillars guide the Company's decision-making and provide measurable indicators of progress against sustainability objectives. For detail refer page 205-247.

Sustainability and DE&I Strategies

The Company is committed to advancing sustainability and Diversity, Equity & Inclusion (DE&I) across its operations. Policies, priorities, and targets are implemented, monitored, and periodically reviewed to ensure alignment with long-term value creation and responsible business practices. For further details, please refer 200 & 181 page.

Board-Level Sustainability Oversight

The Board has established dedicated oversight mechanisms, including committees where appropriate, to integrate sustainability principles into business strategy. These committees report periodically to the Board on progress and challenges in embedding ESG practices throughout the organization. Refer page 181 for detailed orientation.

Corporate Social Responsibility (CSR) Commitments and Initiatives

The Board affirms its commitment to CSR best practices, ensuring that social and environmental initiatives support the Company's broader strategic objectives and positively influence financial performance. Highlights of CSR programs and outcomes are presented in the detailed sections of this report see pages 230-234.

Disclosure of Climate-Related Risks & Opportunities Under IFRS S2

The content has been compiled and included in the Sustainability Report, as detailed on pages 298-308.

Compliance with SECP CSR Guidelines, 2013 and Sustainability Certifications

At FFC, we follow the SECP Guidelines for CSR 2013, ensuring our initiatives are responsible, transparent, and impactful. Guided by a commitment to sustainability (Strategy 2030), people, and the planet, we focus on improving lives, protecting the environment and unlocking human potential. Through innovative, data-driven solutions, we address society's most pressing needs in healthcare, education, nutrition and economic opportunity. Refer page 298-308.

Board Statement on ESG Strategy and IFRS S1 & S2 Sustainability Disclosures

The Board embeds ESG considerations into FFC's strategy and enterprise risk management framework to support sustainable growth and long-term value creation across all capitals. Sustainability priorities are guided by material matters, ensuring that associated risks and opportunities are systematically identified, assessed, and managed. The Company is making strong progress toward adopting IFRS S1 and IFRS S2 to enhance the transparency, consistency, and comparability of its sustainability-related disclosures.



Our environmental, social, and governance initiatives emphasize emissions reduction, sustainable agricultural practices, workforce development, community investment, ethical conduct, and regulatory compliance. We disclose material sustainability-related risks and opportunities and plan to integrate climate scenario analysis in upcoming reporting cycles to further strengthen resilience and build stakeholder confidence.

Sustainability Risks Alignment with Amended Code

Sustainability related risks and opportunities are disclosed in alignment with the Listed Companies Code of Corporate Governance Regulations as amended including SECP SRO 920(1) 2024 and are integrated into enterprise risk management.

Food Security and Agriculture Center of Excellence

Food Security and Agriculture Centre of Excellence (FACE), a Not-for-Profit initiative of FFC, continues to play a pivotal role in advancing national food security, enhancing crop productivity, and promoting climate-smart agriculture.

During 2025, FACE further strengthened its focus on improving farm yields, climate change adaptation, precision agriculture, mechanization, and sustainable resource management through technology-driven and farmer-centric interventions. In close collaboration with government departments, technology partners, and development institutions, FACE implemented a series of high-impact initiatives aimed at building resilient agricultural systems and supporting farming communities across Pakistan

Partnering with Government of Punjab

As strategic partner to Punjab Agriculture Department through our MOU signed in December 2024, FACE is assisting the Agri Department with capacity building and technological support.

Installation of Digital Pest Trap

For early detection of pest attacks on crops which cause immense damages to the yield and timely initiation of preventive measures, Digital Pest Traps have been installed at 60 locations in collaboration with Punjab Agriculture Department. Training of Pest Warning Department officers has also been organized on the effective use of pest traps. The traps are digitally controlled and monitored through its online "APP". For effective monitoring of the technology 30 laptops have also been provided to Agriculture Department field officers. Crops including cotton, sugarcane, rice and wheat were monitored through digital pest traps

Internship Program for Agri Graduates

A batch of 30 agriculture graduates was enrolled by FACE to undertake on field training and exposure by working at various locations with Punjab Agriculture Department. A fixed monthly stipend was paid to the internees by FACE, to support their professional journey as agriculture expert in the future.

Satellite Based Weather Monitoring- MOU with Ba Khabar Kissan.

Satellite based weather monitoring for early warning is highly impactful in countries like Pakistan, which is faced by weather extremities due to climate change. FACE



signed a MOU with leading technology firm Ba Khabar Kissan for bringing this latest technology to Punjab Agriculture Department. This enables timely detection of weather trends and threats, which greatly assist farmers in undertaking preventive measures

Seminar: Current State of Agriculture and Planning for Punjab 2025–26

FACE, in collaboration with the Agriculture Department, Government of Punjab, successfully organized a high-level stakeholder session on “Current State of Agriculture and Planning for Punjab 2025–26”. With the honorable Minister for Agriculture Punjab leading the dialogue, this session brought together policymakers, technical experts, and agri-sector leaders to align priorities for transforming agricultural landscape. This session was a step forward in building a more inclusive, climate-smart, and sustainable agricultural future.

Transforming Agriculture through Precision Farming

FACE held a 2-day training and field demo on precision farming for the Field Officers of Agriculture Department Punjab, in Sahiwal on 5th and 6th Dec 2025. FACE is one of the pioneers of precision farming through agriculture drones in Pakistan, and promotes this climate smart technology. Their use greatly reduces the use of pesticides and water in agriculture.

Anti-Smog Campaign

To minimize the trend of stubble burning in Punjab Rice cultivation belt, FACE in partnership with Punjab Agriculture Department conducted 5 Mega Farmer Meetings, which was attended by 1500 farmers. Experts highlighted the harmful impact on soil and environment caused due to stubble burning.

Agri Drones Operations

FACE has a fleet of 15 Agri drones, which are serving the farming community with precision spraying. In 2025, an area of 41,000 acres was sprayed using FACE drones.

Support to Wheat and Cotton Farmers

To promote food security and assist farmers in recovery from floods in 2024-25, FACE supported cotton and wheat farmers through quality seeds. Wheat farmers were provided free of cost seed on an area of 5000 acres, while in cotton the coverage of subsidized seeds was for 2000 acres.



Food Security and Agriculture Center of Excellence

Community Green Kitchens

Organic waste leads to on-farm GHG emissions and health hazard, which is a serious issue in rural areas of Pakistan. FACE in 2024 started with its pilot project to setup Community Green Kitchens which comprise of a bio-digester and a community kitchen for local women. Transforming Waste into Wealth, the green kitchens provide a safe and environmentally friendly cooking facility while mitigating the GHG emissions. Up to 50 families benefit from the single setup of such facility. In 2025, two more such facilities were setup.

Vermicompost Production Facility

FACE is providing capacity building training and infrastructure support to women farmers in Sahiwal and Ahmedpur Lamma (Rahimyar Khan) for setting up vermicompost facilities. This setup transforms organic waste into natural soil enrichers using worms. In 2025, two new additional setups have been established in the region.

Zero Tillage Farming

To promote use of technology-based solutions to curb crop burning, FACE undertook on-farm demonstrations for local farmers through our super seeder. Additionally, 150 acres of land was serviced in 2025 for zero tillage farming

Propagating of Olive Production

Govt of KPK has a Olive Propagation Model Facility at Sanghbhatti, Mardan. FACE is working towards the upgradation and rehab of the facility. Objective of this partnership include increase germ plasm from the 170-acre donor farm to increase olive production. Our support includes revamping of practices, infrastructure and trainings by international experts

World Environment Day 2025

Marking World Environment Day 2025, FACE proudly co-hosted a high-level national seminar in Islamabad, alongside COMSATS and a network of leading institutions

including MoCC & EC, NDMA, UNEP-NAP, NDRMF, ICARDA, WHH, and ECOSF. With the theme of Bridging the Climate-adaption drive across the food-water-agriculture Nexus. The seminar brought together a diverse group of stakeholders - policymakers, scientists, climate leaders, and development partners.

Potato Value Chain Strengthening Project

Trainings by Foreign Experts

FACE since 2024 is working on multiple programs to strengthen potato value chain and enhance the quality and productivity of potato crop in Pakistan. Trainings by foreign experts from Netherland by FACE covered following key areas

- Seed Production & Import
- Potato Crop Production
- Potato Crop Diseases
- Cold Storage, Transportation & Export

Provision of Advance Grimme Planters from Germany

In 2025, FACE supported potato farmers in farm mechanization through import of state-of-the-art German potato planters. The advanced planters ensure precision sowing in short duration. This results in an increase in per acre yield and enhances quality of potato crop. This year 21 such planters were engaged in supporting potato sowing on an area of 4,000 acres in Sahiwal division while awareness campaign by FACE on potato crop reached out to 2700 farmers.

Potato Congress

On 23 December 2025, FACE successfully conducted the Potato Conference 2025, bringing together senior officials from the Agriculture department, farmers, processors, cold storage operators, seed industry representatives, exporters, researchers, M.Phil. scholars from agriculture universities, and policymakers to deliberate on key challenges, opportunities, and the future direction of Pakistan's potato sector.

Water Management

FACE extends services of laser leveler to local farmers in Rahim Yar Khan on subsidized

cost to promote water management in agriculture. During the year 460 acres of land was serviced through this program.

Tube well Automation Program

To conserve use of water in agriculture, 50 traditional tube wells were upgraded automation program, where farmers through their smart phones control the operations. Field awareness sessions were also conducted for farmers on this water saving technology and its benefits.

National Olive Gala 2025

FACE was a lead sponsor of the 7th National Grand Olive Gala 2025, held from 12–14 December in Islamabad. The event was aimed to promote olive cultivation in Pakistan, and the quality produce of olive from different regions. The event brought together farmers, researchers, policymakers, and industry leaders to discuss innovation, sustainability, and market growth.

Participation in COP30, Brazil

FACE proudly marked its presence at COP30 in Belém, Brazil (9–21 November 2025), the world's leading climate summit, bringing together delegates from 200+ countries to advance global climate action and resilience. In collaboration with COMSATS, ICARDA, ICESCO, WHH, and other partners, FACE successfully organized four high-level seminars and panel discussions in the Blue Zone. These sessions focused on following thematic areas:

- Regenerative practices, Waste-to-resources technologies, and sustainable Agri-Food System Transformation.
- Bridging Climate Finance Gaps: Practical Approaches for Developing Countries.
- Multi-Stakeholder Dialogue on Beyond Crisis Response: Cross-Sectoral Approaches for Disaster Risk Reduction, Food Security and Resilient Recovery

Contributing to SDGs



Inputs	38,001,181 GJ Energy consumption	21,776 ML Water usage	2.7 MW Solar Power System
	Bio-diversity & eco-system preservation	Responsible use of scarce resources	Zero-waste mindset
	Resource circularity		
Outputs	PKR 27 million spent on energy efficiency projects	R&D to produce environmentally friendly products	99% survival rate of planted 5,000 Neem trees
	272 tons CO ₂ emission averted by Neem trees	Energy consumption decrease by 133,799 GJ	14,283 GJ clean energy produced
	Water consumption increased by 2,883 ML		

Value Creation

Value Preservation



Value Creation Business Model ~ page 198

Capital Snapshot

	 Regenerative Agri Vermicopost	 Sustainable Farming ZERO Tillage	 Crop Protection Digital Pest Traps
	 Precision Farming Agri Drones	 Climate Intelligence Satellite Weather Monitoring	 Water Conservation Tube Well Automation

As a cornerstone of Pakistan's agricultural value chain, FFC remains instrumental in driving sectoral growth and safeguarding national food security.

Through responsible stewardship of natural capital, the Company creates long-term value while proactively addressing pressing challenges such as climate change, water scarcity, and biodiversity loss. Sustainability remains embedded in FFC's strategy, guiding business decisions and operational priorities.

To mitigate environmental impact, FFC is investing in advanced, environmentally sustainable technologies, with a strong focus on water resource management, energy efficiency, and renewable energy adoption. Ongoing plant upgrades and cleaner production initiatives reinforce its commitment to reducing emissions and enhancing operational resilience, particularly in the face of energy supply uncertainties.

Recognizing the environmental implications of excessive fertilizer use, FFC promotes balanced nutrient management and soil health improvement. Through continuous research and development, the Company seeks to enhance productivity while minimizing ecological impact, supporting biodiversity conservation and climate-resilient agriculture amid rising temperatures, shifting rainfall patterns, and increasing climate variability.

Reporting Boundary Datementent

Reporting Boundary: Unless otherwise specified, disclosures in this Integrated Report cover the parent entity and its controlled subsidiaries, consistent with financial consolidation. Where data relates to specific facilities or geographies, such scope is clearly indicated.

Monetisation Linkage of Environmental Impact

Environmental performance initiatives contribute to operational efficiency, cost optimization, and long-term financial resilience.

Forward Looking Statement

Forward looking statement of the Company is aimed at apprising the stakeholders about future expectations and associated uncertainties impacting the Company's performance. Actual results, however, may differ from our estimates presented herein. Other sections of the Report including Chairman and Chief Executive Reviews, Financial Capitals etc., also provide further information.

2025 Overview

During 2025, Pakistan's macroeconomic environment showed signs of gradual stabilization following a prolonged period of economic stress. The Monetary policy remained prudent, with the central bank maintaining a measured stance to control inflation while supporting economic activity through gradual easing of interest rates.

Strong policy implementation has helped achieve Growth at higher rate than expectations, except for a moderate impact of recent floods. Favorable financial conditions and external balances, enabled Pakistan to post a current account surplus in over a decade while reserve building also continued. Inflation was also contained despite some flood-related food price increases.

The global economy is adjusting to a landscape marked by greater protectionism, policy uncertainty, and fragmentation, as shifting trade policies, higher tariffs, and fiscal stimulus in major economies reshape growth prospects. Although early-2025 activity showed resilience due to front-loading of trade and inventory management, these temporary factors are fading, revealing a moderate slowdown.

Fertilizer Market

International fertilizer markets remained firm but volatile in 2025, driven by geopolitical disruptions, tight global supply, strong Indian demand, and uncertainty around Chinese exports. Urea prices were supported by supply constraints in Iran and the Middle East, while phosphate markets stayed strong for most of the year due to limited supply and steady demand, before easing toward year-end amid seasonal slowdown and affordability pressures.

In contrast, Pakistan's domestic fertilizer market remained under sustained

pressure due to weak farm economics, liquidity constraints, unfavorable crop prices, and oversupply. Urea offtake was sharply impacted in the first half, resulting in elevated inventories and price discounting; however, a strong recovery in the second half led to record full-year industry sales and normalized stock levels.

DAP demand remained subdued due to affordability challenges, flood disruptions, and cautious channel behavior, resulting in a contraction in industry sales. Despite these challenges, FFC retained market leadership in both urea and DAP through disciplined execution, strong availability, and effective commercial management.

Future Outlook

Global growth is projected to slowdown from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026, with advanced economies growing around 1½ percent and emerging markets just above 4.0 percent. Inflation is expected to decline globally, while world trade growth stays subdued amid persistent fragmentation. Downside risks dominate, including prolonged uncertainty, protectionist escalation, labor supply shocks, fiscal vulnerabilities, and financial market fragilities.

The outlook underscores the need for credible, predictable, and sustainable macroeconomic policies, structural reforms, and strengthened multilateral cooperation to restore confidence and lift medium-term growth prospects. (Source: IMF World Economic Outlook, October 2025).

Pakistan's economy grew 3.0% in FY25, led by industry and services, while agriculture was impacted by floods and adverse weather. Growth is projected to remain around 3.0% in FY26, supported by macroeconomic stability and ongoing reforms. Fiscal tightening and prudent

monetary policy have anchored inflation and external balances, though flood-related challenges persist. Priority reforms, including tax base expansion, public sector efficiency, and export promotion, are essential to strengthen competitiveness, generate jobs, and enhance economic resilience. (Source: World Bank)

Looking ahead, the global urea market is expected to strengthen in Q1 2026, driven by renewed European demand under the EU Carbon Border Adjustment

Mechanism, though affordability will remain a key constraint. Chinese export volumes and regional supply disruptions will continue to influence price dynamics across major markets. The DAP market is likely to remain generally softer but volatile, with seasonal demand patterns, high starting inventories in India, and Chinese export timing shaping trends. North America and Europe may see price pressures due to improved stock positions and affordability challenges, while periods of tighter supply are expected around South Asian Rabi and Kharif demand. Overall, market movements in 2026 are expected to be primarily seasonal and demand-driven rather than structurally bullish. (Source: Argus Urea and Phosphate Outlook)

Analysis / Comparison of Last Year's Forward-Looking Statement / State of Projects

During 2025, the Company remained focused on execution of key strategic initiatives undertaken in recent years. Following the merger of ex-FFBL with and into FFC, smooth transition across operational, financial and organizational areas was carried out, enabling continuity of operations and realization of efficiencies within a combined operating structure.

In line with its long-term strategic direction, the Company further strengthened its investment in Agritech Limited during the year to ensure reliable supply of urea in the market.

Urea production during 2025 was lower than last year but remained within targets. The reduction occurred due to undertaking of higher number of plant turnarounds as stated last year.

Progress on the gas Pressure enhancement facility (PEF) continued as per schedule.

The expansion of the Company's retail sales outlets continued during the year. The Sona Center network was expanded to 244 outlets, strengthening direct engagement with the farming community and supporting efficient fertilizer distribution.

Strategic investments and associated companies sustained their contribution to the Company's earnings profile, supporting income diversification.

In addition, the Company maintains engagement with relevant authorities on longstanding GST and fertilizer subsidy receivables however, the resolution timelines remain outside of the Company's control.

Source of Information and Assumptions Used for Projections / Forecasts

The Company's forward-looking assessments are grounded in its corporate strategy and business objectives, supported by assumptions derived from historical performance, internal operational data, macroeconomic indicators and industry trends. External inputs include economic outlooks published by multilateral institutions,

government policy announcements, fertilizer industry reports, international commodity price trends, interest rate and exchange rate forecasts.

Internally, projections incorporate inputs from key functions including Marketing, Manufacturing & Operations, Finance, Technology & Engineering and Human Resources. These inputs are continuously reviewed and aligned with external developments to ensure responsiveness to evolving conditions. All significant investment and growth initiatives are subjected to rigorous internal evaluation and, where appropriate, supported by external feasibility assessments in line with best governance practices.

Future Outlook

Future Outlook of FFC

Looking ahead, the Company's strategic focus remains on strengthening operations, safeguarding continuity of production and advancing initiatives that support sustainable long-term growth.

Building on last year's commitment to developing enhanced-efficiency fertilizers, the Company continues to focus on EEf aimed at further improving nitrogen utilization, boosting crop yields, and providing farmers with sustainable, high-performance solutions.

The Company's diversified earnings base, disciplined financial management and established market position provide strength to navigate challenges and continue delivering sustainable value for stakeholders.

Response to Future Challenges and Uncertainties

Key Projects to Support Future Performance

Pressure Enhancement Facilities (PEF) project is expected to come online in 2026 to mitigate declining gas pressures and support production stability.

Government has approved allocation of gas from the Ghazij/Shawal discoveries in the Mari Field to FFC Port Qasim which, is currently operating on SSGCL network. This shall enable long-term energy supply for our DAP and Sona granular manufacturing facilities at Port Qasim. Commencement of commercial production from Ghazij/shawal will take time and the present gas arrangements between FFC Port Qasim and SSGCL shall continue till finalization of gas supply arrangements from Ghazij.

Agritech Limited (AGL) is expected to benefit from FFC's business expertise to optimize operations including product marketing through FFC's countrywide sales network. AGL is also a beneficiary of gas allocation from Ghazij ensuring long term gas supply for its fertilizer operations.

The Company has joined the bid winning consortium for the privatization of Pakistan International Airlines Corporation Limited (PIACL) to acquire an equity stake. This initiative is expected to help in improving the airline's performance and upholding the prestige of the national flag carrier.

Thar Energy Limited (TEL) has started delivering returns to the Company, with the announcement of a first interim dividend of PKR 300 million in 2025. This has been followed by another dividend of PKR 5.1 billion during 2026 and we expect strong performance by the associated company in coming years.

The Company also expects continuation of income stream from our wind energy projects in the years ahead.

FFC has gone live with SAP SuccessFactors, supporting the modernization and standardization of processes as part of its digital transformation journey.

Following its inclusion in the KMI-30, the Company remains focused on maintaining its Shariah-compliant status. This commitment is embedded within strategic and financial decision-making processes and is supported by ongoing monitoring of investment structures, financing arrangements, and operational practices.

The Company continues to strengthen the agricultural ecosystem by expanding its Sona Center network, enhancing farmers' access to affordable fertilizers besides offering Agri-support services towards food security of the Country.

The IFRS sustainability reporting standards became effective for the Company from January 2026, and FFC has implemented effective systems and procedures for the efficient monitoring and reporting of sustainability activities. The first IFRS-compliant sustainability report for activities carried out during 2026 will be presented to stakeholders at the close of the year.

Building on this momentum, the Company is well positioned to deliver sustained performance, disciplined growth, and consistent value creation for its shareholders.

Details of ongoing operational, strategic and capital projects are provided in the relevant Capitals sections of this Annual Report.

Key Risks and Uncertainties Affecting FFC

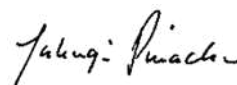
The Company's operations and profitability remain subject to a number of external risks and uncertainties. Continued depletion of domestic gas reserves, potential revisions in gas pricing and elevated input costs pose risks to sustained fertilizer production and cost competitiveness. Timely availability of gas at required pressure levels remains a critical factor for maintaining production stability.



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

Chairman

Rawalpindi
January 29, 2026



Jahangir Piracha

Managing Director & Chief Executive Officer

Global Fertilizer Outlook

Backdrop to the Fertilizer Outlook

The fertilizer market remains volatile due to geopolitical tensions, trade disruptions, and tariffs. Demand recovery varies by region and nutrient, while farmers' application rates are influenced by input costs, crop prices, and government support.

Global Fertilizer Use is Forecast to Grow More Slowly in the Medium-Term

Global fertilizer use is forecast to grow at a moderate pace of 1–2% annually between FY2025 and FY2029, reaching 224 Mt (+9%), with nitrogen (N) expanding faster than phosphate (P_2O_5) and potash (K_2O). Demand will primarily be driven by fertilizer and crop prices, weather conditions, and government policies.

South Asia and Latin America will be the main growth engines, followed by EECA and East Asia, while Africa and West Asia show strong percentage gains from smaller bases. Mature markets such as North America and Europe are expected to grow modestly amid trade and environmental pressures, and Oceania will remain weather-sensitive with relatively stable medium-term demand.

Comparisons to Earlier Demand Outlooks

Compared to IFA's July 2022 Medium-Term Fertilizer Outlook, fertilizer use estimates for FY2023 and FY2024 have been revised significantly upward. However, projected growth rates for FY2025–FY2028 remain largely unchanged.

By FY2028, nitrogen (N) use is expected to be 3 Mt higher than previously forecast, potash (K_2O) nearly 1 Mt higher, while phosphate (P_2O_5) use is projected to be about 1 Mt lower than earlier estimates.

Supply Forecast,

Medium-Term Fertilizer Outlook 2025 – 2029

Global fertilizer production rose strongly in 2024, with ammonia (+3%), urea (+3%), phosphoric acid (+5%) and MOP (+10%) reaching record or near-record levels, driven by new capacity in China, Russia, Morocco, Canada and EECA. Europe saw a production rebound due to improved gas affordability, though supply disruptions persisted in parts of Latin America, Africa and Asia.

Looking ahead, global capacity for ammonia, phosphoric acid and potash is projected to expand significantly by 2029, led by the US, Middle East, Morocco, China, Canada and Russia. As capacity growth is expected to outpace demand, nutrient market balances are forecast to gradually loosen over the medium term.

Fertilizer Consumption Forecast,

Medium-Term Fertilizer Outlook 2025 – 2029

IFA's fertilizer consumption outlook is based on surveys covering around 90% of global demand, supported by agricultural, trade, and market data. Global fertilizer use rebounded strongly after declines in FY2021–FY2022, rising to 198 Mt in FY2023 (+4.5%) and projected to reach a record 206 Mt in FY2024 (+4.4%), driven mainly by improved affordability following the sharp drop in fertilizer prices from mid-2022 peaks.

Nitrogen (N) and potash (K_2O) use recovered strongly, reaching record levels, supported by food security policies in East and South Asia—particularly China and India—and better price competitiveness. In contrast, phosphate (P_2O_5) growth remained modest due to weaker affordability, with farmers reducing or optimizing applications. The global fertilizer application rate is projected to return to its FY2020 level at 152 kg/ha, reflecting recovery in nutrient use but limited expansion in harvested area.



In Chiniot, artisans transform sheesham (rosewood) and other local hardwoods into intricately carved furniture and architectural masterpieces, epitomizing Pakistan's rich woodworking legacy.



03

Sustainability Report

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

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01 Cultivating Resilience for a Sustainable Future

Organisational and Social & Relationship Capital

Contributing to SDGs:		   	
Activities	R&D to align products with nature	Strategic integration of sustainability into governance	Identification and assessment of material sustainability impacts
	Continuous structured stakeholders' engagement		
Outputs	Nature aligned and resource efficient products	Robust sustainability governance framework	Material sustainability topics
	Strong multi stakeholder partnerships and engagement mechanisms		
Value Created	Improved farm productivity with reduced environmental impact	Enhanced climate adaptation and resilience	Long-term value creation for stakeholders

2025 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



2,456,900

• MT CO2e GHG Emissions
2024 (2,244,058 MT)



38,001,181

+ GJ energy consumption
2024 (40,431,184 GJ)



21,776

• ML water consumption
2024 (18,893 ML)



272

• Conserved Neem trees averted 271.46 tons of CO2 emissions
2024 (271.46 tons of CO2)

Impact on People



Nurturing people, building thriving communities



TRI rate 0.00

• per million working hours for employees and contractors
2024 (0.00)



PKR 21,755

+ million salaries and benefits to the workforce
2024 (PKR 19,697 million)



PKR 127,108

+ training hours
2024 (71,942 hours)



PKR 1,718

+ million community investments
2024 (PKR 132 million)

Impact on Profit and Value



Food security and resilient practices



227,000

+ farmers briefed on sustainable agriculture solutions
(2024:190,748 farmers)



PKR 26,611

+ million paid to local supply chain partners
2024 (PKR 9,264 million)



Sustainability

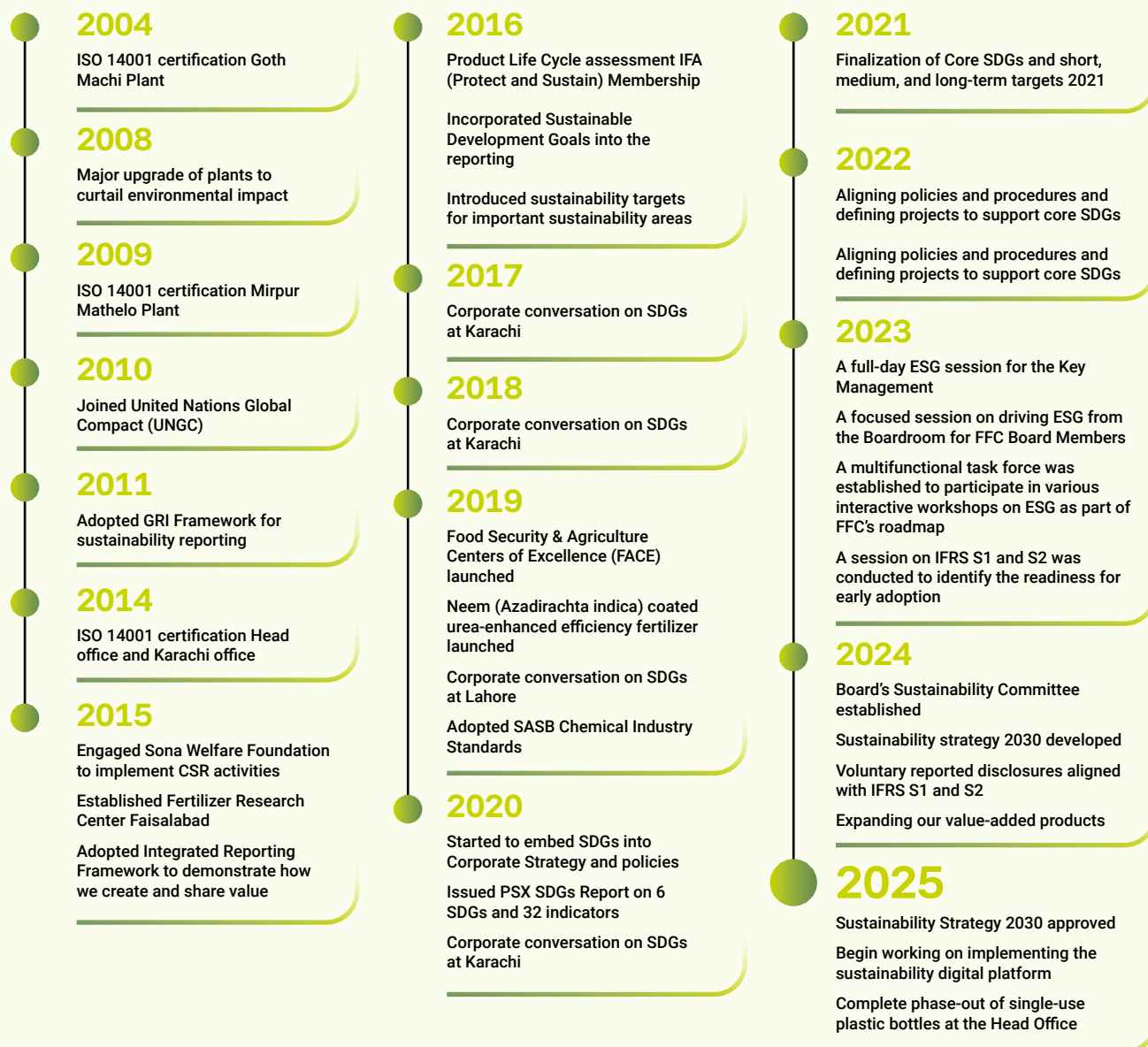
+ Overall winner at SAFA Awards
Best Sustainability Report Award by ICAP & ICMAP



PKR 70,256

+ million dividends paid to shareholders
2024 (PKR 24,936 million)

Our Sustainability 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.

What We Offer

Fauji Fertilizer Company Limited is a publicly listed chemical company engaged in the manufacturing and marketing of crop nutrition products. With a strong farmer-centric focus, we leverage agronomic expertise to deliver value to farmers, communities and the national economy. FFC operates across Pakistan, with its head office in Rawalpindi, an office in Karachi, a marketing group office in Lahore, and manufacturing plants at Goth Machhi, Mirpur Mathelo and Port Qasim. There were no other material changes in the size, capital structure, supply chain or business relationships beyond our value chain during 2025.

Refer to pages 20-21 for group structure and details of the subsidiary, associated and joint venture companies.

Products

We offer premium fertilizer products supported by agronomic expertise, digital solutions and services that enable sustainable farming. We manufacture and market both locally produced and imported fertilizers under a range of established brands.

Refer to pages 10-11 for further details about products.



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



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



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.



BORON FERTILIZERS (SONA BORON)



Micronutrient for plant nutrition



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, 13 regions, 63 sales districts, 128 warehouses, 100 SONA Centre hubs, 144 SONA Stores and 39 partner outlets, as well as 3,175 dealers nationwide.

Commitments, membership, and awards

FFC participates in a range of industry associations and adheres to externally established voluntary initiatives covering economic, environmental and social management. In addition, our R&D professionals hold positions in leading international research organizations, including the University of Nottingham, the British Geological Survey, and the Society for Environmental Geochemistry and Health, strengthening knowledge exchange and research-led decision-making.

- 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 Products with Natural Capital

Changing climate patterns are affecting soil productivity and reshaping farming practices, including how fertilizers are used, to sustain long-term agricultural output in harmony with natural systems. Our goal is to enhance agriculture through innovative, nature-responsive products and solutions that help farmers grow safe, nutritious food while minimizing environmental impact.

Today

We create and produce high-efficiency fertilizers that increase crop yields, reduce greenhouse gas emissions and improve the variety and effectiveness of our product.

Zincated Urea

More than 60% of soils in Pakistan are deficient in crop-available zinc. Accordingly, Zincated Urea (1% elemental zinc), a cost-effective and highly efficient product, was developed by the FFC's R&D Department and launched to address zinc deficiency in soils, support human health and increase average yields by up to 10%. The product was developed using high-grade zinc sulfate, which becomes immediately available to crops. Throughout the year, 46,000 MT of Zincated Urea was sold.

Neem Coated Urea

Neem-coated urea (NCU), as an organic nitrification inhibitor, is a high-efficiency fertilizer developed and manufactured to improve nitrogen use efficiency in crops. This low-cost, innovative product reduces nitrogen losses by decreasing nitrous oxide emissions, which benefits the climate and leads to higher crop yields, ultimately benefiting farmers. In 2025, a total of 210,000 MT of NCU was marketed, and most of the neem oil required for NCU production was sourced locally.

Boron-DAP

Boron deficiency is a common problem in Pakistan due to the presence of alkaline and calcareous soils and low organic matter, which restrict boron availability to crops. This deficiency can significantly reduce crop yields by 10-120%. To address this, Boron-DAP was introduced as a value-added fertilizer to improve crop production in boron-deficient soils. It contains 0.1% boron, 46% P2O5, and 18% N. Each granule is designed to supply micronutrient boron to the soil, increasing crop yields by approximately 5-10%, depending on the level of soil deficiency, compared to standard DAP. In 2025, a total of 34,000 MT of Boron-DAP was marketed.

Urea briquettes

Urea briquettes are produced by compressing urea dust for use in rice cultivation. When placed 3-4 inches deep in paddy fields, the product reduces nitrogen use by 20% and boosts yields. Because there are minimal losses of nitrogen through nitrous oxide emissions and ammonia volatilization, the product ensures nitrogen use efficiency (NUE) in rice crops exceeds 60%. A detachable urea briquettes application unit has also been developed, which can be attached to commercial rice nursery auto-transplanters for simultaneous application during rice nursery transplantation. In 2025, 91.65 MT of urea briquettes were produced.

Farming Solutions

Our integrated farming solutions help farmers boost productivity by optimizing nutrient use and improving crop monitoring and farm management. Through partnerships with public and private institutions, we are assisting in modernizing agriculture through innovation, agronomic expertise and customized financing options.

- Quality crop nutrition solutions
- Agronomic knowledge
- Digital precision farming solutions

Tomorrow

Urease & Nitrification Inhibitors to Improve Nitrogen Use Efficiency

Urease and nitrification inhibitors, although currently expensive, offer a strategic and value-adding expansion of FFC's product portfolio. These additives significantly decrease urea nitrogen losses by reducing ammonia volatilization and nitrous oxide emissions, thereby enhancing nitrogen use efficiency. Introducing such products to the local market provides dual benefits: potential eligibility for carbon credit claims and increased crop productivity. FFC's internal assessments, supported by independent trials at Government of Pakistan research centers, show that using

90% treated urea can boost yields by 3-10% compared to traditional urea fertilizer. Efforts are ongoing to lower input costs by choosing suitable technologies and pursuing local R&D, ensuring the products are economically viable for farmers. The product is currently under review with PS&QCA and is planned for commercial launch in Q3 2026.

Products under Trial

Polymer Coated Urea for Soil Moisture Conservation

A biodegradable polymer has been developed specifically for arid regions, promoting gradual nitrogen release according to the crop's needs while conserving soil moisture. The product is expected to extend crop survival by 3-4 weeks in the absence of rain in these areas. It has been developed in collaboration with a local research institute, and field trials are currently underway.

Products for Improved Phosphorus Use Efficiency

Several products are being evaluated agronomically for potential improvements in Phosphorus Use Efficiency (PUE). Since Pakistan's soils are calcareous, 80-85% of applied phosphorus becomes fixed in the soil and becomes unavailable to subsequent crops over time. Therefore, introducing promising coatings on phosphorus-based products is urgently needed to enhance Phosphorus Use Efficiency. In addition to our internal R&D trials, third-party evaluation of such products is also ongoing at government research centers.

Digitalizing Agri-solutions

Beyond the pilot phase, we are committed to advancing digital Agri-solutions to encourage the adoption of modern technologies across agricultural systems, with a focus on enhancing farm-level efficiency and sustainability. The initiative combines drone and satellite imagery with Near-Infrared (NIR) sensing and decision-support tools to provide quick, site-specific fertilizer, pesticide and crop advice. These solutions strengthen the core crop nutrition business through precision nutrient management, efficient input use and increased crop productivity and quality.

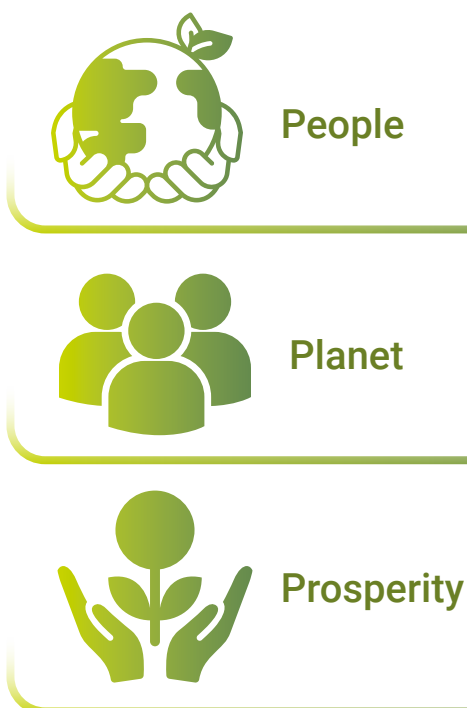
SDGs Integration at FFC



Embedding sustainability into our strategic direction, corporate policies and decision-making is essential for strengthening resilience and maintaining our ability to create value over time. As global sustainability challenges continue to evolve, FFC is progressing its sustainability strategy to reinforce its position as a leading fertilizer manufacturer and a responsible partner in Pakistan's agricultural development. Our approach centers on delivering sustainable farming products and solutions that support long-term growth and generate shared benefits for stakeholders.

FFC has identified six core Sustainable Development Goals that are most closely linked to its business activities, value chain and potential to create meaningful impact. In addition, the company supports four more SDGs aligned with the Pakistan Stock Exchange's minimum reporting requirements and the Government of Pakistan's national SDG priorities. This structured alignment allows FFC to contribute effectively to both national and global sustainable development goals while reinforcing its role as a responsible business.

As part of our sustainability strategy, we established 2030 targets in our priority areas, aligned with the SDGs, to promote deeper integration of sustainability considerations into strategic planning and enable the effective use of our capital to create long-term value for farmers, communities, and other stakeholders. See page 188 for our 2030 goals.



	Our products and solutions support higher yields, strengthen food security and promote sustainable agriculture by enabling informed product and seed selection, balanced nutrient use and the adoption of improved cultivation practices. These approaches contribute to higher productivity while supporting the production of healthier, more nutritious food. Refer to pages 237 to 245 for our activities supporting SDG 2.
	We recognize existing gaps in diversity, equity, and inclusion and have made DEI a priority for enhancement. By implementing inclusive policies and providing targeted support, especially for women and marginalized employees, we aim to promote fair participation and inclusion at all stages of employment. Refer to pages 225 to 228 for our activities supporting SDG 5.
	We manage water resources by recycling and reusing at our facilities to reduce freshwater withdrawals. By minimizing effluents, we prevent the release of harmful substances and reduce impacts on water bodies. Additionally, our Agri services promote efficient water management practices, helping farmers lower agricultural water use. Refer to pages 212 to 213, 237 to 238 and 243 to 244 for our activities supporting SDG 6.
	We promote resilient infrastructure, sustainable industrial development and innovation. We are advancing this commitment through investments in Sona Centers and Agri-tech solutions that improve agricultural services and productivity. By integrating sustainability into industrial growth, we aim to foster innovation while enhancing environmental stewardship and social inclusion. Refer to pages 240 to 245 for our activities supporting SDG 9.
	We are committed to responsible material management across our operations and value chain. By enhancing transparency and adopting responsible practices, product life cycle assessments and relevant certifications, we strive to continually improve our social, environmental, health and safety performance. Refer to pages 207 to 216, 237 to 245 and 247 for our activities supporting SDG 12.
	We are investing in cleaner technologies and efficiency upgrades to minimize environmental impacts, improve adaptability and boost resilience to climate change. At the same time, we are collaborating with value chain partners to reduce the environmental footprint of product transportation. Refer to pages 207 to 216, 237 to 245 and 247 for our activities supporting SDG 13.



In addition to its core SDGs, FFC addresses the goals identified under the PSX Minimum SDGs Reporting requirements and the Government of Pakistan's priority SDGs. Relevant SDG icons are included throughout the report to highlight areas of contribution.

Leadership Driving Sustainable Value

Our strategic leadership in sustainability is designed to address material impacts, risks, and opportunities, ensuring that sustainability priorities are aligned with business strategy and long-term value creation.

Our strong governance framework enables systematic integration of sustainability across the organization, encourages coordination among functions, and ensures clear accountability, extending vertically from operational teams to senior management, the CEO & Managing Director and the Board of Directors.

Board Oversight and Accountability

To enhance oversight, the Board has created a dedicated Sustainability Committee to direct and oversee the integration of sustainability into the Company's strategy and operations. The Committee assists the Board in managing sustainability and climate-related risks and opportunities, as well as FFC's significant impacts on the economy, environment, and people.

Committee members are selected based on their relevant skills and competencies and regularly engage in sustainability-focused training and external forums to stay informed about emerging trends, regulatory updates and evolving expectations that could affect FFC's business and performance.

The Sustainability Committee meets twice a year to review key sustainability issues, including significant impacts from FFC's activities and business relationships, their effects on value creation and strategic decision making, and the effectiveness of risk identification, assessment, and mitigation processes. The Committee also reviews sustainability targets, evaluates performance against those targets and discusses recommendations on how sustainability performance may be reflected in executive compensation, subject to Board approval.

 Refer to page 44-45 for further details about the Terms of Reference of the Sustainability Committee.

Management Structure and Implementation

At the management level, a dedicated Sustainability & Innovation Department has been established to oversee the direction and coordination of sustainability initiatives and projects. The CEO & Managing Director is accountable for integrating sustainability goals into the company's overall growth and transformation strategy. The General Manager of Sustainability & Innovation, reporting to the MD&CEO, is responsible for coordinating the implementation of decisions made by the Sustainability Committee, engaging relevant departments, overseeing the sustainability working group and monitoring performance and reporting.

Heads of Departments and line managers are responsible for implementing sustainability policies, complying with applicable laws and international standards and enhancing sustainability performance in their areas. FFC's sustainability strategy, introduced this year, sets clear targets through 2030, with progress gradually integrated into key performance indicators, performance reviews and compensation plans. Sustainability goals are currently reflected in pay and promotion decisions at both team and individual levels, strengthening accountability and alignment with long-term value creation.

A cross-functional working group with representation from key departments supports implementation efforts and contributes to annual sustainability reporting. External audits and certifications provide independent assessments of management systems and performance. Findings from reviews and audits are evaluated, incorporated into the risk management framework and escalated to relevant Board Committees where significant issues require oversight or guidance.

Extending Sustainability Across the Value Chain

Considering that many sustainability impacts extend beyond our immediate operations, we incorporate value chain impacts into our sustainability governance approach by engaging suppliers, partners and other stakeholders to foster ongoing improvements in sustainability practices across the entire value chain.

 Refer to page 247 for further details about our work in the value chain.

Sustainability Governance Structure

Sustainability Committee

MD&CEO

Sustainability & Innovation Department

Sustainability working group

Stakeholders

Meaningful engagement with stakeholders is essential to FFC's value creation approach. Our stakeholders both influence and are affected by our operations and business relationships. By actively understanding their perspectives and the impacts of our activities, we are better positioned to develop strategies that enhance positive outcomes, address potential adverse effects and protect long-term value.

FFC maintains an established stakeholder mapping developed in prior years, based on factors such as influence, accountability, proximity, dependency, willingness to engage and representation, which continues to guide engagement activities. During the reporting period, the Company did not perform a formal reassessment or ranking exercise, as no significant changes occurred in operations or stakeholder relationships. Engagement is managed by designated teams through clear, transparent communication channels that respect human rights. Key themes and concerns from these interactions are incorporated into enterprise risk management to develop strategies to address impacts, risks and opportunities. The results of engagement are communicated to stakeholders through ongoing dialogue and follow-up mechanisms.

Stakeholder Groups and significance to FFC	Engagement Methods	Issues and Concerns	Key objectives and metrics we track	Relevant material matters and capitals
 Employees The safety, wellbeing and continuous development of our employees are central to FFC's operational effectiveness and play a critical role in strengthening our human capital and long-term performance.	• AMCON, zonal meetings, annual recreation day, annual dinner • Training and coaching • Employee engagement survey • Engagement with CBA • Employee grievance handling procedures	• Corporate policies and growth plans • Career development and training opportunities • Occupational safety, health and well-being • Labour and human rights • Remuneration and benefits • Work-life balance • Diversity, equity and inclusion	• Foster a healthy, inclusive and people-centered workplace culture • Improve occupational health and safety performance • Employee engagement and satisfaction indicators • Compliance with labour and human rights laws • Average training hours per employee	Employment and labour relations, training, health and safety, human rights and market presence 
 Farmers/Customers Delivering Farm Advisory Services and engaging closely with farmers to introduce innovative agronomic practices and digital solutions are key to strengthening agricultural outcomes and enhancing the value of our natural, organizational, social and relationship capitals.	• Farm Advisory Services (FAS) • Customer satisfaction surveys and feedback • Farmer meetings, field meetings and crop demonstrations/trials • SMS, crop documentaries and publications • A dedicated helpline and the "Kashtkar" desk	• Affordable and stable fertilizer pricing • Crop yield, quality and productivity • Introduction of new and improved products • Digital farming solutions • Climate-responsive and sustainable farm management • Expansion of Farm Advisory Services coverage	• Farmer outreach through Farm Advisory Services • Digital solutions developed and delivered • Adoption of improved farming techniques • Number of farmer meetings, field demonstrations and trials • Research and development focused on climate-friendly fertilizers	Farmers' advisory 
 Suppliers Collaborating with partners across our value chain to promote alignment with FFC's policies and standards, supporting environmental protection, fair labour practices and respect for human rights throughout the supply chain.	• Policies for environment, labour and human rights • Supplier Code of Conduct • Quarterly and annual meeting • Awareness sessions • Request for proposal	• Ethical and responsible procurement • Worker health and safety • Guidance on environmental, labour and human rights policies • Responsible labour practices • Emissions and environmental impact	• Awareness and capacity building sessions for value chain partners • Supplier screening against defined sustainability criteria • Engagement with non-compliant partners through consultative sessions • Agreed on corrective action plans and improvements • Disengagement from persistently non-compliant partners	Procurement practices, supply chain impacts and human rights 



Stakeholder Groups and significance to FFC	Engagement Methods	Issues and Concerns	Key objectives and metrics we track	Relevant material matters and capitals
 Shareholders/ Investors Prioritizing sustainability and robust corporate governance to build investor confidence through open shareholder engagement and transparent communication of our performance.	- Corporate affairs department - Corporate website and social media platforms - Annual reports - General meetings	- Share price performance and dividend returns - Sustainable growth strategy - Management of sustainability and climate-related risks and opportunities - Experienced and capable leadership - Transparent reporting and disclosures - Sound governance and sustainability practices	- Return on equity and net profit ratio - Dividend payout ratio - Strengthening corporate reporting quality and recognition - Compliance with governance requirements - Investment in sustainable practices and innovation - Research and development of nature-aligned products	Economic performance, anti-corruption, energy, emissions, water, material, waste, local communities and supply chain impacts. 
 Government and Regulators Engaging with key government agencies and regulators to support the development of policies that promote environmentally responsible fertilizers, strengthen food security and address malnutrition.	- Engagement in policy-making processes - Visits and conferences - Participation in industry associations	- Compliance with laws and regulations - Timely payment of taxes and duties - Sustainable fertilizer management and use efficiency - Food security and malnutrition - Participation in policy and industry platforms	- Regulatory compliance performance - Direct and indirect tax contributions - Engagement with regulatory bodies and industry associations - Knowledge sharing and policy feedback - Collaboration with international and development partners on nutrition and food security initiatives	Economic performance, farmer advisory, and local communities. 
 Society Enhancing local communities' well-being through targeted efforts and partnerships, supporting national objectives and advancing the Sustainable Development Goals.	- Plant site community meetings - Employees' consultation - Collaborations with NGOs for community development - Consultation and dialogues with academics, NGOs, and business associations	- Broader social and environmental impacts - Environmental footprint of operations - Access to health and education - Skills development and employment opportunities	- Investment in health and education facilities near plant sites - Donations and support to healthcare institutions and charities - Partnerships with NGOs for socioeconomic development - Community development initiatives outcomes	Local communities, procurement practices, market presence 

Materiality

FFC's approach to identifying material sustainability topics emphasizes issues that significantly affect the environment, economy, and society, and are important to our operations. We use a double-materiality perspective, considering both how our activities impact the economy, environment, and people, and how these issues could affect our performance, position, and prospects in the short-, medium-, and long-term. By combining internal and external viewpoints, our materiality process supports strategic alignment with stakeholder expectations, enables informed decision-making in a fast-changing operational environment and helps us focus on issues that create shared value while responsibly managing trade-offs.

The materiality assessment focuses on sustainability issues that have significant impacts on the economy, environment, and people, materially affecting FFC's financial, manufactured, natural, human, organizational, social, and relationship capitals and influencing our ability to pursue a sustainable, resilient business model.

While sustainability- and climate-related financial risks and opportunities aligned with IFRS Sustainability Disclosure Standards (IFRS S1 and S2) are disclosed separately, these risks are considered key inputs in the materiality assessment. Insights from risk identification enhance our understanding of how sustainability topics may impact FFC's capitals, resilience, and long-term value creation.

 Refer to page 278 to 287 for details of sustainability and climate-related risks and opportunities under IFRS S1 and S2.

Material topics were identified by evaluating the impacts of FFC's activities through a structured process that involved reviewing risks and opportunities in the operating environment, analyzing industry-specific sustainability and climate trends, engaging with key stakeholders, considering issues raised through grievance mechanisms, and leveraging insights from FFC's Enterprise Risk Management (ERM) system.

FFC's ERM framework was expanded to include sustainability-related risks and opportunities, such as emerging regulatory requirements, investor expectations, industry developments, and potential impacts from FFC's activities. The materiality analysis assessed both positive and negative effects based on severity, likelihood, scale, and scope, enabling prioritization through expert involvement and guiding mitigation and value-enhancement actions.

 Refer to page 90 to 91 of the report for further details on the risk management practices at FFC.

Adherence to relevant laws, international frameworks, internal policies and FFC's Code of Conduct underpins our approach and reflects our commitment to a precautionary mindset. Identified material sustainability topics inform strategic direction, support the evolution of our business model and shape the development of sustainability strategy, setting objectives and targets.

The list of material topics is reviewed regularly to ensure it remains relevant amid changing external conditions. During the reporting period, this review did not result in any changes to the previously identified material topics.



Phase I

Identify and define an initial list of issues

Identifying issues that represent our significant effects on the economy, environment, and people could affect our capital and capacity to create, preserve, or diminish value.



Phase II

Prioritize issues through stakeholder consultation

In consultation with our stakeholders, prioritize those with significant impact and relevance in our operating environment, considering the needs of the primary stakeholders.



Phase III

Validation by senior management

Validate, in consultation with senior management and experts, key matters to guide our strategy, business model, capital allocation and short-, medium-, and long-term goals.



Phase IV

Approval by management

Approving material issues representing our significant impacts.

Evaluating emerging issues in the operating environment keeps our strategy current.

Material Matters	Stakeholder Impacted	Addressed in the report
 Emissions	Communities, employees, suppliers, government and regulators	Protecting the Planet – Responsible Resources Stewardship
 Energy	Employees, suppliers, government and regulators	
 Material	Suppliers and customers/farmers	
 Water	Communities and regulators	
 Waste	Communities and regulators	
 Employment and labour relations	Employees, workers, suppliers, distributors	Empowering People, Strengthening Communities
 Market presence	Communities, employees	
 Training	Employees	
 Health and safety	Employees, suppliers and communities	
 Human rights	Employees, suppliers and communities	
 Local communities	Communities	Food Security and Resilient Practices - Impact on Profit and Value
 Farmers advisory	Farmers/customers	
 Economic Performance	All stakeholders across value chain	
 Anti-corruption	Employees and regulators	
 Procurement practices	Suppliers and communities	
 Supply chain impacts	Suppliers and distributors	



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

02 Strengthening Foundations For Long-Term Value Creation

Organizational and Financial Capital

Contributing to SDGs:		 	
Activities	Managing sustainable value creation through transparent oversight structures and controls	Whistle-blowing procedures and grievances mechanisms	Sustainability strategy and targets 2030
	Aligning strategy, resources, and capital allocation to foster long-term value creation		
OUTPUTS	Sustainability risks minimized and opportunities effectively utilized	Robust and transparent sustainability governance framework	Zero non-compliance with laws
	Enhanced value created and shared across stakeholders		
Value Created	Ethical and responsible business practices integrated throughout operations	A strong and resilient governance system	Enhanced ability to generate value over time

Delivering on Our Commitments

As part of our enhanced sustainability strategy, FFC has set new commitments extending to 2030, replacing the previous targets for 2026. These 2030 goals focus on aligning our corporate strategy and policies with the Sustainable Development Goals and emphasize resilience for the planet, farmers, the value chain and communities. Operating conditions and broader macroeconomic factors influence progress toward these commitments. FFC tracks and reports its progress against goals and targets annually. While our direct operational impacts are significant, our significant impact is through the agricultural value chain, primarily through our products and our role in strengthening national food security. This contribution supports the United Nations Sustainable Development Goals related to ending hunger, reducing poverty and promoting good health and well-being.

For further information on our impacts and activities within the Agri-value chain, please refer to pages 237 to 245.

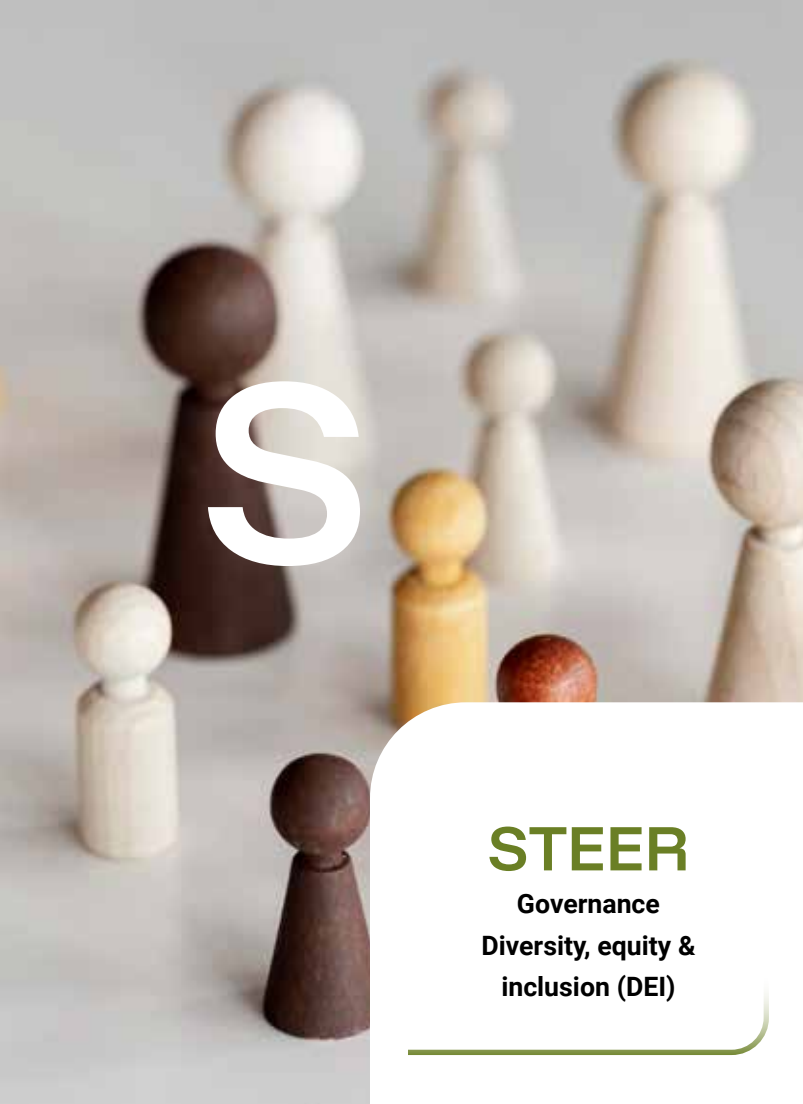
FFC SDGs	FFC SDGs	FY 2025 PERFORMANCE	INTERIM 2024 ANNUAL TARGETS	TARGETS 2030
Energy Intensity	 	○○○ 14.72 MMBTU/ MT urea	14.67 MMBTU/ MT Production	14 MMBTU/ MT Production
GHG Emissions		●○○ 2.4 Mn MTCO2e	2.06 Mn MTCO2e	1.9 Mn MTCO2e
Water Management		●○○ 2,398 Mn L discharged	2,024 Mn L discharged	1,104 Mn L discharged
Waste Management		○○● 1,142 MT	1,906 MT	1,744 MT
DEI	 	○○○ 152 females	169 females	280 females
Nutrient Stewardship	  	○○● 227,000 training hours	219,642 farmers' outreach	512,500 farmers' outreach

* Water discharge targets and performance exclude water transferred from the Port Qasim plant to FPCL, as it is reused within the group and therefore not treated as discharge for internal operational management purposes. However, for the Sustainability Report, this volume is reported as wastewater discharge in line with the defined reporting boundary.

Legend: Progress Tracking

- Meeting interim targets, maintain performance towards meeting 2030 targets.
- Falling little short of interim target.
- Significantly falling short of interim target review and revise targets (if necessary).





S



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STEER

Governance
Diversity, equity & inclusion (DEI)

OPTIMISE

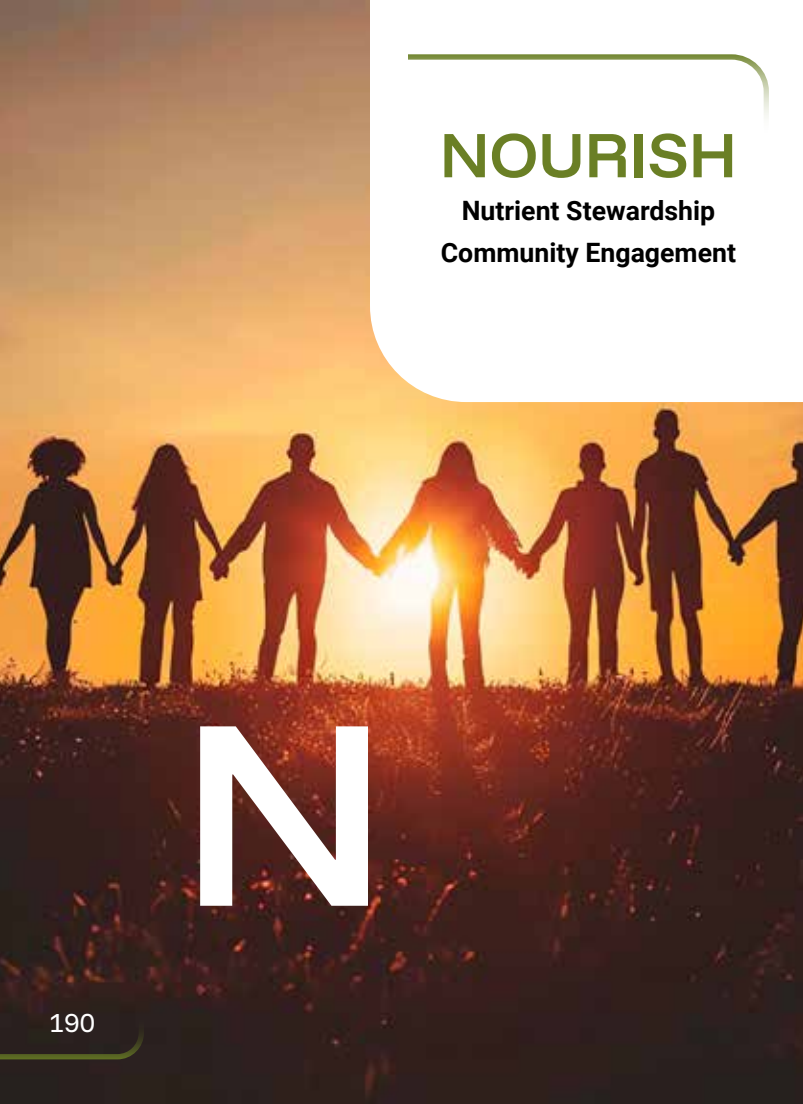
GHG Emissions
Energy Intensity

NOURISH

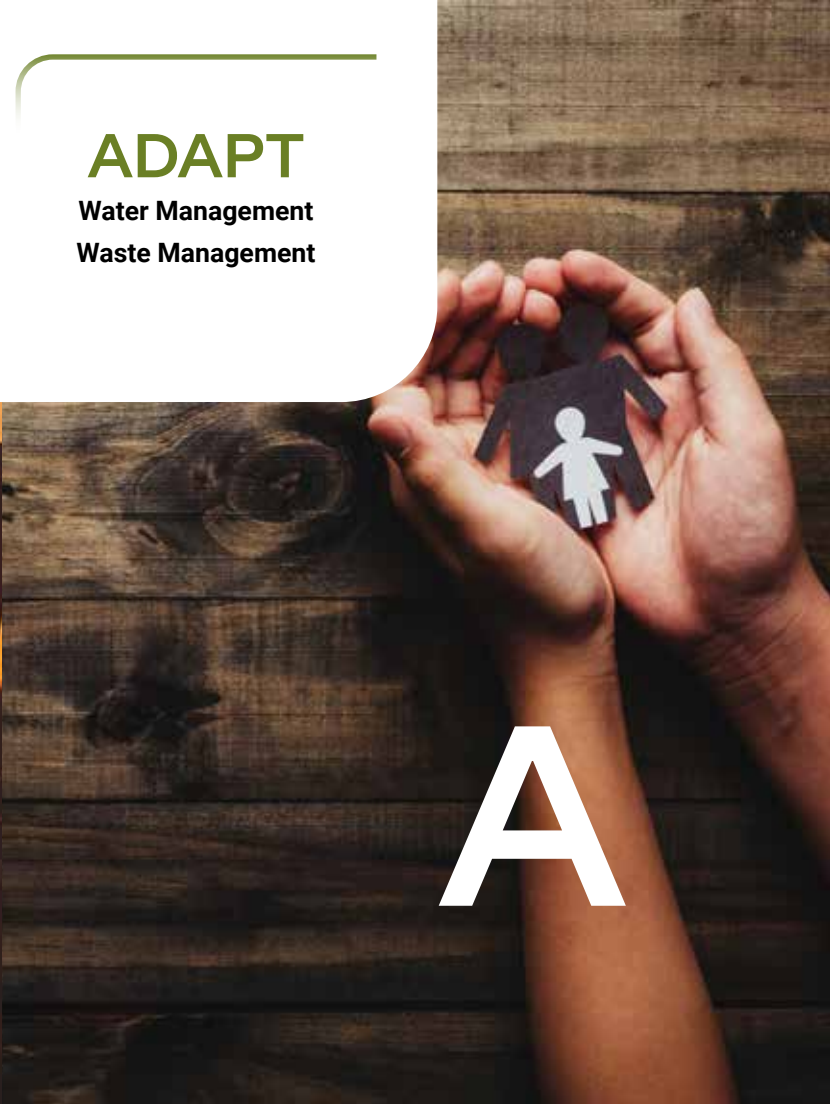
Nutrient Stewardship
Community Engagement

ADAPT

Water Management
Waste Management



N



A

Sustainability Strategy 2030

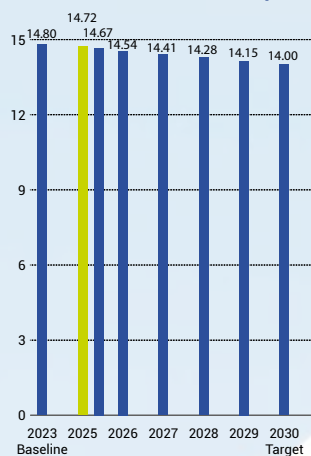
To address significant sustainability risks and opportunities while adhering to best practices, we have refined our sustainability strategy to optimize data management and set ambitious targets.

Our sustainability strategy aligns with the International Fertilizer Association's (IFA) key priorities, our material sustainability issues and our position and role as a value creator for various stakeholders.

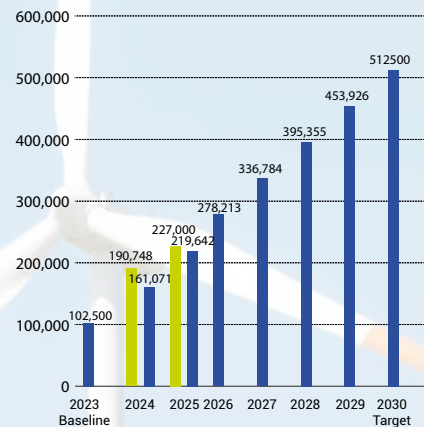


Performance 2025

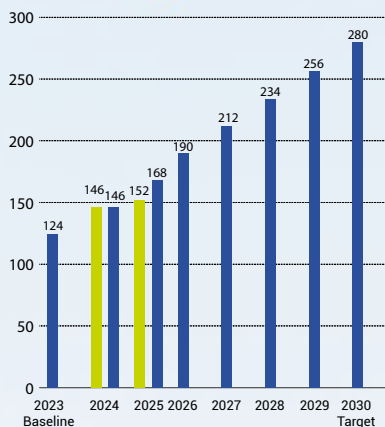
Energy Intensity
(MMBTU/MT Production)



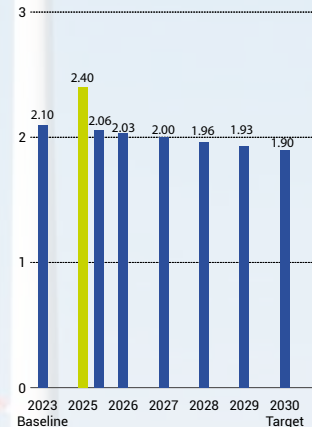
Farmers Outreach
(Number of farmers reached)



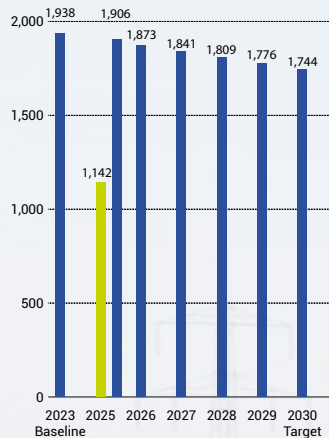
Female Employees
Number



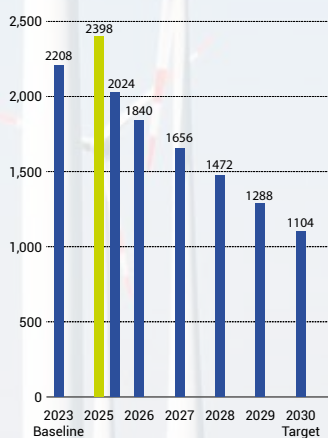
GHG Emissions
(Million MTCO2e)



Waste Generated (MT)



Wastewater Disposal
(Million Liters)





Managing Risks and Unlocking Opportunities

In 2025, FFC navigated a challenging operating environment marked by economic uncertainty, evolving regulatory expectations and rising climate-related pressures across the agriculture and industrial sectors. These conditions present both risks and emerging opportunities that influence the Company's ability to deliver and sustain long-term value. FFC's strategy and resource-allocation approach are designed to respond to this environment by bolstering resilience, managing significant risks and capitalizing on opportunities arising from market, policy and technological developments.

Our ongoing value creation approach focuses on meeting customer expectations, promoting responsible consumption and production and ensuring fair and respectful treatment of people and the environment. These priorities build customer trust, support business growth, improve market acceptance and lead to increased revenue and greater market share. Corporate objectives and annual business plans are designed to manage and leverage these areas through strategic initiatives and resource allocation, including managing material impacts and risks, pursuing growth opportunities and selectively diversifying into value-accretive ventures. Key strategic actions include exploring alternative feedstock options, developing and offering nature-aligned products to enhance crop yields and promoting innovation and sustainability across operations and the value chain. This opportunity-led approach supports long-term competitiveness and differentiates FFC in the market.

Sustainability is embedded in our core business strategy, innovation plans and operational processes. Our Sustainability Strategy 2030 addresses environmental, social and economic impacts across our operations and value chain partners, directly influencing capital allocation and investment decisions. This integration helps FFC effectively manage key issues while enhancing the potential for value creation in the short-, medium-, and long-term.

FFC recognizes investor expectations for responsible value creation that considers impacts on the economy, environment and people. While reducing our environmental footprint may require significant investment and facility upgrades, these actions are viewed as essential to long-term resilience. Challenges associated with manufacturing complexity and the availability of alternative technologies are continuously assessed as part of strategic planning and resource allocation. Our commitment is

reflected in sustainable value chain practices, strong health and safety management, community engagement and respect for human rights. Strong governance oversight underpins the execution of our strategy and the delivery of sustainable value. Clear accountability structures support disciplined decision-making, consistent performance, and robust financial outcomes, reinforcing FFC's position as a market leader.

 Refer to page 188 and 191 for the sustainability strategy and targets 2030

To turn strategy into measurable results, FFC has set targets and key performance indicators to manage sustainability impacts and track progress. We see sustainable value creation as a transformative process that aligns resource use, investment priorities, technological development and institutional practices to boost our current and future ability to create value. Our sustainability

strategy aligns with the Sustainable Development Goals (SDGs) most relevant to our business and impact profile. Resource allocation supports these goals by managing risks and seizing opportunities related to sustainable development. For instance, Agri-services initiatives contribute to SDG 2 (Zero Hunger) and SDG 12 (Responsible Consumption and Production), while R&D efforts focus on improved, nature-aligned fertilizers that support SDG 13 (Climate Action). We are gradually integrating these SDGs into our corporate policies and decision-making processes to enhance sustainable value creation.

 Refer to page 181 for our governance approach to sustainable value creation.

 Refer to pages 230 to 234 and 237 to 245 to read about our projects for community upliftment and sustainable agriculture to ensure food security. These projects embody our strategy of advancing the SDGs through our products, expertise and investments.

Broader operating environment	FFC Material Matters	Risks and Opportunities	FFC Response and Achievements
Environmental Environmental risks continue to dominate the global risk landscape in the World Economic Forum's Global Risks Reports, with ecological threats among the serious risks in the short while the most dominant risks and long term. Risks such as extreme weather events, biodiversity loss and ecosystem collapse, and change to Earth's systems are key concerns for the next decade. These risks could significantly affect FFC's business model, operational performance and long-term prospects. Recent global climate developments, including the outcomes of COP negotiations, reinforce governments' ongoing commitment to climate action despite gaps in climate finance and implementation challenges. The worldwide effort to follow a 1.5°C pathway and reach net-zero emissions by 2050 continues to increase expectations on businesses to transition to lower-carbon energy sources, enhance resource efficiency and bolster climate resilience. Investor expectations are also shifting, with greater focus on clear actions to address sustainability and climate-related risks and opportunities. Climate change is already causing more frequent and intense storms, floods and droughts, which disrupt agricultural productivity, drive up food prices and worsen food security issues. For FFC, additional structural risks include decreasing gas supplies, increasing water scarcity, and changing weather patterns, all of which affect production continuity, costs and revenues. Together, these developments highlight the need for flexible strategies, targeted investments in technology and innovation and a continued focus on minimizing environmental impacts. Tackling these risks is essential for maintaining business resilience, supporting farmers and safeguarding long-term value creation.  Refer to pages 206 to 216 to read our environmental management approach and impacts.	Emissions, Energy, Material, Water, Waste, Supply chain impacts    	Our opportunities In response to rising environmental and climate risks, FFC has developed a sustainability strategy and prioritized the Sustainable Development Goals where it can have the greatest impact. Our Sustainability Strategy 2030 guides embedding sustainable practices across the business, speed up the development of nature-based products and adopt technologies that support a shift to a low-carbon economy. As our understanding of climate and sustainability challenges grows, we are strengthening our ability to proactively manage related risks and discover opportunities that boost resilience, support adaptation and protect long-term value creation. Our key risks Climate-related disruptions due to rising 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.	- FFC has crafted sustainability strategy 2030 with targets for environmental impacts. - FFC has identified climate-related risks and opportunities and devising strategies for effective risk management and capitalizing on opportunities.  Refer to pages 278 to 287 for Sustainability-related risks and opportunities. - In 2025, FFC emissions increased on account of higher production. - Investment in renewable energy to pursue clean energy and reduce emissions. A 2.735 MW solar power plant that produced approximately 14,283 GJ in 2025. - In 2025, FFC water consumption increased by 2,883 ML. - FFC addresses environmental risks by promoting improved-efficiency fertilizers, with 210,000 tons of neem-coated urea sold in 2025 helping to prevent around 47,250 metric tons of CO₂e emissions through better nitrogen-use efficiency. 4,950 conserved Neem trees helped to avert 272 tons of CO₂ emissions.
Political and macroeconomic Pakistan's economy grew by 3.0 percent in the fiscal year ending June 2025, up from 2.6 percent a year earlier, reflecting a rebound in industrial activity and continued growth in the services sector. According to the World Bank, growth is expected to stay around 3 percent in FY2026, supported by macroeconomic stabilization, fiscal discipline and increased confidence, although the impact of recent floods on agriculture remains a challenge. While tighter fiscal and monetary policies helped control inflation and support fiscal and external balances, weather-related shocks and pest infestations limited agricultural performance, highlighting ongoing vulnerabilities in the economic outlook. The agriculture sector experienced modest growth in 2025, mainly due to lower output of key Kharif crops, reduced cultivated areas, flood damage and declining crop yields. These issues were worsened by climate variability and rising input costs, exposing structural weaknesses in the sector. The Government of Pakistan is implementing policy measures to boost agricultural productivity, mechanization and financing, such as improving farmers' access to affordable credit and enhancing sector infrastructure. Simultaneously, the State Bank of Pakistan continues to focus on agricultural financing by urging banks to increase farm credit, strengthening prudential frameworks and promoting financial inclusion in rural areas. Despite these efforts, Pakistan still relies on food imports, leaving the country vulnerable to global price fluctuations and food security challenges. Ongoing government initiatives to strengthen the agricultural sector, such as supportive policies, expanded agricultural credit, crop insurance programs, improved market systems, investment in research and development and increased support prices, are expected to boost productivity, create jobs across agricultural value chains, stabilize food prices and improve national food security over time.	Economic performance, Procurement practices and Farmers' advisory    	Our opportunities Expanding our product portfolio by developing solutions that address both macro- and micronutrient requirements, strengthening Agri-services infrastructure, and accelerating diversification through a balanced mix of organic growth and selective inorganic opportunities. Our key risks Rising input costs, increased financial risk and pressure on net earnings.  Refer to pages 92 to 97 read more about risk and opportunities on the political and macroeconomic front.	- FFC is actively exploring diversification opportunities to deliver resilient and sustainable returns for investors and shareholders amid challenging political and macroeconomic conditions. - Meanwhile, FFC is boosting its research and development efforts to create nature-aligned products that increase crop yields and support sustainable farming practices throughout the value chain.  Refer to page 178 to read more about products aligned with nature - FFC prioritizes sourcing from local suppliers, limiting imports to products and services unavailable domestically. Throughout the year, about 66% of the procurement budget was allocated to local suppliers.

Broader Operating Environment	FFC Material Matters	Risks and Opportunities	FFC Response and Achievements
Social Pakistan's economy has experienced prolonged inflationary pressures in recent years, which, despite recent signs of stabilization, have had enduring effects on living standards, leading to poverty, malnutrition, health issues, unemployment and growing inequalities. Although macroeconomic stabilization efforts and fiscal discipline under the IMF program have helped contain inflation and restore confidence, they have also restricted public spending, limited job creation and impacted the delivery of essential services. Improving socio-economic conditions will require ongoing efforts to strengthen the services sector, promote entrepreneurship and investment in skills development, along with expanded social protection and poverty reduction initiatives to support vulnerable populations, address food insecurity and lower social stress. In this context, the private sector plays a vital role in developing strategies, products and services that tackle social challenges, foster inclusive growth and build a more resilient and prosperous society.  Refer to pages 230 to 234 and 237 to 245 to read our work in communities and for Agri-value chain.	Employment and labour relations, Market presence, Training, Health and safety, human rights, local Communities, Supply chain impacts   	Our opportunities Our work on the SDGs and our alignment with them help address social issues. Providing products to fight malnutrition, partnering with organizations to create livelihood opportunities and implementing healthcare, education and skill development programs. Our key risks Persistent poverty, inequality, rising living costs affecting purchasing power, skills shortage, limited plant support workers and reduced public spending impact workforce and community resilience.	• FFC is working to align its activities with core SDGs to enhance impact management and support the SDGs. • Investing in employee development, diversity and inclusion promotes a motivated and capable workforce, boosting our capacity to generate value. Employees participate in 30 hours of training annually. • FFC contributed Rs. 1,718 million in CSR initiatives to assist underprivileged communities through education, health and livelihood programs. • Working together with supply chain partners to adopt best practices for managing supply chain impacts and incorporating sustainability criteria into the supplier selection process.
Technology The increasing digitalization and integration of new technologies have heightened exposure to cyber threats, making the security and resilience of IT systems a growing priority. At the same time, technology adoption in the agriculture sector remains uneven, constrained by traditional practices, limited digital literacy, capacity gaps, infrastructure challenges and affordability, leading to low mechanization and restricted productivity growth. Bridging the gap between conventional and technology-enabled agriculture will require coordinated efforts across government, industry and the private sector. This environment emphasizes strengthening internal digital resilience while supporting the adoption of Agri-tech solutions that enhance productivity, food security and rural livelihoods, enabling sustainable growth across the agricultural value chain.  Refer to pages 237 to 245 to read our work with farmers on Agri-services and farm mechanization.	Economic Performance, Farmers advisory    	Our opportunities Promoting technology-enabled agriculture to improve crop yields, enhance farm profitability and strengthen national food security. Investing in innovation to improve digital security and enhance workforce productivity across our operations. Our key risks Cybersecurity threats and ongoing dependence on outdated farming methods are restricting crop health and leading to declining per-hectare yields.	• We utilize sophisticated IT controls and firewalls to protect confidential data. Regular updates, audits and training are performed to uphold IT systems' security. • Our Sona Centres support farmers and promote agricultural practices with an outreach of 118,000 farmers across Pakistan, spanning over 1.7 million acres of farmland. • The Food Security and Agriculture Center of Excellence (FACE) promotes precision farming services to address the challenges posed by climate change and rising input costs. In 2025, FACE delivered precision farming services across 43,000 acres with outreach of 4,000 farmers. • FFC is partnering with institutions to promote modern agricultural practices.  Refer to pages 244 to 245 for such partnerships.
Regulatory Pakistan's sustainability regulatory landscape is evolving rapidly, with the Securities and Exchange Commission of Pakistan implementing IFRS Sustainability Disclosure Standards starting July 1, 2025, along with expanded voluntary ESG guidelines aligned with the Pakistan Green Taxonomy. Meanwhile, SDG-linked disclosure requirements under the PSX framework for leading companies and the ESG primer for listed companies are increasing expectations for transparency, governance and data quality. Additionally, recent developments in carbon markets and the anticipated introduction of a carbon tax are expected to increase compliance requirements and related costs. These developments require companies to identify sustainability and climate-related risks and opportunities, enhance decision-making and protect long-term value creation.  Refer to page 179 to read our work on integrating SDGs.	Economic Performance, Anti-corruption  	Our opportunities Safeguarding the ability to create value while managing risks. Aligning early with upcoming requirements to ensure smooth adoption of regulations and best practices for stronger governance. Our key risks Increased compliance requirement and related costs.	• FFC formed a Sustainability Committee and the Sustainability and Innovation department to promote integration of sustainability. • A multifunctional task force engages in various interactive workshops focused on sustainability, as part of FFC's strategic roadmap. • Early voluntary alignment with IFRS SDS to become ready for the upcoming regulatory requirements.  Refer to page 278 to 287 to read Sustainability-related risks and opportunities.

Value Creation Business Model

The availability and quality of our six capital inputs

Empowers us to deliver on our strategy



Natural capital

The direct use and impact on natural resources and ecosystems through our operations-encompassing materials, water, energy, emissions, waste and our influence through business activities and relations.

Our actions have both direct and indirect effects on the natural environment. We strive to enhance resource use and energy efficiency at our ISO 14001 certified facilities while aiming to reduce waste and emissions.

- Rs 383 million spent on water efficiency and impact management
- Rs. 27 million spent on energy efficiency projects
- 38,001,181 GJ energy consumption and 23,464 ML water withdrawal
- 2.735 MW solar power system



Human capital

Our people and culture, along with our investments in developing skills and the collective knowledge of our workforce that enable innovation.

- A workforce of 4,235 talented and motivated employees (2024: 4,118)
- An esteemed culture that values people promote innovation and highlights health, safety and employee well-being.
- Spent Rs. 555 million on training and skill development (2024: 550 million)



Organizational capital

Our intangible assets, including brand, reputation, research and development, knowledge and expertise in Agri-services, innovation capacity and partnerships, help grow our business.

- Brand and corporate reputation
- Products aligned with natural capital
- Knowledge of our people and the expertise of our Agri-services department
- Cutting-edge solutions
- Advice on using balanced fertilizer, farming methods and technologies through Farmer Advisory Services
- Market leadership across products



Social and relationship capital

Our strong relationships with communities, farmers and other key actors in our operating environment underscore our understanding of our responsibility to contribute to thriving communities and ensure food security.

- Strong dealers' network with 3,175 dealers across Pakistan
- Supporting supply chain partners for integrating sustainable practices
- Good relationships with stakeholders
- Strong CSR presence at plant sites and investments in defined thematic areas



Manufactured capital

Our manufacturing facilities, corporate structure and operational methods, including fixed assets like property, plant and equipment, as well as IT systems, form the foundation and approach for conducting business and creating value.

Our manufacturing plants, marketing network, warehouses and distribution partners deliver our products to end customers to increase yield.

- 4 manufacturing plants, head office, and marketing offices
- 148 warehouses
- 5 Farm Advisory Centers (FAC) and 21 Agri. Services Offices (ASO)
- 100 SONA Centre hubs, 144 SONA Stores, and 39 partner outlets
- 01 Research Center for development and testing of value-added fertilizers aligned with nature



Financial capital

Our strong capital base and funding from investors and lenders supply resources for our business operations while also generating returns for our shareholders and investors on their capital contributions.

Our strong financial position, steady growth, diversification strategies and disciplined capital allocation propel sustainable returns.

- Equity and reserves Rs. 135,584 million (2024: Rs 131, 880 million)
- Long-term finances Rs. 61,300 million (2024: Rs.38,200 million)

Material matters

FFC SDGs

Emissions, Energy, Material & Water Waste



Employment and labor relations
Market presence
Training Health and safety Human rights



Farmers advisory



Local communities
Supply chain impact



Farmers advisory



Economic performance
Anti-corruption
Procurement practices



“Our value creation business model is central to FFC’s operations and decision-making. It guides how we allocate and oversee our capitals, shape our strategy and activities, and deliver results across the short, medium, and long term. Through this model, we aim to maximize value for all stakeholders by creating and protecting value while responsibly managing trade-offs and reducing value erosion.”



by supporting value adding business activities

that produces output (product and solutions)

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.



3,740,044 MT
(289,336 MT EEF) were produced, including Sona Urea, DAP, and Granular



Sold **4,214,782** MT of products, including 299,680 MT of EEF fertilizers



4,074,160 MT transported through haulage contractors by travelling 149 million Kilometers.



227,000 farmers were briefed about the balanced use of the products and provided advice on Agri-practices.

FFC builds relationships with a range of organizations and its value chain partners to support the local community. It also shares knowledge and best practices with farmers. For more details about these organizations, see pages 64-65.

Natural capital

- + 272 tons CO₂ emission averted by 4,950 Neem trees
- + Energy consumption decreased by 133,799 GJ due to efficiency measures
- + 14,283 GJ clean energy produced
- Scope I GHG Emissions increased by 215,672 MT

Human capital

- + Rs. 21,755 million paid in salaries and benefits
- Attrition increased by 10%
- + Average 30 training hours per employee
- + Gender diversity ratio

Organizational capital

- + SAP-based learning and development system
- + R&D to offer products aligned with nature
- + 23 booklets, crop documentaries, and Short Messaging Service (SMS) material developed by Agri-services for better farming practices
- + 70 % of farmers who followed Agri-services advice witnessed increased productivity after balanced fertilizer use

Social and relationship capital

- SR report ranking retained
- Secured 1st position for Annual Repot 2024
- + Rs. 111,596 million direct and indirect tax contributions
- + Rs 1,718 million socio-economic investments
- + No complaints from value chain partners

Manufactured capital

- + Rs. 9,283 million was invested to upgrade manufacturing plants
- + 227,000 farmers outreach through the Agri-services, FACE, SONA Centres and Agri-Tech projects
- + Produced 289,336 KT of products aligned with natural capital

Financial capital

- + ROE increased by 5 %
- + Strong balance sheet (Debt to equity ratio 27%)
- + Net asset value per share is up by 3%
- + Share price increased by 61% on December 31, 2025, compared with December 31, 2024

●	●	●	●	●
+	●	+	●	+
●	+	+	●	+
+	●	+	+	+
●	+	+	●	●
+	●	+	●	●

+ 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 and commitments. Our dedication to integrity and fair practices strengthens our ability to succeed in a competitive, constantly changing environment, create value through our expertise and growth strategies and promote sustainability by adhering to governance codes, ethics & business practices policy statements and best practices.

Refer to pages 16,18 and 19 for extensive information regarding the code of conduct, values, and policy statement of ethics & business practices.

Governance structure

The Board of Directors functions as FFC’s top governing body and is responsible for overall performance, strategic direction and long-term value creation. It provides leadership in identifying and managing impacts, ensures compliance with high ethical and integrity standards and operates within a framework of adequate internal controls and prudent governance practices.

The Board consists of thirteen members, including one executive and twelve non-executive directors, four of whom are independent. Two independent directors represent minority shareholder interests, and none have any significant financial ties to FFC. The Board includes eleven men and two women and reflects a balance of skills and experience in business, finance, engineering and other relevant fields. Shareholders elect directors at the general meeting, while the

sponsoring organization and financial institutions appoint nominated directors in accordance with applicable laws and regulations. FFC complies with all legal and regulatory standards related to Board composition and qualifications. Although there are no formal quotas for nationality, ethnicity, or age, the Board strives to ensure competence, diverse perspectives and a strong culture of accountability to protect stakeholder interests.

The Chairman of the Board is a non-executive director who is independent of the Company’s management. Neither the Chairman nor any related party is employed by FFC, involved in business with the Company, or connected through consultancy or similar arrangements, thus supporting the independence of Board oversight. The MD&CEO leads the executive management team and is responsible for the effective daily management of operations and implementing the Company’s strategy.

FFC has created a Code of Business Ethics and Anti-Corruption Policy to promote integrity and prevent conflicts of interest within the organization, including at the highest levels of governance. The Code forbids actual or potential conflicts of interest and requires that such issues be disclosed and escalated to the Board for proper review and resolution. To support effective governance and focused oversight, the Board has established several committees with clearly defined mandates and delegated authority. These committees help the Board fulfill its responsibilities by enabling detailed reviews and timely decisions across key areas. Each Board Committee operates under formal terms of reference, which are reviewed annually, and meets as needed to oversee performance within its scope. The Board Committees include the Audit Committee, System and Technology Committee, Human Resources & Remuneration Committee, Strategy & Investment Committee and Sustainability Committee. Additionally,

MD & CEO

Ensures targets are integrated in business strategy for growth & transformation

S & I Department

Coordinates the Working Group; monitors initiatives & sustainability reporting

Sustainability Working Group

Collates data, identifies initiatives aligned with strategic areas; updates on implementation

Board Sustainability Committee

Saad Amanullah Khan
(Chairman)

Yassir Ghiyati ibn Ziyad
(Member)

Maj. Gen. Aneeq-ur-Rehman Malik
(Member)

management-level committees, such as the Executive Committee, Strategy and Investment Committee, and CSR Committee, support the implementation of Board-approved strategies and policies.

Refer to pages 30 to 37 and 38 to 45 for extensive details related to the Profile of Directors and Board Committees.

Compliance

FFC operates within a comprehensive regulatory framework that includes the Companies Act 2017, the Code of Corporate Governance and the Pakistan Stock Exchange listing requirements. Compliance with applicable laws and regulations is a core governance priority, supported by active monitoring of regulatory developments and appropriate controls to manage an evolving regulatory environment, mitigate compliance risks and maintain stakeholder confidence.

The Board oversees compliance with laws, regulations and the Code of Conduct through the Audit Committee, with support from the internal audit team. Internal audit assesses compliance, investigates breaches and recommends corrective and preventive actions as needed.

There were no reports of significant non-compliance with socio-economic laws and regulations during the year. Significant non-compliance refers to any breach that causes a material financial, operational, or reputational impact on the Company or its stakeholders.

Corporate Strategy and Monitoring Performance

The Board provides strategic oversight by approving FFC's purpose, mission, vision, values, strategy and sustainability-related goals. Board Committees, each with defined responsibilities, support the Board in shaping strategy, overseeing implementation and monitoring performance within their respective areas.

FFC operates a comprehensive Enterprise Risk Management framework to identify, assess and manage risks relevant to its operations and long-term objectives. The Board has delegated oversight of the effectiveness of the ERM framework to the Audit Committee, which is responsible for monitoring key risks and opportunities that could materially impact FFC's ability to create value. The Committee also reviews significant issues raised through stakeholder engagement and escalates material matters to the Board for consideration.

The MD&CEO provides regular updates to the Board and relevant Board Committees on emerging risks and opportunities, environmental and social impacts, factors influencing long-term value creation and progress against approved targets. These matters are reviewed in detail at the committee level and inform Board deliberations. Based on inputs from the committees, the Board conducts a comprehensive review of organizational performance, risk exposure and the effectiveness of internal controls and management processes during its quarterly meetings.

Evaluation of Corporate Performance

The Board's performance is evaluated annually against clearly defined, measurable and achievable objectives. The Pakistan Institute of Corporate Governance conducts an independent external assessment of the effectiveness of the Board, its committees, and individual directors. The Board examines the evaluation results and takes actions as needed to improve performance and governance practices. The most recent assessment did not result in any changes to Board composition or governance arrangements.

Oversight of executive performance and remuneration is the responsibility of the Human Resource and Remuneration Committee. The Committee reviews annually the achievement of company goals, including operational and sustainability-related objectives, as well as performance at the Executive Committee level. Based on this review, it makes recommendations to the Board for approval, ensuring that incentive and bonus outcomes are aligned with FFC's overall performance, strategic priorities and long-term value creation.

Board members, including those overseeing sustainability issues, bring relevant experience in economic, environmental and social areas. To stay aware of new trends and changing expectations, FFC supports continuous capacity building through targeted training and participation in key national and international forums for both Board members and senior management.

Remuneration Policies and Procedures

Our compensation framework aligns with industry standards and good governance practices, helping attract, retain and motivate talent. A structured performance review system evaluates both financial and non-financial factors to assess individual and organizational performance, while compensation policies aim to reward high performance and promote long-term value creation.

The Human Resource and Remuneration Committee recommends the compensation for the MD&CEO. This recommendation is subject to approval by the Board of Directors and shareholders, as required by applicable regulations. Non-executive directors receive only a director's fee to cover expenses related to attending Board meetings, as determined by the board in accordance with relevant rules and governance regulations.

The Human Resource and Remuneration Committee regularly reviews market trends and internal factors that may influence FFC's pay practices and provides recommendations to the Board accordingly. Stakeholder views on remuneration issues are considered through engagement at annual general meetings and consultations with

Collective Bargaining Agents. Certain remuneration disclosures, including internal pay ratios and year-over-year compensation changes, are not publicly disclosed due to their sensitive and proprietary nature.

Whistleblowing, Grievances and Stakeholders' Feedback

FFC's whistleblowing framework encourages transparency, accountability and ethical behavior across business operations. Employees, business partners and other stakeholders can seek guidance or report concerns related to ethical violations, policy breaches, fraud, corruption, supplier collusion, conflicts of interest, internal controls, or auditing issues through dedicated email and phone channels. This system allows stakeholders to submit concerns, track the status of complaints, give feedback and raise issues about how cases are handled.

Additionally, FFC maintains organized channels for stakeholder engagement and grievance handling. Shareholders can provide feedback during general meetings or by contacting the Investor relations department through the Company's website. Employees have

the opportunity to raise suggestions or concerns with their supervisors, managers, or relevant departments, with oversight managed by the Executive Committee under delegated authority from the Board. Ethical and legal support for employees is available through Human Resources in accordance with the Code of Conduct and company policies, supported by a SAP-based system that enables confidential or anonymous reporting and ensures prompt review and investigation.

Grievance mechanisms are in place across FFC's plants and offices to ensure fair engagement with suppliers, customers, communities and other stakeholders. Reported grievances are investigated by management at each site, with support from relevant departments and oversight from head office administration. Outcomes are communicated to stakeholders involved to ensure effective resolution. During the reporting period, no complaints related to public or social issues were reported by external stakeholders or institutions.

Whistleblowing Reporting Channels

Telephone: 051-8453501
051-8453101
Email: whistleblowing@ffc.com.pk

Corporate Policies and Commitments

Our commitment to responsible business conduct is embedded in our corporate policies and supports FFC's approach to value creation and sustainability. These policies guide ethical decision-making, foster the integration of sustainability across our operations and value chain and reinforce our focus on developing and delivering products aligned with natural capital. Together, our policy framework demonstrates adherence to applicable international standards and conventions and confirms FFC's dedication to transparent, responsible and sustainable business practices.

All employees and value chain partners are expected to follow FFC's policies and standards, reinforcing our commitment to fair, ethical and sustainable business practices. The Code of Conduct is available on our website. Detailed policies, procedures and guidelines are accessible to employees through the staff intranet and SAP system to enhance transparency and awareness. Relevant policies are also communicated to supply chain partners, and any updates are quickly shared through official circulars and email notifications to ensure consistent understanding and compliance.

Key international policies and principles	Embedded in	Approved by
- UN Guiding Principles on Business and Human Rights - International Bill of Human Rights - Core ILO conventions	- Code of conduct - Code of ethics for business partners - Compensation & benefits policy	Board of Directors/ MD&CEO
Precautionary Principle of Article 15 of Rio Declaration	Health, Safety, Environment and Quality (HSEQ) policy	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

Our commitments and related policies are integrated into our core business principles and Code of Conduct to keep our policy framework relevant,

practical and forward-looking. These policies serve as strategic tools that guide decision-making and operational and long-term planning, enabling effective monitoring of mandatory and voluntary requirements while supporting employees in achieving business goals and maintaining value creation.

The oversight of policy integration, implementation and effectiveness rests with the MD&CEO. Policy commitments operate within a centralized governance framework, with departmental heads responsible for implementing policies relevant to their functions. Health, Safety, Environment, and Quality policy commitments are aligned with the risk management framework and applied in accordance with site-specific requirements. Ongoing training is provided to employees to reinforce awareness and understanding, while internal reviews, audits and external certifications are used to monitor compliance and promote continuous improvement.

Mitigating Negative Impacts

FFC recognizes its responsibility to prevent, reduce and address the negative impacts of its operations to the extent reasonably feasible, considering the severity of the effects and our ability to influence outcomes. In addition to issues raised through grievance mechanisms, we rely on impact assessment findings to identify, manage and mitigate adverse effects. Details of remediation actions are disclosed in the relevant performance sections of this report. Our mitigation efforts primarily focus on reducing impacts, aiming to minimize operational, environmental and financial damage. Ecological risks and effects are incorporated into strategy development, planning and execution, enabling early detection of potential impacts and the prompt implementation of measures to safeguard surrounding ecosystems.



03 Protecting the Planet – Responsible Resources Stewardship

Natural, Manufactured, Social & Relationship Capital

Contributing to SDGs:		     				
Activities	Measuring energy and greenhouse gas emissions	Implementing efficiency initiatives	Transitioning toward lower-carbon and renewable energy sources			
	Conserving water across operations	Managing waste through responsible practices	Promoting sound environmental practices across the value chain			
OUTPUTS	Reduced energy consumption and emissions intensity	Renewable and low-carbon energy	Lower waste generation and improved waste management			
	Water conservation	Compliance with environmental laws				
Value Created	Reduced environmental footprint and improved resource efficiency	Strengthened environmental resilience across operations	Responsible and sustainable value chain			

Managing Environmental Impacts and Creating Value

At FFC, we are dedicated to transitioning to a low-carbon economy and minimizing our environmental footprint. We actively work with our partners to lower emissions and reduce environmental impacts throughout the entire value chain. Our proactive management strategy is designed to prevent and address potential environmental issues, building trust with our stakeholders about our commitment to fighting climate change.

FFC places great importance on environmental protection. We are dedicated to using eco-friendly technologies and optimizing processes to reduce our environmental footprint. A comprehensive Environmental, Health, and Safety (EHS) policy is enforced at all manufacturing sites to maintain high standards. The goal is to protect the environment, provide a safe and healthy workplace and improve the quality of life for employees, contractors, visitors and the local community near the plant.

We assess our plants' environmental practices and resource use through third-party certified management systems. Our facilities hold ISO 9001 certification for quality management, ensuring high standards for our products and services, and ISO 14001 for environmental management, addressing the environmental impacts of our operations. In addition, these certifications, along with OHSAS 18001 for occupational health and safety and the IFA 'Protect and Sustain' product stewardship certification, encompass our management systems, product development, sourcing, contractor management, manufacturing, supply chain and sales activities. These systems help us identify risks, opportunities and areas for efficiency, enhance internal data management and strengthen stakeholder confidence.

The General Manager of Manufacturing and Operations at each plant is responsible for overseeing performance, ensuring regulatory compliance and maintaining standards. Regular training sessions are held to equip senior management and online staff with the necessary skills. FFC develops specific training modules for internal use, while employees are nominated for external training programs. The Health, Safety, and Environment (HSE) systems are continuously monitored to ensure adherence to internal policies and relevant laws. The facility's Safety and Operations Committee (SOC) and Emergency Response Committee (ERC) forums conduct regular internal audits to identify any gaps. The environmental management approach is frequently reviewed based on audit results and external certifications, with adjustments made as needed to reduce environmental impact.

Throughout 2025, there were no violations of laws, regulations, or voluntary codes related to nature and environmental protection, due to rigorous compliance checks and voluntary commitments. The company also did not incur any fines or non-monetary penalties for environmental law violations this year. FFC maintains an environmental grievances mechanism that allows individuals to submit complaints about negative environmental impacts arising from the company's operations. These complaints are managed by the resident manager at the plant site, who investigates and addresses the issues. During the year, no complaints were received.



Climate Change

Material Matters in this section



Emissions



Energy

Climate change is one of the most pressing global challenges, with far-reaching effects on agricultural productivity, food systems and economic resilience. Growing expectations to curb emissions across industrial operations and the agricultural value chain are reshaping how we operate. In response, FFC has adopted a two-pronged approach to climate action. We are working to reduce greenhouse gas emissions from our own operations and across the value chain, while also developing innovative solutions that enable farmers to lower the emissions associated with using our products. Through these actions, we seek to embed climate responsibility within our operations and support wider climate action across the farming community.

Our Actions and Performance 2025

Energy Efficiency and Emissions Reduction

Goth Machhi Plant

Goth Machhi Plant implemented a comprehensive energy conservation and power management program across its township facilities to promote efficient energy use. The program included more frequent cleaning of Air Handling Units (AHUs) and fan coil unit filters to enhance system performance and decrease dependence on split air conditioning, along with energy awareness measures such as signage, community campaigns, and regular energy audits. These actions resulted in an estimated reduction of about 309 metric tons of CO₂ emissions annually.

Mirpur Mathelo Plant

FFC implemented a range of operational and process improvement initiatives to reduce greenhouse gas emissions across its operations. These included replacing conventional lighting with energy-efficient LED systems and installing a 35kW solar power system, which together reduced indirect emissions by reducing reliance on grid electricity, resulting in an estimated combined reduction of approximately 90 metric tons CO₂e per year.

In addition, process-level interventions focused on improving fuel efficiency and reducing combustion-related emissions. The replacement of burner nozzles at the KS Superheater (F-202) enhanced heat transfer efficiency, increased superheated steam temperature and reduced dependence on auxiliary boilers, contributing to lower direct emissions. Further, optimization of the high-pressure loop and recycle load at the Urea Unit significantly reduced steam demand on auxiliary boilers, resulting in an estimated reduction of approximately 9,736 metric tons CO₂ per year.

Port Qasim Plant

Port Qasim plant conducted an energy audit and an LED retrofit project, replacing 1,200 traditional lighting fixtures with energy-efficient LED lights. The project is expected to reduce CO₂ emissions by 107. metric tons.

Shifting to Low- Carbon Energy

Goth Machhi Plant

Goth Machhi Plant enhanced its 02 MW solar power facility by implementing reliability upgrades to improve production efficiency and operational stability. The project included replacing defective DC cables to resolve inverter grounding issues and relocating cable routing from underground trenches to above-ground cable trays to improve accessibility and ease maintenance.

These improvements eliminated recurring inverter outages, boosted system reliability and increased kilowatt output.

Mirpur Mathelo Plant

Mirpur Mathelo Plant installed a 35-kW solar power system as part of its renewable energy and emissions-reduction efforts to decrease reliance on grid electricity. The project led to an estimated reduction in CO₂ emissions of roughly 33 metric tons per year, supporting cleaner energy, improving energy resilience, and aiding the transition to lower-carbon operations.

Port Qasim Plant

Port Qasim Plant installed a 500-kW solar power system to reduce dependence on grid electricity and cut greenhouse gas emissions. The system generates approximately 720,000 kWh of renewable energy each year, resulting in an estimated reduction of about 426 metric tons of CO₂ annually, boosting energy resilience and promoting the shift to cleaner energy sources.

Future Actions 2026

Energy Efficiency

Mirpur Mathelo Plant

Several energy-efficiency initiatives are planned for implementation at the Mirpur Mathelo Plant in 2026 to improve operational efficiency and

reduce greenhouse gas emissions. These projects include installing a high-efficiency fan to enhance equipment performance, implementing energy conservation measures at the Primary Reformer (F-201) to minimize heat losses and increase thermal efficiency and optimizing the CO₂ compressor by relocating passivation air from the first to the second suction stage to better use energy. Once completed, these initiatives are expected to reduce approximately 3,075 metric tons of CO₂ annually.

Port Qasim Plant

A portfolio of energy-efficiency projects planned for 2026 at the Port Qasim Plant aims to enhance operational efficiency and reduce greenhouse gas emissions. These projects include installing a high-efficiency fan to improve energy performance, implementing heat-saving measures at the Primary Reformer to minimize heat losses, fixing cooling-side choking issues at the Split Stream Benfield Cooler to boost heat transfer, and relocating passivation air from the first to the second suction stage to optimize

the CO₂ compressor. Once implemented, these initiatives are projected to reduce approximately 2,366 metric tons of CO₂ emissions.

GHG Emissions

FFC has both long-term goals and interim targets to reduce total greenhouse gas (GHG) emissions, gradually transition to lower-carbon operations and meet rising

expectations for a climate-neutral economy. Although the complexity of fertilizer manufacturing and current technological limitations slow short-term change, FFC remains committed to consistently reducing emissions across its operations and supply chain through targeted efficiency improvements and operational initiatives.

Our primary manufacturing processes are highly energy-intensive and mainly rely on natural gas, making carbon dioxide the main source of our direct emissions. Therefore, reducing GHG emissions from production is a key strategic goal, as most of our direct emissions originate there. Emissions from our plants are managed within limits set by the Environmental Protection Agency, and FFC consistently operates within these constraints while seeking additional reductions when feasible. GHG emissions are monitored and managed at each plant site through regular measurement, review and analysis. Carbon dioxide emissions are continuously tracked and aggregated to determine total emissions, while other greenhouse gases, including methane



and nitrous oxide, are also quantified and included in overall GHG calculations. Reported GHG emissions relate solely to FFC's operations and exclude emissions from subsidiaries and associated companies. FFC is not currently subject to emissions trading schemes or mandatory emissions-reduction programs. The global warming potential factors used in our calculations are sourced from the United Nations Framework Convention on Climate Change (UNFCCC), ensuring consistency with internationally recognized methodologies.

GHG emissions (MT)	2025	2024	2023	2022	2021
GHG Emissions CO ₂ equivalent (Scope 1)	2,456,900	2,241,228	1,878,062	1,863,800	1,908,363
GHG Emissions CO ₂ equivalent (Scope 2)	91,659	2,830	-	-	-
Total emissions	2,548,559	2,244,058	1,878,062	1,863,800	1,908,363

GHG Emissions (MT)



For FY 2025, Scope 2 emissions calculated using the location-based method amounted to 89,489 tCO₂e. Scope 2 emissions calculated using the market-based method amounted to 603,543 tCO₂e, which includes emissions associated with electricity and steam procured from Fauji Power Company Limited (FPCL). The higher market-based value reflects the carbon intensity of the contracted energy supply compared with the average national grid emission factor. FFC currently does not report Scope 3 emissions due to a lack of data and calculation methodology at FFC. However, FFC plans to include

Scope 3 emissions in the next reporting cycle to accurately assess its footprint and prepare for regulations introduced by SECP. Meanwhile, we are working with supply chain partners to inform them about climate change emissions and impacts, encouraging them to upgrade their fleets to lower emissions.

This year's emissions per metric ton of urea were 0.68 MT CO₂/MT, compared with 0.57 MT CO₂/MT last year. The emissions intensity calculation considers Scope 1 and Scope 2 emissions.

GHG emissions (MT)	2025	2024	2023	2022	2021
Nitrogen Oxide	1,363	1,379	1,065	1,120	941
Particulate matter	1,174	1,551	1,203	1,151	1,215
Total	2,537	2,930	2,268	2,271	2,156

As a general practice, the company compares results with those of the previous year. The emissions are recorded based on laboratory analysis and actual fuel flow.

Emissions Reduction

We are committed to lowering emissions by implementing energy-efficient projects, optimizing production processes, and upgrading our plants. These efforts successfully keep emissions low.

Refer to page 207 for details of such

initiatives and projects.

In the past year, there was no significant reduction in emissions compared with the previous year, which served as our base year under company practices. While using fertilizer products can harm the environment, mainly due to N₂O emissions during soil mixing, we are actively researching and developing better fertilizer options that release nitrogen in line with crop needs, thereby reducing environmental harm.

Refer to page 178 for details on current and future products and

solutions designed to work in harmony with nature.

Additionally, no reports of ozone-depleting substance emissions were made this year. Our dedication to avoiding ozone-depleting substances is central to our environmental management policy.

Nature-Based Climate Action and Carbon Mitigation

FFC's commitment to a low-carbon economy goes beyond operational improvements to include nature-based solutions that provide both

environmental and socio-economic benefits. Since 2021, FFC has planted 5,000 Neem saplings across the FFCEL site at Jhimpir and other FFC locations under the Prime Minister's Green Pakistan Initiative. These plantations aim to reduce emissions while creating jobs and business opportunities by developing a local Neem oil supply chain to produce Neem-Coated Urea (NCU).

Nearly two years after establishment, the Neem plantations continue to thrive, with a survival rate of about 99%, an exceptional result given the arid, barren conditions at Jhimpir. Besides enhancing local biodiversity, the plantations have helped avoid an estimated 272 tons of CO₂ emissions.

Energy Consumption

FFC's operations are energy-intensive, especially in ammonia production, and primarily depend on natural gas and diesel to generate electricity, heat and steam. The Company operates four plants across three locations, each with distinct technological setups and energy profiles. FFC continues to focus on improving energy efficiency and reducing energy intensity across all facilities to lower overall energy use and greenhouse gas emissions. Each plant has specific efficiency targets, and performance is regularly tracked against internal and industry benchmarks, along with periodic energy audits to find improvement opportunities.

Total Energy consumption in GJ	
2021	32,825,265
2022	31,506,356
2023	32,562,635
2023	32,562,635
2024	40,431,184
2025	38,001,181

Overall energy consumption decreased during the year, mainly due to record-high production levels. Energy use outside the organization is currently not tracked. However, as part of its evolving climate and emissions management strategy, FFC plans to start measuring energy consumption beyond its operational boundaries next year.

FFC continues to evaluate renewable energy options to meet non-process energy needs. Solar installations have been added to generate renewable energy; however, their current contribution accounts for 14,283 GJ, only a small share of the overall energy mix. FFC plans to gradually assess and implement measures to increase the share of renewable energy in its operations, supporting a shift toward a more diverse, lower-carbon energy portfolio.

Refer to pages 207 to 208 for details on the projects to increase energy efficiency and integrate renewable energy.

Energy Efficiency

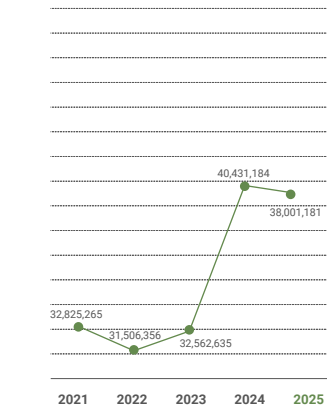
We are committed to reducing our energy consumption and cutting our carbon footprint by improving our processes and adopting new methods and technologies.

Energy savings in GJ	
2021	149,529
2022	(39,449)
2023	1,055,990
2024	(239,142)
2025	133,799

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.

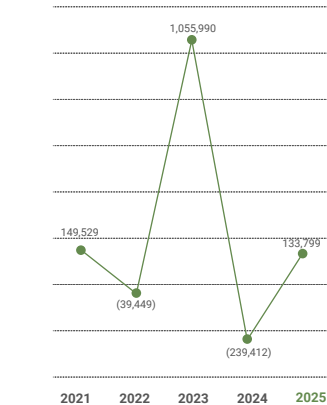
The positive figures indicate a reduction in energy.

Energy consumption in GJ



Our plants exhibit different energy intensity ratios due to their varying technologies. This year's energy intensity ratio is 10.16 per metric ton compared with 10.32 GJ per metric ton of urea last year. The energy intensity ratio only considers the energy used within the organization. We record energy consumption data in standard units, such as MMSCF for natural gas and kWh for electricity. These are then converted into gigajoules (GJ), the common measure of energy, so we can calculate the average energy content. Conversion factors were obtained from the U.S. Energy Information Administration (EIA). Heating values were based on laboratory tests and standard values for natural gas and diesel. The energy consumption data and sources in this report are based on information from plant sites and other locations, providing a clear overview of FFC's energy use across its operations.

Energy Savings in GJ



Resources Consumption

Material usage directly affects finite natural resources, cost efficiency and waste production. In fertilizer manufacturing, natural gas is a vital feedstock, and its decreasing availability poses a long-term threat to business continuity. In response, FFC is actively exploring alternative feedstock options to improve resilience, support sustainable operations and maintain ongoing value creation.

Our Actions and Performance

Natural gas is the main raw material used to produce ammonia-based fertilizers, with lubricants and process chemicals used in manufacturing. The adoption of biodegradable packaging for urea and the use of renewable resources where possible are helping FFC enhance sustainability across its supply chain and move toward more responsible and resilient production practices.

Material Consumption

Material	Unit	2025	2024	2023	2022	2021
Natural gas	MMSCF	79,760	57,951	45,831	45,918	47,143
Lubricant	Liter	544,904	615,778	473,310	510,416	352,495
Chemicals	KG	14,585,166	12,755,542	7,092,406	8,861,817	7,531,690
*Packing bags	Bags	71,963,566	44,321,586	50,249,204	48,783,732	50,397,829
Liners and thread	KG	1,832,639	**1,624,650	1,841,932	1,788,269	1,779,668

*Packing bags vary in size, from 25 kg to 50 kg. The packaging data was consolidated and harmonized to improve clarity, consistency, and ease of understanding, ensuring accurate presentation and avoiding any potential confusion.

**Liner and thread figures for 2024 restated to correct calculation error.

FFC does not use renewable materials in the production processes.

Recycled Material Consumption

FFC seeks to incorporate recycled materials wherever practicable; however, process requirements and strict quality and cleanliness standards limit their application in fertilizer production. During the year, 8,683 MT of urea dust was recovered and reused within operations, compared to 4,195 MT in 2024. As fertilizer products dissolve during application, they cannot be recovered after use. Packaging materials are biodegradable and therefore not reclaimed by the Company; however, farmers commonly reuse the bags for on-farm purposes before they naturally degrade at the end of their life cycle.

Water Management

Water stress is a growing global issue with wide-ranging environmental, social and economic effects. Increasing climate variability, including more frequent droughts and floods, is exerting additional pressure on the availability and quality of freshwater resources. Water is essential not only to FFC's operations but also to farmers who rely on steady water supplies for agriculture. Recognizing the risks posed by water scarcity to our business and the communities we serve, FFC continues to enhance water management practices and collaborates closely with the farming community to promote efficient and responsible water use, now and in the future.

Our Actions and Performance

Goth Machhi Plant

Goth Machhi Plant implemented targeted water conservation measures focused on reuse and efficiency throughout township operations. These included recycling Cooling Tower Blowdown (CBD) water for horticulture and performing regular leak audits supported by community awareness campaigns and informational signage. As a result, approximately 140 ML of well water were saved, reducing freshwater withdrawal and enhancing water stewardship.

Mirpur Mathelo Plant

Mirpur Mathelo Plant implemented a series of water management initiatives to protect groundwater resources and improve water efficiency. These included installing geosynthetic lining over 9 acres of an evaporation pond to prevent seepage of contaminated wastewater, thereby safeguarding the subsoil aquifer and ensuring compliance with SEPA standards. Additionally, relocating four tube wells reduced reliance on deteriorating groundwater sources, resulting in approximately 52 ML less annual groundwater intake. Further efficiency gains were achieved by rehabilitating the cooling-water recovery line for the lube oil turbine, enabling the recovery of about 11 ML of water per year that was previously discharged as wastewater. Together, these initiatives contributed to approximately 63 ML in water savings and recovery annually, while significantly reducing environmental risks and strengthening responsible water stewardship.

Port Qasim Plant

Port Qasim Plant improved its water management by increasing recycling and reuse efforts to reduce freshwater use and boost water efficiency. A total of 1,265 ML of Cooling Tower Blowdown (CBD) water was recycled and reused, including 1,107 ML supplied to FPCL for its cooling water system and 158 ML used for horticulture. Replacing fresh water with recycled water eased pressure on freshwater resources. Additionally, a greywater recycling system was installed in the administrative building with a capacity of 5m³ per hour, enabling the reuse of treated greywater for non-potable uses and saving approximately 1.2 ML annually. Together, these efforts helped conserve and reuse over 1,266 ML liters of water, strengthening the commitment to responsible water management and long-term water security.

Future Actions

Goth Machhi Plant

Water Quality Improvement and Reuse Initiatives

Water sustainability initiatives are planned to improve water efficiency, reduce groundwater extraction and strengthen monitoring of water streams. These include the Water Sustainability Project Phase II, which involves installing four new tube wells and is expected to reduce well water extraction by about 88 ML per year. Additionally, using cooling tower blowdown water for township horticulture is projected to decrease groundwater abstraction by roughly 438 ML annually. A digital flow meter will also be installed to improve the monitoring and control of wastewater streams, enabling more accurate data and better water management decisions. Overall, these initiatives are projected to save approximately 526 ML of groundwater annually.

Mirpur Mathelo Plant

Water Quality Improvement and Reuse Initiatives

A series of water management measures is planned to improve raw water quality and reduce pressure on groundwater resources. These initiatives include relocating five tube wells to access higher-quality raw water, which is expected to decrease chemical use, lower wastewater generation, and reduce raw water intake by approximately 131 ML annually. Additionally, the proposed recovery and reuse of Utilities Cooling Tower blowdown

(CT CBD) water for horticulture will decrease dependence on groundwater, with an expected reduction in groundwater extraction of about 81 ML each year. Collectively, once these measures are implemented, they are expected to save approximately 212 ML of water annually, enhancing water efficiency and promoting more sustainable groundwater management.

Wastewater Monitoring, Treatment and Protection Initiatives

A series of wastewater management and protection measures is planned to strengthen monitoring, improve water efficiency, and reduce environmental risks. These actions include installing a flow meter on the wastewater disposal line to enable accurate measurement, tracking, and control of effluent volumes. Effluent from the demineralization plant will be routed to the evaporation pond, which is expected to enhance site water efficiency and increase controlled wastewater discharge to the canal by approximately 27 ML per year. Additionally, plant sewerage will be treated through the township sewage treatment facility, further improving water efficiency and increasing treated wastewater discharge to the canal by around 157 ML annually.

Port Qasim Plant

Water Efficiency and Wastewater Management

Multiple water-efficiency and wastewater management projects are planned to enhance water efficiency and lessen reliance on groundwater. These projects include cutting raw water intake by about 131 ML annually; redirecting demineralization plant effluent to the evaporation pond and treating plant sewage at the township facility, allowing for an additional 185 ML per year of controlled wastewater discharge; replacing Cooling Tower drift eliminators to save an estimated 147 ML of water each year; and recycling Utilities Cooling Tower blowdown water for horticulture, reducing groundwater use by approximately 81 ML annually. Together, these measures are expected to provide a combined water conservation and efficiency impact of about 544 ML annually.

Water is mainly used at FFC for cooling and steam production, with supply coming from a mix of groundwater, canal water and municipal sources. Potable water from wells is used for drinking and cleaning at plant sites and townships. Tube wells have been installed to meet the water

requirements, and current extraction levels do not significantly affect local water systems. Canal and groundwater are treated with suitable filtration before use. At Mirpur Mathelo and Goth Machhi, water intake of up to 18 cubic meters is derived from an irrigation department-managed canal under a formal agreement, with metering to track withdrawals. Since the canal's annual flow and primary use are for irrigation, this extraction is not viewed as significant. At Port Qasim, water is supplied under an agreement with the Karachi Water and Sewerage Board

(KWSB), with flow meters installed for precise monitoring. Water is not stored at FFC plants, and no major environmental impacts have been identified.

FFC routinely evaluates its plant locations to identify and manage water-related risks while closely monitoring water withdrawals, consumption, and discharges. Regular studies are conducted to find opportunities to reduce freshwater use and improve recycling. Advanced process systems enable continuous water circulation and recovery for re-

cooling and reuse, enhancing overall water efficiency. During the reporting year, FFC remained fully compliant with its water withdrawal permits, with no incidents of non-compliance. The company has set targets to improve water-use efficiency in response to increasing freshwater scarcity in Pakistan and collaborates with value chain partners to reduce water-related impacts. Additionally, FFC engages with local communities and stakeholders on water quality and availability, including providing access points for filtered drinking water to support community water security.

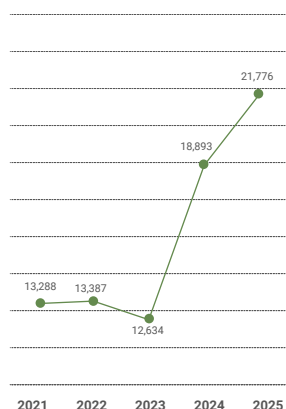
Water withdrawal by source in ML/year	2025	2024	2023	2022	2021
Surface water					
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	14,096	14,199	5,944	3,966	5,238
Other water ($> 1,000$ mg/L Total Dissolved Solids)		-	-	-	-
Ground water					
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	9,338	9,552	8,898	11,538	10,304
Other water ($> 1,000$ mg/L Total Dissolved Solids)		-	-	-	-
Total water withdrawal	23,464	23,751	14,842	15,504	15,542

There is no withdrawal of water from the water-stressed area.

Water consumption in ML/year	2025	2024	2023	2022	2021
Total water consumption ML/year	21,776	18,893	12,634	13,387	13,288

The rise in water consumption in 2025, despite a slight decrease in overall withdrawal, indicates higher evaporative losses, greater reuse of treated wastewater for on-site horticulture, and operational conditions that lowered discharge volumes, rather than an increase in water abstraction inefficiency.

Water Consumption (ML)



Wastewater/Water Discharge

During production, water becomes contaminated and is treated before reuse or discharge to ensure compliance with the National Environmental Quality Standards (NEQS) and relevant provincial environmental regulations. Key parameters in wastewater management include nitrogen and phosphate, which can cause eutrophication if released untreated. To address these risks, FFC employs appropriate treatment methods, such as oil skimming and neutralization, to reduce pollutant levels to acceptable levels. When

discharge into canals is not permitted, treated wastewater is safely managed using evaporation ponds. Cooling water and rainwater, which do not contact process chemicals, are released directly into the canal without treatment.

Additionally, treated wastewater is repurposed for horticulture at plant sites, helping reduce freshwater demand. Wastewater discharged from FFC's operations is primarily treated and managed to prevent negative environmental impacts. During the year, FFC remained fully compliant with wastewater disposal regulations, with no incidents of non-compliance.

Water Discharge by Destination in ML/Year	2025	2024	2023	2022	2021
Surface water					
Surface water	5,681	4,858	2,208	2,117	2,254
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	-	-	-	-	-
Other water ($> 1,000$ mg/L Total Dissolved Solids)	5,681	4,858	2,208	2,117	2,254

The wastewater figures are estimated. The flow rate is based on the wastewater disposal plant's operational pumping capacity. Discharge water quality is regularly monitored for pH, conductivity, ammonia, urea, COD, BOD and suspended solids (SS). The discharged water had a Chemical Oxygen Demand (COD) of 32 ppm and a Biological Oxygen Demand (BOD5) of 18 ppm.

Waste Management

Waste poses a serious threat to human health, biodiversity and natural resources. Our operations produce both hazardous and non-hazardous waste. We focus on effective waste management to reduce the negative impacts of waste and its disposal.

Our Actions and Performance

Goth Machhi Plant

Environmental Protection and Waste Circularity Initiatives

Initiatives to strengthen environmental protection and promote circular waste management were implemented, including the geomembrane lining of 9.5 acres of Evaporation Pond II to prevent chemical seepage into the subsoil, protect groundwater and improve compliance with environmental regulations. Meanwhile, an organic waste composting facility was established as a community-led effort to turn organic waste into nutrient-rich compost, reduce dependence on landfills and support eco-friendly farming practices. The composting plant processes organic waste from about 50% of township households, generating value while raising environmental awareness and encouraging sustainable waste management.

Mirpur Mathelo Plant

Innovative Waste Reuse and Circular Economy Initiatives

Circular economy practices were implemented through innovative waste-reuse initiatives to reduce environmental impact and improve resource efficiency. These included road carpeting across eight areas using modified bitumen mixed with shredded plastic, which allowed for the recycling of approximately 250 kg of plastic and increased the durability of about 1,000 m² of road surface. Additionally, 14 metric tons of discarded lube oil were reused at the Port Qasim site for DAP coating, diverting waste from disposal and recovering value through responsible reuse.

Port Qasim Plant

Circular Resource Recovery and Waste Reuse Initiatives

Circular economy practices through targeted waste-recovery and reuse initiatives have reduced waste generation and improved resource efficiency. During the year, 16 tons of waste oil were reused as a substitute for furnace oil in the DAP plant, diverting waste from landfills and lowering reliance on virgin fuel. Additionally, 2,500 tons of urea fines recovered from the Goth Machhi and Mirpur Mathelo sites were reused for granulation, decreasing raw material consumption and minimizing waste. Furthermore, 97 metric tons of CO₂ condensate were reused at the DAP plant, turning a previously discarded waste stream into a productive input.

Future Actions

Mirpur Mathelo Plant

Oil Skimming System for Gas Compression Facility

Mirpur Mathelo Plant plans to install an oil skimming system at the Gas Compression Facility (GCF) to reduce the risk of soil contamination and related environmental hazards. The system will capture oil from GCF compressors before it enters drains or soil, enhancing housekeeping and strengthening environmental protection.

We follow a structured, systematic waste management approach to minimize waste generation and reduce environmental impacts across our operations. All waste management activities are underpinned by compliance with applicable laws and regulations, with a clear hierarchy that prioritizes waste prevention, followed by reuse and recycling wherever feasible. Avoiding waste at source is a key focus, and responsible waste practices are promoted across the value chain. Where waste generation is unavoidable, materials are recycled or disposed of through approved, environmentally sound methods. Before any material is classified as waste, a detailed assessment

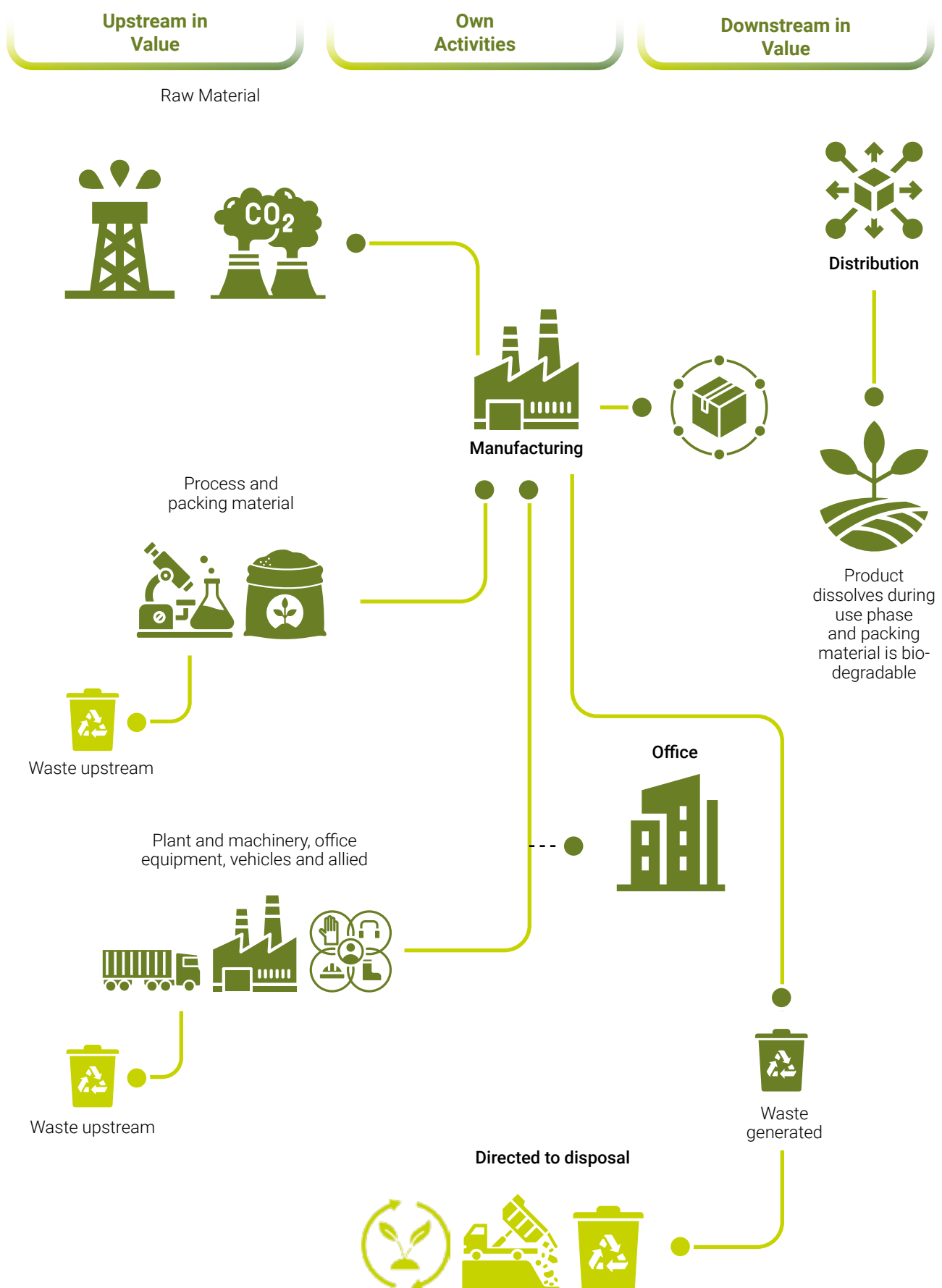
is conducted at appropriate operational levels to identify opportunities for reuse or recovery. Materials are only designated as waste when no further beneficial use is feasible within operations. Robust procedures ensure accurate identification, recording and monitoring of all waste streams. Internal records capture the source, quantities generated, classification as hazardous or non-hazardous, and approved treatment or disposal routes, supporting transparency, regulatory compliance and continuous improvement.

Waste Generation

Our fertilizer production uses natural gas, water and air supplied through pipelines and compressors, with prilled urea as the final product. The product dissolves during use, resulting in no post-use waste, while packaging consists of Oxo-biodegradable liners and woven polypropylene bags that do not contribute to persistent waste. The manufacturing process does not generate by-products. However, manufacturing and operational activities generate both hazardous and non-hazardous waste, including spent resins and catalysts, chemical residues, used lubricants, packing materials, clinical waste, insulation materials, asbestos sheets, broken tube lights, batteries, used oil filters, lab containers, empty chemical drums and plastic and rubber waste. Waste volumes vary year to year, largely influenced by maintenance, upgrades and capital projects.

Waste Treatment

Waste is accumulated at plant sites until suitable quantities are reached and is then managed using the most appropriate treatment option, with a preference for recycling or recovery. Only non-recyclable waste is sent to landfill through carefully vetted contractors. All waste handling, recycling and disposal activities are carried out by contractors authorised by the Sindh and Punjab Environmental Protection Agencies, with disposal routes determined in accordance with applicable legal and regulatory requirements.



Waste Management Strategy and Performance

Waste by composition, in metric tons (MT)

	2025			2024			2023			2022			2021		
	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
Waste composition															
Hazardous		Nil	5	229	Nil	229	105	Nil	105	125	Nil	125	174	Nil	174
Non-hazardous	1,167	Nil	1,167	981	Nil	981	11,900	Nil	11,900	10,715	Nil	10,715	6,979	Nil	6,979
Total waste		Nil	1,172	1,210	Nil	1,210	12,005	Nil	12,005	10,840	Nil	10,840	7,153	Nil	7,153

Waste diverted to disposal-by-disposal operation, in metric tons (MT)

	2025			2024			2023			2022			2021		
	Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste															
Incineration (with energy recovery)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incineration (without energy recovery)	-	-	-	-	-	-	-	-	-	2	-	2	2	-	2
Landfill	-			-	2	2	-	-	-	-	-	-	-	-	-
Other disposal operations	-	5	5	227	-	227	-	105	105	-	123	123	-	172	172
Total	-	5	5	227	2	229	-	105	105	2	123	125	2	172	174
Non-hazardous waste															
Incineration (with energy recovery)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incineration (without energy recovery)	-			-	204	204	-	-	-	-	-	-	1,749	-	1,749
Landfill	-			-	770	770	-	11,810	11,810	-	10,582	10,582	-	5,126	5,126
Other disposal operations	-	1,167	1,167	-	7	7	-	90	90	-	133	133	-	104	104
Total	-	1,167	1,167	-	981	981	-	11,900	11,900	-	10,715	10,715	1,749	5,230	6,979

04 Empowering People, Strengthening Communities

Human and Organizational Capital

Contributing to SDGs:		    				
Activities	Promoting a safe and healthy workplace through robust health and safety programs	Ensuring fair, equitable and merit-based employment practices	Offering competitive remuneration and benefits			
	Investing in learning, leadership development and skills enhancement	Advancing diversity, equity, and inclusion	Upholding human rights across operations and the value chain.			
OUTPUTS	Zero fatalities and occupational diseases	Reduced injury rates and employee turnover	Skilled, capable and engaged workforce			
	Fair labour practices	Compliance with applicable labour and human rights laws				
Value Created	Safe, inclusive and decent working conditions	Enhanced employee wellbeing and engagement	Future-ready workforce			
	Responsible and resilient value chain					

Social and Relationship Capital

Contributing to SDGs:		     				
Activities	Investing in community welfare programs	Building partnerships to support inclusive and sustainable development				
OUTPUTS	Improved access to education and healthcare for underserved communities	Enhanced livelihood opportunities; and skills development initiatives				
Value Created	Resilient and thriving communities	Local economic growth around plant locations	Contribution towards SDGs			

Managing Social Impact & Creating Value

Our workforce is a vital factor in driving performance, resilience and long-term value creation. The dedication, expertise and innovation of our employees support our financial strength, operational excellence and competitive position. As the operating environment continues to change, we regularly update our people practices and workforce strategies to stay an employer of choice. Our approach to managing human capital is based on fairness, accountability and compliance with applicable laws, regulations and the Company's Code of Conduct, while fostering an inclusive culture that values engagement, initiative and diversity. Protecting the physical and mental well-being of our employees remains essential to our operations.

Our human resource framework offers clear guidance on workforce planning, succession management, talent development and performance recognition. FFC emphasizes attracting and retaining skilled professionals through ongoing learning opportunities, leadership growth and a work environment that promotes development and innovation. Targeted programs for employee growth and capability building support individual advancement and enhance organizational effectiveness.

The General Manager of Human Resources oversees employment

and labor practices throughout the company, with HR leaders at the head office and manufacturing units ensuring consistent application at both corporate and plant levels. The HR team monitors compliance, addresses any discrepancies and provides regular updates to the Board's Human Resources and Remuneration Committee through periodic reports and reviews.

Building skills and enhancing institutional knowledge are vital for maintaining FFC's capacity to generate value. Our structured training programs, supported by a dedicated in-house training center,

prepare employees with the technical, managerial and behavioral skills needed to succeed in a changing business environment.

We regularly evaluate the effectiveness of our people management approach using employee feedback, insights from grievance mechanisms and oversight by the Board's Human Resources and Remuneration Committee. These inputs help guide improvements, strengthen a positive workplace culture and ensure alignment with FFC's strategic objectives.



Health and Safety

Protecting the health, safety and well-being of our workforce, contractors, and surrounding communities is a top priority at FFC. We are dedicated to preventing workplace incidents and fostering a culture where safety is a key part of every activity through a comprehensive Health, Safety and Environment (HSE) management system that provides structured processes, risk controls and ongoing oversight to ensure compliance with legal standards and to support safe, responsible operations throughout the Company.

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 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.

HSEQ Management System

Our Health, Safety, Environment, and Quality (HSEQ) framework aligns with recognized industry practices and international standards, offering a structured approach to safeguarding the health, safety and well-being of the workforce. The system highlights proactive risk identification, incident prevention and continuous improvement to enhance overall HSE performance. It operates in accordance with applicable regulatory requirements, including the Environmental Protection Act, the Industrial Relations Act, the National Environmental Quality Standards and relevant occupational health and safety guidelines covering noise exposure, ammonia levels and workplace safety.

Defined roles and responsibilities are established throughout the organization, clarifying the duties of management, supervisors, employees and business partners in maintaining safe and compliant operations. Health and safety performance is regularly monitored and reviewed at

both corporate and manufacturing sites. Operational oversight at plant locations is assigned to the General Manager of Manufacturing and Operations, while the site HR function ensures the implementation of fair labour practices and compliance with employment laws and policies. The HSEQ system applies to all personnel working on FFC premises, including contractors, and is subject to ongoing review and improvement, with new safety standards and practices adopted to prevent or reduce potential risks.

Workers' Participation in the Health and Safety System

The Works Council Committee operates under the Industrial Relations Act and includes equal representation from management and employees. Functioning at the facility level, the committee focuses on protecting jobs, reviewing workplace health and safety conditions and evaluating overall job satisfaction. Meetings are held in accordance with legal requirements. Additionally, dedicated

committees and forums are established to identify, discuss and address health and safety issues. Employee representation on these platforms is ensured through supervisors and line managers.

Employee participation in workplace safety is enhanced through structured initiatives such as hearing conservation, heat stress management, health and hygiene audits, ergonomics programs, workplace lighting assessments and controls to minimize exposure to hazardous substances. Formal agreements with the Collective Bargaining Agent (CBA) include extensive provisions on occupational health and safety, covering nearly 80% of relevant requirements. All employees are also protected under a comprehensive medical policy that complies with the provisions of the Factories Act, 1934.

Hazards Identification, Risk Assessment and Investigations

Our strong safety culture is supported by a structured framework for reporting and monitoring that addresses process

and plant safety risks. Work-related hazards are systematically identified and assessed using recognized tools and methodologies, including HIRADC, HAZOP, Job Safety Analysis, Fault Tree Analysis, Health and Safety Committee reviews and HORC processes. Risks are managed in accordance with the hierarchy of controls, emphasizing hazard elimination at the source and reducing residual risks to prevent occupational health and safety issues.

Control measures are in place to reduce identified risks and identify opportunities for ongoing improvement in health and safety performance. Each operating unit conducts Hazard Identification, Risk Assessment and Determining Controls (HIRADC) exercises, utilizing past incident data and injury records related to specific hazards. These assessments are reviewed and updated at least once a year. Risk controls and corrective actions recommended by the Health, Safety and Environment (HSE) team are monitored through structured follow-up systems, including SOC oversight.

A robust permit-to-work system is in place and strictly enforced. Employees are empowered to stop work under unsafe conditions and are encouraged to report hazards and incidents without fear of penalty. Clear incident-reporting procedures are defined in HSE work instructions and consistently applied. Safety observations and traffic-related issues are recorded on STOP cards, and traffic violation reports, and recommendations are submitted anonymously to the relevant units. Stakeholder complaints and incidents are closely monitored, and timely corrective actions are taken when required. During the year, no process safety or transport-related incidents were recorded.

Regular safety briefings, toolbox talks, and awareness sessions are held to maintain operational discipline and workforce competence. Personnel skills are further reinforced through permit-to-work testing and management safety audits. Safety and occupational health KPIs are reviewed quarterly at SOC meetings to track performance and promote improvement. Due to this consistent focus on health and safety, incident rates have steadily decreased, allowing FFC's plants to reach significant safe man-hour milestones. By December 31, 2025, the Company recorded 78.8 million safe man-hours for employees and 56.9 million safe man-hours for contractors, demonstrating a strong and lasting commitment to workplace safety.

Promotion of Workers' Health

Protecting employee health and maintaining a safe work environment are core priorities at FFC. Our occupational health and industrial hygiene services are designed to proactively identify, assess and manage potential workplace health hazards. An on-site occupational health physician manages the planning, implementation, and monitoring of the occupational health program, ensuring employees are medically fit for their roles, occupational illnesses are correctly reported, and appropriate first aid and medical support are available when needed.

Regular technical inspections are conducted to ensure safe working conditions, and production staff undergo periodic medical exams to monitor their health. FFC also supports employee well-being by offering access to subsidized health programs. Additionally, township medical centers provide a wide range of services, including preventive care, health awareness sessions, and educational campaigns covering both work-related and general health topics.

Training on Health and Safety

Safety training is regularly conducted as part of our commitment to maintaining a safe, disciplined work environment. These focused programs aim to improve employees' awareness, technical knowledge and practical skills needed to manage risks and prevent accidents. Line managers play a crucial role by delivering safety training to their teams and evaluating understanding of established procedures, reinforcing shared responsibility for workplace safety. During the year, employees participated in a wide range of safety and health training sessions, including emergency response and preparedness, process safety management, risk assessment, CPR and first aid, rescue techniques, safe chemical handling, scaffolding safety, firefighting and other job-specific hazards identified under the HSE framework. These initiatives support continuous capability building and help embed a strong safety culture across all levels of the organization.

Ever Highest Safe Million Manhours

49.07

Till Dec 31, 2025

31.47 Regular employees
17.60 contractor employees
11 Years without LTI

Health and Safety Performance

Number and rate of fatality as a result of work-related injury

	2025		2024		2023	
	FFC	Contractor	FFC	Contractor	FFC	Contractor
Mirpur Mathelo plant	Nil	Nil	Nil	Nil	Nil	Nil
Goth Machhi plant	Nil	Nil	Nil	Nil	Nil	Nil
Port Qasim Plant	Nil	Nil	Nil	Nil	-	-
Other locations	Nil	Nil	Nil	Nil	Not recorded	Not recorded

Number and rate of high-consequence work-related injuries

	2025		2024		2023	
	FFC	Contractor	FFC	Contractor	FFC	Contractor
Mirpur Mathelo plant	Nil	Nil	Nil	Nil	Nil	Nil
Goth Machhi plant	Nil	Nil	Nil	Nil	Nil	01
Port Qasim Plant	Nil	Nil	Nil	Nil	-	-
Other locations	Nil	Nil	Nil	Nil	Not recorded	Not recorded

Number and rate of recordable work-related injuries

	2025		2024		2023	
	FFC	Contractor	FFC	Contractor	FFC	Contractor
Mirpur Mathelo plant	Nil	Nil	Nil	Nil	Nil	Nil
Goth Machhi plant	Nil	Nil	Nil	Nil	Nil	01
Port Qasim Plant	Nil	01	Nil	02	-	-
Other locations	Nil	Nil	Nil	Nil	Not recorded	Not recorded

Number of fatalities as a result of work-related ill health

	2025		2024		2023	
			FFC	Contractor	FFC	Contractor
Mirpur Mathelo plant	Nil	Nil	Nil	Nil	Nil	Nil
Goth Machhi plant	Nil	Nil	Nil	Nil	Nil	Nil
Port Qasim Plant	Nil	Nil	Nil	Nil	-	-
Other locations	Nil	Nil	Nil	Nil	Not recorded	Not recorded

Number of cases of recordable work-related ill health

	2025		2024		2023	
			FFC	Contractor	FFC	Contractor
Mirpur Mathelo plant	Nil	Nil	Nil	Nil	Nil	Nil
Goth Machhi plant	Nil	Nil	Nil	Nil	Nil	Nil
Port Qasim Plant	Nil	Nil	Nil	Nil	-	-
Other locations	Nil	Nil	Nil	Nil	Not recorded	Not recorded

According to FFC's reporting methodology, first aid cases are included in injury rate calculations. Fatality and injury rates for both employees and contractors are determined using the standard formula: recordable injuries multiplied by 200,000, then divided by total man-hours worked. The figure of 200,000 represents the annual hours worked by 100 employees, assuming a 40-hour workweek over 50 weeks. During the reporting year, 79 million man-hours were worked by employee personnel, and 57 million man-hours were worked by contractor personnel.

Human Capital and Development

Material Matters in this section



Job creation and employment



Benefits and welfare



Training & development



Fair and competitive remuneration



Respect for collective bargaining rights

Digital enablement and collaborative working methods have strengthened our operations, boosting agility, competitiveness and responsiveness. By creating job opportunities, fostering an inclusive, discrimination-free workplace and continuously improving employees’ skills, we build a positive culture that promotes growth and long-term value creation. A skilled, motivated and dedicated workforce remains key to maintaining our market leadership and reaching our strategic goals.

Our Actions and Performance

Job Creation and Employment

Our operations are supported by a team of 4,235 full-time employees across manufacturing sites, marketing functions and head office locations. In 2025, the Company hired 1,425 new employees, while 476 left for external career opportunities. Additionally, 1,085 employees are working on a temporary basis, with the possibility of transitioning to permanent roles based on specific criteria. The hiring rate for the year was 33.65%, with an attrition rate of 11.23%, compared to 9% and 1% in the previous year, respectively.

FFC does not offer part-time roles; core activities are performed by full-time employees. Certain support and non-core functions, including administration, civil works, facility services, horticulture, housekeeping, medical services, workshops, security, technical support, transportation, pre-production labor and childcare, are outsourced to contractors, whose personnel are not employed by FFC. In 2025, 2,826 non-employee workers were engaged through contractual arrangements.

All employment data is obtained directly from FFC’s management information system, with no estimates or assumptions used. The Company continues to attract and retain talent through competitive benefits, meaningful roles and clear career development opportunities, while also contributing indirectly to job creation through its contractor, supplier and dealer networks.

Total Number of Employees

3,216

2022

3,209

2023

4,118

2024

4,235

2025



Recruitment and Sourcing



Employee Engagement



Building Capability



Remuneration and Retention

Below 30 Years Old		30 -50 Years Old		Above 50 Years Old	
Male	774	Male	2,139	Male	1,037
Female	67	Female	73	Female	12
Total	841	Total	2,212	Total	1,049

Total Employees Demographics (Full Time)

	152
Female	
	4,083
Male	

Number of Permanent Employees

	117
Female	
	2,913
Male	

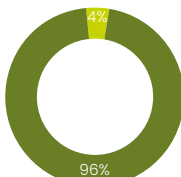
Number of Temporary Employees

	35
Female	
	1,170
Male	

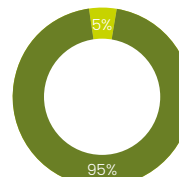
Number of Employees by Employment contract broken by region

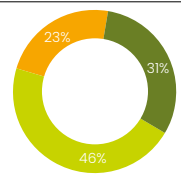
Location	2025	
	Permanent	Temporary
Head Office-Rawalpindi	648	361
Goth Machhi Plant	822	235
Mirpur Mathelo Plant	630	162
Port Qasim Plant including Islamabad office	538	134
Lahore	363	290
Karachi	29	23
Total	3,030	1,205

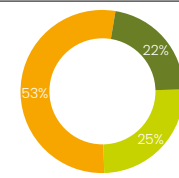
Employees Demographics New hires

	64 4%	
Female		
	1,361 96%	
Male		

Employees Demographics Attrition

	25 5%	
Female		
	451 95%	
Male		

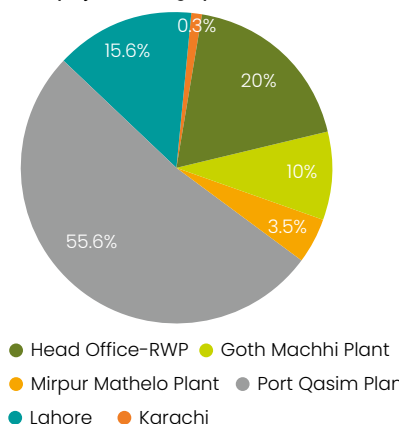
Below 30 Years Old	31%	444	
30 -50 Years Old	46%	652	
Above 50 Years Old	23%	329	

Below 30 Years Old	22%	106	
30 -50 Years Old	25%	119	
Above 50 Years Old	53%	251	

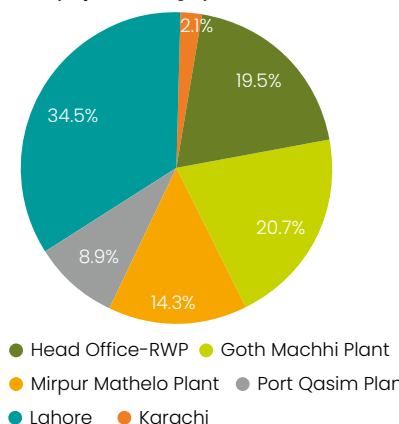
Employees Demographics New Hires

Location		
Head Office- Rawalpindi	20%	286
Goth Machhi Plant	10%	140
Mirpur Mathelo Plant	3.5%	51
Port Qasim Plant	55.6%	721
Lahore	15.6%	223
Karachi	0.3%	4
Total		1,425

Employees Demographics New Hires



Employees Demographics Attrition



Employees Demographics Attrition

Location		
Head Office- Rawalpindi	19.5%	93
Goth Machhi Plant	20.7%	99
Mirpur Mathelo Plant	14.3%	68
Port Qasim Plant	8.9%	42
Lahore	34.5%	164
Karachi	2.1%	10
Total		476

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)		
2025	2024	2023
21,755	19,697	13,742

Defined Benefit Plan Obligations (Rs in millions)		
2025	2024	2023
461	444	722

Fair and Competitive Remuneration

We offer fair and competitive pay to attract, motivate and keep high-quality talent, thereby strengthening our workforce. Compensation structures are regularly benchmarked through market surveys to stay aligned with industry standards. The HR team develops pay proposals, which are reviewed by the Board's Human Resources and Remuneration Committee before being submitted to the Board for approval. Employee

engagement surveys are also conducted to gauge workforce perceptions of pay and reward programs. Performance is evaluated through a structured, transparent annual review process, which is periodically updated to improve effectiveness and ensure alignment with organizational goals.

In 2025, we paid Rs. 21,755 million in salaries and employee benefits, compared with Rs. 19,697 million in 2024. At all operational sites, employees receive at least the

applicable minimum wage, with salaries paid directly into bank accounts to ensure transparency and compliance. The ratio of standard entry-level wages to the local minimum wage at major locations was 1:1, reflecting our commitment to fair and equitable pay practices.

Benefits and Welfare

We provide a comprehensive range of employee benefits and welfare programs designed to support financial security, health and overall

well-being. These include insurance coverage, access to healthcare services and parental leave for all full-time employees. Our goal is to create a respectful, supportive and high-performing work environment where employees can succeed. We place a strong emphasis on workforce well-being and safety through regular medical assessments and ongoing health and safety training, helping to manage stress and reduce the risk of injuries across offices and plant sites.

Eligible employees are covered under pension and gratuity schemes fully funded by FFC once they meet the prescribed service and age requirements. Annual contributions to these defined benefit plans are determined through actuarial assessments. Additionally, a contributory provident fund is available to eligible employees, with FFC contributing 10% of the basic salary, matched by an equivalent employee contribution. Provident fund balances can be withdrawn upon separation or transfer, at the employee's discretion. Benefit plans are regularly reviewed to ensure ongoing relevance, regulatory compliance, financial sustainability and alignment with business needs. In 2025, FFC's expenses for defined benefit plan obligations amounted to Rs. 461 million, compared to Rs. 444 million in 2024.

Employee Engagement and Inclusion Survey

An employee engagement survey was carried out across all locations to assess workforce engagement, inclusion, and the overall employee experience. The survey revealed an engagement score of 69% for 2024, providing valuable insights to enhance people management

practices, strengthen workplace culture, and guide targeted actions to improve engagement, inclusion, and organizational performance.

Respect for Collective Bargaining Rights

FFC is committed to respecting and safeguarding the fundamental rights of all employees, including the rights to freedom of association and participation in representative bodies. In accordance with the Industrial Relations Act, trade unions are allowed to represent employees in collective bargaining and resolving workplace issues. FFC maintains constructive engagement with collective bargaining agents, works councils, and other employee representative forums to address workplace concerns and enhance working conditions, considering employee feedback. Collective bargaining agreements cover the workforce, excluding management staff. Employees are given at least fifteen days' notice, along with three days to settle after the relocation; for internal relocations within plant sites, this process is managed operationally and is not part of the CBA provisions. FFC also ensures full compliance with all legal and operational requirements related to information sharing with employee representatives and the workforce.

Building Change Readiness and Organizational Alignment

To improve adaptability and organizational capacity, FFC created structured platforms focused on alignment, learning and strategic clarity. The Merger Workshop (FFBL with FFC) encouraged leadership and employee alignment around a

shared vision and integration priorities following the merger, supporting effective knowledge transfer and cultural integration. Organization-wide Change Conversations helped establish a common understanding of the transformation and strategic direction, while Stewardship Conventions provided a forum for leadership to review performance, reflect on progress and reinforce priorities. These initiatives enhanced leadership effectiveness, organizational learning and collective ownership of strategy.

Enhancing Engagement, Well-being and Collaboration

Employee engagement and well-being were promoted through initiatives that encourage collaboration, connection and work-life balance. Platforms like Bon'Pe, Game On, Day Out at Work/Joyland fostered teamwork, cross-functional interaction and a sense of belonging, helping to sustain productivity and morale. Informal leadership conversations, such as Jahangir Piracha (JP) over Coffee and In Conversation with JP, encouraged open communication and trust between employees and senior leaders. Recognition programs, including the Excellence Awards, celebrated high performance and dedication, boosting motivation, retention and a results-oriented culture.

Training and Development

Ongoing investment in employee development is key to retaining top performers, attracting new talent and building a skilled, future-ready workforce. In 2025, the Company invested Rs. 555 million in training

and development programs, totaling 127,108 training hours, compared with 71,942 hours in 2024. On average, each employee participated in 30 hours of training, demonstrating FFC's strong commitment to continuous learning and skill improvement.

Leadership Development and Succession Planning

Our leadership development efforts aim to nurture high-potential employees by enhancing their leadership and managerial skills and preparing them for broader roles. Additionally, we provide a wide range of specialized training programs and cross-functional learning opportunities to support skill development, promote knowledge sharing and enable employees at all levels to grow and perform effectively.

Our people development approach is designed to promote continuous learning and capability growth through structured training, educational opportunities and targeted reskilling and upskilling programs. It follows a clear sequence: starting with assessing individual competencies, then progressing to role-specific capability development and continuing with ongoing learning to support career advancement. This framework helps identify and address skill gaps across the organization, ensuring that the right capabilities are aligned with the right roles, thereby enhancing performance.

Career Development

Our structured career development program, which includes a well-established job rotation system, enables employees to broaden their skills, gain cross-functional experience and deepen their understanding of the business. This approach boosts professional growth, job satisfaction and long-term engagement while helping employees realize their full potential and develop meaningful career paths within the company. Job rotation also supports effective succession planning, especially for senior and other critical roles. Throughout their careers, employees receive targeted training to enhance leadership and management skills. Opportunities such as extended leave for professional development, overseas technical assignments and secondments to other businesses are also available to promote advanced learning and exposure. Due to FFC's historically low attrition rate and long employee tenures, with most employees retiring upon superannuation, formal transition assistance programs have not been implemented.

Investment in Developing Skills and Talent (Million PKR)		
2025	2024	2023
555	550	682

Training Hours by Gender

	39
	31

Training Hours by Employment Category

	Management	Staff
Training Hours	63	16



Building Leadership Capability and a Future-Ready Workforce

FFC continued strengthening its leadership pipeline and workforce capabilities through a well-structured mix of leadership, competency-based and digital learning initiatives. Leadership Development Programs, including the Leadership Development Program (LDP) and Young Leaders Program (YLP), focused on developing strategic

thinking, change leadership and managerial effectiveness, engaging 45 participants and delivering approximately 2,600 training hours. Complementing this, competency-based training across beginner, practitioner and champion levels enhanced critical skills such as result orientation, communication, decision-making, networking and empathy, reaching more than 300 employees and contributing over 4,000 training

hours. Simultaneously, FFC expanded access to ongoing learning through a digital learning platform, with 800 licenses enabling flexible, low-carbon learning and resulting in around 11,600 learning hours during the year. These initiatives strengthened human and intellectual capital by improving leadership depth, decision-making quality and organizational learning, supporting long-term resilience and sustainable value creation.



Diversity, Equity, and Inclusion

Advancing diversity, equity and inclusion, increasing female participation across the workforce, and prioritizing employee well-being in our people practices help create a more engaged, resilient and high-performing organization and strengthen our ability to generate value.

FFC benefits from a multigenerational workforce that offers a wide range of perspectives, reinforcing our belief that diversity boosts innovation, collaboration and good decision-making. We are dedicated to building an inclusive workforce by attracting and selecting talent based on merit, capabilities and long-term potential, in alignment with our strategic priorities. While we do not use formal hiring quotas, we prioritize local candidates for entry-level roles, apprenticeships and site-based positions to support local employment and facilitate integration. Similarly, we encourage local hiring within marketing functions to enhance market understanding and communication effectiveness. Appointments to senior leadership and the Executive Committee are based solely on experience, competence and leadership ability, without predetermined targets related to gender, nationality, ethnicity, or age. We also actively promote the inclusion of persons with disabilities by providing equal employment opportunities that foster independence and social participation. During the year, no senior management appointments were made from plant site communities.

Equity and fairness underpin our remuneration practices. We maintain a strict non-discrimination approach to pay and benefits, with compensation structures that reflect role responsibilities, individual performance, and contributions to organizational objectives. Pay equity is maintained across genders, with an equal male-to-female salary ratio. To reinforce transparency and fairness, all employees participated in a structured performance review process during 2025, supporting consistent evaluation, merit-based progression and continuous improvement.

FFC supports working parents through parental leave policies for employees, helping them balance work and personal responsibilities. In 2025, 4 of 53 eligible female employees took maternity leave, while 33 of 3,216 eligible male employees took paternity leave. Of those who took leave in 2024, successfully returned to their roles. This resulted in a 100 percent return-to-work and retention rate after parental leave. Notably, all employees who returned from parental leave remained in their roles for more than 12 months, demonstrating the effectiveness of our supportive workplace practices and our commitment to retaining experienced talent.

Advancing Inclusion, Diversity and Shared Values

FFC continued to promote an inclusive and values-driven workplace through initiatives that support diversity, equity and respect. Celebrations of cultural and religious observances, including Ramadan, Diwali and Christmas, reinforced mutual respect and inclusion among employees. Personal development programs such as Meri Shanakht encouraged self-awareness and confidence, while Girl Code recognized and celebrated women's contributions across the organization. These efforts fostered an inclusive culture that values diverse perspectives, leading to better decision-making and long-term organizational resilience.

Women's Leadership

As part of its commitment to women's empowerment, diversity and the inclusion of women in leadership, FFC supported participation in the 15th Women in Business & Leadership Conference (WIBCON). Eight female employees attended, totaling 64 learning hours, which improved their leadership skills, expanded their professional networks and increased their awareness of gender-inclusive practices.

Employees by gender, age, and minority group

	Minority Group		Age Group		
	Muslim	Non-Muslim	<30	30-50	>50
Male	4,045	38	777	2,244	1,062
Female	148	4	67	73	12

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	1,188	103	1,283	8	296	640	355
Staff	2,895	49	2,910	34	549	1,677	718

Respecting Human Rights

Our operations and business relationships directly impact the rights and well-being of employees, communities, business partners and participants across the entire value chain. As a leading fertilizer manufacturer, we recognize our responsibility and influence and are committed to respecting, promoting and safeguarding human rights across all aspects of our operations and throughout our value chain.

Our Actions and Performance

Our approach

We align our operations with internationally recognized human rights standards applicable to our business. Since 2010, we have been a signatory to the United Nations Global Compact, committing to its human rights and labour principles. Our internal policy framework reflects key international standards, including the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. These commitments are incorporated into policies addressing non-discrimination, the prohibition of forced and child labour, workplace harassment and ethical conduct, all of which are supported by the Company's Code of Conduct.

Roles and Accountability

Oversight of human rights issues is the responsibility of the General Manager of Human Resources, who is accountable for implementing and overseeing compliance with relevant policies. FFC has put in place structured reporting and escalation procedures to handle any human

rights concerns. Employees can raise issues through line management or works councils, with the option to escalate to HR when necessary. The Legal Department supports this process by reviewing reported cases, helping to achieve fair resolutions, and evaluating any legal implications to ensure suitable remedial measures.

Performance and Practices

We are dedicated to maintaining an inclusive and respectful workplace with a zero-tolerance policy against discrimination based on race, ethnicity, religion, beliefs, disability, age, or sexual orientation. Throughout the year, no incidents or complaints related to human rights violations were reported within the company. Freedom of association is upheld, and there were no cases where employees' rights to organize or participate in collective representation were restricted.

The company strictly prohibits child labor, forced or compulsory labor and fully complies with applicable legal requirements regarding minimum working age and employment conditions. No instances of child or forced labor were found within FFC operations during the year. Although

data on human rights practices across the broader value chain is limited, this has been identified as an area for ongoing improvement.

Due to the strict compliance environment and the absence of reported violations, there were no formal human rights training sessions or management system reviews this year. FFC continues to review opportunities to enhance awareness and data collection as part of its ongoing governance improvements.

Promoting Human Rights Across the Value Chain

We acknowledge that human rights risks can go beyond our direct operations. The company encourages suppliers, contractors and other partners in the value chain to follow applicable labor and human rights laws and to adopt responsible business practices. Through engagement and communication, we foster alignment with minimum human rights standards and support ongoing improvement across the value chain, recognizing that responsible partnerships are vital to sustainable, ethical value creation.

 Refer to page 247 to read our work promoting sustainable value chain practices.



Community Well-Being

Creating lasting social value depends on strong partnerships and targeted investments in the communities and ecosystems where we operate. Through initiatives focused on infrastructure support, responsible resource use, local economic development, skills enhancement and employment generation across the value chain, FFC contributes to improved livelihoods and community resilience. By actively managing and strengthening these social contributions, we aim to expand our value-creation potential, foster inclusive growth, reduce disparities and support vulnerable groups in a meaningful and sustainable way.



Our Approach

FFC's community investment approach is guided by the needs and priorities of the communities surrounding our operations. These needs are identified through structured surveys, focus group discussions and regular community consultations, which inform the design of targeted interventions with clear social value. Our Corporate Social Responsibility (CSR) Policy outlines the company's commitments, objectives and responsibilities, providing a consistent framework for planning and delivering community initiatives.

Oversight of the CSR strategy and implementation is provided by the management-level CSR Committee, which reviews proposed initiatives, monitors progress and ensures alignment with FFC's values, risk management approach and sustainability priorities. Day-to-day implementation and monitoring are led by the Senior Manager of CSR,

who tracks program execution, regularly reviews performance and reports outcomes to the MD & CEO. A combination of internal reviews and, where appropriate, independent assessments is used to evaluate effectiveness, with findings feeding back into program design and decision-making.

Our Actions and Performance

Our social investments focus on key areas such as healthcare, education, community welfare, disaster response, donations and infrastructure development. All requests for donations, partnerships, or sponsorships go through due diligence to ensure they align with community needs and FFC's values. Based on needs assessments, programs are created to improve living standards, enhance local capacities and generate shared value in our areas of operation. Major initiatives in healthcare, education, community welfare and rural

development are carried out through the Sona Welfare Foundation (SWF), an organization established by FFC to deliver targeted, sustainable social programs.

We continuously monitor and evaluate the outcomes of our community programs to assess their effectiveness and identify any unintended impacts. Feedback from communities and monitoring results are used to adjust program design and delivery as needed. Throughout the year, ongoing engagement and assessments indicated no significant adverse impacts on local communities. In 2025, structured community engagement was conducted across all operational sites for each development initiative, reinforcing transparency, inclusiveness and responsiveness in our social investments.

Healthcare

Our healthcare initiatives aim to improve access to quality medical

services for communities near our plant sites, especially in underserved and remote areas. By combining permanent healthcare facilities, outreach programs and targeted awareness campaigns, we strive to meet critical health needs and support the long-term well-being of these communities.

Accessible Healthcare for Local Communities

At Goth Machhi, FFC supports Hazrat Bilal Trust Hospital (HBTH), a partner facility that provides free, high-quality healthcare services to over 100,000 patients each year from neighboring communities in Rahim Yar Khan and nearby areas. The hospital plays a crucial role in increasing access to essential medical care for low-income populations.

In Mirpur Mathelo, the Sona Welfare Hospital (SWH) remains a flagship healthcare project serving underprivileged communities through free and subsidized medical services. The hospital features modern diagnostic and treatment facilities, including a dedicated maternal and child health unit staffed by a female physician to address women's healthcare needs. SWH provides free treatment to over 30,000 patients and continues to be recognized as one of the top healthcare facilities in the region because of its quality of care and community trust.

Child Nutrition and Growth Support Program

To address the widespread issue of child malnutrition in underserved communities, Sona Welfare Hospital has introduced a dedicated Child Nutrition Program to enhance children's health and development. The initiative offers nutritional assessments, growth monitoring, and dietary counseling for children and mothers, along



with targeted supplements and fortified foods for those at risk. By tackling undernutrition, anemia, and micronutrient deficiencies while increasing parental awareness of healthy eating habits, the program promotes improved immunity, cognitive development and learning outcomes, helping to break the cycle of poor nutrition and vulnerability.

Maternal Health and Safe Pregnancy Program

FFC supports maternal health in underserved communities through its Pregnant Women Program, delivered through FFC hospitals and E-Clinics in areas such as Mirpur Mathelo and Goth Machi. The program provides expectant mothers with regular antenatal check-ups, nutritional support, iron and folic acid supplements, safe delivery guidance and health awareness sessions. By improving access to timely maternal care for women engaged in demanding agricultural work, the initiative helps reduce risks associated with pregnancy and

childbirth, contributing to healthier mothers, safer deliveries and stronger family and community well-being.

Mental Health and Well-Being Clinic

FFC has set up a dedicated Mental Health Clinic at Port Qasim to focus on the often-overlooked psychological well-being of workers, their families and nearby communities in one of Pakistan's major industrial hubs. The clinic provides free and confidential counseling, psychiatric consultations, stress management support and referral services for individuals facing anxiety, depression, trauma and work-related stress. By offering accessible, stigma-free mental health care, this initiative aims to enhance quality of life, workplace wellness and community resilience, supporting hundreds of patients.

E-Clinics – Digital Access to Quality Healthcare

FFC has established a network of E-Clinics in eight villages around Mirpur Mathelo and Goth Machi,



as well as one at Port Qasim, to improve access to quality healthcare in underserved rural and semi-urban areas. These technology-enabled clinics link patients with qualified doctors via digital platforms, overcoming barriers such as distance, poor infrastructure and cost. The E-Clinics provide consultations in general medicine, maternal and women's health, pediatrics, dermatology and other specialties, offering timely medical advice close to home. By delivering specialist care directly into communities, FFC helps reduce healthcare disparities and creates a scalable model for accessible, technology-driven community health services in Pakistan.

Cancer Care and Breast Cancer Awareness Initiatives

FFC supports individuals and families affected by cancer through a combined approach of treatment assistance and awareness efforts. Each year, the company sponsors full treatment for two cancer patients across multiple cancer types, ensuring access to life-saving care for those from low-income backgrounds. At the same time, FFC

actively promotes early detection and prevention through Breast Cancer Awareness initiatives held every October, including community outreach in Goth Machi and Mirpur Mathelo, as well as symbolic awareness actions to encourage screening and timely medical consultation. Together, these efforts demonstrate FFC's commitment to improving health outcomes, reducing stigma and strengthening community well-being.

Disability Screening and Rehabilitation Program – "Tum Akailay Nahi"

FFC, in partnership with Chal Foundation, organized a two-day disability screening and rehabilitation camp in Mirpur Mathelo to support people with disabilities from surrounding rural communities. The initiative provided free medical assessments to 465 individuals, with specialist consultations from orthopedic surgeons and ophthalmologists to diagnose mobility and vision-related conditions and recommend suitable interventions. High-quality prosthetic and orthotic solutions were offered to eligible participants, improving their mobility,

independence and confidence. Through this program, FFC addressed a crucial gap in access to disability care, helping restore dignity and inclusion for underserved individuals.

Education

We are dedicated to enhancing the educational standards and socio-economic growth of the communities near our plant sites. Our multifaceted strategy focuses on providing quality, affordable education to deserving students across Pakistan. FFC has established the Mirpur Mathelo welfare school near the plant site and has 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

school currently enrolls approximately 1,021 students, of whom 500 attend free of charge, while the remainder benefit from highly subsidized fees. 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 runs a comprehensive adopted schools program to boost public education in selected communities

by providing infrastructure upgrades, learning materials, educational support and administrative assistance to government schools and colleges. Currently active in the Goth Machhi–Sadiqabad area, the program serves five government schools and benefits over 2,000 students, most of whom are girls, thereby improving access, retention and learning outcomes in underserved areas.

School on Wheels – Inclusive Education Outreach

To tackle the issue of out-of-school children in underserved areas like Tehsil Mirpur Mathelo, FFC launched the School on Wheels program to bring education directly to children's homes. The initiative uses a fully equipped mobile classroom to

provide engaging, interactive learning through storytelling, songs and creative activities, making education accessible for children affected by poverty and limited school access. Implemented in partnership with Bilal Maqsood's Pakkay Dost and aligned with JICA's Accelerated Learning Programme, the program also involves parents through awareness sessions on the importance of education. The launch in Village Dino Mako showed strong community participation reflecting FFC's commitment to inclusive learning and long-term community development.

FFC Computer Literacy – Learn & Earn Program

FFC's Computer Literacy Learn & Earn Program at Sona Public School



& College (SPS&C), Mirpur Mathelo, aims to expand digital skills and income opportunities for youth from nearby communities. The fully equipped computer lab supports regular students during school hours and is utilized in the evenings to train motivated youth seeking practical IT skills to support their families. Selected participants complete a three-month certified course covering essential digital competencies

and market-relevant areas such as freelancing, web hosting and applied IT skills, delivered by professional instructors in a structured learning environment.

Educational Scholarships – Naya Aasman Program

FFC's Naya Aasman Scholarship Program supports talented students from low-income communities in

Mirpur Mathelo, Goth Machhi and Port Qasim by removing financial barriers to education and skills development. The program follows a three-step approach: providing intermediate scholarships for high-achieving matriculation graduates; offering fully funded, merit-based university scholarships in fields like medicine, engineering, IT, and sciences; and providing technical and vocational

scholarships, including the Diploma of Associate Engineering (DAE) and market-relevant skill training for both educated and uneducated youth.

Farmers' Education Support Program

FFC's Farmers' Education Support Program combines its long-standing scholarship efforts to enhance educational access for children from farming and underserved communities. The program includes the Sona Ward of Farmers Scholarship (SWOF), which annually grants 76 scholarships to students from impoverished farming regions across Pakistan. In addition, the Merit Scholarship Scheme, initiated in 2013, offers 20 scholarships each year to deserving students from Rahim Yar Khan.

Certified Nursing Assistant (CNA) Scholarships for Females

FFC's Certified Nursing Assistant (CNA) Scholarship Program strengthens local healthcare systems by addressing the shortage of trained support staff while empowering women from underserved communities with sustainable livelihoods and economic independence. The fully funded two-year program combines classroom learning with practical patient care training, preparing participants for jobs in hospitals, clinics and elder care facilities. With 30 dedicated seats, the program covers tuition, housing, meals and transportation, removing financial barriers and enabling women to build careers in healthcare.

Social Education Program

FFC's Social Education Program complements formal schooling by fostering values, life skills and positive character development among children in communities

around Goth Machhi and Mirpur Mathelo. Delivered through year-round guest lectures and interactive sessions, the program focuses on emotional intelligence, empathy, respect, resilience and responsible citizenship, helping children grow into confident and socially aware individuals. The initiative also engages parents through awareness sessions on positive parenting and child development and supports teachers with capacity-building workshops to integrate social and emotional learning into classrooms.

School Nutrition Program – Free Milk for Healthy Learning

FFC's School Nutrition Program combats child malnutrition by providing daily fresh milk to students in FFC-supported government and low-income schools. The initiative enhances children's health, focus, and school attendance, emphasizing that proper nutrition is key to effective learning. By addressing malnutrition at the classroom level, the program boosts educational results and helps break the cycle of poor health and limited learning opportunities in vulnerable communities.

Community Welfare and Infrastructure Development

Clean Drinking Water through RO Plants

FFC is addressing the urgent problem of unsafe drinking water in Goth Machi by operating 11 advanced Reverse Osmosis (RO) plants, each with a capacity of 10,000 liters per hour. These facilities collectively provide safe, purified drinking water to over 300,000 people, benefiting about 4,000–4,500 individuals daily. By ensuring consistent access to clean

water for nearby communities, the initiative has significantly reduced the risk of waterborne diseases, improved public health and enhanced the overall quality of life in the region.

Flood Relief and Community Rehabilitation

In response to the devastating floods in Sindh, FFC swiftly provided relief and recovery support to affected communities around Mirpur Mathelo and Goth Machi. The company helped flood-affected families with essential aid to assist them in rebuilding homes, restoring livelihoods and regaining access to basic services, supporting recovery efforts during a critical humanitarian crisis and helping restore stability and dignity within affected communities.

Promoting Sports

Youth Sports Development – Volleyball

FFC promotes youth development in Pakistan through sports by strengthening the junior volleyball ecosystem with expert coaching, technical support and performance data. This assistance helped the Pakistan Junior Volleyball Team achieve a milestone by debuting at the FIVB U19 World Championship, where they earned decisive victories over Belgium, Puerto Rico, Uzbekistan and the USA and nearly upset Poland. This success highlights the talent of Pakistani youth on the global stage and reinforces FFC's commitment to nurturing potential, encouraging teamwork and discipline and promoting positive national growth through sports.

05 Sustaining Profit, Productivity & Food Security

Intellectual, Financial and Social and Relationship Capital

Contributing to SDGs:		   	
Activities	Promote sustainable practices and balanced fertilizer use	Strengthening partnerships across the Agri-ecosystem	Customer satisfaction surveys
	Producing and marketing high-quality fertilizers	Pursuing diversification initiatives to support long-term economic resilience	Prioritizing local procurement
	Promoting responsible practices across the value chain		
OUTPUTS	Adoption of improved farming techniques and optimized fertilizer application	Enhanced customer insights and responsiveness	Expanded farmer outreach and awareness of sustainable practices
	Strengthened contribution to national food security	Resilient economic performance	Improved identification and management of risks in value chain
Value Created	Higher crop yields and farm productivity	Resilient and prosperous farming communities	Improved return for shareholders
	Strong and stable financial position	Responsible value chain	

Economic Impact and Creating Value

Our strategy is rooted in resilience, adaptability and long-term value creation within a rapidly changing agricultural and economic environment. As a fertilizer manufacturer and marketer, we focus on improving operational efficiency, expanding and refining our product offerings, strengthening partnerships across the Agri-value chain and scaling Agri-services that promote responsible and productive farming. This integrated approach enables us to meet market expectations, support food security and rural development, deliver sustainable returns to our shareholders and generate shared value for society.

Our business is centered on the needs of farmers, whose success is closely connected to our long-term performance. By steadily strengthening farm advisory services, we have broadened our reach, built greater customer trust and reinforced our presence across Pakistan's agricultural regions. These efforts help farmers adopt better practices, boost productivity and support national food security. Farmer-focused programs are guided by clear policies and performance goals, with senior management overseeing implementation, monitoring results and promoting ongoing improvement.

The executive leadership team manages daily operations and financial performance, with the MD & CEO holding overall accountability for strategic delivery. The Board actively oversees by reviewing performance quarterly, comparing results to set objectives and guiding strategic direction when needed. Key outcomes from these discussions are shared through the Directors' Report, emphasizing transparency, governance discipline and informed stakeholder engagement.

Refer to pages 50 to 166 for the Directors' Report.

Our procurement approach is designed to create shared value by strengthening local supply chains and supporting economic development. Supplier selection and management follow established policies and criteria, with oversight at both the head office and plant levels. Procurement processes are regularly reviewed to ensure efficiency, compliance and alignment with sustainability goals. This integrated management approach allows FFC to manage risks, improve resilience and promote sustainable value creation across its operations and supply chain.



Supporting Farmers and Productivity

Pakistan's agriculture sector faces increasing challenges from rising input costs, limited access to quality fertilizers, climate variability, water stress and yield losses due to outdated farming practices. These issues are worsened by land fragmentation, soil degradation and rising food demand, putting more pressure on national food systems. As a major fertilizer manufacturer and marketer, FFC is well positioned to address these problems by offering targeted advice, improved crop nutrition solutions and practical guidance to farmers. Through these efforts, we strive to help farmers boost productivity and resilience, improve rural livelihoods and support long-term food security and sustainable agriculture.

Our Actions and Performance

Farm Advisory Services

Our farm advisory program supports farmers through a well-established network consisting of 5 Farm Advisory Centers (FACs) and 21 Agricultural Services Offices (ASOs) across key agricultural regions. Each FAC is staffed by qualified professionals and supported by modern soil and water testing labs and mobile demonstration units equipped with advanced audiovisual tools. These centers maintain long-term engagement with local farming communities, typically over 4 to 5 years, enabling advisory services to be tailored to local cropping patterns, resource conditions and socio-economic realities. Our advisory model follows a holistic approach that integrates agronomy, extension services and soil diagnostics to strengthen farmers' technical capacity. Agronomic support includes on-farm demonstration plots, fertilizer response trials and field-based experimentation. Extension activities are delivered through farmer meetings, group discussions, agricultural seminars, training sessions, field days and regular farm visits, ensuring continuous knowledge exchange and practical learning.

Our advisory support provides accurate, balanced and site-specific fertilizer recommendations based on soil and water analysis. The soil laboratory collaborates with international organizations, including the FAO, and follows the GLOSOLAN framework to ensure high data quality and reliability, enabling efficient decision-making for soil management. Meanwhile, Farm Advisory Services partners with research institutions,

government agencies and agricultural experts to share the latest research and best practices. Through structured training and capacity-building programs, farmers learn modern production techniques, best management practices and 4R nutrient stewardship to improve crop yields, increase farm incomes and support the long-term sustainability of rural communities.

Number of farmers reached by Agri-services field activities

	2025	2024	2023
Farmer Meetings	311	275	266
Blitz Program	26	22	22
Crop Seminars	49	46	44
Farm Visits	6,160	5,355	5,208
Training Programs	55	48	44
Crop Demonstrations	146	135	127
NPK Supervisory Plots	-	-	54
Field Trials*	39	54	-
Specialized Stakeholders' Awareness Workshops (EEF)**	49	44	-
Field Days	116	103	107
Group discussions	856	818	768
Soil & Water Samples Tested	20,035	17,122	15,542
Total outreach through above mentioned Agri-service activities	64,488	62,242	53,776

*Field trials conducted to test the efficiency of potential products.

**Specialized awareness workshops organized for Agri stakeholders (Agri Officials and Progressive Farmers) for Enhanced Efficiency Fertilizers.

***Farmer outreach encompasses farmers involved in Stakeholder Awareness Workshops (EEF).





Research and Development

FFC's Fertilizer Research Centre in Faisalabad plays a key role in fostering innovation through testing, evaluation and the development of advanced fertilizer solutions. Collaborating with leading national and international companies and renowned academic institutions, the Centre conducts applied research to enhance crop performance and environmental sustainability.

Current projects focus on creating value-added products, including slow-release and more efficient fertilizers, biologically enriched formulations, micronutrient-fortified products and nitrogen-inhibitor technologies. These initiatives aim to boost farm profitability while minimizing fertilizer's environmental impact. A primary focus of our R&D is to control nitrogen release according to crop needs, supporting efficient nutrient uptake and addressing broader environmental concerns. Through responsible innovation, FFC strives to promote sustainable agriculture while reducing risks associated with exceeding environmental limits.

📖 Refer to page 178 for the products aligned with nature.

Crop literature and crop documentaries

The Agri-services team continues to enhance farmer knowledge through a variety of locally relevant information and outreach tools. A comprehensive crop literature in the national language has been developed to cover production techniques for major field crops, vegetables and fruits, including guidance on fertilizer selection, application rates, timing and methods. These materials are reviewed and updated regularly to stay current with evolving agronomic practices. So far, the department has produced 23 booklets and flyers, including key publications such as the Fertilizer Guidebook and the Fertilizer Recommendation Book, which serve as practical references for farmers.

To enhance seasonal learning, quarterly Urdu agricultural newsletters are distributed during Agri-services activities, supporting farmers at various stages of the crop cycle. The scope of these newsletters has expanded to include topics such as the Sustainable Development Goals, the role of micronutrients in crop health and the application of 4R nutrient stewardship principles. Additionally, registered farmers receive timely SMS alerts with agronomic advice and recommended practices, while a dedicated farmer helpline (0800-00332) allows for direct interaction and quick resolution of field-related issues.

FFC also leverages audio-visual and digital platforms to broaden outreach. Updated documentaries covering crops such as sugarcane, cotton, rice, maize and wheat are aired ahead of planting seasons to promote improved farming techniques and balanced fertilizer use. Agri-services experts regularly participate in radio and television programs and sector events to share insights on crop production and nutrient management. During the year, advisory messages on crop management, fertilizer use and sustainable farming practices were shared with registered growers through multiple social media channels, further strengthening knowledge dissemination and farmer engagement.

AP Based SMS Services		WhatsApp Groups		Social Media		TV Programs		Radio Programs	
No. of Farmers	No. of SMS	WhatsApp Group Farmers	No. of Advisories Shared	No. of Social Media Post	No. of Views	No. of Appearances	Coverage Minutes	No. of Appearances	Coverage Minutes
20,193	05	12,290	1,228	165	303 Million	24	930	30	1,03

Digital Advisory Tools for Farmers

The Kashtkar Rahnma mobile application, available on the Google Play Store, serves as a key digital platform for enhancing advisory support and outreach to farmers. The app is designed to promote balanced, efficient

fertilizer use by providing predictive nutrient recommendations, especially benefiting farmers without access to soil-testing facilities. In addition to fertilizer guidance, the platform offers integrated support through the Kashtkar Desk helpline, real-time weather updates, crop-specific advice, details of authorized fertilizer dealers and current

local market information. By combining agronomic guidance with practical, location-specific information, the app improves farmers' decision-making, ensures access to timely support and enhances overall farm management practices.



Agri-Tech Services for Farmers (BMP & 4R Nutrient Stewardship)

We advance digital agriculture by providing technology-driven advisory services that promote Best Management Practices (BMPs) and 4R Nutrient Stewardship. Using satellite- and drone-based crop monitoring, along with AI-generated imagery and insights, farmers receive timely, data-driven recommendations for field interventions, nutrient application, and improved crop performance.

📖 Refer to page 244 to 245 for the Agri-Tech services.

Satisfaction Surveys

FFC conducts surveys twice a year to gather dealer feedback on product quality, service delivery and operational performance across its complete product range. The surveys aim to collect insights from the entire national marketing network, with dealer samples selected from all 13 regions to ensure wide geographic coverage. In 2024, the surveys were conducted in January and June, offering structured feedback to support ongoing improvements and strengthen customer relationships.

Value Cost Ratio

We systematically evaluate our products and initiatives by analyzing their impact on the value-cost ratio (VCR) for both major and minor crops. This helps us understand how input costs relate to crop returns by comparing production expenses with net income on our demonstration plots in different regions. A higher VCR indicates greater economic benefits for farmers, boosting farm profitability and promoting more resilient, sustainable agricultural practices.

Value Cost Ratio (VCR)

	2025	2024	2023
Major crops (Wheat, Rice, Maize, Cotton, Sugarcane)	2.1-2.7	1.9-2.5	2.3-2.7
Minor crops (Sunflower, Tobacco, Potato, Citrus, Peas, Sugarbeat, Groundnut, Mango, Olive)	1.8-3.8	2.8-5.6	1.8-5.4

Survey Results

	June 2025	June 2024	June 2025	January 2024
Customers' overall satisfaction - Sona Urea (P)	9.53	9.50	9.58	9.58
Customers' overall satisfaction - Sona Urea (NC)	9.49	9.43	9.52	9.51

70% of farmers who followed Agri-services' advice reported substantially increased yields..

Sona Centres



Strengthening Fair Access and Farmer Protection

FFC reaffirms its commitment to Pakistan's farming community through its nationwide SONA Centres network, a strategic retail and service platform that enhances transparency, accessibility and trust across the fertilizer supply chain. With 283 locations nationwide, including 100 SONA Centre hubs, 144 SONA Stores, and 39 partner outlets, the network ensures consistent fertilizer availability at notified prices while fostering closer engagement with farmers nationwide. The SONA Centres network currently serves approximately 118,000 registered farmers, covering nearly 1.7 million acres (2.26% of total farmland) of farmland across Pakistan. This extensive reach supports farm productivity, stabilizes input costs, strengthens rural incomes, and promotes a more transparent, resilient and inclusive agricultural input distribution system.

Integrated Farmer Services Across the Crop Cycle

Beyond fair pricing, SONA Centres serve as comprehensive farmer support hubs, offering a wide range of products and services throughout the agricultural cycle. These include fertilizers such as Urea, DAP and Enhanced Efficiency Fertilizers (EEF); certified seeds such as Punjab Seeds (wheat) and Corteva (maize); crop protection solutions from FMC; and crop nutrients from Yara. Direct-to-farm delivery options further enhance convenience and ensure timely access to inputs.

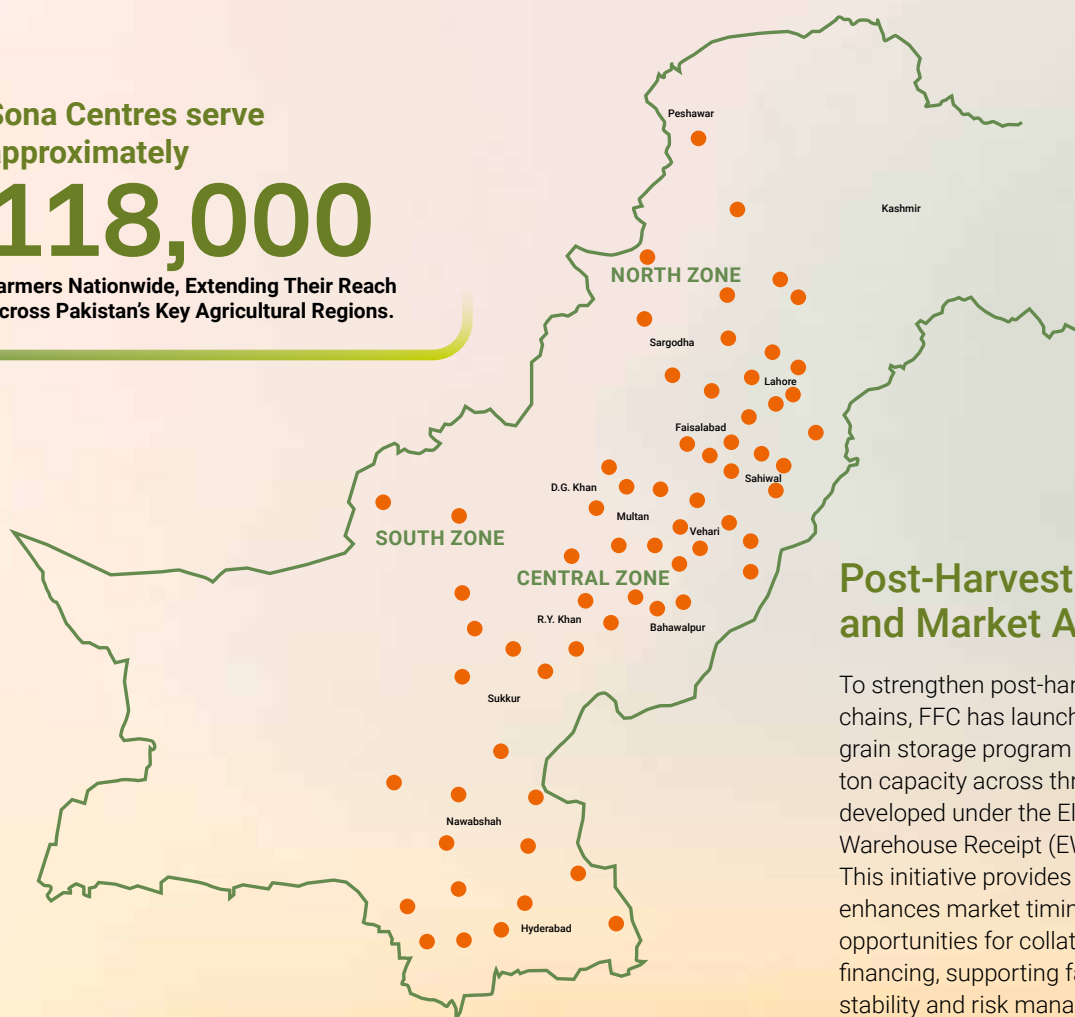
Financial Inclusion, Advisory and Digital Enablement

SONA Centres promote farmer resilience and financial inclusion through crop and personal insurance in partnership with State Life and Adamjee, and offer farmer financing, with PKR 75 million in loans disbursed through partner banks. Farmers also receive agronomic advisory services, including support from field agronomists, drone and satellite-based monitoring and soil and water testing using Near-infrared (NIR) sensors, all complemented by digital access via the Sona Kissan App.

Sona Centres serve
approximately

118,000

Farmers Nationwide, Extending Their Reach
Across Pakistan's Key Agricultural Regions.



Post-Harvest Support and Market Access

To strengthen post-harvest value chains, FFC has launched a pilot grain storage program with a 16,000-ton capacity across three locations, developed under the Electronic Warehouse Receipt (EWR) framework. This initiative provides safer storage, enhances market timing and creates opportunities for collateral-based financing, supporting farmers' income stability and risk management.

Food Security and Sustainable Agriculture

Launched as a forward-looking national initiative, the Food Security and Agriculture Center of Excellence (FACE) demonstrates FFC's commitment to strengthening Pakistan's agricultural system through integrated and inclusive solutions. The program was launched in 2019 to go beyond traditional business models by addressing structural challenges faced by farmers, improving access to finance, knowledge, markets and supporting national goals related to food security, sustainable agriculture, and zero hunger.

FACE operates through an integrated and collaborative model that unites national and international partners to deliver practical, end-to-end solutions for farmers. By combining innovation with on-the-ground implementation, the initiative serves as a living model for sustainable agriculture and inclusive rural development, showcasing scalable approaches that can be replicated in other developing economies.

The program covers the entire food security cycle by supporting farmers from pre-sowing to post-harvest stages. Services include land preparation, soil and water testing, crop planning, and agronomic advice through FFC's Agri-



Agriculture

Support to small and medium scale farmers over latest technologies, market economy, value, chain and climate change.



Health

Catering medical issues of farmers through provision of well equipped dispensaries, capacity building on health and hygiene and awareness campaign.



Education

Bridging gaps and constraints to provide free and quality education to farmer children.



Financial Assistance

Extending financial support to farmers through

- Internet free loans
- Agri finance facility
- Awareness to Govt. Financial packages



Women Empowerment

Empowering women to contribute in sustaining livelihood of the household through vocational training, micro entrepreneurship and establishing market linkages for domestic produce.



Human Resource Development

Capacity building of farmers on:

- Modern Agriculture Technologies
- Farm Machinery Management

- Climate change
- Disaster risk management
- Smart use of farm inputs



Veterinary Assistance

- Assistance farmers in maximum utilization of animals.
- Providing animal healthcare services.
- Establishing linkages to market animal produce.



Youth Development

- Providing farmer children with unique opportunities to acquire sustainable skill development knowledge and generate income based livelihoods.



Services, along with facilitating affordable financing, the adoption of better farming practices and market linkages to boost productivity and farm incomes. Alongside agricultural support, FACE provides social development services, including access to education and healthcare, vocational skills development, women-focused empowerment initiatives, livestock support and dairy value addition. Together, these efforts strengthen household resilience and improve the overall quality of life for farming communities. FACE continues to serve as a catalyst for advancing sustainable agriculture, resilient livelihoods and long-term food security in Pakistan's key farming regions.

FACE Initiatives in 2025

Through FACE's integrated programs, over 4,000 farmers were directly involved in climate-smart agriculture, water stewardship and capacity-building initiatives throughout the year. These efforts intentionally focused on women farmers and rural women, allowing their participation through targeted training, access to technology and livelihood models.



Climate Smart Agriculture and Emissions Reduction

Advanced climate-smart agriculture by promoting technology-driven solutions that lower emissions, optimize resource use and enhance farm productivity. In 2025, FACE's nationwide fleet of agricultural drones serviced more than 43,000 acres, enabling precision spraying that uses less water and inputs while eliminating fuel-based emissions. To combat crop residue burning, FACE partnered with provincial agriculture departments to conduct large-scale anti-smog awareness seminars across Punjab, engaging 1,500 farmers, and to promote field-level adoption of super seeder technology, which supported residue management on over 200 acres.

Water Stewardship and Resource Efficiency

Enhanced water stewardship in drought-prone agricultural areas through climate-smart irrigation solutions. The automation of 50 solar-powered tubewells allowed for remote monitoring and controlled water use across more than 700 acres, reducing energy use and preventing groundwater over-extraction. At the same time, laser land leveling services were offered at a subsidized rate in Rahim Yar Khan, covering 460 acres, greatly improving water efficiency, crop uniformity, and yields.



Women Empowerment and Inclusive Rural Development

Promote inclusive development by enabling women-led livelihood models in rural communities. In Sahiwal, women farmers received support to establish vermicompost production facilities, turning organic waste into natural soil enhancers while creating income opportunities. Two facilities were set up to produce vermicompost and cultivate red wiggler worms, supported by targeted capacity-building programs involving 23 women participants. Additionally, community green kitchens established with biodigesters that convert organic waste into clean cooking fuel, benefiting up to 50 families, reducing methane emissions, and enhancing technical and managerial skills among 40 women.

Capacity Building and Future Agri Leadership

Strengthened Pakistan's future agricultural workforce through collaboration with the Punjab Agriculture Department. An internship program was launched for agricultural graduates, including female participants, providing hands-on field experience and practical learning. This initiative promotes skill development, employability and long-term sector resilience by closing the gap between academic knowledge and real-world application.



Partnerships For Impact

Advancing sustainable development and making a real impact requires strong partnerships that combine shared expertise, innovation and resources. By collaborating with public institutions, private sector actors and development organizations, FFC enhances value creation across the entire Agri-value chain, increasing benefits for farmers and supporting national food security.



Agri-Tech Scale-Up for Precision and Climate-Smart Agriculture

FFC's Agri-Tech scale-up signifies a strategic shift toward integrating digital advisory, remote sensing and mechanized intelligence into its farmer engagement model. The goal is to improve input efficiency, boost crop productivity and gradually transform advisory services into scalable, value-added offerings delivered through the SONA Centres network. By combining advanced data analytics with on-the-ground agronomy, FFC is evolving from a fertilizer supplier to a solutions-oriented partner for farmers, supporting precision nutrient management and climate-smart agriculture.

Drone-Based Precision Advisory

During 2025, FFC implemented drone-enabled precision advisory services in collaboration with AgriLift, covering 11,758 acres and digitizing 102 farmers across seven clusters spanning multiple agro-ecological zones. This surpassed the initial target of 10,500 acres and enabled high-resolution monitoring for early stress detection, nutrient variability analysis and targeted field interventions, supported by structured agronomist visits.

A dedicated pilot with Fauji Fresh n Freeze supported the value enhancement of the potato crop across 6,350 acres in six clusters, benefiting 82 farmers. Drone insights helped optimize input use, reduce waste and improve field-level crop management decisions.

Satellite-Based Crop Intelligence

FFC expanded satellite-driven crop intelligence in partnership with Farmdar, deploying analytics across 6,000 acres and digitizing an additional 7,265 acres for 76 farmers across four clusters. The initiative provided continuous insights on crop health, nitrogen stress, vegetation vigor and yield forecasting.

Farmer adoption was enhanced through complementary activities, including town hall meetings, geofencing, soil sampling and analysis, productivity zoning and crop health assessments. These efforts helped farmers better understand field-level spatial variability and implement data-driven nutrient and irrigation strategies.

Integration with SONA Centres

Agri-Tech outputs from both drone and satellite platforms were systematically integrated into the SONA Centre advisory portfolio. Standardized reporting formats, combined with agronomist-led ground validation, ensured that digital insights translated into practical, field-level recommendations. This integration enhanced advisory quality, increased farmer trust and established SONA Centres as key hubs for data-driven decision support.

Roadmap and Commercialization

Building on successful deployments, FFC's Agri-Tech roadmap aims to expand to approximately 36,000 acres with drone-based advice and 50,000 acres with satellite-based intelligence. Drone operations are planned to be divided into 17 clusters of about 1,800 acres each, with weekly monitoring flights and scheduled agronomist involvement throughout the crop cycle. Satellite services are planned to increasingly utilize high-resolution Planet imagery to enable earlier detection of field-level issues and more

accurate nutrient planning. We plan to gradually shift from pilot projects to paid Agri-Tech advisory services in both B2B and B2C markets, with offerings tied to the purchase of FFC and partner products.

Soil Health Sustainability

FFC recently co-led a comprehensive research project spanning multiple locations across Pakistan's key wheat-growing regions. This collaboration involved both local and international research partners, including the National Institute of Biotechnology and Genetic Engineering (NIBGE) and Pakistan Institute of Engineering and Applied Sciences (PIEAS) in Pakistan, as well as the UFZ Helmholtz Centre for Environmental Research and the German Centre for Integrative Biodiversity Research (iDiv) in Germany. The research revealed that beneficial soil microorganisms are vital for enhancing phosphorus availability in alkaline soils, as they adapt to phosphorus-deficient conditions and improve nutrient uptake efficiency. These results support FFC's emphasis on soil health-centered, climate-smart nutrient solutions designed to promote sustainable crop yields and strengthen agricultural resilience over the long term.

IFA Cultivate Innovation Challenge

In 2025, FFC strengthened its global innovation engagement by becoming a Gold Partner of the International Fertilizer Association (IFA) for the Cultivate Innovation Challenge, a leading global platform that supports agritech and sustainability-focused startups. Through this partnership, FFC contributed to advancing solutions in climate-smart agriculture, nutrient efficiency, digital farming, soil health, emissions reduction and farmer resilience.

As a Gold Partner, FFC actively participated in evaluating emerging global innovations, providing technical insights and supporting the translation of promising technologies into practical applications for developing agricultural



18,000

acres

Drone-based precision advisory covering



13,000

acres

Satellite-based crop intelligence covering



17

Operational clusters with a nationwide footprint

markets. The collaboration also enabled FFC to identify opportunities for technology scouting, pilot projects and potential partnerships, strengthening its innovation pipeline and reinforcing its commitment to open innovation, global collaboration and sustainable food systems.

Mechanization for Efficient Fertilizer Use

FFFC, in partnership with AMRI Faisalabad, has developed an innovative detachable briquette applicator that enables deep placement of fertilizer

during mechanized rice transplanting. This solution promotes efficient nutrient use by depositing fertilizer directly in the root zone, significantly reducing nitrogen losses and related emissions, while enhancing fertilizer effectiveness. The initiative highlights FFC's commitment to climate-smart and resource-efficient agriculture by combining mechanization with sustainable nutrient management practices. A patent application for the technology is currently in progress, and field demonstrations are scheduled for January 2026 to verify performance and encourage adoption among farmers.



Delivering Strong Economic Returns

Material Matters in this section



Economic performance



Anti-corruption

Sustained value creation at FFC is driven by the disciplined, strategic use of our capital, ensuring that sustainability considerations are integrated with financial performance. Our approach to value creation emphasizes responsible conduct across all business relationships, strengthening stakeholder confidence while supporting economic growth. Leveraging our scale, expertise and leadership in the fertilizer sector, we aim to generate stable returns for investors while creating shared value for farmers, communities and other stakeholders.

Our Actions and Performance

Financial returns to investors

FFC's strong value creation, solid financial position and disciplined execution continue to support consistent returns for shareholders and lenders, as demonstrated by our long-standing position among the top-performing companies on the Pakistan Stock Exchange. Effective governance, strong management oversight and clear strategic direction allow us to pursue growth goals responsibly and sustainably. Well-defined targets for revenue, costs, production, sales and profitability are supported by established policies, processes and resource allocation. These are further enhanced by advanced business management systems that boost operational efficiency, improve decision-making and strengthen overall financial performance.

 Refer to pages 50 to 166 to read the Directors' Report and overview of our financial performance.

In 2025, FFC did not receive any direct or indirect financial assistance from the government, except for subsidies and tax credits available under applicable laws and regulations.

 Refer to pages 307 to 523 for detailed financial results.

Ethics and Responsible Market Practices

FFC upholds the highest standards of integrity in all business dealings and relationships. Our Code of Conduct explicitly bans bribery, corruption and unethical behavior. This is supported by a company-wide risk management system

that detects, evaluates and addresses potential corruption risks. The internal audit team, which reports directly to the Board Audit Committee, regularly reviews controls and investigates any concerns. A thorough corruption risk assessment is conducted across all operations in accordance with the Company's risk framework. No major corruption risks or incidents were identified. As a result, targeted anti-corruption training was not conducted. During the reporting period, the Competition Commission of Pakistan (CCP) acted against the fertilizer industry, including FFC, and imposed a PKR 100 million penalty. The Company has officially challenged the decision with the CCP and is contesting the matter through the proper legal channels. Based on legal advice and management's assessment, FFC believes there is a strong chance of a favorable outcome.

Our Code of Conduct and related policies are communicated to all directors and employees across operational locations and are a fundamental part of onboarding programs for new hires. Business partners are also informed of FFC's zero-tolerance stance on corruption from the beginning of their engagement. This commitment is further reinforced through consistent messaging, including the use of the slogan "Say No to Corruption" in official communications.

FFC is firmly committed to responsible market conduct, product integrity and informed product use across its value chain. All fertilizer products marketed by FFC are duly registered with relevant provincial and national regulatory authorities, and nutrient contents are clearly printed on fertilizer bags to ensure transparency. Regulatory bodies

routinely monitor product quality at field warehouses to safeguard compliance and maintain quality assurance standards. In addition to strict regulatory oversight, FFC maintains robust internal quality control processes, including regular testing of prill size, biuret content, moisture levels, crushing strength and overall product performance to ensure alignment with national and international standards. Product authenticity is further protected by security features that help prevent adulteration, diversion, and malpractice.

Beyond product quality, FFC actively promotes responsible and efficient fertilizer use. Through its 4R Nutrient Stewardship approach, the Company encourages the right source, rate, time and place of nutrient application to improve nutrient use efficiency and reduce environmental losses, particularly nitrogen-related impacts. Crop-specific fertilizer recommendations, safety guidelines for handling and field application, and balanced nutrient-use practices are communicated to farmers through brochures, farmer education programs, crop demonstrations, social media outreach and other extension tools. Supported by a strong distribution network and digital platforms such as SMS services and the ASKSONA Card, these efforts ensure farmers have access not only to quality products, but also to the knowledge and support needed for sustainable agricultural practices, reinforcing trust, transparency and responsibility throughout the value chain.

 Refer to pages 237 to 245 for details about farmer advisory and support practices.

Embedding Sustainability Across the Value Chain

Material Matters in this section



Procurement Practices



Supply chain impacts

FFC's influence extends beyond its facilities through its network of suppliers, partners and service providers that support our business. Our impact management strategy aims to create shared value while contributing to the country's broader economic development. We prioritize local sourcing whenever feasible, strengthening domestic supply chains and supporting local businesses. Simultaneously, we actively collaborate with value chain partners to promote responsible practices and share knowledge on environmental stewardship, occupational health and safety, fair labor practices and human rights.

Our Actions and Performance

Strengthening Local Supply Chains

In 2025, locally sourced goods and services accounted for 66% of our total purchases, a slight increase from 27% in 2024. Meanwhile, 34% were bought from international suppliers, down from 73% last year. Our supply chain included 2,027 suppliers, with 1,438 local and 589 foreign partners, highlighting a strong local sourcing presence alongside key global connections.

Our procurement strategy prioritizes sourcing from regions surrounding our operations whenever possible, provided materials meet the necessary quality, technical standards and economic criteria. This approach promotes local economic activity and enhances regional supply chains. Core raw materials and inputs available within Pakistan are sourced locally, while specialized equipment and components not produced domestically are obtained from international suppliers to ensure operational reliability and performance.

Promoting Sustainable Practices

Our focus on sustainability goes beyond our own operations to include suppliers, contractors, dealers and other value chain partners. We understand that managing environmental and

social impacts throughout the entire value chain is crucial for maintaining business continuity, increasing resilience and creating shared value. Therefore, sustainability considerations are integrated into how we engage with, select and collaborate with our value chain partners. This helps minimize risks related to operational disruptions, environmental issues and social concerns, while promoting responsible practices and long-term capability development across the entire value chain. Potential value chain impacts include emissions from transportation, labour and human rights practices, occupational health and safety conditions and broader societal effects. We see our relationships with value chain partners as collaborative rather than purely transactional, built on a shared commitment to ethical conduct, continuous improvement and sustainable development.

Supplier engagement and selection are guided by our procurement manual, which includes sustainability-related requirements alongside technical, commercial and financial criteria. These requirements cover environmental management, labour and working conditions, health and safety standards, respect for human rights and overall business integrity. Sustainability expectations are communicated during onboarding and engagement, and compliance may be supported through declarations, documentation reviews,

and, where appropriate, third-party verification. As our approach matures, on-site assessments for selected high-risk or critical suppliers may be introduced.

To enhance transparency and accountability, all value chain partners are required to submit their environmental, labor and human rights policies through our procurement portal and commit to adhering to applicable laws and FFC's Code of Conduct. New suppliers are evaluated against established sustainability criteria during the registration process. Throughout the year, all newly registered suppliers were assessed against these standards. Simultaneously, we continue to engage haulage contractors and dealers through information sharing and targeted awareness initiatives to encourage responsible practices.

While comprehensive and reliable data on environmental and social impacts across the entire supply chain are not yet available, our supply chain sustainability framework, which is under development, aims to progressively improve data quality and transparency. This will help us better identify, manage and address risks and impacts in the value chain in the future, while strengthening responsible sourcing and sustainable value creation.

06 Forward Looking Statement

FFC's sustainability approach continues to develop as a strategic driver for long-term value creation and business resilience. Going forward, we will enhance our capacity to create shared value for stakeholders by further integrating sustainability into strategy, capital allocation and decision-making processes. By protecting and growing our financial, manufactured, natural, human, organizational and social capital, we aim to strengthen our competitive position, seize emerging opportunities and manage risks in an increasingly complex operating environment. Our future continues to align with the most important Sustainable Development Goals and national priorities, ensuring that growth and value creation are driven by responsible and inclusive development.

While economic volatility, pressure on agricultural growth and declining domestic gas availability continue to pose challenges, FFC remains confident in its long-term outlook. Our forward strategy focuses on diversifying revenue streams, exploring alternative feedstock and energy options and accelerating research and development to deliver nature-aligned, efficiency-enhancing fertilizer solutions. These initiatives are expected to strengthen business continuity, support farm productivity and reinforce our role in national food security, even as the agriculture sector adapts to structural and climate-related pressures.

Environmental stewardship will remain a key part of our plans. We will continue investing in cleaner technologies, process efficiencies, renewable energy solutions and water stewardship programs to reduce our environmental impact. Priority areas include managing greenhouse gas emissions in line with climate science, improving energy and water efficiency across operations, reducing waste and protecting local ecosystems. Despite operational challenges and infrastructure limits, we will steadily pursue low-carbon options and resource-efficient practices throughout our plants and supply chain.

Human and intellectual capital development will remain central to sustaining our performance and adaptability. We will continue to attract, develop and retain a skilled, diverse and engaged workforce, supported by targeted learning, leadership development and digital enablement. Strengthening employee well-being, capability, and inclusion will enable innovation, operational excellence and long-term organizational resilience.

Supporting farmers and communities will remain a key focus of our forward agenda. Through expanded farm advisory services, digital agriculture tools, research-led solutions and inclusive initiatives such as FACE and Sona Centres, we aim to improve yields, promote balanced fertilizer use and enhance farmer incomes. In parallel, our CSR and community investment programs will continue to address priority social needs, including healthcare, education, livelihoods and empowerment of vulnerable groups, contributing to broader socio-economic development.

As a responsible corporate leader, FFC will continue to maintain robust governance practices, transparent reporting and ethical conduct. We will improve stakeholder engagement, strengthen risk management and contribute meaningfully to policy discussions and industry collaboration. Through these efforts, we aim not only to deliver consistent returns to investors but also to take a leadership role in promoting sustainable development across Pakistan's corporate and agricultural sectors.

07 Appendices



GRI, UNGC - COP, SASB and SDGs Referencing

Independent External Review.....	250
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Sustainable Development Goals	263
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Independent Assurance Statement 2025

For the Fauji Fertilizer Company Limited Sustainability Report 2025

FERSO ESG performed an independent review of the Fauji Fertilizer Company Limited (FFC) Sustainability Report 2025 (the report), referring to the period from 1st January 2025 to 31st December 2025. 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. The report addresses voluntarily in separate section the disclosure requirements of the International Financial Reporting Standards (IFRS) – Sustainability Disclosure Standards S1 and S2, issued by the International Sustainability Standards Board (ISSB).

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 2025 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 2025, referring to the period from January 1st, 2025, through December 31st, 2025, 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 2025 final draft versions and the respective Content Index to check consistency with the provided content.
- Evaluation of the adherence of the FFC Sustainability Report 2025 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 Assurance 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 2025 and referred to in the Annual Report 2025. 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: GRI 2-12 Role of the highest governance body in overseeing the management of impacts, GRI 2-22 Statement on sustainable development strategy, GRI 2-29 Approach to stakeholder engagement, GRI 302-2 Energy consumption outside of the organization, GRI 305-3 Other indirect (Scope 3) GHG emissions, GRI 404-3 Percentage of employees receiving regular performance and career development reviews. 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.
- Additionally, FERSO requested evidence of all relevant certification mentioned in the report, including ISO 9001, ISO 14001, OHSAS 18001 and the IFA "Protect and Sustain" product stewardship certification. All certification proofed to be valid for all facilities. Further evidence was solicited regarding the higher yields obtained in FFC demonstration plots. The results have been obtained in interviews with farmers which perceived a higher yield observing the practices used in the demonstration plots. We recommend for future reports to increase data analysis with primary data research to further corroborate the achieved yield advantages.
- FERSO ESG requested data and textual adjustments to the draft versions of the report, which were implemented by the company. These adjustments served to provide more context to provide readers with a better understanding of the company performance and create consistency in the reported data.
- FFC's Sustainability Report 2025 addresses all material topics and related impacts of its operation along the report. 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.
- In 2025, FFC has been able to monitor the newly deployed Sustainability Strategy, which is aligned with IFA's key priorities Climate Change, Biodiversity, Gender Diversity, Human Nutrition, Fertilizer production and Fertilizer Use. FFC has set six long term goals in the strategic pillars of GHG Emissions, Energy Management, Water Management, Waste Management, Nutrient Stewardship and DEI (Diversity, Equity and Inclusion). Even if FFC is currently falling short against four of the six interim targets, the new 2030-strategy will allow the company to increase efforts in the next reporting cycles to achieve the established targets.

Given the challenges of the current local and global economic context, FFC was able to maintain course of its sustainability mission and proofed to have a solid ESG governance in place. FFC embraced new technologies to improve the impacts of its product and increased its extension and support services to farmers, with the ambitious goal to extend its services to more than half a million farmers in 2030.

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 2025, was not in the scope of the engagement.

Final Considerations

FFC has delivered its Sustainability Report 2025 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 2025 is not fairly stated in all material aspects.

São Paulo, February 14th, 2026



Beat Grüninger
Assurance Provider
FERSO ESG



Islamabad, February 14th, 2026



Nadeem Safdar,
Managing Partner, Nadeem Safdar & Co
Chartered Accountants
ICAP Membership No: 2396

GRI Content Index

The following table helps readers locate content within the document, identifies each of the GRI Standards used, and lists all disclosures included in the report. Each disclosure is followed by references to the relevant pages in the 2025 Sustainability Report or other publicly available sources.

Statement of use	FFC has reported in accordance with the GRI Standards for the period 1 Jan 2025 to 31 Dec 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	No sector standard is available for our sector.

		Omission			
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
General Disclosures					
Gri 2: General Disclosures 2021	2-1 Organizational details	176			
	2-2 Entities included in the organization's sustainability reporting	05			
	2-3 Reporting period, frequency and contact point	05			
	2-4 Restatements of information	05			
	2-5 External assurance	05, 250			
	2-6 Activities, value chain and other business relationships	176, 177, 244-245			
	2-7 Employees	222-223			
	2-8 Workers who are not employees	222			
	2-9 Governance structure and composition	200			
	2-10 Nomination and selection of the highest governance body	200			
	2-11 Chair of the highest governance body	200			
	2-12 Role of the highest governance body in overseeing the management of impacts	181			
	2-13 Delegation of responsibility for managing impacts	181, 200			
	2-14 Role of the highest governance body in sustainability reporting	181			
	2-15 Conflicts of interest	202			
	2-16 Communication of critical concerns	202			
	2-17 Collective knowledge of the highest governance body	181			
		2-18 Evaluation of the performance of the highest governance body	181, 201		

GRI Content Index

GRI Standard/Other Source	Disclosure	Omission			
		Location	Requirement(s) Omitted	Reason	Explanation
	2-19 Remuneration policies	202			
	2-20 Process to determine remuneration	202			
	2-21 Annual total compensation ratio	-	a, b, c	Sensitive information	
	2-22 Statement on sustainable development strategy	179			
	2-23 Policy commitments	203			
	2-24 Embedding policy commitments	203			
	2-25 Processes to remediate negative impacts	203			
	2-26 Mechanisms for seeking advice and raising concerns	202-203			
	2-27 Compliance with laws and regulations	202			
	2-28 Membership associations	177			
	2-29 Approach to stakeholder engagement	182-183			
	2-30 Collective bargaining agreements	225			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	184			
	3-2 List of material topics	185			
Economic Performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	236, 246			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	153			
	201-2 Financial implications and other risks and opportunities due to climate change	277-287			

GRI Standard/Other Source	Disclosure	Omission			
		Location	Requirement(s) Omitted	Reason	Explanation
	201-3 Defined benefit plan obligations and other retirement plans	224-225			
	201-4 Financial assistance received from government	246			
Market Presence					
GRI 3: Material Topics 2021	3-3 Management of material topics	218, 228			
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	224			
	202-2 Proportion of senior management hired from the local community	228			
Procurement Practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	236, 247			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	247			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	236, 246			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	246			
	205-2 Communication and training about anti-corruption policies and procedures	246			
	205-3 Confirmed incidents of corruption and actions taken	246			
Farmer Advisory					
GRI 3: Material Topics 2021	3-3 Management of material topics	236-237			
FFC Disclosure	Farmers' outreach through Agri-services	237			
FFC Disclosure	Value cost ratio for minor and major crops	239			

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	206			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	209			
	305-2 Energy indirect (Scope 2) GHG emissions	209			
	305-3 Other indirect (Scope 3) GHG emissions	-	a-g	Information unavailable/ incomplete	FFC is currently assessing these emissions and disclosures are planned in 2027.
	305-4 GHG emissions intensity	209			
	305-5 Reduction of GHG emissions	209			
	305-6 Emissions of ozone-depleting substances (ODS)	209		Not Applicable	FFC business does not include production, transportation or ODS.
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	209			

		Omission			
GRI Standard/Other Source	Disclosure	Location	Requirement(s) Omitted	Reason	Explanation
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	206			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	210			
	302-2 Energy consumption outside of the organization	-	a, b, c	Information unavailable/ incomplete	FFC is currently assessing energy consumption outside the organization and disclosures are planned in 2027.
	302-3 Energy intensity	210			
	302-4 Reduction of energy consumption	210			
	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	206			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	211			
	301-2 Recycled input materials used	211			
	301-3 Reclaimed products and their packaging materials	211			
Water					
GRI 3: Material Topics 2021	3-3 Management of material topics	206, 212-213			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	212-213			
	303-2 Management of water discharge-related impacts	212-213			
	303-3 Water withdrawal	213			
	303-4 Water discharge	213			
	303-5 Water consumption	213			

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	206, 214			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	214			
	306-2 Management of significant waste-related impacts	214			
	306-3 Waste generated	216			
	306-4 Waste diverted from disposal	216			
	306-5 Waste directed to disposal	216			
Supply Chain Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	236, 247			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	247			
	308-2 Negative environmental impacts in the supply chain and actions taken	247	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	247			
GRI 308: Supplier Environmental Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	247	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	218			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	223-224			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	224-225			
	401-3 Parental leave	228			

GRI Standard/Other Source	Disclosure	Omission			
		Location	Requirement(s) Omitted	Reason	Explanation
GRI 402: Labor Management Relations 2016	402-1 Minimum notice periods regarding operational changes	225			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	228			
	405-2 Ratio of basic salary and remuneration of women to men	228			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	229			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	229			
Health and Safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	218-219			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	219			
	403-2 Hazard identification, risk assessment, and incident investigation	219-220			
	403-3 Occupational health services	220			
	403-4 Worker participation, consultation, and communication on occupational health and safety	219			
	403-5 Worker training on occupational health and safety	220			
	403-6 Promotion of worker health	220			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	219-220			
	403-8 Workers covered by an occupational health and safety management system	219			
	403-9 Work-related injuries	221			
	403-10 Work-related ill health	221			

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	218, 225-226			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	226			
	404-2 Programs for upgrading employee skills and transition assistance programs	226			
	404-3 Percentage of employees receiving regular performance and career development reviews	226			
Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	229			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	229			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	229			
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	230			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	230-234			
	413-2 Operations with significant actual and potential negative impacts on local communities	230			

Principle	Statement	Page No.	Gri Standards Disclosure
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	230-234	413-1, 413-2
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	230-234, 247	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.	225, 229	2-30, 402-1, 407-1
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	229	409-1
Principle 5	Businesses should uphold the effective abolition of child labor.	229	408-1
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	222, 223, 224, 226, 228, 229	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.	209, 210, 211, 213, 277-287	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.	202, 209, 210, 211, 213, 214, 216, 247	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.	209, 210	302-4, 302-5, 305-5
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	202, 203, 246	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	209
	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	206-207, 209
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)	209
Energy Management	RT-CH-130a.1. (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	210
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	213
	RT-CH-140a.2. Number of incidents of non-compliance associated with water quality permits, standards, and regulations	212
	RT-CH-140a.3. Description of water management risks and discussion of strategies and practices to mitigate those risks	212
Hazardous Waste Management	RT-CH-150a.1. Amount of hazardous waste generated; percentage recycled	216
Community Relations	RT-CH-210a.1. Discussion of engagement processes to manage risks and opportunities associated with community interests	230-234
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	221
	RT-CH-320a.2. Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	219-220
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	201, 246
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)	220
	RT-CH-540a.2. Number of transport incidents	220

Sustainable Development Goals

SDGs		Page No.	GRI Standards Disclosure
	End poverty in all its forms everywhere	224, 230	202-1, 413-2
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	153, 230	201-1, 413-2
	Ensure healthy lives and promote well-being for all at all ages	209, 214, 216, 219, 221	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	181, 226	2-17, 404-1
	Achieve gender equality and empower all women and girls	153, 200, 223, 224, 226, 228, 229, 247	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	213, 214, 216	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	153, 210	201-1, 302-1, 302-2, 302-3, 302-4, 302-5
	Promote inclusive and sustainable economic growth, employment, and decent work for all	153, 210, 211, 213, 219, 221, 222, 223, 224, 225, 226, 228, 229, 247	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	153, 230-234	201-1, 413-1

Sustainable Development Goals

SDGs		Page No.	GRI Standards Disclosure
	Reduce inequality within and among countries	228, 230	413-2, 405-2
	Make cities inclusive, safe, resilient, and sustainable	230-234	413-1
	Ensure sustainable consumption and production patterns	209, 210, 211, 214, 216, 247	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
	Take urgent action to combat climate change and its impacts	209, 210, 277-287,	201-2, 302-1, 302-2, 302-3, 302-4, 302-5, 305-1, 305-2, 305-3, 305-4
	Conserve and sustainably use the oceans, seas, and marine resources	209, 214, 216	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	209, 214, 216	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5
	Promote just, peaceful, and inclusive societies	181, 200, 202, 202, 203, 229, 246, 247	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
	Strengthen the means of implementation and revitalize the global partnership for sustainable development		Not applicable

PSX SDGs Index

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 179 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 181, 191 and 200 to 201 for our governance and page 192 for our strategy.

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 206, 212, 214, 218, 219, 228, 229, 230, 236, 246 and 247 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 (2025)	Status (2024)	Status (2023)	Business Action	Future Business Action
 Target 5.1 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 218, 228 and 229 to read details about the management approach and performance				
Target 5.2 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 employee young female workers aged 15 years. No complaint of physical, sexual, or psychological violence filed.	FFC does not employ employee young female workers aged 15 years. No complaint of physical, sexual, or psychological violence filed.	FFC does not employ employee 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 218, 228 and 229 to read details about the management approach and performance.				

PSX SDGs Index

SDG and Target	Company Performance Target	Performance Indicator	Status (2025)	Status (2024)	Status (2023)	Business Action	Future Business Action
 Target 6.4 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 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.	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		
			*5,823 liter per ton	4,830 liter per ton	5,012 liter per ton		
 Target 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	-	Renewable energy share in the total final energy consumption	2.735 MW on grid solar system. The share of renewable energy is insignificant.	2.2 MW on grid solar system. The share of renewable energy is insignificant.	02 MW on grid solar system completed	FFC is exploring different renewable energy options to include renewable energy in total energy mix	Promotion of renewable energy to decrease environmental footprint
Target 7.b 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 27 million	PKR 286 million	PKR 347 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
 Target 8.3 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.  Refer to page 218 and 222 to 225 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

* Water intensity figures have been restated to correct a calculation error; values previously reported in liters were in fact measured in cubic meters and have now been accurately reflected.

SDG and Target	Company Performance Target	Performance Indicator	Status (2025)			Status (2024)			Status (2023)			Business Action	Future Business Action
Target 8.5 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 (Based on Average Basic Pay Scale) M = Manager S = Staff	2025			2024			2023			Compliance with applicable laws	Compliance with applicable laws
				Male	Female		Male	Female		Male	Female		
			M	3342	3342	M	1,660	1,660	M	1,423	1,423		
			S	152	152	S	186	186	S	150	150		
		Average hourly earnings of managerial and non-managerial employees with disabilities, by gender M = Manager S = Staff	2024			2023			2022			Compliance with applicable laws	Compliance with applicable laws
			Same as above										
		Minimum wage of employees	2025			2024			2023			Compliance with applicable laws	Compliance with applicable laws
			40,000			37,000			32,000				
		Number of net new jobs created at your company, by gender and persons with disabilities	2025			2024			2023			-	-
			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 223 to 224 to read details about hiring and attrition details.													
Proportion of your employees with disabilities													
Target 8.8 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 221 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	
 Target 9.4 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 ₂ emissions per MT of urea	2025			2024			2023			Continuous investment in cleaner technologies to reduce environmental footprint	Maintain emissions intensity at 2020 level (0.76 metric ton per ton of urea) by 2026
0.68			0.57			0.74							

SDG and Target	Company Performance Target	Performance Indicator	Status (2024)	Status (2023)	Status (2022)	Business Action	Future Business Action
 Target 12.4 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 Does FFC treat its hazardous waste in accordance with the international multilateral agreements signed by the Government of Pakistan?	 Refer to pages 214 to 216 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
Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	-	Quantity of waste material generated and recycled	 Refer to pages 214 to 216 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
Target 12.6 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? 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

AMCON	Annual Management Conference
CBA	Collective Bargaining Agent
CSR	Corporate Social Responsibility
DAP	Di-ammonium Phosphate, a chemical composition of Nitrogen (18%) and Phosphorus (46%) fertilizers
GIDC	Gas Infrastructure Development Cess
EEF	Enhanced Efficiency Fertilizers
ERC	Environment Review Committee
FAC	Farmer Advisory Center
FACE	Food Security and Agriculture Center of Excellence
FAS	Farmer Advisory Services
GRI	Global Reporting Initiative
GHG	Green House Gases
HIRADC	Hazard Identification Risk Assessment and Determining Control
HAZOP	Hazard and Operability
HORC	Hazard Observation and Review Committee
HSE	Health Safety and Environment
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost & Management Accountants of Pakistan
IFA	International Fertilizer Association
MMSCF	Million Standard Cubic Feet
M&O	Manufacturing and Operations
MW	Mega Watt
NIAB	Nuclear Institute for Agriculture and Biology
NCU	Neem Coated Urea
NEQS	National Environmental Quality Standards
NGO	Non-Government Organization
OHSAS	Occupational Health and Safety Management System
PSX	Pakistan Stock Exchange
SAARC	South Asian Association for Regional Cooperation
SAFA	South Asian Federation of Accountants
SIGNIFICANT LOCATION	Significant location of operations means locations where offices and plants are located
SOC	Safe Operation Committee
SOP	Sulphate of Potash. Primarily a Potassic fertilizer
TCFD	Task Force on Climate-Related Financial Disclosures
TRI	Total Recordable Injury
UNGC	United Nations Global Compact

08 Sustainability Related Financial Disclosures

**Prepared with reference to IFRS
Sustainability Disclosure Standards (IFRS S1 & S2)**

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Fauji Fertilizer Company Limited

Sustainability-Related Financial Disclosures

Prepared with reference to IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2)
For the financial year ended December 31, 2025

Disclaimer Statement

These sustainability-related financial disclosures ("the Disclosures") have been prepared by Fauji Fertilizer Company Limited (FFC or "the Company") for the financial year ended 31 December 2025.

The Securities and Exchange Commission of Pakistan (SECP), through its adoption order dated 31 December 2024, has mandated the application of the IFRS Sustainability Disclosure Standards for annual reporting periods beginning on or after 1 July 2025. Accordingly, FFC is subject to mandatory sustainability-related disclosures for the financial year (FY) commencing from January 01, 2026.

For FY 2025, FFC has prepared these Disclosures with reference to the IFRS Sustainability Disclosure Standards (SDS) IFRS S1 and IFRS S2, without voluntary or mandatory adoption of the standards. The Disclosures are intended to demonstrate readiness for future compliance, establish a baseline understanding of sustainability-related risks and opportunities and support internal capability development.

Overview of the Reporting Entity

Fauji Fertilizer Company Limited ('FFC' or 'the Company') is a publicly listed company incorporated in Pakistan and listed on the Pakistan Stock Exchange. The Company is principally engaged in the manufacturing, marketing, and sale of nitrogen-based fertilizer products, primarily for the domestic agricultural market and industrial use. The principal activities of the Company include the manufacture of fertilizer products and their marketing and distribution through an established dealer network and Company-operated warehouses, retail outlets and facilitations centres. More information on the Company's business, products, operations, and marketing areas is provided on pages from 10 to 15 and 132.

The operational footprint reflects a capital-intensive production model and a concentrated asset base within Pakistan. The Company operates in a regulated and policy-influenced market environment. Fertilizer pricing mechanisms, input allocation frameworks, and agricultural policies influence market conditions and demand dynamics. The external conditions form part of the broader economic environment in which the Company operates and provide background context for the sustainability-related risks and opportunities which are disclosed in section 5 of these disclosures.

There were no material changes in the nature of the Company's principal activities during the reporting period.

Reporting Boundary

Reporting Entity

These sustainability-related financial disclosures are prepared for the same legal reporting entity as the Company's financial statements for the year ended 31 December 2025, namely Fauji Fertilizer Company Limited (also referred to as "FFC" or the "Company").

Relationship with Financial Statements and Scope of Sustainability Assessments

For FY 2025, the scope of sustainability-related information and assessments does not fully align with the financial reporting boundary. Sustainability-related data and risk assessments disclosed in this report are limited primarily to the Company's core operations, functions and office locations. The sustainability-related data and sustainability-related risk and opportunity assessments for the following are excluded from the current reporting period due to early stages of data availability:

- Subsidiaries
- Company-operated warehouses
- Facilitation and retail network (Sona Centres)

The company is working to establish processes and controls for data availability in the next annual reporting cycle. Further information about the Company's subsidiaries and group structure is available on pages 20 to 21.

Greenhouse Gas Emissions Boundary and Approach

The company's boundary for greenhouse gas (GHG) emissions consists of its organizational and operational boundaries, as described below.

• Organizational Boundary

The Company defines its organizational boundary for greenhouse gas (GHG) emissions reporting using the equity share approach, in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). This approach is considered appropriate as it reflects the Company's level of economic interest and influence over activities and emissions within its operations.

For FY 2025, the Company has reported GHG emissions from its core manufacturing operations, head office, marketing office and Karachi office. GHG emissions from subsidiaries, warehouses, and Sona Centres (retail and facilitation network) have not been included due to data availability limitations and the current stage of development of emissions data-collection systems. The Company is progressing its capabilities and systems to expand the GHG emissions inventory and intends to progressively include additional operations in future reporting periods.

• Operational Boundary (Scope)

The operational boundary for GHG emissions is defined in accordance with the GHG Protocol. The Company applies the definitions of Scope 1, Scope 2, and Scope 3 emissions as set out in the GHG Protocol Corporate Accounting and Reporting Standard.

For the year ended 31 December 2025, Scope 1 and Scope 2 GHG emissions are reported (subject to the limitation explained in the second para of section 2.3-i). The inputs and assumptions used to measure Scope 1 and 2 GHG emissions are provided in section 6.1 (emission metrics).

Scope 3 GHG emissions have not been assessed or disclosed due to data availability limitations. The Company intends to progressively evaluate and address these reporting gaps in future periods as data systems and methodologies mature.

• Significant Emission Sources (by Scope)

a) Scope 1: Direct GHG Emissions from Activities and Operations

- Stationary Combustion: Emissions from burning natural gas and other fuels in primary reformers, boilers, and gas turbines across its manufacturing plants.
- Process Emissions: include CO₂ generated as a byproduct of ammonia production.
- Mobile Combustion: Emissions from the vehicle fleet used for marketing and corporate operations within operational control of the Company.

- Fugitive Emissions: Intentional or accidental releases of methane CH₄ or refrigerants from industrial equipment and pipelines.

b) Scope 2: Indirect GHG Emissions from the Use of Purchased Electricity

GHG Emissions from the use of purchased electricity represent the Company's Scope 2 GHG emissions. The company purchases electricity from the national grid for consumption at its head office, marketing and support offices, warehouses and retail centres.

The company also purchases electricity for its Port Qasim plant from M/s FFBL Power Company (FPCL), which presently is a subsidiary of FFC. Since the subsidiary's data is excluded from FY 2025 reporting and the primary fuel data for FPCL are unavailable, the GHG emissions from electricity supplied by FPCL to the Port Qasim plant are temporarily classified as Scope 2 (Market-Based) rather than Scope 1.

c) Scope 3: Indirect Emissions from the Value Chain

GHG emissions that occur in the upstream and downstream are Scope 3. The categorization within scope 3 has not yet been evaluated or reported due to data limitations. FFC is progressing toward developing a data system for disclosing significant categories. The Scope 3 emissions will be measured in accordance with the GHG Protocol Corporate Value Chain Standard.

Governance

The governance of sustainability-related risks and opportunities at the Company is embedded within its existing corporate governance and risk oversight framework. Oversight responsibilities are exercised by the Board of Directors, supported by Board committees and management, through established reporting and control structures.



Board Oversight of Sustainability-related Risks and Opportunities

The Board of Directors of the Company has overall responsibility for overseeing matters that may reasonably be expected to affect the Company's long-term performance, resilience and enterprise value. The Board exercises oversight through its review of strategy, operating performance, regulatory compliance, enterprise risk management and through the reports and recommendations received from Board committees.

Role of the Board's Sustainability Committee

The Board of Directors has established a Sustainability Committee to support the Board in overseeing sustainability and climate-related matters. The Committee operates under approved terms of reference and is responsible for, among other matters, oversight of the Company's sustainability strategy and policies, monitoring sustainability targets and performance, reviewing sustainability-related disclosures and reports and overseeing management initiatives relating to environmental and social matters. The Sustainability Committee provides a forum for focused discussion on sustainability-related issues and reports to the Board on its activities and observations. The Sustainability Committee meets twice a year and reports to the Board on its deliberations and observations.

For the year ended 31 December 2025, the Sustainability Committee's oversight is primarily focused on sustainability strategy and performance review. While sustainability-related matters are considered by the Committee, its practices and oversight role are still in the preliminary phase, which will be strengthened in the next year through improvements in information flow and capabilities. Further information about terms of reference (TOR) and the Sustainability Committee's meeting frequency is provided on pages 44 to 45.

Management's Role in Sustainability Oversight

The CEO & Managing Director is responsible for monitoring, managing, and overseeing sustainability-related matters and for implementing sustainability-related strategies, policies, and practices. The Sustainability and Innovation Department supports management by coordinating across organizational functions and facilitating the progressive integration of sustainability considerations and initiatives into business decision-making.

Relevant functional heads are responsible for implementing sustainability-related targets, initiatives and policies into their domains through existing functional roles and internal compliance processes.

The established review and reporting mechanisms, including Enterprise Risk Management (ERM) channels, ensure the reporting of material information to senior management and the BOD. During FY 2025, climate-related risks and opportunities were primarily addressed in the context of energy, water, regulatory compliance, and operational reliability.

The governance arrangements reflect the Company's current level of readiness for the disclosure of sustainability-related financial information. The Company intends to enhance its governance processes, controls, and procedures by further clarifying roles and improving internal capacity for oversight.

Risk Management and Materiality

Sustainability-related Risk Management Framework

The Company identifies, assesses, manages and monitors risks through an established enterprise risk management (ERM) framework. This framework provides the primary mechanism for addressing risks that may affect the Company's operational performance, financial position and long-term viability. Sustainability-related risks and opportunities are addressed within the existing ERM framework, rather than through a standalone sustainability or climate-specific risk management system. Details of the Company's risk management approach are provided on page 90 to 92.

Identification and Assessment of Sustainability-related Risks and Opportunities

In line with IFRS S1 requirements, the Company has expanded its risk identification and assessment processes to consider sustainability-related risks and opportunities across its value chain and over longer time horizons than those typically used

in short-term business planning. This process focuses on identifying sustainability-related matters that may reasonably be expected to affect the Company's strategic resilience, business model, cash flows, access to finance, or cost of capital.

For FY 2025, the Company identified key dependencies and interactions across its value chain, including energy supply, water availability, infrastructure, workforce and downstream market conditions. In identifying sustainability-related risks and opportunities, the Company also referred to industry-based guidance, including the SASB Standards for the chemicals sector and the sustainability priority areas promoted by the International Fertilizer Association. These sources were used solely for risk identification and did not replace the Company's assessment of financial materiality.

Sustainability-related risks and opportunities were assessed primarily qualitatively, considering factors such as the nature of the dependency, exposure to environmental, social, and economic conditions, the potential magnitude of financial effects, and the relevant time horizon. In assessing sustainability-related risks and opportunities, the Company considers both the underlying exposure and the extent to which such risks are managed through existing controls and processes. Strong management controls may reduce the residual impact; however, risks are disclosed where the underlying exposure may reasonably be expected to affect the Company's business model, cash flows, or long-term resilience. This assessment relied on qualitative factors, including historical performance, publicly available market and climate data, and applicable regulatory and policy information.

Presently, the Company does not track quantitative sustainability-related performance of its suppliers and distributors due to data issues (e.g., unavailability and reliability). However, such data is not expected to significantly change the Company's assessment of sustainability-related financial risks. The Company's assessment of sustainability-related risks associated with suppliers, distributors or customers relies on historical performance, regulatory developments and publicly available industry information. The company intends to establish a system for monitoring the sustainability-related quantitative performance of suppliers and distributors to further enhance its visibility.

Prioritisation

The Company prioritised its sustainability-related risks using a qualitative technique. The Company has not applied quantitative financial modelling or climate scenario analysis to estimate the effects of sustainability-related risks. Prioritisation reflects management judgement informed by operational experience, historical performance, publicly available data, and regulatory and policy developments. Risks were prioritised based on their potential to affect the Company's business prospects. In this context, climate-related risks were assessed as a higher priority than other sustainability-related risks, reflecting the Company's exposure to energy-intensive operations, reliance on water resources and sensitivity to climate- and policy-driven changes.

Within the climate risk category, physical and transition risks were not ranked sequentially but were considered of comparable significance, given their different but interrelated effects. Physical risks were prioritised for their potential to affect operational continuity, resource availability and product offtake, while transition risks were prioritised for their potential to influence energy costs, regulatory compliance requirements and longer-term asset and product competitiveness. These risks are therefore addressed in parallel within the Company's risk management and strategic planning processes.

Management Controls and Mitigation

Management of sustainability-related risks is integrated into existing operational, compliance, and risk-mitigation processes. Risk responses may include operational controls and procedures, compliance with applicable laws and regulations, maintenance and reliability programmes for production assets and monitoring of regulatory and policy developments. Sustainability or climate-specific risk mitigation plans have not been developed separately from existing operational risk responses.

Monitoring and Reporting

Sustainability and climate-related risks and opportunities are monitored through the Company's existing enterprise risk management (ERM) reporting and management review processes. During FY 2025, information on sustainability-related matters was provided to senior management and the Board primarily on a qualitative basis, with a focus on operational performance, regulatory developments, resource availability, and emerging climate-related considerations relevant to the Company's activities.

Monitoring draws on inputs from existing reporting and operational functions, as well as from the Sustainability and Innovation Department. The existing monitoring processes are reflected in operational decisions and capital allocation, including energy efficiency, water management, asset reliability and compliance-related developments. Sustainability-related risks and opportunities are reviewed alongside other business risks.

Strategy

FFC recognises that sustainability-related risks and opportunities, including those arising from climate change, may affect its operations, investment requirements, and long-term business resilience. The Company's strategy is therefore directed toward maintaining financial sustainability and operational resilience while operating in a dynamic external environment.

The evolving sustainability and climate-related considerations are increasingly integrated into the Company's strategy primarily through its enterprise risk management (ERM). The Sustainability and Innovation Department supports management in integrating sustainability considerations into operational improvements, innovation initiatives and the progressive identification and assessment of sustainability-related risks and opportunities. As a result, sustainability factors have already influenced capital expenditure and budget allocation decisions, including investments in water efficiency, energy efficiency, renewable energy and plant upgrades to support asset reliability.

Climate-related Risks and Opportunities

The Intergovernmental Panel on Climate Change (IPCC) latest assessment reports (AR5 & AR6) consistently project that warming in South Asia will exceed the global mean, intensifying glacier melt rates and altering vital monsoon rainfall



patterns. These shifts present critical risks to water-dependent sectors, specifically agriculture and energy. The National Disaster Management Authority (NDMA) Report 2024-2025 confirms Pakistan's ranking as the 5th most climate-vulnerable country, experiencing escalating droughts, floods, and heatwaves that profoundly impact agriculture and water resources. The implications are immediate, given that the World Bank's October 2025 report revised Pakistan's FY2026 GDP growth projections downward (from 4.2% to between 3.5% and 3.9%), explicitly citing flood impacts on the agriculture sector.

Based on climate projections, policy developments guided by governmental commitments (NDCs under the Paris Agreement), and the emerging transition towards low-carbon solutions, we expect these factors to affect our business prospects across the value chain. Accordingly, the Company has identified climate change as a significant risk. In line with IFRS S2, the Company applied judgment using qualitative information to identify and assess exposure to both transition and physical risks.

Our Sustainability Strategy 2030 guides embedding sustainable practices across the business, speeding up the development of nature-based products and adopting technologies that support a shift to a low-carbon economy. We are progressively strengthening our ability to assess and manage climate-related risks and to discover opportunities as our understanding of the challenges deepens.



Climate-Related Risks

CLIMATE-RELATED TRANSITION RISKS

Risk	Policy and Legal Risks
Time Horizon	Medium and Long-term
Risk Concentration	Operations
Metrics Ref.	6.1 & 6.3 and 6.6
Reference To Financial Statements	–

Risk Description - Emerging Emissions Regulations

With increased global and national policy efforts to address climate change, there is a high likelihood that the Government of Pakistan may introduce regulations such as carbon caps or carbon tax. This evolving regulatory landscape presents risk to the Company's cost structure and compliance requirements.

Effects On Business Model And Value Chain

Fertilizer production is energy-intensive, relying on natural gas for both feedstock and fuel. Significant GHGs are emitted during fuel combustion and through chemical reactions in the production process. To remain compliant and cost-effective, prioritization of reduction in carbon intensity is critical. This involves a long-term transition towards renewable energy, the integration of energy-efficient technologies, and the scaling of our Enhanced Efficiency Fertilizer (EEF) products. These efforts require sustained long-term planning and a re-evaluation of our upstream energy dependencies.

Strategic Response

FFC monitors the evolution of carbon pricing mechanisms in Pakistan. We are focused on identifying opportunities to reduce emissions as outlined in our Sustainability Strategy 2030, which established voluntary reduction targets. We are committed to gradually enhancing our captive solar power capacity where feasible and optimizing plant energy intensity to mitigate the impact of future regulations.

Financial Implications

Current Year: Administrative expenses have increased marginally due to enhanced compliance and reporting obligations. The Company current year capital deployment for 2025 included initiatives for energy-efficiency specifically aimed at emissions reduction.

Anticipated: The Company's capital expenditure plan includes emission-reduction initiatives during FY 2026. We are not expecting policy related impacts other than the company spending on energy efficiency. Over the medium and long-term horizons, production costs may increase due to potential carbon levies. Furthermore, access to lower-cost financing may be influenced by our ability to remain within future policy-mandated emission limits.

CLIMATE-RELATED TRANSITION RISKS	
Risk	Technology Risk
Time Horizon	Long-term
Risk Concentration	Operations (Manufacturing Plants)
Metrics Ref.	–
Reference To Financial Statements	–
Risk Description- Emergence Of Low Carbon Technologies Technology risk arises from the global emergence of “Blue” and “Green” ammonia production as low-carbon alternatives to conventional, emission-intensive methods. These advancements may eventually render existing natural gas-based ammonia facilities outdated, necessitating substantial new investments. The transition to renewable hydrogen-based Green Ammonia involves significant development costs and carries the risk of potential asset impairment for older, less efficient gas-reliant plants.	
Effects On Business Model And Value Chain The shift toward low-carbon technology directly impacts our long-term capital strategy and asset lifecycle management. To remain competitive in a decarbonizing global market, the transition of production processes to new technology is inevitable. This involves moving away from traditional steam methane reforming (SMR) toward electrolysis or carbon capture and storage (CCS). Such a shift requires not only high capital expenditure but also a fundamental change in our energy procurement and technical skill sets across the value chain. However, these technologies are yet in the emerging phases and their commercial scale viability is yet to develop in local context and environment.	

Strategic Response

FFC is actively monitoring global advancements in green ammonia and carbon capture technologies to inform our long-term capital allocation and research and development efforts. Our current approach focuses on maintaining operational excellence while building the internal technical competencies required for future adoption. By staying abreast of international benchmarks, we aim to integrate breakthrough low-carbon technologies at the point they become commercially and operationally viable within the Pakistani Context.

Financial Implications

Current Year: The Company has not incurred significant expenditure specifically on technological transition.

Anticipated: In the short-term, financial impact is limited to the cost of ongoing feasibility assessments and pilot-scale explorations. In the medium-to-long term, anticipated financial implications include substantial capital requirements for technology retrofitting. There is also a risk of accelerated depreciation or impairment of older assets if they reach the end of their economic life sooner than expected due to technological obsolescence.

Climate-Related Risks

CLIMATE-RELATED PHYSICAL RISKS

Risk	Acute physical risks (Extreme weather events: catastrophic floods, heavy rains)
Time Horizon	Short, medium and long term
Risk Concentration	Operations and downstream (Distribution network and support infrastructure at plants)
Metrics Ref.	6.2
Reference To Financial Statements	—

Risk Description- Extreme events may potentially damage physical infrastructure

Acute physical risks arise from the increasing frequency and intensity of extreme weather events, particularly heavy rainfall and flooding within the Indus Basin. Such events may threaten the physical integrity of our manufacturing facilities and supporting infrastructure. Furthermore, extreme weather can disrupt the logistics and transportation networks required for product distribution and may impact ability of personnel to access operational sites. These events have the potential to cause temporary operational downtime and necessitate increased maintenance or recovery expenditures.

Effects on Business Model and Value Chain

Although our plants are strategically located and designed for resilience, severe regional flooding can disrupt national transport networks, creating logistical bottlenecks that delay fertilizer distribution. The impact on the value chain primarily affects downstream delivery of products to farmers and leads to delays in cultivation activities. Managing these effects requires a shift toward more diversified logistics and enhanced emergency response capabilities.

Strategic Response

Although the Company has not experienced material impacts from acute climate events in recent reporting periods, we recognize the risk posed by increasing climate variability and monsoon intensity. The Company continues to manage these potential implications through multi-layered adaptation measures such as:

- Engineering Resilience: Utilizing robust site-specific engineering designs and flood-protection protocols.
- Operational Integrity: Applying the Asset Reliability and Integrity Management framework to ensure that critical infrastructure can withstand environmental stress without compromising the service factor.
- Contingency Planning: Maintaining a comprehensive Business Continuity Plan (BCP) and a diversified logistics strategy that utilizes multiple transport modes and routes to ensure uninterrupted product delivery to the market.

Financial implications

Current Year: No material financial losses were recorded this year.

Anticipated: In the short-term, anticipated financial effects are primarily limited to the ongoing costs of maintaining the Asset Reliability & Integrity Management (ARIM) framework and BCP readiness. Over the medium-to-long term, if climate variability exceeds historical engineering thresholds, there is a potential for increased insurance premiums, higher emergency repair costs, or temporary revenue loss due to distribution delays.

CLIMATE-RELATED PHYSICAL RISKS	
Risk	Acute physical risks (Extreme weather events: catastrophic floods, heat waves)
Time Horizon	Short, medium and long term
Risk Concentration	Downstream
Metrics Ref.	6.2, 7.4
Reference To Financial Statements	–

Risk Description- Extreme events effecting product demand (farmlands and farmers)

Extreme weather events affecting primary agricultural regions significantly influence the demand for fertilizer products. Climate-induced disasters, such as heavy flooding or prolonged droughts, disrupt crop cycles, deplete farmer incomes and alter cultivation decisions. For instance, the 2025 floods destroyed approximately 2.2 million hectares of cropland and 2 million acres of farmland in Punjab, Pakistan's agricultural heartland. Such massive loss of active farmland and the subsequent delay in sowing seasons (e.g., the wheat cycle) directly reduce the immediate demand for and consumption of fertilizers.

Effects on Business Model and Value Chain

This risk impacts the downstream segment of our value chain. When climate events devastate the rural economy, the resulting liquidity crunch among farmers reduces their purchasing power, leading to lower sales volumes. Furthermore, shifts in the timing of the monsoon or harvest cycles require FFC to adjust its entire supply chain from production scheduling to regional inventory positioning to avoid stock-outs or excessive holding costs during disrupted seasons.

Strategic Response

FFC's strategy aims to reduce financial impacts from weather volatility by fostering a resilient customer base through the following initiatives:

- **Aligning Products with Nature:** Promoting enhanced nutrient efficiency formulations (e.g., NCU/Zincated Urea) to provide farmers with flexibility to optimize yields even during shortened sowing windows post-disaster.
- **Customer Engagement & Support:** Leveraging our extensive agronomist network to provide weather-informed advice and risk mitigation tools, helping farmers adapt their crop decisions to changing conditions.
- **Market Intelligence:** Maintaining close coordination with regional agricultural bodies to monitor crop cycle adjustments, allowing for rapid real-time adjustments to sales forecasts and inventory management.

Financial implications

Current Year: No material financial losses were recorded this year. However, administrative and selling expenses increased due to intensified farmer support and advisory services to stabilize demand in flood-affected regions.

Anticipated: In the short-term, anticipated financial implications include potential volatility in timing of revenue and increased working capital requirements for inventory management during flood-disrupted seasons. Over the medium-to-long term, a sustained increase in extreme weather frequency could lead to a permanent contraction of the active arable land base in certain regions, potentially impacting long-term volume growth. At this stage, the quantitative impact can not be measured as actual outcomes will depend on the effectiveness of national agricultural adaptation and recovery efforts.

Climate-Related Risks

CLIMATE-RELATED PHYSICAL RISKS

Risk	Chronic physical risks (long-term change of climatic conditions)
Time Horizon	Medium and Long-term
Risk Concentration	Operations and downstream
Metrics Ref.	6.7 & 6.8
Reference To Financial Statements	–

Risk Description- Water stress and variability

Fertilizer manufacturing processes depend on reliable water availability. Simultaneously, crop farming the primary driver of our product demand is entirely dependent on irrigation and consistent water cycles. Increasing water stress and deteriorating water quality in certain regions represent a chronic physical risk that may affect operational continuity and resource management practices. Localized water shortages for farmers can lead to reduced acreage and lower agricultural productivity, indirectly impacting fertilizer demand.

Effects on Business Model and Value Chain

Decline in local water tables necessitates deeper or more frequent tubewell drilling and increased energy consumption for water extraction. Downstream, if irrigation water from the Indus Basin is restricted, farmers may shift to reduce fertilizer application rates to lower their financial exposure. To protect business model, effective water footprint management is Critical to preserves local aquifers while supporting the water resilience of the farmers and rural economy.

Strategic Response

FFC is committed to minimizing freshwater withdrawal. By applying a '3-R' framework (Reduce, Reuse, and Recycle) and actively managing our groundwater sources, we aim to produce more fertilizer with less water, ensuring long-term sustainability for both our plants and the surrounding communities.

- Closed-loop water management: To safeguard against variability in local water tables, FFC is investing in closed-loop cooling systems and advanced wastewater treatment plants. By maximizing the internal recycling of process water, we reduce dependency on external withdrawals.
- Efficiency and innovation: Water efficiency efforts include upgrading to high-efficiency steam generation ensuring we reduce our footprint on local aquifers.
- Regulatory and community alignment: We proactively engage with farmers to promote water-efficient farming techniques, and support communities by provision of fresh waterpoints around plantsite.

Financial implications

Current Year: The Company has incurred PKR 380.60 million in capital expenditure for the installation and optimization of high efficiency tubewells and wastewater recycling and water conservation initiatives.

Anticipated: Within next year, we have planned to spend PKR 793.826 million on various water conservations and management initiatives. Over the medium to long term, chronic water scarcity could necessitate the adoption of desalination or advanced treatment technologies, increasing the overall cost of water management. Sustained decline in regional water availability for agriculture could lead to lower sales volumes in the most water-stressed districts.

CLIMATE-RELATED PHYSICAL RISKS	
Risk	Chronic physical risks
Time Horizon	Medium and Long-term
Risk Concentration	Operations
Metrics Ref.	6.7 & 6.8
Reference To Financial Statements	–
Risk Description- Extreme heat stress effecting efficiency Increasing average temperatures and the rising frequency of extreme heatwaves represent a significant chronic physical hazard. In the specific climatic context of Pakistan, these anomalies lead to prolonged periods of high ambient temperatures that exceed historical engineering baselines. This external environmental shift poses a threat to the mechanical integrity of temperature-sensitive infrastructure and the physiological well-being of the industrial workforce. Effects on Business Model and Value Chain Prolonged high heat may cause reduced operational efficiency and asset reliability. Increased ambient heat requires cooling systems to work, which raises the energy intensity of production and may lead to a lower “service factor” (plant uptime). Internally, this necessitates a shift in the Asset Lifecycle Management strategy, requiring more frequent maintenance cycles and the potential shortening of the useful life of certain components. Heat stress can impair labor productivity.	

Strategic Response

Our strategic response integrates resilient engineering with proactive human capital management to safeguard productivity and asset longevity.

- **Thermal Efficiency & HTRI Membership:** In 2025, FFC joined Heat Transfer Research, Inc. (HTRI) to adopt world-class heat transfer standards. We are evaluating industrial heat integration and advanced cooling technologies, such as absorption cooling systems that utilize waste heat to reduce electricity dependency.
- **Predictive Maintenance:** Through the ARIM framework, we have implemented accelerated inspection cycles for temperature-sensitive equipment, ensuring asset integrity during peak summer months.
- **Workforce Health:** We prioritize occupational health through mandatory heat-risk assessments, improved ventilation, and specialized training for site personnel to maintain safety and productivity during heat anomalies.

Financial implications

Current Year: No significant financial effects were recorded this year.

Anticipated: Over the medium-to-long term, sustained heat stress may lead to higher electricity costs and increased asset replacement frequencies, potentially resulting in minor margin compression if efficiency gains do not fully offset the increased cooling load.

Climate-Related Opportunities

Climate-related Opportunities

Climate change also provides opportunities that can influence our operating cost structure, product portfolio and long-term market positioning. Climate-related opportunities are considered when they are reasonably expected to enhance operational efficiency, support revenue growth, or strengthen the Company's business model in the short-, medium-, and long-term.

CLIMATE-RELATED OPPORTUNITIES AND TRANSITION RISKS

Risk	Resource Efficiency and Low Carbon Energy Source
Time Horizon	Short, medium and long-term
Risk Concentration	Own operations
Metrics Ref.	6.6, 6.7
Reference To Financial Statements	–

Opportunity: Leveraging on resource efficiency and use of low carbon energy sources

Opportunity to enhance efficiency in the production and distribution processes through technology, fuel-efficient vehicles, green building, improving resource utilization in existing buildings and water recycling. Moreover, shifting the energy mix towards low-carbon sources leads to reduced emissions and lower annual energy costs.

Strategic Response:

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. FFC is gradually identifying the opportunities and adopting renewable energy sources for its energy use including plant sites and warehouses through installation of solar systems. FFC has enhanced solar power plant capacity from 2 MW in FY2024 to 2.735 MW in FY2025 which produced approximately 14,283 GJ during current year and reduced its electricity purchase cost.

CLIMATE-RELATED OPPORTUNITIES

Risk	Low Carbon Products
Time Horizon	Short, medium and long-term
Risk Concentration	Downstream
Metrics Ref.	6.4, 6.9
Reference To Financial Statements	–

Description of Opportunity

Capturing the growing market for enhanced efficiency fertilizers (EEF) that reduce nitrogen loss and agricultural GHG emissions may increase revenue from premium products and expanded market share in the sustainable agriculture segment.

Strategic Response:

Recognising that the use of nitrogenous fertilizers is a primary source of agricultural nitrous oxide (N₂O) emissions, the Company has strategically expanded its portfolio of Enhanced Efficiency Fertilizers (EEFs). Our sales of Neem Coated Urea (NCU) and Zincated Urea represent a climate-related opportunity, directly addressing the dual challenges of mitigation and adaptation. From a mitigation perspective, the nitrification inhibition properties of Neem coating reduce the volatilization and leaching of nitrogen, thereby lowering the N₂O footprint per hectare. From an adaptation perspective, Zincated Urea strengthens crop resilience against the nutrient deficiencies exacerbated by extreme heat and soil salinity.

Cumulative Financial Effect of Climate-related Risks and Opportunities

The company is in the process of establishing a structured approach to identify and evaluate the financial implications of climate-related risks and opportunities. While a formal quantification system is not yet in place, efforts are underway to develop methodologies and processes.

Climate Resilience and Scenario Analysis

The Company recognizes that all its production assets and facilities are located in a region highly exposed to climate change. The Company considers its business model to exhibit a degree of qualitative resilience in the context of climate change. Our qualitative assessment concludes that the financial vulnerability of these assets remains low in the short- to medium-term. This resilience is anchored in our proactive Asset Reliability & Integrity Management (ARIM) framework and site-specific engineering controls designed to mitigate acute physical hazards. By distinguishing between geographical exposure and residual vulnerability, the Company ensures that its operational continuity remains robust against volatility. We continue to monitor these risks through the lens of long-term climate surge projections to ensure our adaptation measures evolve alongside the changing environmental landscape.

Actions such as investments in energy efficiency, water recycling initiatives, the use of renewable energy, and product enhancements aimed at improving resource efficiency support operational reliability and regulatory compliance and also mitigate exposure to short-term operational disruptions.

The Company has not yet conducted quantitative resilience testing or climate scenario analysis. Accordingly, statements regarding resilience reflect management judgment based on current operating experience and existing controls and will be progressively enhanced as analytical capabilities and data availability continue to develop.

Sustainability-Related Risks

SUSTAINABILITY-RELATED RISKS	
Risk	Resource availability
Time Horizon	Medium to Longterm
Risk Concentration	Upstream and operations
Metrics Ref.	6.4, 6.6
Reference To Financial Statements	–

Risk Description- Natural gas availability and price volatility

The Company's operational continuity is fundamentally dependent on the consistent availability and pricing of natural gas which serves as both a primary feedstock for ammonia synthesis and a fuel source for power generation. This risk is driven by the steady depletion of indigenous gas reserves and the potential for significant revisions in regulated gas pricing. Furthermore, a sovereign policy shift in gas allocation prioritizing domestic and power sectors over industrial use poses a threat to stable supply.

Effects on Business Model and Value Chain

Since feedstock gas is the largest component of our operating costs, any price hike or supply curtailment leads to margin erosion and potential "low service factor" (plant downtime). Upstream, this dependency anchors our business model to a single, finite natural resource. The potential transition toward a unified national gas pricing framework introduces volatility into the cost of sales. While FFC has historically managed dedicated supply networks, any regulatory shift toward price equalization presents a material risk of margin compression.

Strategic Response

To address long-term sustainability risks associated with natural gas, FFC is exploring alternative feedstock strategies, including feasibility studies for coal gasification. This transition is essential to address risks of domestic gas depletion and price volatility. Presently FFC manages this critical resource dependency through efficient management of its engagements and operational innovation. The Company actively engages to emphasize the criticality of gas availability and national food security, ensuring that fertilizer production remains a priority in the gas allocation roadmap. We are investing in plant improvements and energy-efficiency initiatives through the ARIM framework to optimize on the gas utilization. The Company is monitoring global technological developments, specifically related to energy-efficient ammonia synthesis and alternative energy sources, to build the necessary technical competencies for a long-term transition away from fossil-gas dependency.

Financial implications

Current: No significant financial effects were recorded this year.

Anticipated: Price volatility in the short term is factored into our financial plans and forecasts. However, decline in indigenous gas availability in the medium to long term may necessitate significant capital investment for a transition to alternative feedstock technologies.

SUSTAINABILITY-RELATED RISKS

Risk	Health and Safety
Time Horizon	Short, medium and long term
Risk Concentration	Operations (Manufacturing Plants and Workforce)
Metrics Ref.	6.8
Reference To Financial Statements	–

Risk Description- Health and safety of workers and operations

The inherent complexity of high-pressure chemical manufacturing presents risks of process safety incidents and operational failures. These hazards include potential equipment malfunctions, chemical releases, or industrial accidents that threaten the physical integrity of manufacturing units and the health and safety of the workforce. Such incidents are exacerbated by the challenges of managing aging infrastructure and the rigorous technical demands of continuous ammonia and urea synthesis.

Effects on Business Model and Value Chain

A significant safety or process incident can lead to unplanned plant closures, damage to critical capital assets, and high restoration costs and may damage human life. Incidental disruptions result in missed targets and damage reputation.

Strategic Response

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.

Financial implications

Current Year: No material financial losses were recorded due to process safety incidents. The Company invested PKR 120 million in safety-related upgrades, worker training, and the implementation of monitoring systems.

Anticipated: These are limited to the planned Capex for safety infrastructure and compliance audits. Over the medium-to-long term, failing to maintain these standards could lead to higher insurance premiums, restoration costs and potential legal liabilities.

Metrics

Metrics disclosed are broken down into Cross-industry (numbered 6.1 to 6.5 related to climate) and the Industry-based metrics (numbered 6.6 and onwards).

Cross industry metrics (IFRS-S2)

6.1 GHG Emission	Unit	FY 2025	FY 2024	Increase/ (Reduction)
GHG Emissions CO2 equivalent (Scope 1)	Tons CO2e	2,456,900	2,241,228	215,672
GHG Emissions CO2 equivalent (Scope 2) (Location based)		91,659	2,830	88,829
Total Scope 1 and 2		2,548,559	2,244,058	304,501

For FY 2025, Scope 2 emissions calculated using the location-based method amounted to 89,489 tCO₂e. Scope 2 emissions calculated using the market-based method amounted to 603,543 tCO₂e, which includes emissions associated with electricity and steam procured from Fauji Power Company Limited (FPCL). The higher market-based value reflects the carbon intensity of the contracted energy supply compared with the average national grid emission factor.

Change	%	19%		
Emissions intensity (Scope 1 and 2) (Tons CO2e / Tons of Production)	Tons CO2e / Unit	0.68	0.57	

Measurement Approach: The Company applies the equity share approach for consolidating GHG emissions, under which Scope 1 and Scope 2 emissions are reported in proportion to its equity interest in the respective operations. Scope 3 emissions are not included due to data limitations. (Details on the approach and limitations are given in Section 2.3).

Emission Sources: Scope 1 emissions primarily arise from fuel combustion and process-related activities at the Company's manufacturing facilities, including stationary combustion, mobile combustion, and process emissions.

Scope 2 emissions arise from consumption of purchased electricity.

*FY 2025 emissions include electricity purchased from national grid as well as from its subsidiary M/s FFBL Power Company Limited. (Refer to Section 2.3-iii-b for explanation for reporting subsidiary's emissions in the Scope 2).

Estimation Methodologies: GHG emissions have been calculated using a combination of primary operational data and engineering-based estimation techniques, consistent with the GHG Protocol. The principal methodologies applied include:

- Mass balance approaches for estimating emissions from plant fuel use and fugitive sources,
- Engineering estimates for process-based emissions where direct measurement is not available
- Primary fuel consumption data for mobile combustion sources.

Emission factors have been sourced from [IPCC guidelines, or EPA]. Where applicable, emission factors reflect fuel-specific and process-specific characteristics.

Gases Included: The GHG emissions reported comprise emissions of carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). No emissions of fluorinated gases (HFCs, PFCs, SF₆, or NF₃) have been identified or estimated for the reporting period.

Source of GWP: Global warming potentials (GWPs) have been applied using values from Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5).

Estimates and Assumptions: Preparation of GHG emissions data involves the use of estimates and assumptions, particularly for process-related emissions and fugitive sources where direct measurement systems are not in place. These estimates are based on best available information and accepted industry practices.

Carbon Credits and Offsets: The company has not yet contemplated use of carbon credits or offsets. Hence the GHG emission presented in the report are absolute gross values measured as per stated methodology.

Internal Carbon Price and Emission Limiting Regulations: Presently the company does not use internal carbon prices for analysis or decision making. No emissions are subject to any limiting regulations..

Continued - Cross Industry Metrics (IFRS-S2)

S No	Metric Category	Unit of Measure	FY 2025	Risk Reference
6.2	Assets vulnerable to Physical risk	% of manufacturing assets	Under evaluation	Climate physical risk
	Assessment and Methodology The Company assessed exposure of its manufacturing assets to acute and chronic physical climate risks, considering geographic location, asset design, historical operating performance and existing mitigation and adaptation measures. The Company's vulnerability to physical risks is significantly low in the short term due to robust engineering standards, historical experienced resilience and the implementation of the Asset Reliability & Integrity Management framework. Our manufacturing facilities are purpose-built for high-temperature operations and supported by established water management, energy reliability and maintenance systems. Our proactive adaptation measures significantly mitigate the potential for material financial disruption. As a result, no material vulnerability to physical climate risks is identified for the short and medium term. The Company continues to monitor longer-term climate trends to assess potential impacts beyond the short term.			
6.3	Assets vulnerable to Transition risk	% of Manufacturing assets	0%	Climate transition risk
	Assessment and Methodology The Company assessed its exposure to climate-related transition risks, including policy, regulatory, technology and market developments. As a gas-intensive manufacturer operating in a strategically important sector, the Company may be exposed over time to changes in energy pricing, environmental regulation and decarbonisation policies. However, in the short and medium term, transition-related exposure is mild by the essential nature of Fertilizer production, the absence of explicit carbon pricing mechanisms, and the Company's ongoing efforts in energy efficiency and product innovation. Transition risks are therefore assessed as insignificant in the short term.			

S No	Metric Category	Unit of Measure	FY 2025	Risk Reference
6.4	Business activities aligned with climate-related opportunities	% share of EEF products in product sales	7%	Climate transition (market and low carbon product opportunity)
	Assessment and Methodology Enhanced Efficiency Fertilizer products e.g. Neem Coated and Zincated Urea release less N2O during use phase (scope 3 mitigation). These products also increase crop resilience (climate adaptation).			
6.5	Capital deployed towards climate-related risks and opportunities	PKR (million) expenditure	PKR 394.70 Million	Climate mitigation and adaptation
	Assessment and Methodology FFC adopts an integrated approach to capital allocation. We recognize that sustainability-related risks are interconnected with operational efficiency. Therefore, our capital expenditure is designed to yield multi-dimensional benefits. Rather than isolating spend per risk, it represents various projects and initiatives as part of its sustainability and climate related mitigation and adaptation efforts. Our Spending is Focused on enhancing resource efficiency and energy use, water efficiency, innovation, technology integration readiness and adding renewable energy. The company has approved capital expenditure of PKR 1,070 Million towards integrated initiatives for mitigation adaptation of climate-related physical and transitional risks.			

Industry-Based Metrics

The company has considered the Industry-based Guidance on Implementing IFRS S2 (Volume 47- Chemicals) to disclose relevant climate-specific metrics. The SASB standard (for the chemical industry) is also considered and used for sustainability metrics (for other than climate). The company uses these metrics to monitor performance. Additional metric parameters will be considered alongside improvements to data systems and the availability of information.

S No	Metric Category	Metric Description	Unit	Performance FY 2025	Performance FY 2024	Purpose
6.6	Energy Management	Total energy consumed (excluding energy consumed outside organisation)	Gigajoules (GJ)	38,001,181	40,431,184	Climate transition policy and climate mitigation
		% of grid electricity	%	1%	–	
		% of renewable	%	–	–	
		Total self-generated energy	Gigajoules (GJ)	14,283	11,342	
6.7	Water Management	Total water withdrawn	Mega Litres	23,464	23,751	Climate physical risk and climate adaptation
		% withdrawn from high water stress	%	0	0	
		Number of incidents of non-compliance of water related regulations	Number	Nil	Nil	

S No	Metric Category	Metric Description	Unit	Performance FY 2025	Performance FY 2024	Purpose
6.8	Workforce Health & Safety	Total recordable incident rate (TRIR)	Rate	0	0	Health and safety of own- and third-party workforce
		Fatality rate for direct employees	Rate	0	0	
		Fatality rate for contract employees	Rate	0	0	
6.9	Production Activity	Total production	Tons	3,740,044	3,915,398	Total activity and activity related to low GHG emitting products
		% of EEF products (enhanced efficiency fertilizers)	%	5%	12.5%	

Targets

S No	Target Objective	Target 's KPI Description	Unit	Target	Interim Target	Actual	Base Year
				FY 2030	FY 2025	FY 2025	FY 2023
7.1	Climate mitigation and energy efficiency	Scope 1 GHG Emissions	MT CO2e	1.9 million	2.06 million	2.4 million	2.1 million
		Reduce Scope 1 Emissions by 5%					
7.2	Climate mitigation and energy efficiency	Energy Intensity	MMBTU/MT Production	14	14.67	14.72	14.8
		Reduce energy Consumption by 5%					
7.3	Climate adaptation and resource efficiency	Wastewater Management	Mega litres	1,104	2,024	2,398	2,208
		Representing 50% reduction					
7.4	Climate adaptation and resource efficiency	Nutrient Stewardship	Farmers reached	512,500	219,642	227,000	102,500
		Farmers reached increase by 5x					

- Targets are designed to align with Pakistan's Nationally Determined Contributions (NDCs) and the broader goals of the Paris Agreement. These targets are part of FFC's Sustainability Strategy 2030 and reflect the company's internal commitment.
- Intended targets are not validated by a third party.
- These targets are based on internal data and forecasts without using quantitative scenario analysis.
- Progress against these targets is reviewed biannually by the Board Sustainability Committee.
- Target assumes stable natural gas feedstocks and the continued viability of specialty fertilizers.
- Any significant revisions to targets will be disclosed in subsequent reporting cycles.
- **Remuneration linked to targets:** The current remuneration policies do not include performance evaluation linked to sustainability-related targets.

General Disclosures

Basis of preparation

a) IFRS Sustainability Disclosure Standards

These disclosures are prepared with reference to IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) and do not represent voluntary or mandatory adoption.

b) Reporting period and presentation currency

• Reporting Period

The sustainability-related disclosures cover a 12-month period ending December 31, 2025, aligning with the company's financial reporting period.

• Reporting Currency

The sustainability-related financial disclosures are presented in Pakistan Rupees, consistent with the currency used for reporting of financial statements, with amounts rounded to the nearest thousand unless stated otherwise.

Time Horizons

The company determines time horizons based on the expected timing of sustainability-related risks and opportunities. As of the reporting period's end, the following time horizons have been established:

- short term (>3 years)
- medium term (>3 to 10 years)
- long term (beyond 10 years)

The Company has adopted time horizons aligned with its planning cycles: short-term relates to operational planning and policy developments (1–3 years), medium-term corresponds to strategic visibility (3–10 years), and long-term reflects strategic technology disruption and global decarbonization pathways (>10 years). These horizons best represent when climate-related factors may impact plant-asset life, margins, or capital-allocation decision-making.

Judgements and uncertainties

The preparation of this sustainability-related financial disclosure involves the application of management's judgment in several key areas. Significant judgment has been applied in determining the scope of disclosures and identifying sustainability-related risks and opportunities.

Estimates have been applied where information is not directly measurable, is subject to data limitations, or involves forward-looking assumptions. These judgements and estimates reflect management's assessment of the relevance and potential financial impact of sustainability-related factors on the company's strategy, business model, and cash flows over the short, medium, and long term.

Significant judgements

Significant areas of judgement and estimation uncertainty are highlighted below, with further details provided in the referenced note disclosures.

Nature	Description	Section
Materiality process	Management exercised judgement in identifying sustainability-related risks and opportunities relevant to the company, and in determining the material information to be disclosed in relation to those matters. This assessment considered which issues could reasonably be expected to affect the company's prospects or influence the decisions of primary users.	5 Strategy
	Judgement is also applied in evaluating the applicability of metrics including Industry-based Guidance on Implementing IFRS S2 (Volume B47-Chemicals) and the relevant SASB standards, to ensure alignment with the company's business context and disclosure relevance.	6.2 to 6.6 and 7.1
Calculation methods for GHG emissions	The company has used combination of calculation methodologies to determine its GHG emissions, applying judgement to select the most appropriate method for each emissions category.	6.1

Measurement uncertainty

The following metrics are subject to measurement uncertainty.

GHG-related metrics	The company measures its greenhouse gas (GHG) emissions in accordance with the GHG Protocol. The reported emissions metrics are subject to inherent estimation uncertainty due to the reliance on activity data, emission factors and assumptions regarding combustion efficiency. Where activity data is incomplete or unavailable, management applies estimation techniques, which may introduce a degree of measurement uncertainty into the disclosures.	6.1

Restatement and errors

There are no changes due to estimates or restatement required due to material errors except as clearly mentioned in the relevant sections elsewhere in these disclosures.

Events after the reporting period

No transactions, events, or conditions that require further disclosure have occurred after the reporting period and up to the date of presenting this report.

Approval

These disclosures have been prepared for inclusion in the Annual Report 2025 and are subject to internal governance and approval processes. SECP has mandated that sustainability-related disclosure reports will be subject to the same approval and authorization process as the financial statements. FFC will apply approval procedures for the mandatory reporting year.



Kashmiri walnut wood carvers transform rich, seasoned timber into exquisite masterpieces, etching nature's poetry into every intricate floral detail.



04

Financial Statements

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

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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 40 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 2025, and reports that:
- The separate and consolidated financial statements of FFC for the year ended December 31, 2025 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.

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, 2025 and shall retire on the conclusion of the 48th 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 48th Annual General Meeting scheduled for March 16, 2026.

Report of the Audit Committee

on Listed Companies (Code of Corporate Governance) Regulations, 2019

- A. F. Ferguson & Co., Chartered Accountants also provide taxation & advisory 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 & Advisory Consultant.
- Being eligible, A. F. Ferguson & Co., Chartered Accountants have offered themselves to be reappointed as auditors for the financial year 2026 at an audit fee of Rs 11.5 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, 2026 at a fee of Rs 11.5 million.

Annual Integrated Report 2025

- The Company has issued a comprehensive Annual Integrated Report 2025, 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 2025 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 29, 2026

Statement of Compliance

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

Name of Company: Fauji Fertilizer Company Limited

Year ended: December 31, 2025

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

1. The total number of Directors are 12 as per the following:

a.	Male:	11
b.	Female:	01

2. The composition of the Board is as follows:

i)	Independent Directors* (excluding Female Director)	Mr Saad Amanullah Khan Mr Farhad Shaikh Mohammad
ii)	Non-Executive Directors	Lt Gen Anwar Ali Hyder, HI(M) (Retired) - Chairman Syed Bakhtiyar Kazmi Mr Shoaib Javed Hussain Mr Yassir Ghiyati Ibn Ziyad Mr Saif Anjum Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired) Mr Mohammad Majid Munir Syed Shahzad Nabi
iii)	Executive Director	Mr Jahangir Piracha
iv)	Female Directors (Independent Directors)*	Ms Maryam Aziz

* Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. From January 1, 2025, until December 26, 2025, the Board of Directors of the Company were thirteen (13) (i.e., 11 male directors and 2 female directors), accordingly, the Company adequately met the requirement of minimum independent directors and the fraction (4.33) for independent directors has not been rounded up. On December 27, 2025, due to sad demise of Dr Shamshad Akhtar (Late), the total Board of Directors of the Company reduced to twelve (12) (i.e., 11 male directors and 1 female director). Subsequent to the year end, casual vacancy has been filled and Ms Fatima Asad Khan has been appointed as an Independent Director with effect from January 17, 2026.

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that a complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. The Board had arranged Directors' Training program as follows;

Statement of Compliance

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

IN PRIOR YEARS:

- Lt Gen Anwar Ali Hyder, HI(M) (Retired) – Chairman
- Maj Gen Muhammad Aneeq Ur Rehman Malik, HI(M) (Retired)
- Syed Bakhtiyar Kazmi
- Mr Shoaib Javed Hussain
- Mr Yassir Ghiyati Ibn Ziyad

DURING CURRENT YEAR:

- Mr Saif Anjum

Mr Jahangir Piracha, Mr Saad Amanullah Khan, Ms Maryam Aziz, Dr Shamshad Akhtar (Late), Mr Farhad Shaikh Mohammad, Mr Mohammad Majid Munir and Syed Shahzad Nabi 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
Syed Bakhtiyar Kazmi	Member
Mr Farhad Shaikh Mohammad, Independent Director	Member
Mr Mohammad Majid Munir	Member

B. Human Resource and Remuneration Committee

Mr Farhad Shaikh Mohammad, Independent Director	Chairman
Mr Saad Amanullah Khan, Independent Director	Member
Maj Gen M Aneeq Ur Rehman Malik, HI(M) (Retired)	Member
Syed Shahzad Nabi	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
Syed Shahzad Nabi	Member

d. Strategy And Investment Committee

Dr Shamshad Akhtar (Late), Independent Director*	Chairperson
Syed Bakhtiyar Kazmi	Member
Ms Maryam Aziz, Independent Director	Member
Mr Mohammad Majid Munir	Member

e. Sustainability Committee

Mr Saad Amanullah Khan, Independent Director	Chairman
Maj Gen M Aneeq Ur Rehman Malik HI(M) (Retired)	Member
Mr Yassir Ghiyati Ibn Ziyad	Member

*Ms Fatima Asad Khan has been appointed as Chairperson with effect from January 17, 2026.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

	Committee	Frequency	Meetings During The Year
a.	Audit Committee	Quarterly	05
b.	Human Resource and Remuneration Committee	On required basis	02
c.	System and Technology Committee	On required basis	05
d.	Strategy and Investment Committee	On required basis	02
e.	Sustainability Committee	On required basis	02

Joint Sessions:

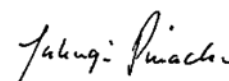
Audit and Strategy & Investment Committee	01

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, 2019 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.



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, 2025 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, 2025.



Chartered Accountants

Islamabad

Date: February 23, 2026

UDIN: CR202510610aDdcBHsrE

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, 2025, 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, 2025 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 Matter

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 is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	Revenue recognition (Refer notes 3.12 and 27 to the financial statements) The Company is engaged in production and sale of fertilizers. The Company recognized revenue from the sale of fertilizers amounting to Rs 432,410 million for the year ended December 31, 2025. 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. Accordingly, it was considered as a key audit matter.	Our procedures in relation to this matter included, amongst others: - 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; - Performed verification of sample of revenue transactions with underlying documentation including delivery documents and sales invoices; - Performed cut-off procedures on sample basis to ensure revenue has been recorded in the correct period; - Verified that sales prices are approved by appropriate authority; - Verified discounts with supporting documentation on test basis; and - Checked that revenue has been recognized in accordance with Company's accounting policy and the applicable accounting and financial reporting framework.

Independent Auditor's Report

To the members of Fauji Fertilizer Company Limited Report on the Audit of the 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 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 23, 2026
UDIN: AR202510610kJnfRFqN

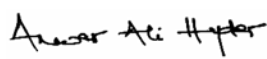
Statement of Financial Position

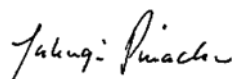
As at December 31, 2025

	Note	2025	2024
		Rs '000	Rs '000
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Share capital	5	14,231,086	14,231,086
Capital reserves	6	28,000,080	28,000,080
Revenue reserves			
General reserves		8,802,360	8,802,360
Unappropriated profit		84,496,584	80,749,891
		93,298,944	89,552,251
Surplus on remeasurement of investments to fair value - net		53,415	96,700
		135,583,525	131,880,117
NON - CURRENT LIABILITIES			
Long term borrowings - secured	7	50,250,000	31,300,000
Deferred taxation	8	7,911,767	7,452,030
Compensated leave absences	9	3,044,643	2,614,823
		61,206,410	41,366,853
CURRENT LIABILITIES			
Current portion of long term borrowings - secured	7	11,050,000	6,900,000
Trade and other payables	10	194,053,067	186,051,998
Mark-up and profit accrued	11	940,275	923,406
Short term borrowings - secured	12	18,594,647	31,278,908
Unclaimed dividend		850,812	662,885
Provision for taxation		15,206,397	17,887,555
		240,695,198	243,704,752
TOTAL LIABILITIES		301,901,608	285,071,605
TOTAL EQUITY AND LIABILITIES		437,485,133	416,951,722
CONTINGENCIES AND COMMITMENTS	13		

The annexed notes 1 to 46 form an integral part of these financial statements.

	Note	2025	2024
		Rs '000	Rs '000
ASSETS			
NON – CURRENT ASSETS			
Property, plant and equipment	14	76,550,175	58,210,729
Intangible assets	15	1,591,378	1,571,651
Long term investments	16	79,070,285	76,780,298
Long term loans and advances – secured	17	4,529,993	1,785,266
Long term deposits and prepayments	18	91,021	91,874
		161,832,852	138,439,818
CURRENT ASSETS			
Stores, spares and loose tools	19	15,566,472	14,027,639
Stock in trade	20	38,229,377	23,744,157
Trade debts	21	20,153,212	943,632
Loans and advances – secured	22	5,682,181	4,617,195
Deposits and prepayments	23	1,058,747	1,058,628
Other receivables	24	5,163,143	17,746,496
Short term investments	25	181,455,741	203,982,113
Cash and bank balances	26	8,343,408	12,392,044
		275,652,281	278,511,904
TOTAL ASSETS		437,485,133	416,951,722


Chairman


Chief Executive


Director

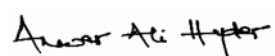

Chief Financial Officer

Statement of Profit or Loss

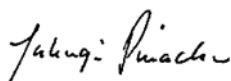
For the year ended December 31, 2025

	Note	2025	2024
		Rs '000	Rs '000
Turnover – net	27	432,410,443	373,536,920
Cost of sales	28	(301,799,729)	(246,364,351)
GROSS PROFIT		130,610,714	127,172,569
Distribution cost	29	(32,338,831)	(29,363,654)
		98,271,883	97,808,915
Finance costs	30	(6,517,974)	(6,523,895)
Other losses			
– Unwinding of GIDC liability		–	(212,406)
– Loss allowance on subsidy receivable from GoP		–	(1,203,000)
– Impairment loss on investment in a subsidiary	16.12.1	–	(4,000,000)
		–	(5,415,406)
Other expenses	31	(10,733,568)	(9,988,622)
Other income	32	39,843,744	35,231,337
PROFIT BEFORE INCOME TAX AND FINAL TAX		120,864,085	111,112,329
Final taxes – levies	33	(8,405)	(2,028,474)
PROFIT BEFORE INCOME TAX		120,855,680	109,083,855
Provision for taxation	34	(47,291,413)	(44,352,416)
PROFIT FOR THE YEAR		73,564,267	64,731,439
Earnings per share – basic and diluted (Rupees)	35	51.69	45.49

The annexed notes 1 to 46 form an integral part of these financial statements.



Chairman



Chief Executive



Director



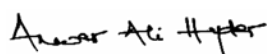
Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income

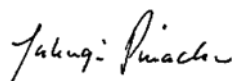
For the year ended December 31, 2025

	2025	2024
	Rs '000	Rs '000
PROFIT FOR THE YEAR	73,564,267	64,731,439
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that may be subsequently reclassified to profit or loss:		
(Deficit) / surplus on re-measurement of investments to fair value – net of tax	(43,285)	201,160
Items that will not be subsequently reclassified to profit or loss:		
Gain on re-measurement of staff retirement benefit plans – net of tax	626,307	682,093
OTHER COMPREHENSIVE INCOME – NET OF TAX	583,022	883,253
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	74,147,289	65,614,692

The annexed notes 1 to 46 form an integral part of these financial statements.



Chairman



Chief Executive



Director



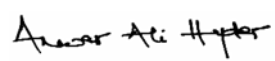
Chief Financial Officer

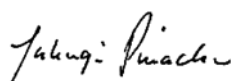
Statement of Cash Flows

For the year ended December 31, 2025

	Note	2025	2024
		Rs '000	Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	93,364,120	159,563,509
Finance cost paid		(6,501,105)	(7,441,365)
Income taxes paid		(49,885,586)	(44,508,737)
Levies paid		(6,346)	(1,208,555)
		(56,393,037)	(53,158,657)
Net cash generated from operating activities		36,971,083	106,404,852
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(23,579,289)	(12,136,171)
Proceeds from disposal of property, plant and equipment		73,598	62,341
Proceeds from disposal of investment property		–	855,958
Investment in Fauji Fresh n Freeze Limited		–	(5,000,000)
Investment in Agritech Limited		(3,858,798)	(10,992,049)
Loan to Agritech Limited		(1,318,294)	–
Investment in OLIVE Technical Services (Private) Limited		–	(80,000)
Other investments – net		2,178,248	2,145,801
Interest and profit received		1,658,708	3,283,618
Dividend received		22,417,021	10,828,748
Net cash (used in) / generated from investing activities		(2,428,806)	(11,031,754)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing:			
Draw-downs		30,000,000	20,000,000
Repayments		(6,900,000)	(19,178,333)
Repayment of lease liabilities		–	(18,147)
Dividend paid		(70,255,954)	(24,927,681)
Net cash (used in) financing activities		(47,155,954)	(24,124,161)
Net (decrease) / increase in cash and cash equivalents		(12,613,677)	71,248,937
Cash and cash equivalents at beginning of the year		176,715,058	79,766,068
Effect of exchange rate changes		(792,384)	(249,807)
Acquisition of cash and cash equivalents pursuant to merger	1.2	–	25,949,860
Cash and cash equivalents at end of the year	26.6	163,308,997	176,715,058

The annexed notes 1 to 46 form an integral part of these financial statements.


Chairman


Chief Executive


Director

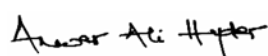

Chief Financial Officer

Statement of Changes in Equity

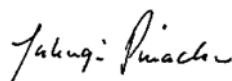
For the year ended December 31, 2025

	Share capital	Capital reserves			Revenue reserves		(Deficit)/ surplus on remeasurement of investments to fair value - net	Total
		Share premium	Capital redemption reserve	Merger reserve	General reserves	Unappropriated profit		
	Rs '000							
Balance as at January 1, 2024	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
Total comprehensive income for the year								
Profit for the year	–	–	–	–	–	73,564,267	–	73,564,267
Other comprehensive income / (loss) – net of tax	–	–	–	–	–	626,307	(43,285)	583,022
	–	–	–	–	–	74,190,574	(43,285)	74,147,289
Transactions with owners of the Company								
Distributions:								
Final dividend 2024: Rs 21.00 per share	–	–	–	–	–	(29,885,283)	–	(29,885,283)
First interim dividend 2025: Rs 7.00 per share	–	–	–	–	–	(9,961,761)	–	(9,961,761)
Second interim dividend 2025: Rs 12.00 per share	–	–	–	–	–	(17,077,304)	–	(17,077,304)
Third interim dividend 2025: Rs 9.50 per share	–	–	–	–	–	(13,519,533)	–	(13,519,533)
	–	–	–	–	–	(70,443,881)	–	(70,443,881)
Balance as at December 31, 2025	14,231,086	40,000	120,000	27,840,080	8,802,360	84,496,584	53,415	135,583,525

The annexed notes 1 to 46 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, 2025

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 locations
Registered office	Sona Tower, 156 – The Mall, Rawalpindi Cantt, Punjab
Production plants	
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
Marketing division	Sona Tower Lahore, 01–H Gulberg II, Lahore, Punjab
Zonal marketing offices	
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
Regional marketing offices	
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–D, 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.11, Tariq Bin Ziyad Colony, Ludden Road, Vehari, Punjab
Hyderabad region	Bungalow No. 208, DHA, Phase–2, Hyderabad, Sindh
Sukkur region	FFC Regional Office, B 247–248 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 district offices	No. of warehouses	No. of sona centres
Faisalabad region	5	13	7
Sahiwal region	4	11	6
Lahore region	6	16	10
Sarghodha region	5	11	9
Peshawar region	5	10	8
Bahawalpur region	4	8	8
D. G. Khan region	4	11	6
Multan region	4	10	6
Rahim Yar Khan region	4	7	6
Vehari region	4	11	6
Hyderabad region	6	13	9
Sukkur region	7	17	13
Nawabshah region	5	10	6
	63	148	100

1.2 Merger/ amalgamation of Fauji Fertilizer Bin Qasim Limited with and into the Company (during the year ended December 31, 2024)

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.

In the year 2024, 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 Honorable 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 complied with the provisions of sections 279 to 283 and 285(8) of the Companies Act, 2017 (the Act). The effective date of merger/ amalgamation was July 1, 2024 i.e the date at which all assets and liabilities of FFBL were vested with the Company. Consequently, FFBL stands dissolved without winding up.

The consideration transferred was 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 for the year ended December 31, 2024, aforementioned merger/ amalgamation of FFBL with and into the Company had 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 had 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) had 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, 2025

of profit or loss and the statement of profit or loss and other comprehensive income of FFBL were incorporated prospectively from the effective date of merger/ amalgamation into the financial statements of the Company. Consequently, the comparative information in these financial statements do not reflect the results of FFBL for the period before the merger transaction occurred.

1.2.1 Consideration transferred

Fully paid up ordinary shares of the Company having 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 had been merged/ amalgamated into the Company, were as follows:

Carrying amounts as on merger date	
Rs '000	
ASSETS	
Non-current assets	
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
Current assets	
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
Total assets	143,499,236

Carrying amounts as on merger date	
Rs '000	
LIABILITIES	
Non-current liabilities	
Long term loans	(7,559,523)
Deferred tax liabilities	(1,683,355)
Provision for compensated leave absences	(534,970)
	(9,777,848)
Current liabilities	
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)
Total liabilities	(106,997,759)
Carrying amount of FFBL's net assets as on merger date	36,501,477

	Note	Rs '000
1.2.3 Merger reserve		
Merger reserve arising from the transaction had 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 had 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 ended December 31, 2024 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. Accounting and reporting standards applicable in Pakistan comprise of:

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

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

Notes to the Financial Statements

For the year ended December 31, 2025

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, 9 and 24.5
- ii) Estimate of useful life of property, plant and equipment – note 3.5 and 14
- iii) Estimate of fair value of investments through other comprehensive income – note 3.13 and 16
- iv) Provisions and contingencies – note 3.1, 3.2 and 13
- v) Impairment of non-financial assets – note 3.8
- vi) Estimate of recoverable amount of investment in subsidiaries and associates – note 3.7 and 16
- vii) Provision for taxation – note 3.4 and 34
- viii) Expected credit loss allowance – note 3.11, 21 and 24
- ix) Provision for slow moving spares and stock in trade – note 3.9, 3.10, 19 and 20
- x) 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 had 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 24.5.11 to the financial statements.

Notes to the Financial Statements

For the year ended December 31, 2025

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, related details of which are given in note 9.1 to the financial statements. 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 had 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, related details of which are given in note 9.1 to the financial statements. 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.

Levy

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21 / IAS 37.

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 14 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.

Notes to the Financial Statements

For the year ended December 31, 2025

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 15 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.

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").

Notes to the Financial Statements

For the year ended December 31, 2025

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.

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.

Notes to the Financial Statements

For the year ended December 31, 2025

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.

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.

Notes to the Financial Statements

For the year ended December 31, 2025

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.

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.

Notes to the Financial Statements

For the year ended December 31, 2025

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. During the year, the Company has entered into an agreement with Agritech Limited (AGL) and has allocated certain expenses to AGL.

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 New and amended standards and interpretations

4.12.1 There are certain amendments to the accounting and reporting standards which became applicable to the Company on January 1, 2025. However, these amendments do not have any significant impact on the Company's financial statements.

4.12.2 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:

- Amendments to IAS 21 – 'Translation to a Hyperinflationary Presentation Currency' (effective for annual reporting periods beginning on or after January 1, 2027). These amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.
- 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). 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 SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVOCI.
- Amendment to IFRS 7 – 'Financial Instruments: Disclosures' and IFRS 9 – 'Financial Instruments – Contracts Referencing Nature-dependent Electricity' (effective for annual reporting periods beginning on or after January 1, 2026). These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.
- 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 insurance contracts. 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.

Notes to the Financial Statements

For the year ended December 31, 2025

- IFRS 18 – ‘Presentation and Disclosure in Financial Statements’ (effective for annual reporting periods beginning on or after January 1, 2027). The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses.
- IFRS 19 – ‘Subsidiaries without Public Accountability: Disclosures’ and Amendments to IFRS 19 (effective for annual reporting periods beginning on or after January 1, 2027). The objective of IFRS 19 is to specify the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. Further, the amendments cover new or amended IFRS Accounting Standards issued between February 28, 2021 and May 1, 2024 that were not considered when IFRS 19 was first issued.
- In July 2024, the IASB issued ‘Annual improvements to IFRS – Volume 11’ (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7). The amendments are effective for annual reporting periods beginning on or after January 1, 2026 with early adoption available.
- Disclosures about Uncertainties in the Financial Statements (Illustrative Examples). Illustrative examples are not an integral part of standards and, therefore, do not have an effective date.

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 of the Company other than in presentation and disclosures.

4.12.3 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, 2025:

IFRS 1 (First Time Adoption of International Financial Reporting Standards)

IFRIC 12 (Service Concession Arrangements)

5. SHARE CAPITAL

Authorised share capital

This represents 3,000,000,000 (2024: 3,000,000,000) ordinary shares of Rs 10 each amounting to Rs 30,000,000 thousand (2024: Rs 30,000,000 thousand).

Issued, subscribed and paid up share capital

	2025	2024	2025	2024
	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	150,870,449	1,508,704	1,508,704
	1,423,108,696	1,423,108,696	14,231,086	14,231,086

5.1 Fauji Foundation (FF) holds 43.70% (2024: 43.51%) ordinary shares of the Company at the year end. During the year, FF has further acquired 2,609 thousand shares of the Company, which resulted in increase in its shareholding by 0.19%. Also refer note 16.11.

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	2025	2024
			Rs '000	Rs '000
6.	CAPITAL RESERVES			
	Share premium	6.1	40,000	40,000
	Capital redemption reserve	6.2	120,000	120,000
	Merger reserve	6.3	27,840,080	27,840,080
			<u>28,000,080</u>	<u>28,000,080</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.

Notes to the Financial Statements

For the year ended December 31, 2025

		Note	2025	2024
			Rs '000	Rs '000
7.	LONG TERM BORROWINGS – SECURED			
	Borrowings from banking companies	7.1		
	Conventional borrowings			
	The Bank of Punjab (BOP-1)		–	350,000
	Allied Bank Limited (ABL-1)		–	500,000
	Allied Bank Limited (ABL-2)		500,000	1,000,000
	Allied Bank Limited (ABL-3)		300,000	600,000
	Allied Bank Limited (ABL-4)		1,500,000	2,250,000
	Allied Bank Limited (ABL-5)		2,250,000	3,000,000
	Allied Bank Limited (ABL-6)		5,000,000	5,000,000
	Bank Al-Habib Limited (BAH-1)		2,000,000	2,000,000
			11,550,000	14,700,000
	Mark-up accrued on conventional borrowings	11	76,405	151,713
			11,626,405	14,851,713
	Islamic borrowings			
	Meezan Bank Limited (MBL-1)		500,000	1,000,000
	Meezan Bank Limited (MBL-2)		750,000	1,500,000
	Meezan Bank Limited (MBL-3)		750,000	1,500,000
	Meezan Bank Limited (MBL-4)		1,000,000	1,500,000
	Meezan Bank Limited (MBL-5)		3,750,000	5,000,000
	Meezan Bank Limited (MBL-6)		8,000,000	8,000,000
	Meezan Bank Limited (MBL-7)		13,500,000	–
	MCB Islamic Bank Limited (MCBIL-1)		3,000,000	3,000,000
	MCB Islamic Bank Limited (MCBIL-2)		1,000,000	–
	Dubai Islamic Bank Limited (DIB-1)		2,000,000	2,000,000
	Habib Bank Limited (HBL-1)		2,500,000	–
	Bank Alfalah Limited (BAF-1)		2,000,000	–
	Faysal Bank Limited (FBL-1)		5,000,000	–
	Allied Bank Limited (ABL-7)		5,000,000	–
	Bank Al-Habib Limited (BAH-2)		1,000,000	–
			49,750,000	23,500,000
	Profit accrued on Islamic borrowings	11	429,705	565,959
			50,179,705	24,065,959
	Less: Current portion shown under current liabilities			
	Conventional borrowings		4,050,000	3,150,000
	Islamic borrowings		7,000,000	3,750,000
			11,050,000	6,900,000
	Less: Mark-up and profit accrued on long term borrowings			
			506,110	717,672
			50,250,000	31,300,000

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

Conventional borrowings

BOP-1	6 months KIBOR+0.10	Nil	Paid on August 29, 2025
ABL-1	6 months KIBOR+0.08	Nil	Paid on December 30, 2025
ABL-2	6 months KIBOR+0.08	2 half yearly	September 20, 2026
ABL-3	6 months KIBOR+0.08	2 half yearly	September 30, 2026
ABL-4	6 months KIBOR+0.05	4 half yearly	December 27, 2027
ABL-5	6 months KIBOR+0.03	6 half yearly	December 19, 2028
ABL-6	6 months KIBOR-0.50	8 half yearly	December 13, 2029
BAH-1	6 months KIBOR-0.50	8 half yearly	December 10, 2029

Islamic borrowings

MBL-1	6 months KIBOR+0.10	2 half yearly	September 29, 2026
MBL-2	6 months KIBOR+0.10	2 half yearly	July 5, 2026
MBL-3	6 months KIBOR+0.10	2 half yearly	September 29, 2026
MBL-4	6 months KIBOR+0.00	4 half yearly	September 30, 2027
MBL-5	6 months KIBOR+0.01	6 half yearly	November 16, 2028
MBL-6	6 months KIBOR-0.15	8 half yearly	October 30, 2029
MBL-7	6 months KIBOR-0.10	8 half yearly	December 30, 2030
MCBIL-1	6 months KIBOR-0.50	8 half yearly	November 29, 2029
MCBIL-2	6 months KIBOR-0.10	8 half yearly	December 23, 2030
DIB-1	6 months KIBOR-0.25	8 half yearly	December 30, 2029
HBL-1	6 months KIBOR-0.10	8 half yearly	December 24, 2030
BAF-1	6 months KIBOR-0.10	8 half yearly	December 24, 2030
FBL-1	6 months KIBOR-0.10	8 half yearly	December 26, 2030
ABL-7	6 months KIBOR-0.10	8 half yearly	December 23, 2030
BAH-2	6 months KIBOR-0.10	8 half yearly	December 29, 2030

- 7.1.1** These borrowings are secured by a first pari passu charge over all present and future assets of the Company (excluding land and building) with 25% margin.

Notes to the Financial Statements

For the year ended December 31, 2025

Note		2025	2024
		Rs '000	Rs '000
8	DEFERRED TAXATION		
	The balance of deferred tax is in respect of the following temporary differences:		
	Accelerated depreciation / amortisation	9,932,212	8,015,054
	Provision for slow moving spares, loss allowance, and investments etc.	(3,488,872)	(2,756,447)
	Re-measurement of investments	1,468,427	2,193,423
		<u>7,911,767</u>	<u>7,452,030</u>
	The gross movement in the deferred tax liability during the year is as follows:		
	Balance at the beginning	7,452,030	2,275,925
	Acquisition pursuant to merger of FFBL 1.2	–	1,683,355
	Tax charge recognized in profit or loss	487,411	3,364,140
	Tax charge recognised in other comprehensive income	(27,674)	128,610
	Balance at the end	<u>7,911,767</u>	<u>7,452,030</u>

9 COMPENSATED LEAVE ABSENCES

9.1 The main assumptions used for actuarial valuation are as follows:

	Scheme - I 2025	Scheme - II 2025	Scheme - I 2024	Scheme - II 2024
Discount rate – per annum	11.00%	11.00%	12.25%	12.25%
Expected rate of increase in salaries				
Management	12.00%	11.75%	13.25%	13.00%
Non-Management	13.00%	11.75%	14.25%	13.00%
Mortality table	SLIC (2001-05)		SLIC (2001-05)	
Withdrawal factor	Light	Moderate	Light	Moderate
Number of employees	2,574	569	2,654	868

		Note	2025	2024
			Rs '000	Rs '000
10.	TRADE AND OTHER PAYABLES			
	Creditors			
	– GIDC payable	10.1	84,977,267	84,977,267
	– Others	10.2	12,481,171	18,012,691
			97,458,438	102,989,958
	Accrued liabilities		38,473,926	33,207,435
	Consignment account of Agritech Limited (related party) – unsecured		1,250,126	–
	Deposits	10.3	370,309	285,040
	Retention money		488,712	337,193
	Workers' Welfare Fund		4,265,530	4,641,900
	Workers' Profit Participation Fund	10.4	506,582	–
	Federal excise duty payable		–	51,524
	Payable to Joint Operators – PEF project		1,393,750	–
	Payable to gratuity fund – I (related party)	24.5	–	504,575
	Payable to provident fund (related party)		240	22
	Payable to Fauji Foundation (related party)		537,059	835,271
	Payable to FFBL Power Company Limited (related party)		1,547,737	2,298,127
	Payable to Pakistan Maroc Phosphore S.A. (related party)		26,356,550	22,278,496
	Payable to Foundation Wind Energy Limited I (related party)		20,941	43,240
	Contract liabilities – advances from customers	10.5	17,002,369	12,818,489
	Provision for final tax levies		2,713,947	2,711,888
	Other liabilities		1,666,851	3,048,840
			194,053,067	186,051,998
10.1	Gas Infrastructure Development Cess (GIDC) payable			
	Balance at the beginning		84,977,267	62,437,223
	Acquisition pursuant to merger of FFBL	1.2	–	22,327,638
	Unwinding of GIDC liability – charge to profit or loss		–	212,406
		10.1.1	84,977,267	84,977,267

10.1.1 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 pending in Sindh High Court, has now been transferred to Civil Judge, Karachi.

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.

Notes to the Financial Statements

For the year ended December 31, 2025

10.2 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 (2024: Rs 2,474,978 thousand) and Rs 2,308,324 thousand (2024: Rs 2,308,324 thousand), respectively.

10.3 These represent unutilizable amounts received as security deposits from dealers and suppliers of the Company, and are kept in separate bank accounts.

10.4 This represents a net balance relating to WPPF receivable pertaining to FFC and WPPF payable pertaining to ex-FFBL amounting to Rs 538,104 thousand and Rs 1,044,686 thousand, respectively.

Note		2025	2024
		Rs '000	Rs '000
10.5	Contract liabilities – advances from customers		
	Balance at beginning	12,818,489	9,828,891
	Acquisition pursuant to merger of FFBL 1.2	–	4,155,947
	Revenue recognised during the year	(427,600,053)	(396,242,811)
	Advance received during the year	431,783,933	395,076,462
	Balance at end 10.5.1	17,002,369	12,818,489

10.5.1 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 12,520,748 thousand (2024: Rs 9,389,599 thousand) has been recognised in current year in respect of advances from customers at the beginning of year.

		2025	2024
		Rs '000	Rs '000
11.	MARK-UP AND PROFIT ACCRUED		
	On long term borrowings		
	Conventional borrowings	76,405	151,713
	Islamic borrowings	429,705	565,959
		506,110	717,672
	On short term borrowings		
	Conventional borrowings	213,581	113,220
	Islamic borrowings	220,584	92,514
		434,165	205,734
		940,275	923,406

12. 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	2025 Rs '000	2024 Rs '000
Lending Institutions			
Conventional borrowings	12.1		
National Bank of Pakistan		22,653	2,044,793
Bank Al-Habib Limited		8,843	24,052
United Bank Limited		64,872	1,061,488
Askari Bank Limited (related party)		7,969,117	17,954,517
Allied Bank Limited		–	1,416
Bank Alfalah Limited		62,965	–
Habib Bank Limited		–	2,159,653
The Bank of Punjab		65,207	530,769
MCB Bank Limited		–	1,478,549
Samba Bank Limited		–	964
Soneri Bank Limited		309,069	760,962
Habib Metropolitan Bank Limited		1,134,758	1,515,574
		9,637,484	27,532,737
Mark-up accrued on conventional borrowings	11	213,581	113,220
		9,851,065	27,645,957
Islamic borrowings	12.2		
Meezan Bank Limited		6,598,427	2,204,367
Dubai Islamic Bank Limited		699,829	–
BankIslami Pakistan Limited		–	1,500,000
Faysal Bank Limited		1,658,907	41,804
		8,957,163	3,746,171
Profit accrued on Islamic borrowings	11	220,584	92,514
		9,177,747	3,838,685
Less : Mark-up and profit accrued on short term borrowings		434,165	205,734
		18,594,647	31,278,908

- 12.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 36,014,037 thousand (2024: Rs 58,177,000 thousand) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto July 31, 2026 (2024: July 31, 2025). The per annum rates of mark-up are 1 month KIBOR plus 0.05% to 0.25% and 3 month KIBOR plus 0% to 0.25% (2024: 1 month KIBOR plus 0.05% to 0.5% and 3 month KIBOR minus 2% to plus 0.45%).

The facilities are secured by pari passu / ranking hypothecation charges on all present and future assets (excluding land and building) of the Company with 25% margin besides lien over mutual funds in certain cases.

- 12.2** Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 9,700,000 thousand (2024: Rs 16,200,000 thousand) which represent the aggregate of all facility agreements between the Company and respective banks. The facilities have various maturity dates upto September 30, 2026 (2024: June 30, 2025). The per annum rate of profit is 3 month KIBOR minus 0.0% to 0.15% (2024: 3 month KIBOR minus 3.70% to plus 0.2%).

Notes to the Financial Statements

For the year ended December 31, 2025

The facilities are secured by ranking hypothecation charges on all present and future assets of the Company with 25% margin besides lien over PIBs in certain cases.

	2025	2024
	Rs '000	Rs '000
13. CONTINGENCIES AND COMMITMENTS		
13.1 Contingencies:		
i) Guarantees issued by banks on behalf of the Company	11,378,768	13,365,563
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 1,960,366 thousand (2024: Rs 4,077,552 thousand).

iv) Penalty of Rs 5,500,000 thousand (December 31, 2024: 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 9,724 million (2024: 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 9,724 million as of December 31, 2025. During the year, the Company has recognized the levy amounting to Rs 2,462 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.

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, 2025. The Company is making efforts in getting this guarantee released.

		2025	2024
		Rs '000	Rs '000
13.2	Commitments in respect of:		
i)	Capital expenditure commitments (including share of commitments amounting to Rs 16,439,474 thousand (2024: Rs 14,236,243 thousand) relating to PEF joint operations as disclosed in note 43.	34,619,877	23,945,484
ii)	Purchase of fertilizer, stores, spares and other operational items	18,502,685	26,760,469
iii)	Investment in Thar Energy Limited	89,776	89,232
iv)	Contracted out services	625,737	507,895
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	2,295,000	1,750,000

Notes to the Financial Statements

For the year ended December 31, 2025

14. 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 14.4)	Total
Rs '000															
As at January 1, 2024															
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)	(28,366)	(144,153)	-	(42,304,466)
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
Year ended December 31, 2024															
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	-	-	425,940	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
	-	-	(419)	-	-	(1,032)	-	(194)	(6)	(9,560)	(401)	-	-	-	(11,612)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,600,575)	(3,600,575)
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)
Balance as at December 31, 2024	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
As at January 1, 2025															
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)
Net Book Value	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
Year ended December 31, 2025															
Opening net book value	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
Additions	-	-	5,375,518	5,378	-	9,283,482	2,173,383	1,209,669	354,132	365,668	584,197	374	-	10,249,541	29,601,342
Disposals	-														
Cost	-	-	(5,549)	-	-	-	-	(39,104)	(25,171)	(126,667)	(16,585)	-	-	-	(213,076)
Depreciation	-	-	4,460	-	-	-	-	38,792	25,171	99,925	16,214	-	-	-	184,562
	-	-	(1,089)	-	-	-	-	(312)	-	(26,742)	(371)	-	-	-	(28,514)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,045,615)	(6,045,615)
Depreciation charge	-	(5,160)	(317,879)	(182,058)	-	(2,882,994)	(523,327)	(261,137)	(85,511)	(251,128)	(729,139)	(34)	-	-	(5,187,767)
Balance as at December 31, 2025	1,025,803	109,347	8,391,835	1,986,127	-	39,058,859	2,546,229	1,906,356	764,899	801,163	1,631,407	351	-	18,327,799	76,550,175
As at December 31, 2025															
Cost	1,025,803	410,054	12,933,344	4,803,674	26,517	96,161,537	6,032,144	4,299,137	1,413,356	2,130,945	6,049,933	31,296	150,156	18,327,799	153,795,695
Accumulated depreciation	-	(300,707)	(4,541,509)	(2,817,547)	(26,517)	(57,102,678)	(3,485,915)	(2,392,781)	(648,457)	(1,329,782)	(4,418,526)	(30,945)	(150,156)	-	(77,245,520)
Net Book Value	1,025,803	109,347	8,391,835	1,986,127	-	39,058,859	2,546,229	1,906,356	764,899	801,163	1,631,407	351	-	18,327,799	76,550,175
Rate of depreciation in %	-	6.25 to 9.25	5 to 10	5	5	5	5	15	10	20	15 to 33.33	30	20	-	-

		Note	2025	2024
			Rs '000	Rs '000
14.1	Depreciation charge has been allocated as follows:			
	Cost of sales	28	4,936,867	3,451,191
	Distribution cost	29	247,591	130,582
	Other expenses		3,309	2,167
	Charged to FFBL under Inter Company Services Agreement prior to merger/ amalgamation of FFBL with and into the Company		–	7,648
			5,187,767	3,591,588

14.2 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
Vehicles – as per company policy to employees					
Suzuki Cultus	Rafay Saeed	4,300	3,674	3,794	120
Toyota Yaris	Aatif Nadeer	5,113	3,084	3,270	186
Toyota Yaris	Zahid Ahmed	4,579	3,025	3,365	340
Suzuki Cultus	Omair Zakariya	4,141	2,998	3,281	283
Toyota Yaris	Zulfiqar Ali	4,579	2,763	3,463	700
Kia Picanto	Furqan Ahmed	3,671	2,332	2,840	508
Hyundai Elantra	Ahmed Attyub	3,694	1,742	2,304	562
Suzuki Alto	Ghulam Abbas	1,487	1,244	1,253	9
Toyota Yaris	Khurram Raza	3,060	995	1,145	150
Suzuki Alto	Wali Muhammad Khan	1,492	985	916	(69)
		36,116	22,842	25,631	2,789

14.3 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 building	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

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For the year ended December 31, 2025

Location	Usage	Area
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	Guesthouse	1 kanal and 3 marlas

	2025	2024
	Rs '000	Rs '000
14.4 Capital work in progress		
Civil works	2,117,777	5,675,836
Plant and machinery (including-in-transit items)	16,210,022	8,448,037
	18,327,799	14,123,873

14.5 The Capital work in progress balance mainly relates to production related enhancement projects and boiler upgrade activities. Further, capital work in progress include Rs 7,609,441 thousand (2024: Rs 2,400,058 thousand) being Company's share in Joint operation related to Gas Pressure Enhancement Facility (PEF), as disclosed in note 43 to the financial statements.

	Note	2025	2024
		Rs '000	Rs '000
15. INTANGIBLE ASSETS			
Computer software	15.1	22,144	2,417
Goodwill	15.2	1,569,234	1,569,234
		1,591,378	1,571,651
15.1 Computer software			
Balance at the beginning		2,417	2,674
Additions during the year		23,562	1,821
Amortisation charge for the year		(3,835)	(2,078)
Balance at the end		22,144	2,417
Amortisation rate		33 1/3%	33 1/3%
Amortisation charge has been allocated as follows:			
Cost of sales	28	3,324	1,497
Distribution cost	29	511	581
		3,835	2,078

15.2 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 14.14%. Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

	Note	2025 Rs '000	2024 Rs '000
16. LONG TERM INVESTMENTS			
Investments held at cost			
In associates (Quoted)			
Fauji Cement Company Limited (FCCL)	16.1	1,500,000	1,500,000
Askari Bank Limited (AKBL)	16.2	15,692,912	15,692,912
Agritech Limited (AGL):	16.3		
Investment at cost		7,307,542	4,855,105
Advance against issue of shares		–	69,644
		7,307,542	4,924,749
		24,500,454	22,117,661
In associate (Unquoted)			
Thar Energy Limited (TEL)	16.4	5,986,908	5,986,908
In joint venture (Unquoted)			
Pakistan Maroc Phosphore S.A., Morocco (PMP)	16.5	2,117,075	2,117,075
In subsidiary company (Quoted)			
Fauji Foods Limited (FFL)			
Investment at cost	16.6	14,055,516	14,055,516
Less: Impairment loss		(1,999,000)	(1,999,000)
		12,056,516	12,056,516
In subsidiary companies (Unquoted)			
FFC Energy Limited (FFCEL)	16.7	2,438,250	2,438,250
Foundation Wind Energy– I Limited (FWEL–I)	16.8	7,493,051	7,493,051
Foundation Wind Energy– II Limited (FWEL–II)	16.9	6,019,288	6,019,288
OLIVE Technical Services (Private) Limited (OLIVE)	16.10	100,000	100,000
FFBL Power Company Limited (FPCL)	16.11	6,440,625	6,440,625
Fauji Fresh n Freeze Limited (FFF)			
Investment at cost	16.12	11,335,500	11,335,500
Less: Impairment loss	16.12.1	(6,100,000)	(6,100,000)
		5,235,500	5,235,500
		27,726,714	27,726,714

Notes to the Financial Statements

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	Note	2025	2024
		Rs '000	Rs '000
Other long term investments		–	–
Arabian Sea Country Club Limited	16.13	72,387,667	70,004,874
Investments – fair value through profit or loss (FVTPL)	16.14		
Investment in listed preference shares		–	1,715,978
Investment in un-listed preference shares		5,917,440	3,299,093
Advance against issue of privately placed term finance certificates (PPTFCs)		–	1,020,171
		5,917,440	6,035,242
Investments – fair value through other comprehensive income (FVTOCI)	16.15		
Bank Alfalah Term Finance Certificates		300,000	300,000
Pakistan Investment Bonds		465,178	2,714,385
		765,178	3,014,385
		79,070,285	79,054,501
Less: Current portion shown under – Short term investments – fair value through other comprehensive income (FVTOCI)			
Pakistan Investment Bonds	25	–	2,274,203
		79,070,285	76,780,298

16.1 Investment in FCCL – at cost

Investment in FCCL represents 105,469 thousand (2024: 105,469 thousand) fully paid ordinary shares of Rs 10 each representing 4.29% (2024: 4.29%) of share capital of FCCL as at December 31, 2025. Market value of the Company's investment as at December 31, 2025 was Rs 5,900,991 thousand (2024: Rs 3,858,056 thousand). FCCL is an associate due to representation on the Board of Directors.

16.2 Investment in AKBL – at cost

Investment in AKBL represents 938,000 thousand (2024: 938,000 thousand) fully paid ordinary shares of Rs 10 each representing 64.72% (2024: 64.72%) of AKBL's share capital. Market value of the Company's investment as at December 31, 2025 was Rs 94,325,280 thousand (2024: Rs 35,897,254 thousand).

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 (2024: 938,000 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. "

16.3 Investment in AGL – at cost

Investment in AGL represents 223,835 thousand (2024: 122,541 thousand) fully paid ordinary shares of Rs 10 each, representing 37.36% (2024: 28.86%) of AGL's share capital. Market value of the Company's investment in the ordinary shares of AGL as at December 31, 2025, was Rs 15,227,495 thousand (2024: Rs 4,654,111 thousand).

16.4 Investment in TEL – at cost

Investment in TEL represents 598,691 thousand (2024: 598,691 thousand) fully paid ordinary shares of Rs 10 each. The Company currently holds 30% (2024: 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 (2024: 598,691 thousand) shares owned by the Company are pledged against security trustee of lenders of TEL.

16.5 Investment in PMP – at cost

Investment in PMP represents 37.5% (2024: 37.5%) equity participation in PMP, amounting to Moroccan Dirhams (MAD) 300,000 thousand (2024: Moroccan Dirhams (MAD) 300,000 thousand) equivalent to Rs 2,117,075 thousand (2024: Rs 2,117,075 thousand).

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 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 Fauji Foundation located at 68 Tipu Road, Chaklala, Rawalpindi, Pakistan 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 Dividend 2015 Rs 50,911 thousand Dividend 2016 Rs 55,720 thousand Dividend 2017 Rs 262,551 thousand Dividend 2018 Rs 144,061 thousand Dividend 2019 Rs 371,638 thousand Dividend 2020 Rs 335,525 thousand Dividend 2021 Rs 518,962 thousand Dividend 2022 Rs 1,349,419 thousand Dividend 2024 Rs 936,806 thousand Dividend 2025 Rs 7,075,769 thousand
Details of litigations	None
Details of default / breach relating to investment	None
Gain / loss on disposal of investment	Not applicable

Notes to the Financial Statements

For the year ended December 31, 2025

16.6 Investment in FFL – at cost

Investment in FFL represents 1,205,576 thousand (2024: 1,205,576 thousand) fully paid ordinary shares of Rs 10 each representing 47.84% (2024: 47.84%) of share capital of FFL as at December 31, 2025. Market value of the Company's investment as at December 31, 2025 was Rs 24,931,312 thousand (2024: Rs 21,615,982 thousand). 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.

16.7 Investment in FFCEL – at cost

Investment in FFCEL represents 243,825 thousand (2024: 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.

16.8 Investment in FWEL – I – at cost

Investment in FWEL – I represents 350,249 thousand (2024: 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 16.9.1 to the financial statements.

16.9 Investment in FWEL – II – at cost

Investment in FWEL – II represents 282,215 thousand (2024: 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 16.9.1 to the financial statements.

16.9.1 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 FF. Further, the Company is also liable to pay additional consideration to FF 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.

16.10 Investment in OLIVE Technical Services (Private) Limited (OLIVE)

Investment in OLIVE represents investment in 10,000 thousand (2024: 10,000 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.

16.11 Investment in FPCL – at cost

Investment in FPCL represents 644,063 thousand (2024: 644,063 thousand) fully paid ordinary shares of Rs 10 each. 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.

In the Extraordinary General Meeting (EOGM) held on December 8, 2025, the shareholders of the Company have approved investment by way of acquisition of 214,687,500 ordinary voting shares (representing 25% of paid up capital) of FPCL from Fauji Foundation against a consideration to issue 15,914,566 ordinary shares of the Company to Fauji Foundation. As at year end, the Company is in the process of obtaining necessary regulatory approvals in this regard.

16.12 Investment in FFF – at cost

Investment in FFF represents 1,123,960 thousand (2024: 1,123,960 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.

	2025	2024
	Rs '000	Rs '000
16.12.1 Movement of impairment loss in FFF		
Balance at the beginning	6,100,000	2,100,000
Charge for the year	–	4,000,000
Balance at the end	6,100,000	6,100,000

16.13 Investment in Arabian Sea Country Club Limited – at cost

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.

16.14 Investments at fair value through profit and loss (FVTPL)

16.14.1 Listed preference shares

For the year 2024, this represented investment in listed, cumulative, non-voting and convertible preference shares of AGL having par value of Rs 10 each. These shares were convertible into variable number of ordinary shares at the discretion of its holder. The preference shareholders had a preferred right to dividend at the rate of 11% per annum on a cumulative basis (on an annual basis). During the year, the Company exercised its option to convert 77,998 thousand listed convertible preference shares of AGL into 91,666 thousand ordinary shares of AGL.

Advance against issue of privately placed Term Finance Certificate (PPTFCs)

For the year 2024, this represented advance against issue of AGL's zero coupon privately placed term finance certificate (PPTFCs) having par value of Rs 5,000 each. During the year, AGL issued the PPTFCs against the advance paid by the Company. Refer note 25.2 to the financial statements.

Un-listed preference shares

This represents investment in 875,948 thousand (2024: 190,011 thousand) 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.

16.15 Investments at fair value through other comprehensive income (FVTOCI)

Term Finance Certificates (TFCs)

This represents investments in Bank Alfalah Term Finance Certificate amounting to Rs. 300,000 thousand (2024: Rs. 300,000 thousand) holding tenure of perpetuity with floating return of 6MK+2% per annum.

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Pakistan Investment Bonds

Pakistan Investment Bonds with 5 and 10 years tenure having aggregate face value of Rs. 475 million (2024: Rs 2.78 billion) 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.

Note		2025	2024
		Rs '000	Rs '000
17. LONG TERM LOANS AND ADVANCES – SECURED			
Loans and advances – considered good, to:			
Executives			
Interest bearing		1,906,270	1,599,691
Non-interest bearing		1,589,567	1,288,302
		3,495,837	2,887,993
Other employees			
Interest bearing		1,232,471	960,314
Non-interest bearing		842,380	572,272
		2,074,851	1,532,586
		5,570,688	4,420,579
Less: Impact of present value of loans and advances to employees		1,797,812	1,600,000
		3,772,876	2,820,579
Advances for capital expenditure	17.2	2,122,531	–
Less: Amount due within twelve months, shown under current loans and advances	22		
Interest bearing		545,083	432,111
Non-interest bearing		820,331	603,202
		1,365,414	1,035,313
		4,529,993	1,785,266

17.1 Reconciliation of gross carrying amount of loans and advances:

	2025	2024
	Other employees	Total
	Rs '000	Rs '000
Balance at January 1	2,887,993	3,439,210
Adjustments	244,194	–
Disbursements	1,318,844	2,289,813
	4,451,031	5,729,023
Repayments	(955,194)	(1,308,444)
Balance at December 31	3,495,837	4,420,579

17.1.1 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.

17.1.2 The maximum amount of loans and advances to executives outstanding at the end of any month during the year was Rs 3,495,837 thousand (2024: Rs 2,954,113 thousand).

17.2 This represents advance paid to Mari Petroleum Company Limited, a related party, in relation to PEF project, as disclosed in note 43 to the financial statements.

17.3 Loans and advances to employees exceeding Rs 1 million

Category	2025		2024	
	No. of employees	Amount Rs '000	No. of employees	Amount Rs '000
Rs 1 million to Rs 2 million	179	258,554	164	226,962
Exceeding Rs 2 million upto Rs 3 million	197	500,062	136	343,366
Exceeding Rs 3 million upto Rs 5 million	314	1,224,448	273	1,009,651
Exceeding Rs 5 million upto Rs 10 million	225	1,538,828	173	1,199,444
Exceeding Rs 10 million upto Rs 25 million	114	1,874,827	97	1,473,886
	1,029	5,396,719	843	4,253,309

Note		2025 Rs '000	2024 Rs '000
18. LONG TERM DEPOSITS AND PREPAYMENTS			
Non-interest bearing deposits		91,021	91,021
Prepayments		–	853
		91,021	91,874
19. STORES, SPARES AND LOOSE TOOLS			
Stores		2,784,073	2,115,073
Spares		11,486,937	10,375,332
Provision for slow moving spares	19.1	(1,039,092)	(1,005,641)
		10,447,845	9,369,691
Loose tools		36,118	34,040
Items in transit		2,298,436	2,508,835
		15,566,472	14,027,639
19.1 Movement of provision for slow moving spares			
Balance at the beginning		1,005,641	634,216
Acquisition pursuant to merger of FFBL	1.2	–	289,368
Provision during the year – net	28.2	33,451	82,057
Balance at the end		1,039,092	1,005,641
20. STOCK IN TRADE			
Raw materials		10,780,125	4,502,232
Raw materials in transit		12,017,478	11,729,164
Work in process		742,311	685,989
Finished goods			
Manufactured fertilizer		13,847,578	1,904,359
Purchased fertilizer		841,885	4,922,413
		14,689,463	6,826,772
		38,229,377	23,744,157

Notes to the Financial Statements

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		Note	2025	2024
			Rs '000	Rs '000
21.	TRADE DEBTS			
	Considered good – secured	21.1	20,153,212	943,632
	Considered doubtful		1,758	1,758
			20,154,970	945,390
	Loss allowance		(1,758)	(1,758)
			20,153,212	943,632

21.1 These debts are secured by way of bank guarantees.

		Note	2025	2024
			Rs '000	Rs '000
22.	LOANS AND ADVANCES – SECURED			
	Current portion of long term loans and advances	17	1,365,414	1,035,313
	Loans and advances to employees – unsecured			
	– considered good, non-interest bearing			
	Executives		106,018	102,517
	Others		184,992	185,648
	Loans to related parties – interest bearing			
	Fauji Fresh N Freeze Limited (FFF) – a subsidiary	22.1	5,000	50,000
	Agritech Limited (AGL) – an associate	22.2	1,318,294	–
	Advances to suppliers – considered good		2,702,463	3,243,717
			5,682,181	4,617,195

22.1 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 900,000 thousand (2024: Rs 1,800,000 thousand).

22.2 This represents running finance facility provided to Agritech 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 loan to AGL outstanding at the end of any month during the year was Rs 1,318,294 thousand (2024: Rs Nil).

22.3 Loans and advances to employees exceeding Rs 1 million

Category	2025		2024	
	No. of employees	Amount	No. of employees	Amount
		Rs '000		Rs '000
Rs 1 million to Rs 2 million	98	124,811	41	59,168
Exceeding Rs 2 million upto Rs 3 million	14	35,894	11	24,522
Exceeding Rs 3 million upto Rs 5 million	13	47,098	5	19,223
Exceeding Rs 10 million upto Rs 25 million	6	48,457	–	–
	131	256,260	57	102,913

	Note	2025	2024
		Rs '000	Rs '000
23. DEPOSITS AND PREPAYMENTS			
Non-interest bearing deposits		7,488	8,938
Prepayments		1,051,259	1,049,690
		<u>1,058,747</u>	<u>1,058,628</u>
24. OTHER RECEIVABLES			
Accrued income on investments and bank deposits:			
– Pakistan Investment Bonds		14,968	112,169
– Conventional banks		16,312	219,403
– Islamic banks		471	402
Accrued income on receivable from subsidiary		429,424	390,585
Sales tax receivable – net	24.1	848,525	13,146,272
Federal excise duty receivable		79,699	–
Advance tax	24.2	322,368	322,368
Subsidy receivable from Government agencies	24.3	10,122,870	10,122,870
Receivable from subsidiary companies (related parties)	24.4		
– FFC Energy Limited – unsecured		17,375	163,635
– Fauji Fresh n Freeze Limited – unsecured		36,327	36,319
– FFBL Power Company Limited – unsecured		200,764	215,256
– Fauji Foods Limited – unsecured		40,781	6,986
– OLIVE Technical Services (Private) Limited – unsecured		233,484	126,938
– Foundation Wind Energy Limited II – unsecured		6,958	1,506
Receivable from Pakistan Maroc Phosphore S.A. (related party)		1,931	–
Receivable from Agritech Limited – unsecured		14,393	–
Receivable from Fauji Meat Limited – unsecured		30,295	28,487
Receivable from Joint Operators – PEF project		–	196
Workers' Profit Participation Fund		–	540,819
Receivable from pension fund (related party)	24.5	824,327	912,625
Receivable from gratuity fund – I (related party)	24.5	486,929	–
Receivable from gratuity fund – II (related party)	24.5	266,606	181,166
Deferred cost on employee loans		664,250	–
Other receivables		587,482	1,301,890
Loss allowance	24.7	(10,083,396)	(10,083,396)
		<u>5,163,143</u>	<u>17,746,496</u>

24.1 Sales tax receivable is net-off provision for sales tax amounting to Rs 39,611,483 thousand (2024: Rs 25,231,061 thousand).

24.2 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.

24.3 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.

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24.4 The maximum amount of receivable from FFCEL, FFF, OLIVE, FWEL, FPCL, FML, FFL, and AGL during the year was Rs 118,046 thousand (2024: Rs 163,635 thousand), Rs 465,791 thousand (2024: Rs 495,964 thousand), Rs 233,484 thousand (2024: Rs 127,724 thousand), Rs 10,983 thousand (2024: 12,094 thousand), Rs 273,743 thousand (2024: Rs 261,073 thousand), Rs 46,258 thousand (2024: 28,487 thousand), Rs 40,781 thousand (2024: Rs 19,237 thousand) and Rs 14,393 thousand (2024: Nil) respectively.

	Funded gratuity - I	Funded gratuity - II	Funded pension	2025 Total	2024 Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
24.5 Retirement Benefit Funds					
24.5.1 The amounts recognized in the statement of financial position are as follows:					
Present value of defined benefit obligation	(5,158,129)	(1,198,952)	(3,893,214)	(10,250,295)	(9,470,864)
Fair value of plan assets	5,645,058	1,465,558	4,717,541	11,828,157	10,060,080
Asset	486,929	266,606	824,327	1,577,862	589,216
24.5.2 Amounts recognised in the profit or loss are as follows:					
Current service cost	(277,914)	(59,034)	(134,027)	(470,975)	(348,904)
Net interest cost	(116,137)	20,947	105,520	10,330	(95,478)
	(394,051)	(38,087)	(28,507)	(460,645)	(444,382)
24.5.3 The movements in the present value of defined benefit obligation is as follows:					
Present value of defined benefit obligation at beginning	(5,076,827)	(1,108,253)	(3,285,784)	(9,470,864)	(6,489,927)
Acquisition pursuant to merger of FFBL – note 1.2	–	–	–	–	(987,597)
Current service cost	(277,914)	(59,034)	(134,027)	(470,975)	(348,904)
Interest cost	(610,826)	(134,109)	(391,087)	(1,136,022)	(1,088,590)
Benefits paid	620,956	68,154	357,746	1,046,856	668,350
Re-measurement of defined benefit obligation	186,482	34,290	(440,062)	(219,290)	(1,224,196)
Present value of defined benefit obligation at end	(5,158,129)	(1,198,952)	(3,893,214)	(10,250,295)	(9,470,864)
24.5.4 The movement in fair value of plan assets:					
Fair value of plan assets at beginning	4,572,252	1,289,419	4,198,409	10,060,080	5,858,017
Acquisition pursuant to merger of FFBL – note 1.2	–	–	–	–	1,106,356
Expected return on plan assets	494,689	155,056	496,607	1,146,352	993,112
Contributions	394,051	–	28,507	422,558	428,563
Benefits paid	(620,956)	(68,154)	(357,746)	(1,046,856)	(668,350)
Re-measurement of plan assets	805,022	89,237	351,764	1,246,023	2,342,382
Fair value of plan assets at end	5,645,058	1,465,558	4,717,541	11,828,157	10,060,080
24.5.5 Actual return on plan assets and others	(1,299,711)	(244,293)	(848,371)	(2,392,375)	3,335,495
24.5.6 Contributions expected to be paid to the plan during the next year	233,914	25,567	67,983	327,464	460,645

	Funded gratuity - I	Funded gratuity - II	Funded pension	2025 Total	2024 Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
24.5.7 Plan assets comprise of:					
Quoted:					
Investment in debt securities	3,353,189	1,155,152	2,681,631	7,189,972	4,343,730
Investment in equity securities	2,021,440	225,138	1,598,581	3,845,159	3,284,171
Mutual funds	214,508	41,062	209,812	465,382	2,359,249
Un-quoted:					
Deposits with banks	211,842	43,839	288,493	544,174	116,485
Others	(155,921)	367	(60,976)	(216,530)	(43,555)
	5,645,058	1,465,558	4,717,541	11,828,157	10,060,080

24.5.8 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 gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
24.5.9 Movement in asset/ (liability) recognised in statement of financial position:						
Opening asset/ (liability)	(504,575)	181,166	912,625	(997,592)	–	365,682
Acquisition pursuant to merger of FFBL – note 1.2	–	–	–	–	118,759	–
Cost for the year recognised in profit or loss	(394,051)	(38,087)	(28,507)	(385,115)	(15,819)	(43,448)
Employer's contribution during the year	394,051	–	28,507	385,115	–	43,448
Total amount of re-measurement recognised in						
Other Comprehensive Income (OCI)						
during the year	991,504	123,527	(88,298)	493,017	78,226	546,943
Closing asset/ (liability)	486,929	266,606	824,327	(504,575)	181,166	912,625
24.5.10 Re-measurements recognised in OCI during the year:						
Re-measurement gain/ (loss) on obligation						
Due to change in financial assumptions	(7,163)	5,914	(400,800)	(543,295)	(7,503)	(781,439)
Due to change in demographic assumptions	–	–	–	(40,145)	(11,861)	(63,773)
Due to change in experience adjustments	193,645	28,376	(39,262)	143,131	(29,610)	110,299
	186,482	34,290	(440,062)	(440,309)	(48,974)	(734,913)
Re-measurement loss / (gain) on plan assets						
Actual return on plan assets	1,304,552	245,448	851,672	1,406,694	209,129	1,282,947
Interest income on plan assets	(494,689)	(155,056)	(496,607)	(490,023)	(81,929)	(421,161)
Others	(4,841)	(1,155)	(3,301)	16,655	–	420,070
	805,022	89,237	351,764	933,326	127,200	1,281,856
Re-measurement (gain)/ loss recognised in OCI	991,504	123,527	(88,298)	493,017	78,226	546,943

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	Funded gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	(Percentage)					
24.5.11 Principal actuarial assumptions used in the actuarial valuations are as follows:						
Discount rate	11.00	11.00	11.00	12.25	12.25	12.25
Expected rate of salary growth – short term						
Management	12.00	11.75	12.00	13.25	13.00	13.25
Non-Management	13.00	–	–	14.25	–	–
Expected rate of salary growth – long term						
Management	12.00	11.75	12.00	13.25	13.00	13.25
Non-Management	13.00	–	–	14.25	–	–
Expected rate of return on plan assets	11.00	11.00	11.00	12.25	12.25	12.25
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
Demographic assumptions						
Mortality rates (for death in service)	SLIC	SLIC	SLIC	SLIC	SLIC	SLIC
	(2001-05)-1	(2001-05)-1	(2001-05)-1	(2001-05)-1	(2001-05)-1	(2001-05)-1
Rates of employee turnover						
Management	Light	Moderate	Light	Light	Moderate	Light
Non-Management	Light	–	–	Light	–	–

24.5.12 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 period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	2025 Defined benefit obligation		2024 Defined benefit obligation	
	Effect of 1 percent increase	Effect of 1 percent decrease	Effect of 1 percent increase	Effect of 1 percent decrease
	Rs '000	Rs '000	Rs '000	Rs '000
Discount rate	(846,102)	984,942	(740,523)	858,473
Future salary growth	591,591	(528,403)	556,057	(495,338)
Future pension	432,047	(374,441)	338,140	(293,317)

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates.

	Funded gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	(Years)					
24.5.13 The weighted average number of years of defined benefit obligation is given below:						
Plan duration	8.83	7.73	8.59	8.47	7.61	7.92

	Funded gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
24.5.14 Analysis of present value of defined benefit obligations:						
Vested / non – vested						
Vested	5,116,470	1,157,470	–	5,035,826	1,037,150	–
Non – vested	41,659	41,482	–	41,001	71,103	–
	5,158,129	1,198,952	–	5,076,827	1,108,253	–
Types of members						
Active	–	–	3,668,599	–	–	3,083,657
Retirees	–	–	224,615	–	–	202,127
	–	–	3,893,214	–	–	3,285,784
Types of benefits earned to date						
Accumulated benefit obligation	2,194,203	537,209	2,721,522	2,128,624	466,959	2,379,901
Amount attributed to future salary increases	2,963,926	661,743	1,171,692	2,948,203	641,294	905,883
	5,158,129	1,198,952	3,893,214	5,076,827	1,108,253	3,285,784

24.5.15 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 gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
24.5.16 Distribution of timing of benefit payments:						
1 year	412,355	87,678	323,294	464,281	86,805	326,053
2 years	423,058	107,341	317,842	566,291	115,319	400,667
3 years	495,771	102,975	381,346	463,898	93,512	330,940
4 years	591,979	93,456	353,222	555,663	123,800	384,512
5 years	654,904	164,159	581,654	624,155	103,502	310,881
6–10 years	3,354,301	955,089	2,368,509	3,557,974	1,118,725	2,082,935

24.5.17 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.

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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.

24.5.18 Salaries, wages and benefits" expense, stated in notes 28 and 29 include retirement benefits in respect of gratuity fund, provident fund, pension plan and compensated absences amounting to Rs 432,138 thousand, Rs 362,787 thousand, Rs 26,397 thousand and Rs 638,588 thousand, respectively (2024: Rs 387,133 thousand, Rs 265,311 thousand, Rs 37,989 thousand and Rs 533,873 thousand respectively). These amounts are reduced by the amount of charges debited to FFC Energy Limited and Agritech Limited under Inter Company Services Agreements.

24.6 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.

		Note	2025	2024
			Rs '000	Rs '000
24.7	Movement of loss allowance			
	Balance at the beginning		10,083,396	5,719,404
	Acquisition pursuant to merger of FFBL	1.2	–	3,160,992
	Charge for the year		–	1,203,000
	Balance at the end	24.7.1	10,083,396	10,083,396

24.7.1 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	2025	2024
			Rs '000	Rs '000
25.	SHORT TERM INVESTMENTS			
	Amortised cost – conventional investments	25.1		
	Term deposits with banks and financial institutions			
	Local currency		–	1,000,000
	Foreign currency		5,530,553	5,258,558
			5,530,553	6,258,558
	Investment in privately placed term finance certificates (PPTFCs)	25.2	1,831,517	–
			7,362,070	6,258,558
	Investments at fair value through profit or loss	25.3		
	Conventional investments		42,157,553	115,866,035
	Shariah compliant investments		131,936,118	79,583,317
			174,093,671	195,449,352
	Current maturity of long term investments			
	Fair value through OCI	16	–	2,274,203
			181,455,741	203,982,113

25.1 These represent investments having maturities ranging between 1 to 3 months and are being carried at amortized cost.

25.2 This represents investment in privately place term finance certificates (PPTFCs) of AGL having par value of Rs 5,000 each. These PPTFCs are zero coupon instruments and are payable to the instrument holders in the form of a bullet payment by the end of 2026. These instruments have been initially recognized at fair value, determined by discounting the expected future cash flows at a rate of 11.02%.

25.3 Fair values of these investments are determined using quoted repurchase price.

25.3.1 The details of investment in mutual funds are as follows:

	2025		2024	
	Number of units	Fair value	Number of units	Fair value
	In '000	Rs '000	In '000	Rs '000
Money Market Funds	729,919	34,444,350	3,565,563	104,222,055
Income Funds	626,123	7,713,203	532,168	11,643,980
Shariah Compliant Funds	3,091,645	131,936,118	1,586,615	79,583,317
	4,447,687	174,093,671	5,684,346	195,449,352

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		Note	2025	2024
			Rs '000	Rs '000
26.	CASH AND BANK BALANCES			
	At banks			
	Local currency			
	Current account – Conventional banking		1,682,556	321,938
	Current account – Islamic banking		9,124	126,835
	Deposit account – Conventional banking	26.1	6,451,902	11,587,772
	Deposit account – Islamic banking	26.2	71,705	213,929
			8,215,287	12,250,474
	Foreign currency			
	Deposit account (2025: US\$ 315; 2024: US\$ 19,993)		89	5,545
		26.3	8,215,376	12,256,019
	Drafts in hand and in transit			
	Cash in transit	26.4	128,032	135,040
	Cash in hand		–	985
		26.5	8,343,408	12,392,044

26.1 Balances with banks carry markup upto 9.50% (2024: 13.50%) per annum.

26.2 Balances with banks carry profit ranging from 3.55% to 9.50% (2024: 4.70% to 14.25%) per annum.

26.3 Balances with banks include Rs 370,309 thousand (2024: Rs 285,040 thousand) in respect of security deposits received.

26.4 These represent demand drafts held by the Company at year end.

26.5 This includes balances of Rs 6,063,988 thousand (2024: Rs 6,105,988 thousand) held under lien.

		Note	2025	2024
			Rs '000	Rs '000
26.6	Cash and cash equivalents			
	Cash and cash equivalents included in the statement of cash flows comprise of the following:			
	Cash and bank balances	26	8,343,408	12,392,044
	Short term borrowings	12	(18,594,647)	(31,278,908)
	Short term highly liquid investments	25	179,624,224	201,707,910
	Bank balances held under lien		(6,063,988)	(6,105,988)
			163,308,997	176,715,058
27.	TURNOVER – NET			
	Manufactured fertilizers		455,712,466	354,802,952
	Purchased and packaged fertilizers		18,193,382	44,799,510
			473,905,848	399,602,462
	Less: Trade discounts		(8,683,691)	–
	Less: Sales tax and excise duty		(32,811,714)	(26,065,542)
			432,410,443	373,536,920

		Note	2025	2024
			Rs '000	Rs '000
28.	COST OF SALES			
	Raw materials consumed	28.1	211,878,450	124,307,301
	Fuel and power		41,812,236	34,251,183
	Chemicals and supplies		2,759,992	1,637,135
	Salaries, wages and benefits		17,182,129	15,060,444
	Training and employees welfare		2,025,321	1,604,812
	Rent, rates and taxes		178,603	198,164
	Insurance		1,552,638	1,425,949
	Travel and conveyance		2,405,706	1,850,643
	Repairs and maintenance (includes stores and spares consumed of Rs 2,228,592 thousand; 2024: Rs 1,752,522 thousand)		7,143,036	4,578,301
	Depreciation	14.1	4,936,867	3,451,191
	Amortisation	15.1	3,324	1,497
	Communication and other expenses	28.2	7,651,879	7,764,043
			299,530,181	196,130,663
	Opening stock – work in process		685,989	174,232
	Acquisition pursuant to merger of FFBL	1.2	–	337,626
	Closing stock – work in process		(742,311)	(685,989)
			(56,322)	(174,131)
	Cost of goods manufactured		299,473,859	195,956,532
	Opening stock – manufactured goods		1,904,359	744,590
	Acquisition pursuant to merger of FFBL	1.2	–	11,847,004
	Closing stock – manufactured goods		(13,847,578)	(1,904,359)
			(11,943,219)	10,687,235
	Cost of sales – manufactured goods		287,530,640	206,643,767
	Opening stock – purchased fertilizers		4,922,413	545,387
	Purchase of fertilizers for resale		10,188,561	44,097,610
	Closing stock – purchased fertilizers		(841,885)	(4,922,413)
	Cost of sales – purchased fertilizers		14,269,089	39,720,584
			301,799,729	246,364,351

28.1 This includes provision against sales tax receivable amounting to Rs 14,125,422 thousand (2024: Rs 9,793,003 thousand).

28.2 This includes provision for slow moving spares amounting to Rs 33,451 thousand (2024: Rs 82,057 thousand).

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		Note	2025	2024
			Rs '000	Rs '000
29.	DISTRIBUTION COST			
	Product transportation		20,349,907	19,750,666
	Salaries, wages and benefits		4,573,289	4,636,510
	Training and employees welfare		468,288	404,538
	Rent, rates and taxes		430,048	333,020
	Insurance		1,852	68,196
	Technical services to farmers		50,945	36,796
	Travel and conveyance		1,076,811	845,737
	Sale promotion and advertising		1,411,005	614,950
	Communication and other expenses		3,015,516	2,219,374
	Warehousing expenses		713,068	322,704
	Depreciation	14.1	247,591	130,582
	Amortisation	15.1	511	581
			32,338,831	29,363,654
30.	FINANCE COST			
	Mark-up / profit on long term borrowings			
	Conventional borrowings		1,566,707	2,687,402
	Islamic borrowings		2,696,078	2,828,574
			4,262,785	5,515,976
	Mark-up / profit on short term borrowings			
	Conventional borrowings		1,147,111	470,785
	Islamic borrowings		741,769	282,822
			1,888,880	753,607
	Bank and other charges		366,309	254,312
			6,517,974	6,523,895
31.	OTHER EXPENSES			
	Research and development		2,283,716	1,927,680
	Workers' Profit Participation Fund		6,461,896	5,956,317
	Workers' Welfare Fund		1,911,826	1,991,863
	Auditor's Remuneration			
	Audit fee		10,000	6,816
	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		5,484	5,617
	Special purpose audits and other certifications		–	23,800
	Taxation and consultancy services		59,596	75,612
	Out of pocket expenses		1,050	917
			76,130	112,762
			10,733,568	9,988,622

	2025	2024
	Rs '000	Rs '000
32. OTHER INCOME		
Income from financial assets		
Income on loans, deposits and investments in:		
– Pakistan Investment Bonds	182,633	376,329
– Conventional banks	1,061,997	2,623,584
– Islamic banks	2,757	174,926
– Employee loans	111,098	88,529
Gain on investments:		
– Conventional mutual funds	6,216,176	1,588,971
– Shariah compliant mutual funds	3,635,725	1,537,141
Gain on re-measurement of investments classified as fair value through profit of loss on:		
– Conventional mutual funds	1,592,748	6,036,560
– Shariah compliant mutual funds	3,038,990	2,696,087
– Other investments	237,710	–
Dividend income on:		
– Conventional mutual fund	19,505	4,336,251
– Shariah compliant mutual fund	2,047	3,777,644
Unwinding of discount on employee loans	530,782	–
Exchange (loss) on foreign currency – net	(792,384)	(249,807)
	15,839,784	22,986,215
Income from subsidiaries, associates and joint venture		
Dividend from subsidiaries		
– FWEL-I	4,027,869	2,626,871
– FWEL-II	3,019,703	3,245,475
– FFCEL	2,000,000	1,706,775
	9,047,572	7,579,121
Dividend from associates		
– AKBL	5,862,499	1,563,333
– FFBL (prior to merger/ amalgamation)	–	644,019
– TEL	299,345	–
– FCCL	131,836	105,469
	6,293,680	2,312,821
Dividend from joint venture		
– PMP	7,075,769	936,806
Income from revolving credit facility to FFF	38,839	64,911
Income from non – financial assets		
Gain on disposal of property, plant and equipment	45,084	50,729
Gain on disposal of investment property	–	585,716
Commission on sale of AGL products	7,249	–
Commission on sale of FFBL products prior to merger/ amalgamation of FFBL with and into the Company	–	11,337
	52,333	647,782
Other income		
Scrap sales	414,267	152,472
Others	1,081,500	551,209
	1,495,767	703,681
	39,843,744	35,231,337

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33. 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.

33.1 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	2025	2024
		Rs '000	Rs '000
Current tax liability for the year as per applicable tax laws		46,812,407	43,016,750
Less:			
Portion of current tax liability as per tax laws representing income tax under IAS 12	34	(46,804,002)	(40,988,276)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IAS 37/ IFRIC 21		(8,405)	(2,028,474)
		–	–

33.2 The aggregate of final tax and income tax amounting to Rs 46,812,407 thousand (2024: Rs 43,016,750 thousand) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

	2025	2024
	Rs '000	Rs '000
34. PROVISION FOR TAXATION		
Current tax		
Current year	45,801,413	40,988,276
Prior year	1,002,589	–
	46,804,002	40,988,276
Deferred tax	487,411	3,364,140
	47,291,413	44,352,416

34.1 Reconciliation between tax expense and accounting profit

Profit before income tax	120,855,680	109,083,855

	2025	2024
	%	%
Applicable tax rate	29.00	29.00
Tax effect of income that is exempt or taxable at reduced rates	(4.85)	(3.43)
Effect of permanent differences	2.90	6.54
Effect of super tax	11.25	10.06
Prior year charge	0.83	–
Effect of final tax levies	–	(1.62)
Others	–	0.11
Average effective tax rate charged on income	39.13	40.66

	2025	2024
	Rs '000	Rs '000
34.2 Tax impacts on items recognised in other comprehensive income		
Tax impact on:		
(Deficit)/surplus on re-measurement of investments to fair value	(27,674)	128,610
Gain on re-measurement of staff retirement benefit plans	400,426	436,092
	<u>372,752</u>	<u>564,702</u>

	2025	2024
35. EARNINGS PER SHARE – BASIC AND DILUTED		
Profit for the year (Rupees '000)	73,564,267	64,731,439
Weighted average number of shares in issue (Number '000)	1,423,109	1,423,109
Basic and diluted earnings per share (Rupees)	<u>51.69</u>	<u>45.49</u>

There is no dilutive effect on the basic earnings per share of the Company.

36. 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:

	2025		2024	
	Chief Executive	Executives	Chief Executive	Executives
	Rs '000		Rs '000	
Managerial remuneration	92,201	4,817,381	78,437	3,576,033
Contribution to provident fund	6,359	253,027	5,409	202,746
Bonus and other awards	42,442	745,193	37,420	1,385,931
Good performance award	–	1,400,204	–	1,297,665
Allowances and contribution to retirement benefit plans	15,863	5,101,144	32,546	4,466,204
Total	<u>156,865</u>	<u>12,316,949</u>	<u>153,812</u>	<u>10,928,579</u>
No. of person(s)	<u>1</u>	<u>970</u>	<u>2</u>	<u>875</u>

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 Nil thousand (2024: Rs. 9,749 thousand) and Rs. 125,146 thousand (2024: Rs. 96,638 thousand) were paid to chief executive and executives respectively on separation, in accordance with the Company's policy.

Notes to the Financial Statements

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Executive means an employee whose basic salary exceeds Rs 1,200 thousand (2024: Rs 1,200 thousand) during the year.

In addition, 13 (2024: 20) directors were paid aggregate fee of Rs. 44,300 thousand (2024: Rs. 54,300 thousand). Directors are not paid any remuneration except meeting fee.

37. 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
Balance at January 1, 2025	38,200,000	–	662,885	38,862,885
Changes from financing cash flows				
Draw-downs	30,000,000	–	–	30,000,000
Repayments	(6,900,000)	–	–	(6,900,000)
Repayment of lease liability – net	–	–	–	–
Dividend paid	–	–	(70,255,954)	(70,255,954)
	23,100,000	–	(70,255,954)	(47,155,954)
Other changes				
Dividend declared	–	–	70,443,881	70,443,881
Interest expense on lease liability	–	–	–	–
	–	–	70,443,881	70,443,881
Balance at December 31, 2025	61,300,000	–	850,812	62,150,812

	Long term borrowings	Lease Liabilities	Unclaimed dividend	Total
	Rs '000	Rs '000	Rs '000	Rs '000
Balance at January 1, 2024	24,295,000	17,437	516,867	24,829,304
Changes from financing cash flows				
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)
Other changes				
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
Balance at December 31, 2024	38,200,000	–	662,885	38,862,885

	Note	2025	2024
		Rs '000	Rs '000
38. CASH GENERATED FROM OPERATIONS			
Profit before income tax		120,855,680	109,083,855
Adjustments for:			
Unwinding of GIDC liability	10.1	–	212,406
Loss allowance on subsidy receivable from GoP	24.7	–	1,203,000
Impairment loss on investment in a subsidiary	16.12.1	–	4,000,000
Impact of present value of loans and advances to employees	17	–	1,600,000
Provision for sales tax	24.1	14,380,422	12,404,003
Depreciation	14.1	5,187,767	3,583,940
Amortization	15.1	3,835	2,078
Provision for slow moving spares	28.2	33,451	82,057
Finance cost	30	6,517,974	6,523,895
Income on loans, deposits and investments		(1,397,324)	(3,328,279)
Gain on re-measurement of other investments held at FVTPL	32	(237,710)	–
Dividend income	32	(22,417,021)	(10,828,748)
Final taxes – levies		8,405	2,028,474
Unwinding of discount on employee loans	32	(530,782)	–
Amortization of deferred cost on employee loans		64,344	–
Exchange loss – net	32	792,384	249,807
Gain on disposal of investment property	32	–	(585,716)
Gain on disposal of property, plant and equipment	32	(45,084)	(50,729)
		2,360,661	17,096,188
		123,216,341	126,180,043
Changes in working capital:			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(1,572,284)	(3,550,392)
Stock in trade		(14,485,220)	6,496,624
Trade debts		(19,209,580)	890,156
Loans and advances		253,308	867,058
Deposits and prepayments		(119)	(340,237)
Other receivables		(367,470)	(1,033,787)
Bank balance under lien		42,000	905,644
Increase / (decrease) in current liabilities			
Trade and other payables		7,999,010	29,560,777
		(27,340,355)	33,795,843
Changes in long term loans and advances		(2,942,539)	(755,628)
Changes in long term deposits and prepayments		853	(853)
Changes in compensated leave absences		429,820	344,104
		93,364,120	159,563,509

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39. 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	2025	2024
			Rs '000	Rs '000
STATEMENT OF FINANCIAL POSITION				
Assets				
Long term investments	Shariah	16	56,694,755	54,311,962
Loans and advances	Shariah	17	3,734,147	1,257,372
Short term investments	Shariah	25	133,767,635	79,583,317
Bank balances / instruments	Shariah	26	208,861	476,789
Liabilities				
Long term borrowings – secured (including current portion)	Shariah	7	49,750,000	23,500,000
Short term borrowings – secured	Shariah	12	8,957,163	3,746,171
Mark-up and profit accrued	Shariah	11	650,289	658,473
STATEMENT OF PROFIT OR LOSS				
Turnover	Shariah	27	432,410,443	373,536,920
Sources and detailed breakup of other income				
Income on loans, deposits and investments	Non – shariah		1,355,728	3,088,442
	Shariah		2,757	174,926
		32	1,358,485	3,263,368
Gain on investments	Non – shariah		6,216,176	1,588,971
	Shariah		3,635,725	1,537,141
		32	9,851,901	3,126,112
Gain on re-measurement of investments	Non – shariah		1,592,748	6,036,560
	Shariah		3,038,990	2,696,087
		32	4,631,738	8,732,647
Dividend income	Non – shariah		5,882,004	5,899,584
	Shariah		16,556,569	13,043,059
		32	22,438,573	18,942,643
Other income / (loss)	Non – shariah		14,947	(184,896)
	Shariah		1,548,100	1,351,463
		32	1,563,047	1,166,567

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 208,861 thousand (2024: Rs 476,789 thousand) and availed borrowing facilities amounting to Rs 59,357,452 thousand (2024: Rs 27,904,644 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 131,936,118 thousand (2024: 79,583,317 thousand).

40. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

40.1 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
December 31, 2025				
Financial assets:				
Maturity up to one year				
Trade debts	20,153,212	–	–	20,153,212
Loans and advances	2,979,718	–	–	2,979,718
Deposits	7,488	–	–	7,488
Other receivables	1,670,439	–	–	1,670,439
Short term investments	7,362,070	174,093,671	–	181,455,741
Cash and bank balances	8,343,408	–	–	8,343,408
Maturity after one year				
Long term investments	–	5,917,440	765,178	6,682,618
Long term loans and advances	2,407,462	–	–	2,407,462
Long term deposits	91,021	–	–	91,021
	43,014,818	180,011,111	765,178	223,791,107

	Amortised Cost
	Rs '000
Financial liabilities:	
Maturity up to one year	
Current portion of long term borrowings	11,050,000
Trade and other payables	164,521,446
Markup and profit accrued	940,275
Short term borrowings	18,594,647
Unclaimed dividend	850,812
Maturity after one year	
Long term borrowings	50,250,000
	246,207,180

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	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
	Rs '000	Rs '000	Rs '000	Rs '000
December 31, 2024				
Financial assets:				
Maturity up to one year				
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
Maturity after one year				
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 Cost
	Rs '000
Financial liabilities:	
Maturity up to one year	
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
Maturity after one year	
Long term borrowings	31,300,000
	<u>231,345,846</u>

40.2 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.

Rating		2025	2024
		Rs '000	Rs '000
Trade Debts			
Counterparties without external credit ratings			
Existing customers with no default in the past		20,153,212	943,632
Loans and advances			
Counterparties without external credit ratings			
Loans and advances		2,979,718	1,373,478
Deposits			
Counterparties without external credit ratings			
Others		7,488	8,938
Other receivables			
Counterparties with external credit ratings	A1+ / A1+		
	A1 / A1 / A-2	31,751	331,974
Counterparties without external credit ratings			
Balances with related parties		1,011,732	969,908
Others		626,956	1,341,364
		1,670,439	2,643,246
Short term investments			
Counterparties with external credit ratings	A1+	5,530,553	6,258,558
	AM1	162,757,938	176,873,816
	AM2+	11,335,733	18,575,536
Counterparties without external credit ratings			
Investment in related party		1,831,517	–
PIBs issued by the Government of Pakistan		–	2,274,203
		181,455,741	203,982,113
Bank balances			
Counterparties with external credit ratings	A1+/A-1+	8,331,667	11,496,006
	A1/A-1	11,730	875,567
	A-2	11	20,468
	A-3	–	3
		8,343,408	12,392,044
Long term investments			
Counterparties with external credit ratings		AA +	300,000
Counterparties without external credit ratings			
PIBs issued by the Government of Pakistan		465,178	440,182
Others		5,917,440	6,035,242
		6,682,618	6,775,424
Long term loans and advances			
Counterparties without external credit ratings		2,407,462	1,785,266
Long term deposits			
Counterparties without external credit ratings		91,021	91,021

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For the year ended December 31, 2025

40.3 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:

	2025	2024
	Rs '000	Rs '000
Long term investments	6,682,618	6,775,424
Loans and advances	5,387,180	3,158,744
Deposits	98,509	99,959
Trade debts	20,153,212	943,632
Other receivables	1,670,439	2,643,246
Short term investments	181,455,741	203,982,113
Bank balances	8,343,408	12,392,044
	223,791,107	229,995,162

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 39,284,670 thousand (2024: Rs 25,786,126 thousand). This is included in total carrying amount of investments as at reporting date.

Trade debts amounting to Rs 20,153,212 thousand (2024: Rs 943,632 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:

	2025		2024	
	Gross	Impairment	Gross	Impairment
	Rs '000		Rs '000	
Not yet due	19,574,116	–	858,546	–
Past due 1–30 days	579,096	–	85,086	–
Past due 31–60 days	–	–	–	–
Past due 61–90 days	–	–	–	–
Over 90 days	1,758	1,758	1,758	1,758
	20,154,970	1,758	945,390	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.

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	Carrying amount	Within 1 year	1 to 5 years	More than 5 years
			Contractual Amount	
	Rs '000	Rs '000	Rs '000	Rs '000
December 31, 2025				
Long term borrowings and accrued interest	61,806,110	11,556,110	50,250,000	–
Trade and other payables	164,521,446	164,521,446	–	–
Unclaimed dividend	850,812	850,812	–	–
Short term borrowings and accrued interest	19,028,812	19,028,812	–	–
	<u>246,207,180</u>	<u>195,957,180</u>	<u>50,250,000</u>	<u>–</u>
December 31, 2024				
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>

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:

	2025		2024	
	Rs '000	USD '000	Rs '000	USD '000
Bank balance	89	0.32	5,545	19.92
Investments (Term deposit receipts)	5,530,553	19,713	5,258,558	18,892

The following significant exchange rates applied during the year:

	2025 Average rate	2024 Average rate	2025 Reporting date rate	2024 Reporting date rate
US Dollars	280.97	273.81	280.55	278.35

Sensitivity analysis

A 10% strengthening of the functional currency against foreign currencies at December 31 would have decreased profit after tax by Rs 337,369 thousand (2024: Rs 321,110 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:

	2025 Carrying amount	2024 Carrying amount
	Rs '000	Rs '000
Fixed rate instruments		
Financial assets	9,033,722	11,434,218
Variable rate instruments		
Financial assets	8,247,740	12,255,976
Financial liabilities	79,894,647	69,478,908

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 2024.

	100 basis points increase	100 basis points decrease
	Rs '000	Rs '000
December 31, 2025		
Cash flow sensitivity – Variable rate instruments		
Financial assets	50,311	(50,311)
Financial liabilities	(487,357)	487,357
December 31, 2024		
Cash flow sensitivity – Variable rate instruments		
Financial assets	74,761	(74,761)
Financial liabilities	(423,821)	423,821

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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 4,668 thousand (2024: Rs 18,388 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 1,098,068 thousand (2024: Rs 1,208,932 thousand). The analysis is performed on the same basis for 2024 and assumes that all other variables remain the same.

40.4 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.

40.5 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:

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
	Rs '000		Rs '000	
Assets carried at amortised cost				
Long term loans and advances	2,407,462	2,407,462	1,785,266	1,785,266
Long term investments	–	–	3,299,093	3,299,093
Long term deposits	91,021	91,021	91,021	91,021
Trade debts	20,153,212	20,153,212	943,632	943,632
Loans and advances	2,979,718	2,979,718	1,373,478	1,373,478
Deposits	7,488	7,488	8,938	8,938
Other receivables	1,670,439	1,670,439	2,643,246	2,643,246
Short term investments	7,362,070	7,362,070	6,258,558	6,258,558
Cash and bank balances	8,343,408	8,343,408	12,392,044	12,392,044
	43,014,818	43,014,818	28,795,276	28,795,276
Assets carried at fair value				
Long term investments	6,682,618	6,682,618	3,476,331	3,476,331
Short term investments	174,093,671	174,093,671	197,723,555	197,723,555
	180,776,289	180,776,289	201,199,886	201,199,886

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
	Rs '000		Rs '000	
Liabilities carried at amortised cost				
Long term borrowings (including current portion)	61,300,000	61,300,000	38,200,000	38,200,000
Trade and other payables	164,521,446	164,521,446	160,280,647	160,280,647
Mark-up and profit accrued	940,275	940,275	923,406	923,406
Short term borrowings	18,594,647	18,594,647	31,278,908	31,278,908
Unclaimed dividend	850,812	850,812	662,885	662,885
	<u>246,207,180</u>	<u>246,207,180</u>	<u>231,345,846</u>	<u>231,345,846</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
December 31, 2025			
Assets carried at fair value			
Long term investments – FVTOCI & FVTPL	–	765,178	5,917,440
Short term investments – FVTOCI & FVTPL	174,093,671	–	–
	<u>174,093,671</u>	<u>765,178</u>	<u>5,917,440</u>
December 31, 2024			
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>

40.5.1 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 Rs '000	1 % decrease Rs '000
Unlisted Preference Shares	DCF method	Discount rate of 10.39% p.a.	(59,174)	59,174

Notes to the Financial Statements

For the year ended December 31, 2025

	2025	2024
	Rs '000	Rs '000
40.5.2 Reconciliation of level 3 fair values		
Balance as at January 1,	1,020,171	–
Investment during the year	4,897,269	1,020,171
Balance as at December 31,	5,917,440	1,020,171

40.5.3 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.

41. RELATED PARTY TRANSACTIONS

41.1 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	43.70%
Lt Gen Anwar Ali Hyder, HI(M) (Retired)	Director	–
Mr. Jahangir Piracha	Director	0.00913%
Mr. Saad Amanullah Khan	Director	0.00004%
Ms. Maryam Aziz	Director	0.00001%
Mr. Yassir Ghiyati Ibn Ziyad	Director	–
Mr. Qamar Haris Manzoor	Director	0.00056%
Syed Bakhtiyar Kazmi	Director	–
Mr. Shoaib Javed Hussain	Director	–

Related party	Basis of relationship	Aggregate % age shareholding in the Company
Maj. Gen Aneeq Ur Rehman Malik, HI(M) (Retd)	Director	—
Mr. Mazhar Abbas Hasnani	Director	—
Mr. Saif Anjum	Director	—
Mr. Farhad Shaikh Mohammad	Director	0.03162%
Dr. Shamshad Akhtar	Director	0.00001%
Mr. Mohammad Majid Munir	Director	—
Syed Shahzad Nabi	Director	—
Mr. Syed Atif Ali	Key management personnel	—
Mr. Ather Javed	Key management personnel	—
Mr. Wajid Ishaq Bhatti	Key management personnel	—
Mr. Muhammad Abdullah	Key management personnel	0.00004%
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	0.00003%
Mr. Usman Ghani	Key management personnel	0.00001%
Mr. Muhammad Tariq	Key management personnel	—
Mr. Salar Malik	Key management personnel	0.00142%
Mr. Shahbaz Ahmad Khan	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. Zulfiqar Ali Haider	Key management personnel	—
Mr. Ali Ashfaq	Key management personnel	—
Chaudhary Muhammad Azhar Nawaz	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	—
Mr. Jahan Zeb	Key management personnel	—
Mr. Khurram Saleem	Key management personnel	—
Mr. Muhammad Afzal	Key management personnel	—
Mr. Saad Ullah Khan Lodhi	Key management personnel	—
Mr. Muhammad Ali Janjua	Key management personnel	—
Mr. Atif Nadeer	Key management personnel	0.00001%
Provident Fund Trust	Contributory provident fund	0.10950%
Gratuity Fund Trust – I	Defined benefit fund	0.08469%
Gratuity Fund Trust – II	Defined benefit fund	0.00325%
Pension Fund Trust	Defined benefit fund	0.04336%
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%

Notes to the Financial Statements

For the year ended December 31, 2025

Related party	Basis of relationship	Aggregate % age shareholding in the Company
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%
Askari Bank Limited	Associated company	64.72%
Agritech Limited	Associated company	37.36%
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	–

41.2 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

41.3 Fauji Foundation holds 43.70% (2024: 43.51%) 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 17, 22 and 36 to the financial statements respectively. Unless otherwise stated, none of the transactions incorporate special terms and conditions. Outstanding balances are usually settled in cash.

	2025	2024
	Rs '000	Rs '000
HOLDING COMPANY		
Transactions		
Dividend paid	30,653,059	11,059,058
Cost recharge	1,049,598	1,362,347
Sale of investment property	–	855,958
Sale of fertilizer	9,242	8,091
Others	669,939	83,039
Balances		
Balance payable – unsecured	537,059	835,271
SUBSIDIARY COMPANIES		
Transactions		
(Decrease) in letters of comfort/ guarantees	(2,117,186)	(23,752)
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	1,710,000	1,547,500
Payment received under revolving credit facility	1,755,000	3,297,500
Interest income	38,839	64,911
Rental income	42,954	38,159
Dividend income	9,047,572	7,579,121
Materials and services provided	1,149,267	644,028
Power and steam purchased during the year	20,512,328	12,373,992
Expenses incurred on behalf of subsidiary companies	275,115	176,649
Receipt against expenses on behalf of subsidiary companies	287,534	10,993
Sale of fertilizer	–	77,111
Balances		
Balances payable – unsecured	1,568,678	2,341,368
Balance receivable – unsecured	970,112	991,225
ASSOCIATED UNDERTAKINGS / COMPANIES DUE TO COMMON DIRECTORSHIP		
Transactions		
Expenses charged on account of marketing of fertilizer on behalf of associated company	481,057	679,653
Commission on sale of products	7,249	11,337
Sale of fertilizer	150,347	89,737
Payments under consignment account – net	25,504,675	76,743,428
Payments against purchase of gas and PEF project	58,842,675	57,452,107
Purchase of raw materials and others	118,064,153	43,231,373
Investment during the year	3,858,798	10,992,049
Loan provided during the year	1,318,294	–
Services and materials provided	34,446	39,304
Services and materials received	–	6,349
Donations	1,717,992	764,812
Interest expense	754,734	238,185
Interest income	34,008	881,177
Dividend income	13,369,449	3,249,627

Notes to the Financial Statements

For the year ended December 31, 2025

	2025	2024
	Rs '000	Rs '000
Balances		
Short term borrowings	7,969,117	17,954,517
Cash and bank balances	21,008	24,485
Balance receivable	2,169,150	465,280
Balance payable	94,410,799	89,817,341
STAFF RETIREMENT BENEFITS		
Contribution		
Employees' Provident Fund Trust	800,198	702,389
Employees' Gratuity Fund – I Trust	394,051	385,115
Employees' Pension Fund Trust	28,507	43,448
Employees' Funds as Dividend on equity holding 0.24% (2024: 0.23%)	170,068	62,579
Balances		
Balance receivable/ (payable) – Gratuity Fund – I	486,929	(504,575)
Balance receivable – Gratuity Fund – II	266,606	181,166
Balance receivable – Pension Fund Trust	824,327	912,625
OTHERS		
Transactions		
Remuneration and benefits of key management personnel (No. of person(s): 36 (2024: 37))	1,178,297	1,210,004
Balances		
Loans and advances	153,322	173,470

42. 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 27 to the financial statements.

43. 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. “

44. NON ADJUSTING EVENTS AFTER REPORTING DATE

- 44.1 The Board of Directors in its meeting held on January 29, 2026 has proposed a final dividend of Rs 8.50 per share.

45. GENERAL

45.1 Production capacity

	Design capacity		Production	
	2025	2024	2025	2024
	(Tonnes '000)		(Tonnes '000)	
Urea				
Goth Machhi – Plant I	695	695	837	867
Goth Machhi – Plant II	635	635	748	830
Mirpur Mathelo – Plant III	718	718	862	858
Port Qasim – Plant IV	551	551	456	286
	2,599	2,599	2,903	2,841
DAP				
Port Qasim – Plant IV	650	650	837	452

45.2 Facilities of letters of guarantee and letters of credit

Facilities of letters of credit and letters of guarantee amounting to Rs. 80,888,000 thousand and Rs. 11,449,000 thousand (2023: Rs. 80,376,000 thousand and Rs. 8,256,000 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 (2024: Rs. 12,023,000 thousand) limits assigned for issuance of SBLCs in relation to the Company's investment in Thar Energy Limited.

45.3 Donations

Cost of Sales and Distribution Cost include donations amounting to Rs 1,051,745 thousand (2024: Rs 552,530 thousand) and Rs 666,247 thousand (2024: Rs 212,282 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.

	2025	2024
45.4 Number of employees		
Total number of employees at end of the year	4,235	4,118
Average number of employees for the year	4,159	3,680

Notes to the Financial Statements

For the year ended December 31, 2025

45.5 Rounding-off

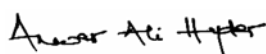
Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated.

45.6 Corresponding figures

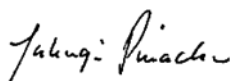
45.6.1 Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan.

46. DATE OF AUTHORIZATION

These Financial Statements have been authorized for issue by the Board of Directors of the Company on January 29, 2026.



Chairman



Chief Executive

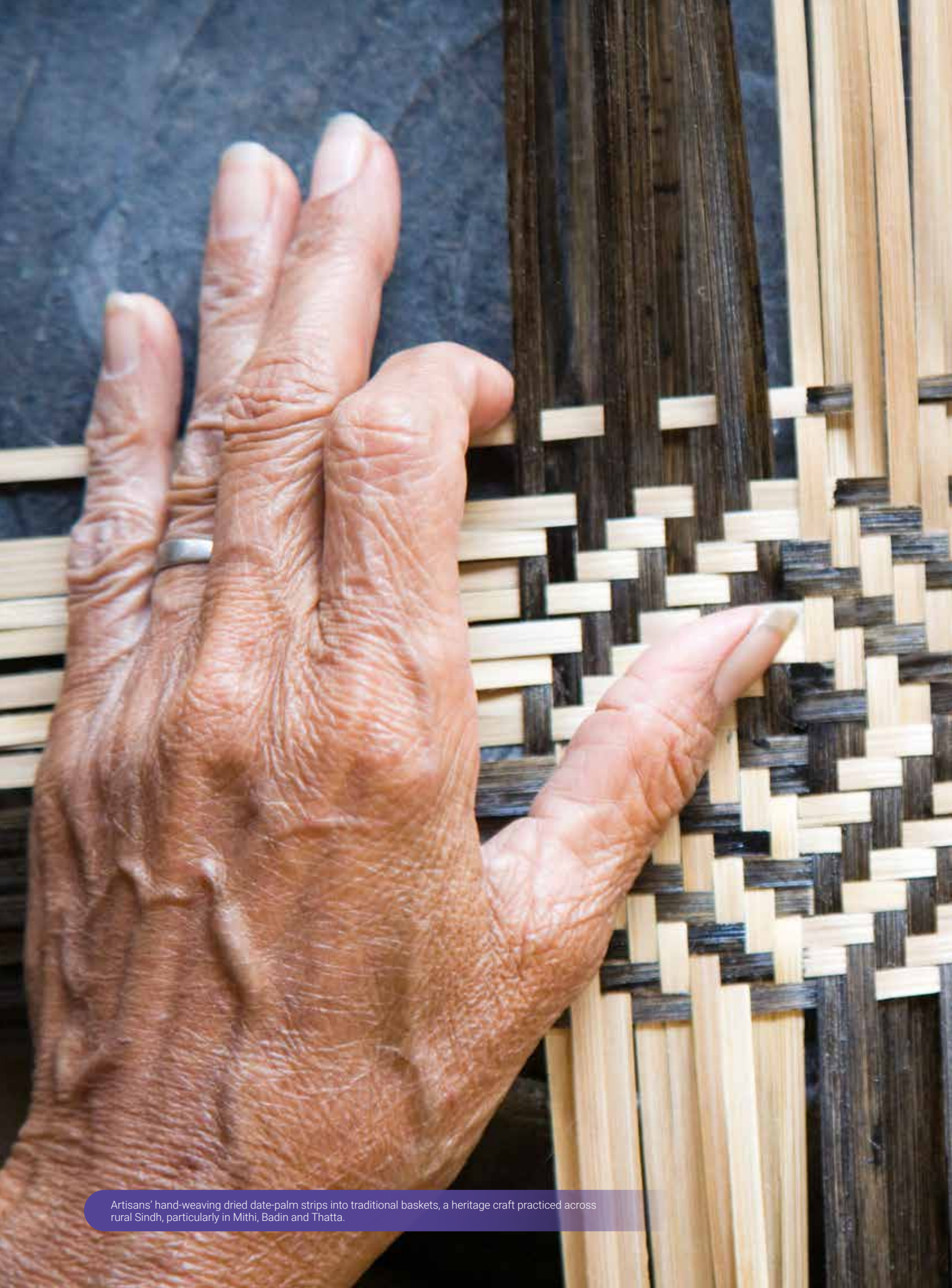


Director



Chief Financial Officer

SAY NO TO CORRUPTION



Artisans' hand-weaving dried date-palm strips into traditional baskets, a heritage craft practiced across rural Sindh, particularly in Mithi, Badin and Thatta.



05

Consolidated Financial Statements

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

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GROUP STRUCTURE

S Subsidiary **A** Associated **JV** Joint Venture



Food



Investment Rs **5.24** bn **S**
FFC Share **100%**



fauji foods

Investment Rs **12.06** bn **S**
FFC Share **82.16%**



Energy



Investment Rs **5.99** bn **A**
FFC Share **30%**



Banking



Investment Rs 15.69 bn **A**
FFC Share 64.72%



Fertilizer



Investment Rs 2.12 bn **JV**
FFC Share 37.50%



Investment Rs 7.3 bn **A**
FFC Share 37.36%



Cement



Investment Rs 1.5 bn **A**
FFC Share 4.29%



Services



Investment Rs 100 mn **S**
FFC Share 100%



Investment Rs 7.49 bn **S**
FFC Share 100%



Investment Rs 6.02 bn **S**
FFC Share 80%



Investment Rs 2.44 bn **S**
FFC Share 100%



Investment Rs 6.44 bn **S**
FFC Share 75%

Note:

- Value of equity investment (at cost) is stated at page 343 (note 16)
- Financial and Non-financial information about all associated entities (including PMP- a Moroccan concern) is available at page 477 (note 18)

Chairman's Review

on the Consolidated Financial Statements

Dear Shareholders,

The year 2025 represents another year of solid performance wherein the Group continued to build long-term value for its stakeholders.

The Group's financial results for 2025 comprise of full year operations of ex-FFBL along with its subsidiaries including FFBL Power Company Limited (FPCL) and Fauji Foods Limited (FFL) subsequent to merger with and into FFC, compared to second half operations only during 2024.

Food business delivered a strong turnaround during the year. FFL contributed its highest-ever profit after tax of PKR 1.3 billion to Group profitability, while Fauji Fresh n Freeze (FFF) also registered its first ever profitability of PKR 201 million during 2025.

The wind energy portfolio, comprising FFC Energy Limited (FFCEL), Foundation Wind Energy -I Limited (FWEL-I) and Foundation Wind Energy -II Limited (FWEL-II), remained important contributors to the power sector of the country during the year. All three projects maintained availability factors above benchmark levels and collectively supplied 261 GWh of electricity to National Grid. However, revenue of these projects declined by 34% to around PKR 9.7 billion, compared to PKR 14.7 billion last year, mainly on account of settlement of the debt-related tariff component.

FPCL registered net profitability of PKR 4.5 billion during the year. Pursuant to the regulatory and shareholders' approval, FFC's stake in FPCL increased to full control effective January 2026. 16 million shares of FFC have been issued to Fauji Foundation (FF) in exchange of 215 million shares of FPCL acquired from FF.

Agritech Limited (AGL) remains strategically important for the Group. During the year, FFC increased its investment in AGL through an additional investment of PKR 5.18 billion, including acquisition of equity shares and other debt instruments, resulting in aggregate equity stake increasing to 37.36% at year end. Agritech Limited reported net profit of PKR 4.4 billion for the year. The enhanced shareholding supports the Group's objective of ensuring reliable supply of urea and food security in the country.

AKBL attained a profit after tax of PKR 24.7 billion during the reporting period, and contributed the highest share of profit of PKR 16 billion among the Group's associates. The Bank's performance was driven by continued focus on low-cost deposits and expansion in the retail segment.

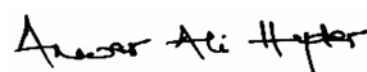
Pak Maroc Phosphore (PMP), a key supplier of phosphoric acid for the Group's DAP operations, continued to make a positive contribution to the Group's profitability during the period, with share of profit amounting to PKR 3.7 billion.

Thar Energy Limited (TEL) recorded net profitability of PKR 12.44 billion, reflecting an impressive increase of 67% compared to PKR 7.47 billion in the same reporting period last year, indicating healthy performance during the initial years of operations. During the year, TEL also started generating returns for the Group. FFC received dividend of PKR 300 million in 2025, followed by a further dividend of PKR 5.1 billion announced in 2026.

The Group achieved its highest-ever turnover of PKR 483.8 billion during the year. This growth was attributable to aggregation of full-year operations of the Port Qasim Plants during 2025, along with improved revenues from food segment. Share of profit from associated companies and joint venture stood at PKR 25.6 billion. Despite the above factors, the investment income declined to PKR 18.7 billion from PKR 27 billion last year. As a result, net profitability of the Group stood at PKR 84.9 billion compared to PKR 85.5 billion during 2024. The earnings per share was recorded at PKR 58.44 as compared to PKR 59.29 last year.

The Parent Company, FFC, declared three interim dividends aggregating to PKR 28.5 per share during the year. In addition, the Board has also proposed a final dividend of PKR 8.5 per share.

The Board remains committed to providing strategic leadership and effective oversight to the Group, with a continued focus on disciplined capital allocation, strong governance, and prudent risk management. The Board aims to deliver sustained value for shareholders while contributing to national food security.



Lt Gen Anwar Ali Hyder, HI(M), (Retd)

Chairman

Rawalpindi
January 29, 2026

Financial Performance of the Group

Group Composition

FFC Group comprises of the following companies:

Holding Company

Fauji Fertilizer Company Limited

Subsidiary Companies

FFC Energy Limited

Fauji Fresh n Freeze Limited

Foundation Wind Energy – I Limited

Foundation Wind Energy – II Limited

OLIVE Technical Services (Private) Limited

Fauji Foods Limited

FFBL Power Company Limited

Associated Companies

Askari Bank Limited

Fauji Cement Company Limited

Pak Maroc Phosphore S.A., Morocco

Thar Energy Limited

Agritech Limited

Profit or Loss Analysis

Turnover

The Group achieved a record turnover of PKR 483.8 billion, comprising revenue of PKR 432.4 billion from fertilizer business, PKR 36.6 billion from food segment and PKR 13.9 billion from power segment. The growth in revenue was attributable to inclusion of full-year operating results of the Port Qasim Plants during 2025.

Cost of Sales

Cost of sales was recorded at PKR 334.9 billion of which PKR 301.8 billion related to fertilizer business, PKR 29.8 billion to food segment and PKR 3 billion to energy segment. The increase was primarily attributable to inflationary pressures, higher raw material costs and inclusion of full-year operating activity of the merged entity during 2025.

Gross Profit

During the year, the Group recorded a gross profit of PKR 148.9 billion, mainly driven by the fertilizer segment PKR 130.6 billion, followed by energy PKR 10.2 billion and food PKR 6.8 billion.

Administrative and Distribution Expenses

Administrative and distribution expenses of PKR 38 billion during the year as compared to PKR 32 billion last year.

Finance Costs

Finance cost for the year aggregated to PKR 7.1 billion, compared to PKR 7.9 billion last year, reflecting a decline owing to lower interest rates during the year.

Other Income

Other income for the year stood at PKR 18.7 billion, reflecting a decrease of 31% compared to last year, mainly due to lower income on bank deposits and mutual funds on account of reduced interest rates.

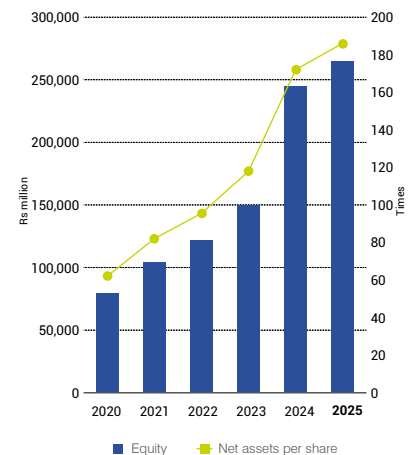
Other Losses / Other Expenses

No other losses were recorded during the year, compared to PKR 1.4 billion in the preceding year. While other expenses increased by 8% to PKR 11 billion, due to higher WPPF charges during 2025.

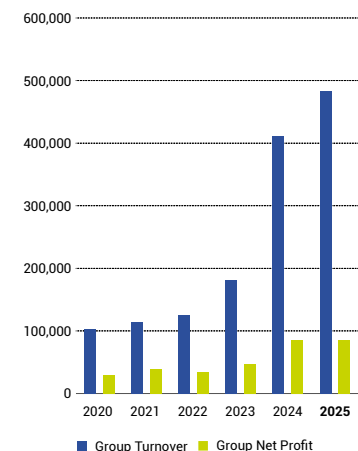
Share of Profit of Associates and Joint Venture

Share of profit from associates and joint venture increased to PKR 25.2 billion during the year. This includes PKR 16 billion contributed by AKBL, PKR 3.7 billion by TEL, PKR 3.7 billion by the joint venture PMP and PKR 1.2 billion by AGL.

Group Equity & Net Assets per Share



Group Turnover & Profit (Rs million)



Provision for Taxation

Tax charge for the year stood at PKR 51.2 billion.

Net Profit

The Group's profitability stood at PKR 84.9 billion, which remained in line with last year's profit of PKR 85.5 billion, translating into earnings per share of PKR 58.44 compared to PKR 59.29 last year.

Financial Performance of the Group

Subsidiary Companies



FFC Energy Limited

FFCEL, the pioneer wind power company in Pakistan, is a wholly owned, unlisted subsidiary of FFC. FFCEL commenced its commercial operations in May 2013 with an installed generation capacity of 49.5 MW. FFC's equity investment in the Company stands at PKR 2.44 billion.

During 2025, FFCEL delivered a stable operational performance and achieved an average availability factor of 97%, remaining above benchmark level. The plant supplied 76.1 GWh of electricity to National Grid during the year. As power generation is closely linked to wind

conditions, energy output during the year remained below benchmark levels primarily due to lower wind speeds.

During the year, the plant successfully achieved all performance-related KPIs despite undergoing unscheduled maintenance activities for wind turbine generators (WTGs) and electrical balance of plant (EBOP). These activities included major component replacements, refurbishment works and electrical testing of EBOP assets, undertaken to maintain operational reliability and manage operating costs.

Revenue declined during the year, mainly on account of lower wind speed and settlement of debt-related tariff component. Consequently, FFCEL reported a net profit of PKR 1.33 billion, compared to PKR 1.54 billion in the preceding year.

FFCEL continued to focus on strengthening its technical

capabilities through targeted training initiatives and operational improvements. FFCEL also remained engaged in various corporate social responsibility initiatives during the year.

The auditors of FFCEL have issued an unmodified opinion on FFCEL's financial statements for the year ended December 31, 2025.

Composition of the Board

- Jahangir Piracha - Chairman
- Maj Gen Saeed Akhtar (Retired) - MD&CEO
- Syed Bakhtiyar Kazmi
- Maj Gen Tariq Qaddus (Retired)
- Maj Gen Muhammad Aneeq Ur Rehman Malik (Retired)
- Maj Gen Muhammad Zafar Iqbal (Retired)
- Syed Aamir Abbas

Board Meetings During the Year

Director	28 Jan	22 Apr	24 Jul	20 Oct	22 Dec	Total Meetings Attended
Jahangir Piracha						
Maj Gen Saeed Akhtar (Retired)						
Syed Bakhtiyar Kazmi						
Maj Gen Tariq Qaddus (Retired)						
Maj Gen Muhammad Aneeq Ur Rehman Malik (Retired)						
Maj Gen Muhammad Zafar Iqbal (Retired)	N/A					
Syed Iftikhar Ahmad Kirmani					N/A	
Adnan Samdani			N/A			
Syed Aamir Abbas	N/A					

Casual Vacancies Filled During the Year

New Appointment	Resignation/ Retired	Date of Appointment
Maj Gen Muhammad Zafar Iqbal (Retired)	Adnan Samdani	22 Apr 2025
Syed Aamir Abbas	Syed Iftikhar Ahmad Kirmani	22 Oct 2025

Audit And HR&R Committee Meetings During the Year

Name of Director	23 Jan	17 Apr	21 Jul	14 Oct	16 Dec	Total Meetings Attended
Syed Bakhtiyar Kazmi						
Maj Gen Muhammad Aneeq Ur Rehman Malik (Retd)						
Maj Gen Muhammad Zafar Iqbal (Retd)	N/A					
Mr. Adnan Samdani			N/A			

Casual Vacancies Filled During the Year

New Appointment	Resignation / Retired	Date of Appointment
Maj Gen Muhammad Zafar Iqbal (Retired)	Adnan Samdani	22 Apr 2025



Financial Performance of the Group



Foundation Wind Energy – I Limited

FFC acquired 100% equity stake in FWEL-I on September 29, 2021, which is an unlisted public limited company. FWEL-I is a 50 MW wind power project established to undertake the business of power generation and its sale. The commercial operations commenced in April 2015. FFC's investment in the project stands at PKR 7.49 billion.

FWEL-I maintained a high level of operational performance and achieved an average availability

factor of 98.4%, remaining above the benchmark level of 94.4%. During the year, FWEL-I supplied 86.8 GWh of electricity to the National Grid. Energy generation during the year remained below benchmark levels due to lower wind speeds.

Revenues of FWEL-I were adversely impacted mainly due to settlement of debt-related tariff component. Consequently, FWEL-I reported a net profit of PKR 2.30 billion during the year, compared to PKR 5.09 billion in the preceding year.

Throughout the year, FWEL-I continued to emphasize operational reliability, disciplined maintenance practices and effective cash flow management. FWEL-I also remained

engaged in corporate social responsibility initiatives, including activities related to education, health, water supply and vocational training.

The auditors of FWEL-I have issued an unmodified opinion on the financial statements for the year ended December 31, 2025.

Composition of the Board

- Jahangir Piracha - Chairman
- Maj Gen Saeed Akhtar (Retired) - MD&CEO
- Syed Bakhtiyar Kazmi
- Maj Gen Muhammad Ihsanullah (Retired)
- Maj Gen Tariq Qaddus (Retired)
- Syed Atif Ali
- Syed Aamir Abbas

Board Meetings During the Year

Director	28 Jan	22 Apr	24 Jul	20 Oct	22 Dec	Total Meetings Attended
Jahangir Piracha						
Maj Gen Saeed Akhtar (Retired)						
Syed Bakhtiyar Kazmi						
Maj Gen Muhammad Ihsanullah (Retired)						
Maj Gen Tariq Qaddus (Retired)						
Syed Atif Ali						
Syed Iftikhar Ahmad Kirmani					N/A	
Syed Aamir Abbas	N/A					

Casual Vacancies Filled During the Year

New Appointment	Resignation/ Retired	Date of Appointment
Syed Aamir Abbas	Syed Iftikhar Ahmad Kirmani	22 Oct 2025

Audit And HR&R Committee Meetings During the Year

Name of Director	23 Jan	17 Apr	21 Jul	14 Oct	16 Dec	Total Meetings Attended
Syed Bakhtiyar Kazmi						
Maj Gen Muhammad Ihsanullah (Retired)						
Maj Gen Tariq Qaddus (Retired)						
Syed Atif Ali						

Casual Vacancies Filled During the Year

- NIL



Foundation Wind Energy – II Limited

On September 29, 2021, FFC acquired 80% equity stake in Foundation Wind Energy – II Limited, 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 its sale; it started commercial operations in Dec 2014. FFC has made an investment of PKR 6.02 billion in the project.

FWEL-II demonstrated strong operational efficiency during 2025, achieving an average availability

factor of 98.4%. During the year, FWEL-II supplied 98.3 GWh of electricity to the National Grid. Energy supply, however, remained below benchmark levels due to lower wind speeds experienced during the year.

Revenue of FWEL-II amounted to PKR 3.66 billion during the year, reflecting a 36% decrease compared to last year, mainly due to settlement of the debt-related tariff component. Consequently, FWEL-II reported a net profit of PKR 1.9 billion, as compared to PKR 4.15 billion last year.

Alongside its operational focus, FWEL-II continued to contribute to community development initiatives during the year, with emphasis on education, health, water supply

and vocational support activities in surrounding areas.

The auditors of FWEL-II have issued an unmodified opinion on its financial statements for the year ended December 31, 2025.

Composition of the Board

- Jahangir Piracha - Chairman
- Maj Gen Saeed Akhtar (Retired) - MD&CEO
- Syed Bakhtiyar Kazmi
- Maj Gen Muhammad Ihsanullah (Retired)
- Maj Gen Tariq Qaddus (Retired)
- Syed Atif Ali
- Aziz Ikram
- Col Salar Malik (Retired)
- Mustafa Tapal
- Adnaan Tapal

Board Meetings During the Year

Director	28 Jan	22 Apr	24 Jul	20 Oct	22 Dec	Total Meetings Attended
Jahangir Piracha						
Maj Gen Saeed Akhtar (Retired)						
Syed Bakhtiyar Kazmi						
Maj Gen Muhammad Ihsanullah (Retired)						
Maj Gen Tariq Qaddus (Retired)						
Syed Atif Ali						
Aziz Ikram						
Col Salar Malik (Retired)						
Mustafa Tapal						
Adnaan Tapal						

Casual Vacancies Filled During the Year

– NIL

Audit And HR&R Committee Meetings During the Year

Name of Director	23 Jan	17 Apr	21 Jul	14 Oct	16 Dec	Total Meetings Attended
Syed Bakhtiyar Kazmi						
Maj Gen Tariq Qaddus (Retired)						
Syed Atif Ali						
Aziz Ikram						
Mustafa Tapal						

Casual Vacancies Filled During the Year

– NIL

Financial Performance of the Group

Management objectives (FFCEL, FWEL-I & FWEL-II)

Business Strategy

Maintaining our key position in the core business, we employ our unique organizational culture, professional excellence and financial strength to maintain excellent business relationships with our stakeholders for development of renewable energy sector in Pakistan.

Strategic Objective:

Maximized Energy Production



Nature
Long Term

Priority
High

Resources allocated

Financial capital, Human capital



KPI Monitored

Net Delivered Energy, Plant Availability, WTG Power Curve



Status

Ongoing process

Future relevance of KPI

KPI will remain relevant in future

- Achieve Benchmark Energy
- Avoid Generation Losses & dispute with Power Purchaser
- Shareholder's satisfaction

- Aging Plant
- Excessive downtime
- Unavailability of spare parts
- Weather pattern changes

Strategy: Effective Implementation of O&M plans, Effective supply chain management (SCM), Reliability Improvement Measures, Performance monitoring

Strategic Objective:

Cost Optimization



Nature
Medium Term

Priority
High

Resources allocated

Financial Capital, Human capital, Intellectual capital



KPI Monitored

Gross Profit Margin, Net Profit Margin, O&M Cost Absorption



Status

Ongoing process

Future relevance of KPI

The KPI will remain relevant in the future

- Increased profitability
- Reduced working efficiency

Strategy: Optimized resource utilization through proper planning & deployment, Improved technology, Need base expenditure, Cost monitoring at multiple levels

Strategic Objective:

Self-reliance in Operations and Maintenance (O&M)



Nature
Medium to long term

Priority
Medium

Resources allocated

Financial Capital, Human capital



KPI Monitored

Plant Availability, Training Budget Utilization, Contracted out services Expenditure



Status

Ongoing 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

Strategic Objective:

Create / Enter New Lines of Business to Augment Profitability



Nature
Long-term

Priority
Medium

Resources allocated

Financial Capital, Human capital, Intellectual capital



KPI Monitored

Revenue generated from services



Status

Ongoing process

Future relevance of KPI

Relevant for future as well

- Business Diversification
- New Business Risks

Strategy: O&M Services to wind industry, Renewable Energy Trainings

**Strategic Objective:**

Social Life, Environment Sustenance and Community Development

Nature
Medium Term★★★ Priority
High

Resources allocated	Financial Capital, Human Capital
KPI Monitored	CSR budget, feedback from community, employee feedback, monitoring of environmental aspects
Status	Ongoing process
Future relevance of KPI	The KPI will remain relevant in the future



- Community Harmony
- Employee motivation and engagement
- Clean & safe environment
- Increase in employee expectations
- Demands from community
- Increase in capital cost

Strategy: Assessment of neighbouring community needs, Support in health education & basic needs of community, Improvement in social life at Plant site, Environmental protection & sustenance

Strategic Objective:

Ensure maintenance by the O&M contractors as per best practices

Nature
Short to Medium term★★★ Priority
High

Resources allocated	Financial Capital, Human Capital
KPI Monitored	Plant Availability, Training Budget Utilization, Performance LDs under the O&M contracts
Status	Ongoing process
Future relevance of KPI	The KPI will remain relevant in the future



- Self O&M
- Efficient manpower utilization
- Technical work load
- Manpower attrition
- Higher administrative work load

Strategy: Strong supervision, Close coordination, Effective reporting, Data Analysis, Third party audits , if so required

Strategic Objective:

Negotiation of O&M agreements for period beyond 2026

Nature
Long Term★★★ Priority
High

Resources allocated	Financial Capital, Intellectual Capital, Human Capital
KPI Monitored	Revenue generated from services
Status	Ongoing process
Future relevance of KPI	The KPI will remain relevant in the future



- Self O&M
- Efficient manpower utilization
- Manpower retention & supply chain

Strategy: To work on the options of:- Extension of terms of existing agreements, To enter into new agreements, Takeover O&M functions

Financial Performance of the Group

Key Risks and Opportunities (FFCEL, FWEL-I & FWEL-II)

There were no significant changes during the year which affected our course of action for achievement of these objectives.

Inherent Risk



Demand of GoP for reduction in Tariff

Associated objective

Social Life, Environment Sustenance and Community development, Self-Reliance in O&M

Opportunities

Cost Optimization, Create / enter new line of business

Mitigation measures

- Convince GoP that FFCEL has already reduced its ROE component; therefore, no further reduction is possible
- FWEL I & II will proceed with the industry
- Being cost plus projects NEPRA has determined tariff components after verification of associated costs

Capital Financial Human

Source External

Type Strategic Risk

Nature Long term

Inherent Risk



Supply Chain Disruption due to Natural Calamities & GoP Regulations / Default – Delay in spare parts supply resulting in increased downtime of WTGs

Associated objective

Maximize Energy Production

Opportunities

- Business continuity

Mitigation measures

- Manage & enhance vendor database and parts supply mechanism along with engagement of O&M services experts as needed
- Increase critical Spare Parts inventory level
- Development of local vendors for parts and services
- Close liaison with the foreign vendors
- Better insurance terms for business interruption loss
- Close co-ordination for timely Forex payments

Capital Human Financial

Source External

Type Operational Risk

Nature Long term

Inherent Risk



Plant aging, Operational Malfunctions, Maintenance issues - that may result in reduced availability, production & reliability

Associated objective

Maximize Energy Production, Cost Optimization

Opportunities

Increased self-reliance in O&M

Mitigation measures

- Comply with OEM recommended scheduled maintenance plan with continuous monitoring and liaison with OEM for updating O&M practices
- Keep recommended inventory of spares for unscheduled maintenance with appropriate changes in type/levels of parts based on experience
- Development and updating of O&M manuals and maintenance SOPs, safety procedures and refresher trainings of O&M team
- Development of in-house capabilities to repair / refurbish
- Plant Performance monitoring & reliability studies for mitigation against aging impacts
- Third party technical audit(s)
- Appropriate insurance coverage

Capital Human Financial

Source External

Type Operational Risk

Nature Medium term

Inherent Risk



Attrition of Expert / Experienced Manpower (Increased Inflation and Industry demand)

Associated objective

Maximize Energy Production, Create / Enter new line of business, Increased Self Reliance in O&M

Opportunities

Increased self-reliance in O&M

Mitigation measures

- Multitasked team at FFCEL ensures backup for each manpower
- In-house Technical Training Center ensures sufficient backup resource
- Market has grown and experienced manpower of NDX/DPS and other IPPs is available
- Expert Manpower can be sourced from China as well – established contact with experts of gearbox, converter, etc.
- Introduction of market based lucrative manpower retention policies
- Re-appropriation of remuneration package

Capital Human Financial

Source Internal

Type Operational Risk

Nature Short term

Inherent Risk



FFCEL's sole customer CPPA may delay payment against invoices which may result in liquidity issues including insufficient cash to pay liabilities

Associated objective

Maximize Energy Production, Cost Optimization

Mitigation measures

- Variables effecting CPPA's policy for disbursing payments to IPPs is outside management's control
- CPPA receivables are backed up by the GOP's sovereign guarantee
- Regular follow up with CPPA officials for disbursement of funds
- Keep proactive treasury management system to ensure availability of adequate funds for any unforeseen requirement

Capital Financial

Source External

Type Financial Risk

Nature Short term

Inherent Risk



Security / Terrorism threats resulting in loss of production / assets / human resource

Associated objective

Social Life, Environment Sustenance and Community development, Enter new line of Business to augment profitability and achieve sustained economic growth.

Mitigation measures

- Services from specialized security firm in place with multi-layer security cover including CCTV coverage, patrolling, watch towers etc.
- Emergency safety / security drills at Plant site
- Collaboration with Government agencies deployed in area including police and rangers units
- Appropriate insurance coverage

Capital Social

Source External

Type Operational Risk

Nature Medium term

Financial Performance of the Group

Key Risks and Opportunities (FFCEL, FWEL-I & FWEL-II)

There were no significant changes during the year which affected our course of action for achievement of these objectives.

Inherent Risk



Non Adherence to Energy Purchase Agreement, Implementation Agreement and regulatory framework set by the Regulator

Associated objective

Maximize Energy Production, Create / Enter new line of business, Increased Self Reliance in O&M

Mitigation measures

- Rigorous monitoring / checks are in place to prevent any non-compliance

Capital



Human



Financial

Type



Compliance Risk

Source



External

Nature

Medium term

Inherent Risk



Operational Risk

Associated objective

Maximize Energy Production

Opportunities

- Ensure required availability of the plants
- Ensure complex monthly power curve energy achievement
- Proper record maintenance

Mitigation measures

- Self O&M
- Premium light O&M Agreements with Contractors
- Comprehensive Insurance Policies
- Fire fighting Tender & Water Availability
- QHSE Protocols
- Long Term Energy Purchase Agreement

Capital



Human



Financial

Type



Operational Risk

Source



External

Nature

Long term

Inherent Risk



Demand to participate in competitive whole sale power market - CTBCM

Associated objective

Self-Reliance in Operation & Maintenance

Opportunities

- Cost Optimization,
- Enter new line of business to augment profitability

Mitigation measures

- Seek exemption from GoP under EPA terms
- In parallel, make preparations for participation in CTBCM

Capital



Human



Financial

Type



Strategic Risk

Source



External

Nature

Long term



FFBL Power Company Limited

FPCL is a 118 MW coal-based power project located at Port Qasim, Karachi, designed to address Pakistan's energy requirements. It supplies reliable and cost-effective electricity to the Group, while also contributing to the national grid through K-Electric. FPCL commenced commercial operations on May 19, 2017, with a total project cost of approximately USD 291 million, financed at a debt-to-equity ratio of 72:28. Following the merger of FFBL into FFC in 2024, FFBL's 75% shareholding in FPCL was transferred to FFC.

Subsequent to year end, FFC has acquired 100% ownership and full

control of FFBL Power Company Limited (FPCL) as approved by the shareholders. Operationally, FPCL continued to play a key role in supporting the Group's fertilizer operations through uninterrupted supply of power and steam during the year. FPCL supplied 149.7 GWh of electricity to FFC's Bin Qasim fertilizer plant and 151.3 GWh to K-Electric. In addition, the project delivered approximately 1.45 million metric tons of steam to the Group, supporting stable plant operations. Dispatches to K-Electric during the year remained subject to the Economic Merit Order, which influenced overall dispatch levels.

FPCL's revenue for the year stood at PKR 22.5 billion against cost of sales of PKR 17 billion. Profit after tax for the year amounted to PKR 4.5 billion.

The auditors of FPCL have issued an unmodified opinion in their audit report of FPCL's financial statements for the year ended December 31, 2025.

The comparative figures represent performance during second half of 2024 only, while full year results have been incorporated during 2025.

Composition of the Board

- Lt Gen Anwar Ali Hyder, HI(M) (Retired) - Chairman
- Jahangir Piracha - MD&CEO
- Aziz Ikram
- Maj Gen Muhammad Zafar Iqbal (Retired)
- Syed Bakhtiyar Kazmi
- Muhammad Tariq
- Maj Gen Amjad Ahmed Butt, HI(M) (Retired)
- Syed Shahzad Nabi
- Mohammad Majid Munir

Board Meetings During the Year

Director	29 Jan	28 Apr	29 Jul	22 Oct	11 Dec	Total Meetings Attended
Lt Gen Anwar Ali Hyder (Re-tired)						
Arif ur Rehman		N/A				
Jahangir Piracha						
Qamar Haris Manzoor						
Maj Gen Amjad Ahmed Butt						
Syed Bakhtiyar Kazmi						
Maj Gen Muhammad Zafar Iqbal (Retired)						
Mazhar Abbas Hasnani						
Muhammad Tariq						
Aziz Ikram						
Syed Shahzad Nabi	N/A					
Mohammad Majid Munir	N/A					

Casual Vacancies Filled During the Year

New Appointment	Resignation/ Retired	Date of Appointment
Jahangir Piracha	Arif ur Rehman	21 Mar 2025
Maj Gen Muhammad Zafar Iqbal (Retired)	Arif ur Rehman	21 Mar 2025
Syed Shahzad Nabi	Qamar Haris Manzoor	16 Dec 2025
Mohammad Majid Munir	Mazhar Abbas Hasnani	16 Dec 2025

Financial Performance of the Group

Audit Committee Meetings held during the Year

Name of Director	24 Jan	18 Apr	22 Jul	17 Oct	8 Dec	Total Meetings Attended
Syed Bakhtiyar Kazmi						●●●●●
Maj Gen Amjad Ahmed Butt (Retired)						●●●●●
Aziz Ikram						●●●●●

Casual Vacancies Filled During the Year

– NIL

Technical Committee Meetings held during the Year

Name of Director	22 Jan	17 Apr	17 Jul	14 Oct	4 Dec	Total Meetings Attended
Jahangir Piracha		N/A				●
Qamar Haris Manzoor						●●●●●
Maj Gen Muhammad Zafar Iqbal (Retired)	N/A					●●●●●
Mazhar Abbas Hasnani						●●●●●
Muhammad Tariq						●●●●●
Syed Shahzad Nabi	N/A					
Mohammad Majid Munir	N/A					

Casual Vacancies Filled During the Year

New Appointment	Resignation/ Retired	Date of Appointment
Maj Gen Muhammad Zafar Iqbal (Retired)	Jahangir Piracha	21 Mar 2025
Syed Shahzad Nabi	Qamar Haris Manzoor	16 Dec 2025
Mohammad Majid Munir	Mazhar Abbas Hasnani	16 Dec 2025

HR&R Committee Meetings held during the Year

Name of Director	22 Jan	Total Meetings Attended
Arif Ur Rehman		●
Muhammad Tariq		●
Jahangir Piracha		●

Casual Vacancies filled during the Year

New Appointment	Resignation/ Retired	Date of Appointment
Maj Gen Muhammad Zafar Iqbal (Retired)	Jahangir Piracha	21 Mar 2025
Mohammad Majid Munir	Arif Ur Rehman	16 Dec 2025

Management objectives (FPCL)

Business Strategy

Maintaining our key position in the core businesses, we employ our unique organization culture, professional excellence and innovation to maintain excellent business relationships with our stakeholders as a trustworthy energy partner.

Strategic Objective:

Maximized Availability & Safety



Nature
Long Term

Priority
High

Resources allocated

Financial capital, Human capital

KPI Monitored

Net delivered Energy, Plant Availability & Safety

Status

Ongoing process

Future relevance of KPI

KPI will remain relevant in future



- Exceed Benchmark Availability
- Injury free 10.5 million safe man hours

- Ageing of plant, requiring Major overhaul of key equipment
- Plant cyclic load due to variable power demand viz-a-viz increased wear and tear of equipment

Strategy: Effective Implementation of O&M plans, Effective supply chain management (SCM), Reliability Improvement Measures, Performance monitoring

Strategic Objective:

Cost Optimization



Nature
Short to Long term

Priority
High

Resources allocated

Financial capital, Human capital, Intellectual capital

KPI Monitored

Gross Profit Margin, Net Profit Margin, O&M Cost, Low-cost fuel

Status

Ongoing process

Future relevance of KPI

KPI will remain relevant in future



- Support FFC-PQ & K-Electric in low-cost Energy
- In-efficient plant operation due to variable power demand.

Strategy: Optimized resource utilization through proper planning, Continuous efficiency improvement initiatives through improved technology, efficient Coal purchasing, Need base expenditure, Cost monitoring at multiple levels

Strategic Objective:

Self-Reliance in Operations and Maintenance



Nature
Medium to Long term

Priority
Medium

Resources allocated

Financial capital, Human capital

KPI Monitored

Plant Availability, Annual turnaround cost, Training Budget Utilization

Status

Ongoing process

Future relevance of KPI

KPI will remain relevant in future



- Engaged human resources
- Diversified and experienced O&M professionals
- Efficient manpower utilization

- Technical workload
- Manpower Attrition
- Higher administrative workload

Strategy: Technical trainings, National & International Certifications, Technical Audit of O&M Activities

Strategic Objective:

Create / enter new lines of business to augment profitability



Nature
Long Term

Priority
Medium

Resources allocated

Human capital, Intellectual capital, financial capital

KPI Monitored

Revenue generated from technical services and Ash sales

Status

Ongoing process

Future relevance of KPI

KPI will remain relevant in future



- Business Diversification, Power supply to new customers Revenue generation from Ash sales
- New Business risks

Strategy: Power Supply to Potential Bulk Power Consumers, Technical Services to Allied industry along with O&M support services to Thermal Power Industry

Financial Performance of the Group

Strategic Objective:

Social Life, Environment Sustenance and Community development



Nature

Short to Medium term

Priority

High

Resources allocated

Financial capital, Human capital

KPI Monitored

CSR budget, feedback from community, employee feedback, monitoring of environmental aspects

Status

Ongoing process

Future relevance of KPI

KPI will remain relevant in future



- Community Harmony
- Employee motivation & engagement
- Clean & safe environment

- Increase in employee expectations
- Demands from community
- Increase in capital cost

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

Strategic Objective:

Digitization



Nature

Short to Medium term

Priority

High

Resources allocated

Human capital, Intellectual capital, financial capital

KPI Monitored

Automated data logging with Minimize human intervention & auditable trail

Status

Ongoing process

Future relevance of KPI

KPI will remain relevant in future



- E-Checklist for O&M activities
- E-bidding thru SAP-Ariba
- Clicksense dashboards
- High attrition rate due to specialized skills

Strategy: Continue and expand ongoing digitization initiatives while adopting the best industrial practices and advanced tools implemented by leading national and international organizations

Key Risks and Opportunities

Inherent Risk

R
Rating



L
Likelihood



M
Magnitude



Operational Malfunctions, Maintenance Issues, Plant ageing – that may result in reduced availability, production & reliability

Associated objective

Maximize Energy Production, Plant Availability and Cost Optimization

Opportunities

Follow good O&M, Asset Reliability & Integrity practices being followed at FFC fertilizer plants

Mitigation Measures

- Comply with OEM recommended scheduled maintenance plan with continuous monitoring and follow modern reliability practices
- Keep recommended inventory of spares for unscheduled maintenance with appropriate changes in type / levels of parts based on experience.
- Diversify spares / parts sourcing to original parts manufacturer (OPM) and qualified Chinese vendors
- Development and updating of O&M manuals and maintenance SOPs, safety procedures and refresher trainings of O&M team
- Continue development of in-house capabilities to repair / refurbish.
- Plant performance monitoring & reliability studies for mitigation against aging impacts.
- Seek support from central reliability team
- Appropriate insurance coverage

Residual Risk

R
Rating



L
Likelihood



M
Magnitude



Capital



Human



Financial

Type



Operational Risk

Source

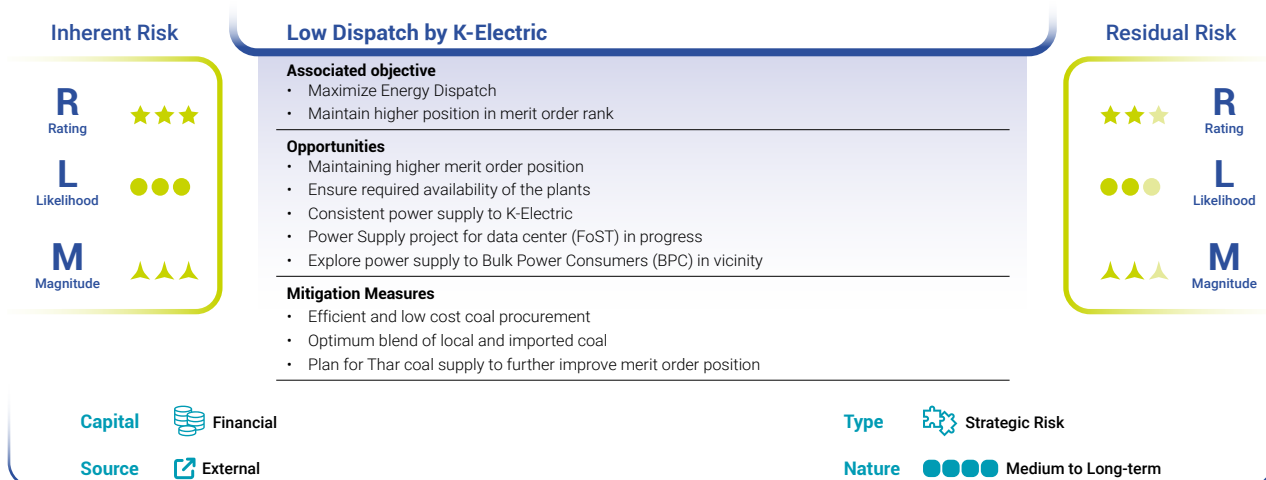
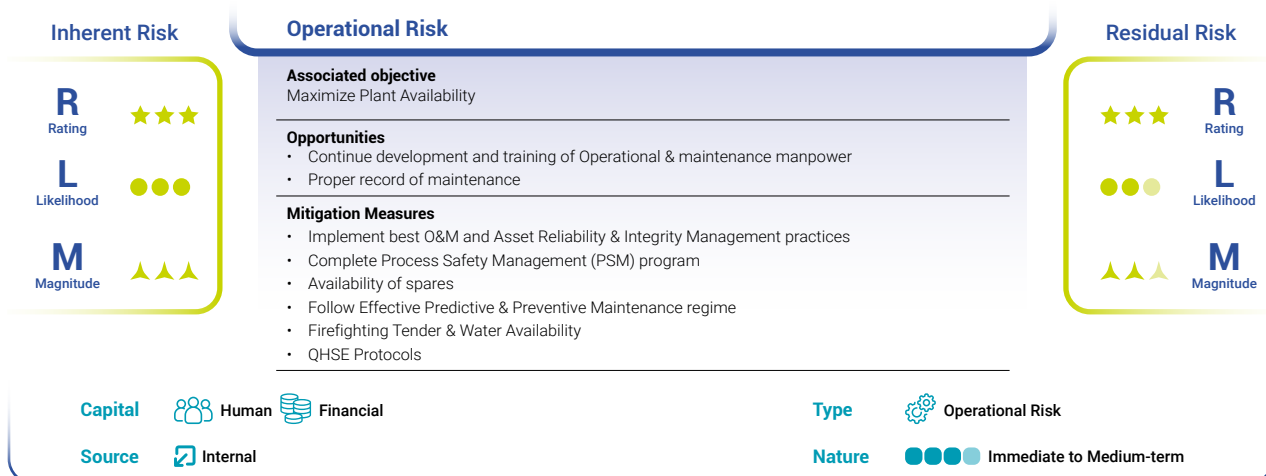
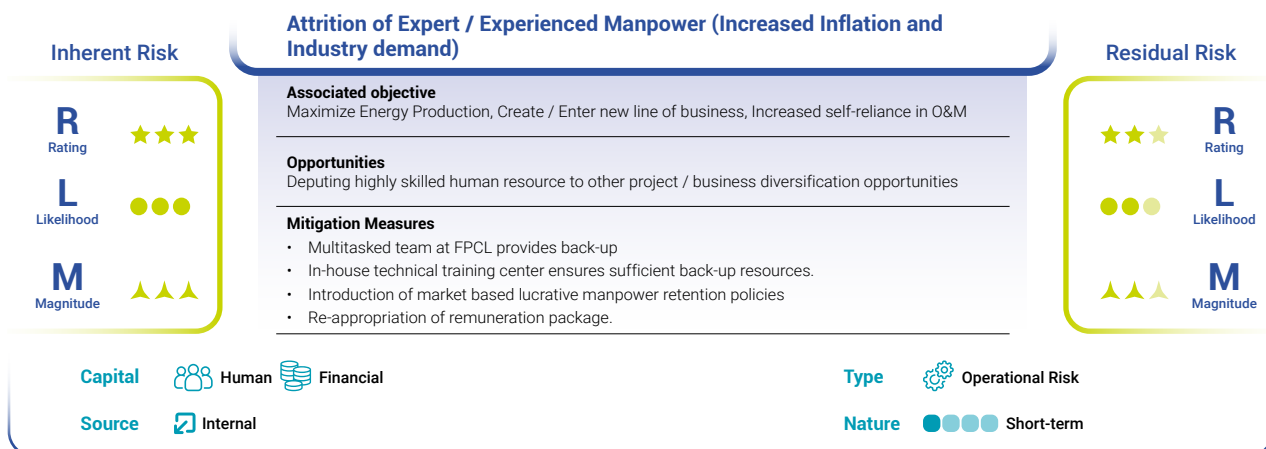


Internal

Nature



Immediate to Medium-term



Financial Performance of the Group



Fauji Fresh n Freeze Limited

FFFL 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. To date, FFC has an aggregate investment of PKR 11.34 billion in the project.

During 2025, FFF delivered a notable turnaround and recorded its first-ever profit after tax of PKR 201 million, compared to a loss of PKR 573 million in the previous year.

Revenue increased to PKR 7.7 billion, supported by recovery in volumes, an improved channel mix led by growth in the Quick Service Restaurant segment, steady performance in retail and food service channels, and focused cost optimization initiatives.

Improved profitability during the year translated into a strong operating cash flow position, with cash generated from operating activities amounting to PKR 1.5 billion, compared to cash outflow from operating activities of PKR 0.7 billion in 2024. FFFL also continued to strengthen its operating platform through yield improvement initiatives, localisation of seed development and enhanced digital monitoring of potato acreage, while increased focus on

export markets supported volume growth during the year.

The auditors of FFFL have issued an unmodified opinion on its financial statements for the year ended December 31, 2025.

Composition of the Board

- Lt Gen Anwar Ali Hyder, HI(M) (Retired) - Chairman
- Lt Gen Ali Amir Awan, HI(M) (Retired) - MD&CEO
- Jahangir Piracha
- Syed Bakhtiyar Kazmi
- Imran Husain
- Naeem Iqbal Khokhar
- Fariyha Subhani

Board Meetings During the Year

Director	Jan 28	Apr 28	Jul 24	Oct 22	Dec 15	Total Meetings Attended
Lt Gen Anwar Ali Hyder, HI(M) (Retired)						●●●●●●
Lt Gen Ali Amir Awan, HI(M), (Retired)						●●●●●●
Syed Bakhtiyar Kazmi						●●●●●●
Jahangir Piracha						●●●●●●
Imran Husain						●●●●●●
Naeem Iqbal Khokhar						●●●●●●
Fariyha Subhani						●●●●●●
Mazhar Abbas Hasnani			Resigned			●●

Casual Vacancies Filled During the Year

New Appointment	Resignation/ Retired	Date of Resignation
-	Mazhar Abbas Hasnani	24 Jun 2025

Audit & HR Committee Meetings held during the Year

Director	Jan 21	Apr 21	Jul 21	Oct 16	Dec 11	Total Meetings Attended
Syed Bakhtiyar Kazmi						●●●●●●
Naeem Iqbal Khokhar						●●●●●●
Imran Husain						●●●●●●

Casual Vacancies Filled During the Year

- NIL

Management objectives (FFF)

Strategic Objective:

Retain market leadership in French Fries, Fruits & Vegetables and Ready to Cook (RTC) range



Nature
Long Term

Priority
High

Resources allocated

Financial capital, human capital, manufactured capital

KPI Monitored

Market share indexing

Status

Ongoing

Future relevance of KPI

The current KPI is relevant for future as well



Market entry of competitors. With appropriate measures we can change this threat into opportunity.

Strategy: Retain market share, Increase market penetration, Ensure availability of products at all potential outlets, Inundate all potential towns.

Strategic Objective:

Technological excellence and backward Supply Chain integration of agriculture practices



Nature
Long Term

Priority
High

Resources allocated

Financial capital, human capital, manufactured capital, intellectual capital

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



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.

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

Strategic Objective:

To become top of mind brand



Nature
Medium Term

Priority
High

Resources allocated

Financial capital, human capital, intellectual capital

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



In-case of lack of continued and appropriate communication the consumers switch to alternate products

Strategy: Appropriate and effective communication to the potential consumers through optimum marketing

Financial Performance of the Group

Management objectives (FFF)

Strategic Objective:

To offer best quality products to the consumers, consumer centricity



Nature
Medium Term

Priority
High

Resources allocated

Financial capital, human capital, manufactured capital, intellectual capital

KPI Monitored

Monitoring of quality throughout supply chain
Annual Renewal of food safety and quality certifications

Status

Ongoing

Future relevance of KPI

The KPI is relevant for future as well



Product of compromised quality are non-competitive and eroding market share

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.

Strategic Objective:

End to end cost effective operations



Nature
Medium Term

Priority
High

Resources allocated

Intellectual capital

KPI Monitored

Monthly cost accounts and management accounts

Status

Ongoing

Future relevance of KPI

The KPI is relevant for future as well



Lack of cost control erode margins and render the products non-competitive

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.

Strategic Objective:

Financial health and sustainable operations



Nature
Short Term

Priority
High

Resources allocated

Intellectual capital, financial capital

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



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.

Strategy: Availability of resources at optimal prices is the back-bone for sustained growth and attaining continued market leadership

Key Risks and Opportunities (FFF)

Inherent Risk

R
Rating

☆☆☆

L
Likelihood

●●●

M
Magnitude

▲▲▲

Capital Financial

Source External

Type Commercial

Nature Medium term

Out of sight out of mind

Associated objective
To become top of mind brand

Mitigation measures
Appropriate and effective communication to the potential consumers through optimum marketing mix

Inherent Risk

R
Rating

☆☆☆

L
Likelihood

●●●

M
Magnitude

▲▲▲

Capital Financial

Source External

Type Commercial

Nature Medium term

Entry of competitors

Associated objective
Consolidate market leadership

Mitigation measures
Consolidate market share. Increase market penetration. Ensure availability of product at all potential outlets. Inundate all potential towns

Inherent Risk

R
Rating

☆☆☆

L
Likelihood

●●●

M
Magnitude

▲▲▲

Capital Financial

Source External

Type Financial

Nature Medium term

Lack of cost control will render the products unable to compete in the competitive environment

Associated objective
End to end cost effective operations

Mitigation measures
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

Key Risks and Opportunities (FFF)

Inherent Risk

R
Rating

☆☆☆

L
Likelihood

●●●

M
Magnitude

▲▲▲

Lagging in technological excellence render the product non-competitive in the competitive environment

Associated objective
Technological excellence

Mitigation measures
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

Capital Financial

Source External

Type Commercial

Nature Short term

Inherent Risk

R
Rating

☆☆☆

L
Likelihood

●●●

M
Magnitude

▲▲▲

Low quality product will erode consumer loyalty

Associated objective
To offer best quality products to the consumers

Mitigation measures
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

Capital Financial

Source External

Type Financial

Nature Medium term

Inherent Risk

R
Rating

☆☆☆

L
Likelihood

●●●

M
Magnitude

▲▲▲

Insufficient cash available to pay liabilities resulting in a liquidity problem

Associated objective
Financial health and sustainable operations

Mitigation measures
The financial muscle and the market reputre of the parent company will support the Company in pulling through the challenging situation

Capital Financial

Source External

Type Financial

Nature Long term



Fauji Foods Limited

FFL is a public listed company incorporated in Pakistan on September 26, 1966. Following the merger of FFBL into FFC in 2024, FFBL's 47.84% direct equity stake in FFL, along with its indirect 11.9% holding through its 75% owned subsidiary FPCL, was transferred to FFC. In addition, FFC holds an indirect equity interest of 18.45% through its wholly owned subsidiary, FFCEL. Consequently, FFC's total direct and indirect equity stake in FFL stands at 78.19%.

FFL 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.

FFL marked a decisive shift from turnaround to growth mode during the year and delivered a landmark performance. Despite operating in an environment marked by drop in consumption, market conservatism and the imposition of Goods and Services Tax (GST) on packaged milk, FFL achieved its highest ever sales revenue of PKR 28.9 billion. This performance was underpinned by disciplined execution of its cost reduction and margin-accretive growth strategy, supported by a focused product and channel mix.

Improved operating efficiencies and continued emphasis on cost discipline translated into a meaningful improvement in profitability. As a result, profit after tax amounted to PKR 1.3 billion as compared to PKR 328 million during 2024. This outcome reflects FFL's strengthened operating fundamentals and the benefits of actions taken over recent years to stabilise and reposition the business.

During the year, FFL completed its transformation from a specialised dairy business into a multi-category food platform following expansion

into cereals and pasta. This broader portfolio has strengthened FFL's presence across the consumer's daily grocery basket and is expected to support sustainable growth over the medium term.

The auditors of FFL have issued an unmodified opinion in their audit report of FFL's financial statements for the year ended December 31, 2025.

The comparative figures represent performance during second half of 2024 only post-merger, while full year results have been incorporated during 2025.

Composition of the Board

- Lt Gen Anwar Ali Hyder, HI(M) (Retired) - Chairman
- Lt Gen Ali Amir Awan, HI(M) (Retired) - MD&CEO
- Jahangir Piracha
- Syed Bakhtiyar Kazmi
- Mohammad Majid Munir
- Nosheen Akhtar
- Basharat Ahmad Bhatti
- Javed Kureishi
- Yasir Ilyas Khan



Financial Performance of the Group

Board Meetings During the Year

Director	Jan 28	Apr 23	Jul 24	Oct 22	Dec 15	Total Meetings Attended
Lt Gen Anwar Ali Hyder, HI(M) (Retired)						●●●●●
Lt Gen Ali Amir Awan, HI(M), (Retired)						●●●●●
Syed Bakhtiyar Kazmi						●●●●●
Mohammad Majid Munir	N/A					●●
Jahangir Piracha	N/A				×	●●●●
Arif Ur Rehman		Resigned				●
Mazhar Abbas Hasnani			Resigned			●●
Nosheen Akhtar				×		●●●●●
Basharat Ahmad Bhatti						●●●●●
Javed Kureishi						●●●●●
Yasir Ilyas khan	×			×		●●●●●

Casual Vacancies Filled during the Year

New Appointment	Resignation/ Retired	Date of Appointment
Jahangir Piracha	Arif Ur Rehman	21 Mar 2025
Mohammad Majid Munir	Mazhar Abbas Hasnani	17 Sept 2025

Audit Committee Meetings held during the Year

Director	Jan 24	Apr 18	Jul 18	Oct 16	Dec 11	Total Meetings Attended
Javed Kureishi						●●●●●
Syed Bakhtiyar Kazmi			×			●●●●●
Mazhar Abbas Hasnani	×	×	Resigned			●●
Basharat Ahmad Bhatti						●●●●●
Mohammad Majid Munir	N/A			×		●●

Casual Vacancies Filled During the Year

New Appointment	Resignation/ Retired	Date of Appointment
Mohammad Majid Munir	Mazhar Abbas Hasnani	17 Sept 2025

HR&R Committee Meetings during the Year

Director	Apr 18	Jul 17	Oct 17	Dec 10	Total Meetings Attended
Basharat Ahmad Bhatti					●●●●●
Nosheen Akhtar					●●●●●
Mazhar Abbas Hasnani	×	Resigned			●
Yasir Ilyas khan	N/A		×		●●
Mohammad Majid Munir	N/A				●●

Casual Vacancies Filled during the Year

New Appointment	Resignation/ Retired	Date of Appointment
Mohammad Majid Munir	Mazhar Abbas Hasnani	17 Sept 2025
-	Yasir Ilyas khan	17 Sept 2025

Management objectives (FFL)

Strategic Objective:

Sustainable Sourcing of quality Raw Milk



/// Nature
Long Term

★★★ Priority
High

Resources allocated

Implementation of GRIDD project, Dairy development teams, engagement with relevant authorities

KPI Monitored

Key climate change impacts, floods etc., milk availability

Status

Ongoing

Future relevance of KPI

The current KPI is relevant for future



Climate change is materially impacting the yield and hence the quality & quantity of raw milk availability

Strategy: Support farmer development, milk yield improvement, optimise dairy channel mix

Strategic Objective:

Maintain profitable structure within the regulatory environment



/// Nature
Long Term

★★★ Priority
High

Resources allocated

Dairy industry engagement with government under the umbrella of Dairy Association

KPI Monitored

Changes to tax laws, Fiscal budgets

Status

Ongoing

Future relevance of KPI

The current KPI is relevant for future



Further negative impacts on margins due to current & future changes to tax laws

Strategy: Engagement with relevant stakeholders

Strategic Objective:

Keeping Consumers Engaged through relevant brand positioning and offers



/// Nature
Medium Term

★★★ Priority
High

Resources allocated

Quality infrastructure, Cross functional efficiency improvement teams

KPI Monitored

Changes in volumes and volume mix

Status

Ongoing

Future relevance of KPI

The current KPI is relevant for future



Unprecedented inflation has led to declining consumer purchasing power.

Strategy: Deliver greater value to customers to keep them engaged

Strategic Objective:

Maintaining Profitability in a competitive environment



/// Nature
Medium Term

★★★ Priority
High

Resources allocated

Marketing Investment

KPI Monitored

Brand top of mind, brand power score

Status

Ongoing

Future relevance of KPI

The current KPI is relevant for future



Price wars

Strategy: Impactful communication with optimum marketing spend

Financial Performance of the Group



Olive Technical Services (Private) Limited

Olive Technical Services (Private) Limited is a wholly owned subsidiary of FFC operating in the services sector since 2021. The principal line of business of Olive is to provide technical and engineering services, leveraging the Group's four decades of expertise in industrial operations and management, with a focus on delivering services across the petrochemical, oil & gas, fertilizer and energy sectors, while exploring new revenue streams to enhance profitability.

During the year, Olive successfully executed a range of technical assignments, including commissioning works for overseas clients, generating export proceeds. It also secured a long-term operations and maintenance contract, scheduled to commence from

2026, and continued to advance foreign business development initiatives, including feasibility work for establishing a presence in Saudi Arabia.

Olive reported revenue of PKR 799 million during the year and earned a net profit of PKR 281 million, broadly in line with last year. Olive further strengthened its operating framework through attainment of internationally recognized ISO certifications covering quality, safety and environmental management, and expanded its operating reach through establishment of additional business offices. These initiatives, together with continued collaboration with local and international service partners, are expected to support gradual expansion of Olive's service footprint in the coming years.

The Company's auditors have issued an unmodified opinion on Olive's financial statements for the year ended December 31, 2025.

Composition of the Board

- Jahangir Piracha - Chairman
- Akbar Fida Hussain - MD&CEO
- Syed Bakhtiyar Kazmi
- Aamer Fayyaz Ghuman

Board Meetings held during the Year

Name of Director	Jan 29	Dec 30	Total Meetings Attended
Jahangir Piracha			
Wajid Ishaq Bhatti		N/A	
Syed Bakhtiyar Kazmi			
Akbar Fida Hussain			
Aamer Fayyaz Ghuman	N/A		

Audit Committee Meetings held during the Year

Name of Director	Jan 29	Dec 30	Total Meetings Attended
Syed Bakhtiyar Kazmi			
Akbar Fida Hussain		N/A	
Aamer Fayyaz Ghuman	N/A		

Casual Vacancies filled during the Year

New Appointment	Resignation/ Retired	Date of Appointment
Aamer Fayyaz Ghuman	Wajid Ishaq Bhatti	16 Apr 2025

Management objectives (Olive)

Strategic Objective:

Business Development – New business acquisition in local and international markets through entry into new regional markets, forming alliances and partnerships, and developing project sales pipeline. The organization successfully strengthened its forward-looking revenue visibility through disciplined pipeline management, strategic client engagement, and entry into new service domains: Renewables Energy Services, Automation Solutions and Digitalization (ISP) partner for OEMs (ABB Digital & Aspentech).



Nature
Long Term

Priority
High

Resources allocated

Human and Financial Capital

KPI Monitored

New Business Acquisition, PAT, Sales Pipeline

Status

All KPIs successfully achieved, offshore clients serviced, Prequalification with ABB Digital, Aspentech, ACWA Power

Future relevance of KPI

This shall remain for maintaining strategic growth in future



- High growth potential in regional markets especially KSA
- Incorrect positioning as run of the mill Technical Service Contractor within the region will result in high burnout due to high competition

Strategy: Regional entry in KSA, forming lasting partnership with key customers and service companies

Strategic Objective:

Business Sustenance – High Client Satisfaction, and Repeat Business from existing clients. High client retention and satisfaction levels demonstrate OLIVE TS's operational reliability, technical depth, and long-term relationship focus.



Nature
Long Term

Priority
High

Resources allocated

Human & Intellectual Capital

KPI Monitored

Customer Satisfaction and Customer Retention Score

Status

Customer feedback system developed and deployed to monitor and report CSAT

Future relevance of KPI

This shall remain for maintaining strategic growth in future



- Reliable machinery service partner with commitment to serve clients over longer duration is a niche segment and can bring significant revenue
- Relevant resources to serve this segment are hard to find and retain in current competitive market

Strategy: Focus on high client satisfaction through high quality service

Strategic Objective:

Process Development – Business Process Development, and Automation for standardization and cost reduction. The organization demonstrated strong governance, safety culture, and process maturity, with measurable improvements in efficiency, compliance, and risk management. HSE & Quality Performance monitoring on continuous basis.



Nature
Long Term

Priority
High

Resources allocated

Human & Intellectual Capital

KPI Monitored

Processes Automated

Status

ISO certification 9001:2015, 14001:2015, 45001:2018 successfully achieved. Customer feedback system developed and deployed to monitor and report CSAT

Future relevance of KPI

This shall remain for maintaining sustainable growth in future



- Regional Clients demands ISO and other certifications as pre-requisites for PQ, presenting opportunities for only select contractors
- Diverse locations and multiple clients presents high operational risk

Strategy: Management commitment on process standardization and corporate governance through effective systems implementation

Strategic Objective:

People & Culture – Employee Engagement, Training & Development and Diversity & Inclusion. Significant emphasis was placed on our people capability development, leadership readiness, and inclusive workplace practices, strengthening the organization's long-term talent pipeline and conducive HR culture for growth the sustaining experienced resources.



Nature
Long Term

Priority
High

Resources allocated

Human & Intellectual Capital

KPI Monitored

Employee Engagement, Training hours/ employee, Diversity Ratio

Status

Employee Engagement KPI (Achieved 90% vs. 80% Target); Training & Development (55hr/ Emp Achieved vs. 40hr/ Emp); Diversity Ratio (Achieved 35% vs. 20% improvement in female representation at management level)

Future relevance of KPI

This shall remain for maintaining sustainable growth in future



- Motivated Employees will contribute towards excellence in business performance
- Retaining experienced, trained and certified employees for longer duration will keep posing a significant challenge

Strategy: Hiring and retaining the best talent through market competitive compensation and provision of employee friendly culture

Financial Performance of the Group

Key Risks and Opportunities (Olive)

Inherent Risk



Capital Human Financial

Source External

Market Risk

Description

Local market is not growing with increased competition.

Associated Objective & Mitigation measures

Diversification across multiple regional and international markets, competitive digital solutions, and strengthening client relationships. Focus on niche service offerings – Machinery Maintenance, Catalyst Handling, Industrial Automation Solution.

Type Commercial Strategic Risk

Nature ●●●● Immediate

Inherent Risk



Capital Financial Intellectual

Source External

Technology Risk

Description

Fast evolving service and solutions market in Industrial, Renewables and Automation Solutions market locally and globally with low barriers to entry

Associated Objective & Mitigation measures

Continuous innovation and robust cybersecurity measures to stay ahead of technological challenges. Focus on key services and solutions with high barriers to entry in terms of technology, intellectual capital and human resource

Type Commercial Strategic Risk

Nature ●●●● Medium-term

Inherent Risk



Capital Human Financial

Source Internal

Financial Risk

Description

Dependence on industrial services projects and single market (Pakistan).

Associated Objective & Mitigation measures

Implement diversified revenue streams, robust cash flow management, and comprehensive insurance coverage to hedge against market, credit, and operational risks

Type Commercial

Nature ●●●● Medium-term

Inherent Risk



Capital  Human  Financial

Source  Internal

Operations Risk

Description

HSE & Quality Risk associated with project delivery, can dilute brand equity

Associated Objective & Mitigation measures

Implementing robust project management frameworks and building a diversified supplier network with strong HSE and QAQC control during the project lifecycle.

Type  Commercial

Nature ●●●● Long-term



Six Year Financial Ratios

		2025	2024	2023	2022	2021	2020
Profitability Ratios							
Gross profit ratio	%	30.77	34.95	42.36	39.54	36.17	33.52
Operating Margin	%	22.90	27.18	34.75	30.60	28.21	25.48
Net profit ratio	%	17.56	20.80	26.16	27.35	34.86	28.96
EBITDA margin to turnover	%	26.52	32.70	41.46	39.12	40.44	35.89
Operating leverage ratio	Times	(0.39)	0.65	1.32	0.39	2.32	(3.64)
Return on equity (Profit after tax)	%	33.72	36.16	31.77	28.87	39.63	38.27
Return on equity (Profit before tax)	%	54.10	60.43	49.90	42.53	49.61	50.90
Return on capital employed	%	39.05	47.23	41.37	32.23	35.48	37.45
Earning before interest, depreciation and tax	Rs in million	128,302	134,492	75,201	49,167	46,243	36,873
Growth in turnover	%	17.64	126.73	44.32	9.91	11.29	(6.44)
Pre tax margin	%	28.17	34.76	41.09	40.29	43.65	38.51
Return on assets	%	13.85	14.91	14.51	10.48	14.49	13.76
Earnings growth	%	(0.68)	80.23	38.06	(13.78)	34.00	71.63
Liquidity Ratios							
Current ratio	Times	1.27	1.25	1.08	1.06	1.22	1.40
Quick / Acid test ratio	Times	1.03	1.08	1.00	0.90	1.16	1.34
Cash to current liabilities	Times	0.71	0.73	0.60	0.28	0.48	0.69
Long term liabilities / current liabilities	%	35.13	25.37	23.51	21.40	43.33	64.24
Cash flow to capital expenditures	Times	4.27	1.18	1.18	1.18	5.13	12.46
Cash flow coverage ratio	Times	1.78	0.32	0.32	0.32	0.93	2.11
Activity / Turnover Ratios							
Inventory turnover ratio	Times	22.55	15.88	8.67	7.08	79.90	18.24
No. of days in inventory	Days	16	23	42	52	5	20
Debtors turnover ratio	Times	19.66	28.50	13.76	10.36	13.22	9.57
No. of days in receivables	Days	19	13	27	35	28	38
Creditors turnover ratio - with GIDC	Times	3.24	3.02	1.57	1.47	2.11	1.51
- without GIDC	Times	18.20	17.96	12.22	12.76	21.26	24.74
No. of days in payables - with GIDC	Days	113	121	232	249	173	242
- without GIDC	Days	20	20	30	29	17	15
Total assets turnover ratio	Times	0.79	0.72	0.55	0.38	0.42	0.48
Fixed assets turnover ratio	Times	3.65	3.53	2.62	2.17	2.08	3.15
Operating cycle - with GIDC	Days	(78)	(85)	(163)	(162)	(140)	(184)
- without GIDC	Days	15	16	39	58	16	43
Investment / Market Ratios							
Earnings per share (EPS)	Rs	58.44	59.29	37.30	27.02	31.33	23.38
Breakup value (net assets per share) - restated							
- Without revaluation reserves	Rs	177.04	175.52	117.39	93.58	79.07	61.10
- With revaluation reserves	Rs	186.07	181.71	117.97	95.54	82.08	62.20
Capital Structure Ratios							
Financial leverage ratio	Times	0.34	0.33	0.28	0.70	0.65	0.56
Debt to equity ratio	Ratio	17:83	17:83	17:83	17:83	17:83	29:71
Interest cover ratio	Times	20.16	19.20	12.31	9.54	19.24	17.40

Six Year Financial Performance

Rs million	2025	2024	2023	2022	2021	2020
Summary of Statement of Financial Position						
Share capital	14,231	14,231	12,722	12,722	12,722	12,722
Reserves	237,710	222,307	136,624	106,336	87,878	65,017
Share in revaluation reserve of associates-net / NCI	12,864	8,353	737	2,487	3,819	1,393
Equity and reserves	264,805	244,891	150,083	121,545	104,419	79,132
Long term borrowings - secured	50,818	32,491	19,565	17,821	19,172	12,199
Capital employed	315,623	277,382	169,648	139,366	123,591	91,331
Deferred liabilities	39,329	33,681	13,930	10,389	8,540	8,541
Property, plant & equipment	132,494	116,420	69,294	57,922	54,958	32,596
Long term assets	285,434	244,960	171,691	148,233	130,359	99,019
Net current assets / Working capital	69,962	66,467	12,053	9,688	25,647	33,730
Liquid funds (net)	337,214	324,679	186,207	134,732	133,250	121,861
Summary of Statement of Profit or Loss						
Turnover-net	483,808	411,254	181,382	125,678	114,345	102,744
Cost of sales	(334,928)	(267,509)	(104,546)	(75,989)	(72,992)	(68,304)
Gross profit	148,880	143,745	76,836	49,689	41,353	34,440
Administrative and distribution expenses	(38,085)	(31,986)	(13,812)	(11,232)	(9,099)	(8,265)
Operating profit	110,795	111,759	63,024	38,457	32,254	26,175
Finance cost	(7,115)	(7,853)	(6,587)	(5,926)	(2,736)	(2,413)
Other (losses) / gains	-	(1,416)	(4,060)	(2,789)	6,897	4,939
Other expenses	(11,241)	(10,305)	(5,445)	(3,047)	(2,962)	(2,648)
Other income	18,675	27,031	16,358	11,498	6,302	5,217
Share of profit of associates and joint venture	25,188	23,723	11,237	12,440	10,155	8,297
Profit before tax	136,302	142,939	74,527	50,633	49,910	39,567
Provision for taxation	(51,356)	(57,414)	(27,075)	(16,263)	(10,045)	(9,816)
Profit for the year	84,946	85,525	47,452	34,370	39,865	29,751
EPS (Rs)	58.44	59.29	37.30	27.02	31.33	23.38

Horizontal Analysis

Consolidated Statement of Financial Position

	2025	25 Vs 24	2024	24 Vs 23	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Equity and Liabilities												
Equity and Reserves												
Share capital	14,231	-	14,231	12	12,722	-	12,722	-	12,722	-	12,722	-
Capital reserve	44,631	8	41,335	202	13,703	32	10,404	27	8,192	22	6,737	36
Revenue reserves	193,079	7	180,972	47	122,921	28	95,932	20	79,686	37	58,280	39
	251,941	7	236,538	58	149,346	25	119,058	18	100,600	29	77,739	31
Share in revaluation reserve of associates-net / NCI	12,864	54	8,353	1,033	737	(70)	2,487	(35)	3,819	174	1,393	16
Non - Current Liabilities												
Long term borrowings - secured	50,818	56	32,491	66	19,565	10	17,821	(7)	19,172	57	12,199	30
Lease liabilities	397	36	291	355	64	(26)	87	(97)	2,940	3,669	78	(10)
Deferred government grant	48	(34)	73	(28)	102	(26)	137	(22)	175	548	27	100
Gas Infrastructure Development Cess (GIDC) payable	-	-	-	-	-	-	7,941	(62)	20,802	(37)	32,772	100
Deferred liabilities	39,329	17	33,681	142	13,930	34	10,389	22	8,540	-	8,541	42
	90,592	36	66,536	98	33,661	(7)	36,375	(30)	51,629	(4)	53,617	247
Current Liabilities												
Current portion of long term borrowings - secured	11,637	57	7,418	13	6,544	(2)	6,703	(4)	6,954	20	5,782	(5)
Current portion of lease liabilities	106	77	60	76	34	(99)	3,687	34	2,745	10,458	26	(50)
Current portion of deferred government grant	25	(19)	31	(11)	35	(8)	38	(52)	79	(15)	93	100
Trade and other payables	206,886	5	196,832	81	108,786	18	92,159	44	64,183	37	46,928	(39)
Mark - up and profit accrued	987	1	981	(30)	1,392	(11)	1,556	109	743	166	279	(61)
Short term borrowings - secured	22,010	(43)	38,341	153	15,133	(74)	58,813	51	38,999	54	25,277	12
Unclaimed dividend	852	28	664	28	517	8	479	1	472	1	468	(13)
Provision for taxation	15,399	(14)	17,930	67	10,737	64	6,564	32	4,974	8	4,608	49
	257,902	(2)	262,257	83	143,178	(16)	169,999	43	119,149	43	83,461	(24)
Total Equity And Liabilities	613,299	7	573,684	75	326,922	-	327,919	19	275,197	27	216,210	17
Assets												
Non - Current Assets												
Property, plant & equipment	132,494	14	116,420	68	69,294	20	57,922	5	54,958	69	32,596	-
Intangible assets	2,038	2	1,990	3	1,935	-	1,936	-	1,941	-	1,938	-
Long term investments	146,226	17	124,630	27	97,801	17	83,788	19	70,385	13	62,512	27
Long term loans & advances - secured	4,530	154	1,785	(32)	2,630	(42)	4,556	50	3,044	56	1,946	62
Long term deposits & prepayments	147	9	135	335	31	-	31	-	31	15	27	(4)
	285,435	17	244,960	43	171,691	16	148,233	14	130,359	32	99,019	16
Current Assets												
Stores, spares and loose tools	18,101	12	16,188	97	8,203	25	6,559	39	4,735	4	4,563	18
Stock in trade	45,350	53	29,699	644	3,992	(80)	20,117	1,386	1,354	186	473	(93)
Trade debts	33,902	121	15,315	13	13,544	6	12,828	12	11,428	95	5,869	(62)
Loans and advances - secured	7,554	12	6,716	158	2,607	94	1,347	39	969	19	811	(6)
Deposits and prepayments	1,516	8	1,399	95	716	134	306	292	78	15	68	28
Other receivables	8,442	(60)	21,016	(7)	22,629	(21)	28,772	18	24,367	17	20,780	18
Short term investments	199,034	(11)	222,415	119	101,743	(6)	107,756	8	100,037	20	83,188	69
Cash and bank balances	13,965	(13)	15,976	790	1,796	(10)	2,001	10	1,827	27	1,438	(76)
	327,864	-	328,724	112	155,231	(14)	179,687	24	144,796	24	117,191	17
Asset classified as held for sale	-	-	-	-	-	-	-	-	42	100	-	-
Total Assets	613,299	7	573,684	75	326,922	-	327,920	19	275,197	27	216,210	17

Vertical Analysis

Consolidated Statement of Financial Position

	2025		2024		2023		2022		2021		2020	
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Equity and Liabilities												
Equity and Reserves												
Share capital	14,231	2	14,231	2	12,722	4	12,722	4	12,722	5	12,722	6
Capital reserve	44,631	7	41,335	7	13,703	4	10,404	3	8,192	3	6,737	3
Revenue reserves	193,079	31	180,972	32	122,921	38	95,932	30	79,686	29	58,280	27
	251,941	40	236,538	41	149,346	46	119,059	37	100,600	37	77,739	36
Share in revaluation reserve of associates-net / NCI	12,864	2	8,353	1	737	1	2,487	1	3,819	2	1,393	1
Non - Current Liabilities												
Long term borrowings - secured	50,818	8	32,491	6	19,565	5	17,821	5	19,172	6	12,199	5
Lease Liabilities	397	-	291	-	64	-	87	-	2,940	1	78	-
Deferred government grant	48	-	73	-	102	-	137	-	175	-	27	-
Gas Infrastructure Development Cess (GIDC) payable	-	-	-	-	-	-	7,941	2	20,802	7	32,772	15
Deferred liabilities	39,329	6	33,681	6	13,930	4	10,389	3	8,540	3	8,541	4
	90,592	14	66,536	12	33,661	9	36,375	10	51,629	17	53,617	24
Current Liabilities												
Trade and other payables	206,886	35	196,832	35	108,786	34	92,159	29	64,183	24	46,928	22
Current portion of long term borrowings - secured	11,637	2	7,418	1	6,544	2	6,703	2	6,954	3	5,782	3
Current portion of lease liabilities	106	-	60	-	34	-	3,687	1	2,745	1	26	-
Current portion of deferred government grant	25	-	31	-	35	-	38	-	79	-	93	-
Mark - up and profit accrued	987	-	981	-	1,392	-	1,556	-	743	-	279	-
Short term borrowings	22,010	4	38,341	7	15,133	5	58,813	18	38,999	14	25,277	12
Unclaimed dividend	852	-	664	-	517	-	479	-	472	-	468	-
Provision for taxation	15,399	3	17,930	3	10,737	3	6,564	2	4,974	2	4,608	2
	257,902	44	262,257	46	143,178	44	169,999	52	119,149	44	83,461	39
Total Equity And Liabilities	613,299	100.0	573,684	100	326,922	100	327,920	100	275,197	100	216,210	100
Assets												
Non - Current Assets												
Property, plant & equipment	132,494	22	116,420	20	69,294	21	57,922	18	54,958	20	32,596	15
Intangible assets	2,038	-	1,990	-	1,935	1	1,936	1	1,941	1	1,938	1
Long term investments	146,225	24	124,630	22	97,801	30	83,788	26	70,385	26	62,512	29
Long term loans & advances - secured	4,530	1	1,785	-	2,630	1	4,556	1	3,044	1	1,946	1
Long term deposits & prepayments	147	-	135	-	31	-	31	-	31	-	27	-
	285,434	47	244,960	43	171,691	53	148,233	45	130,359	47	99,019	46
Current Assets												
Stores, spares and loose tools	18,101	3	16,188	3	8,203	3	6,559	2	4,735	2	4,563	2
Stock in trade	45,350	7	29,699	5	3,992	1	20,117	6	1,354	-	473	-
Trade debts	33,902	6	15,315	3	13,544	4	12,828	4	11,428	4	5,869	3
Loans and advances - secured	7,554	1	6,716	1	2,607	1	1,347	-	969	-	811	-
Deposits and prepayments	1,516	1	1,399	-	716	-	306	-	78	-	68	-
Other receivables	8,442	1	21,016	4	22,629	7	28,772	9	24,367	9	20,780	10
Short term investments	199,034	32	222,415	39	101,743	31	107,756	33	100,037	36	83,188	38
Cash and bank balances	13,965	2	15,976	3	1,796	1	2,001	1	1,827	1	1,438	1
	327,864	53	328,724	57	155,231	47	179,687	55	144,796	53	117,191	54
Asset classified as held for sale	-	-	-	-	-	-	-	-	42	-	-	-
Total Assets	613,298	100	573,684	100	326,922	100	327,920	100	275,197	100	216,210	100

Horizontal Analysis

Consolidated Statement of Profit or Loss

	2025	25 Vs 24	2024	24 Vs 23	2023	23 Vs 22	2022	22 Vs 21	2021	21 Vs 20	2020	20 Vs 19
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Turnover-net	483,808	18	411,254	127	181,382	44	125,678	10	114,345	11	102,744	(6)
Cost of sales	(334,928)	25	(267,509)	156	(104,546)	38	(75,989)	4	(72,992)	7	(68,304)	(11)
Gross profit	148,880	4	143,745	87	76,836	55	49,689	20	41,353	20	34,440	5
Administrative and distribution expenses	(38,085)	19	(31,986)	132	(13,812)	23	(11,232)	23	(9,099)	10	(8,265)	(7)
Operating Profit	110,795	(1)	111,759	77	63,024	64	38,457	19	32,254	23	26,175	9
Finance cost	(7,115)	(9)	(7,853)	19	(6,587)	11	(5,926)	117	(2,736)	13	(2,413)	(27)
Other losses / (gains)	-	(100)	(1,415)	(65)	(4,060)	46	(2,789)	(140)	6,897	-	4,939	-
Other expenses	(11,242)	9	(10,306)	89	(5,445)	79	(3,047)	3	(2,962)	12	(2,648)	11
	92,438	-	92,185	96	46,932	76	26,695	(20)	33,453	28	26,053	43
Other income	18,675	(31)	27,031	65	16,358	42	11,498	82	6,302	21	5,217	(9)
Share of profit of associates and joint venture	25,188	6	23,723	111	11,237	(10)	12,440	23	10,155	22	8,297	(2,289)
Profit before taxation	136,301	(5)	142,939	92	74,527	47	50,633	1	49,910	26	39,567	68
Provision for taxation	(51,356)	(11)	(57,414)	112	(27,075)	66	(16,263)	62	(10,045)	2	(9,816)	57
Profit for the year	84,945	(1)	85,525	80	47,452	38	34,370	(14)	39,865	34	29,751	72
EPS (Rs)	58.44	(1)	59.29	59	37.30	38	27.02	(14)	31.33	34	23.38	72

Vertical Analysis

Consolidated Statement of Profit or Loss

	2025		2024		2023		2022		2021		2020	
	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%	Rs M	%
Turnover-net	483,808	100	411,254	100	181,382	100	125,678	100	114,345	100	102,744	100
Cost of sales	(334,928)	(69)	(267,509)	(65)	(104,546)	(58)	(75,989)	(60)	(72,992)	(64)	(68,304)	(66)
Gross profit	148,880	31	143,745	35	76,836	42	49,689	40	41,353	36	34,440	34
Administrative and distribution expenses	(38,085)	(8)	(31,986)	(8)	(13,812)	(8)	(11,232)	(9)	(9,099)	(8)	(8,265)	(8)
Operating Profit	110,795	23	111,759	27	63,024	35	38,457	35	32,254	29	26,175	24
Finance cost	(7,115)	(1)	(7,853)	(2)	(6,587)	(4)	(5,926)	(5)	(2,736)	(2)	(2,413)	(2)
Other losses / (gains)	-	-	(1,415)	-	(4,060)	(2)	(2,789)	(2)	6,897	6	4,939	5
Other expenses	(11,242)	(2)	(10,306)	(3)	(5,445)	(3)	(3,047)	(2)	(2,962)	(3)	(2,648)	(3)
	92,438	19	92,185	22	46,932	26	26,695	21	33,453	29	26,053	25
Other income	18,675	4	27,031	7	16,358	9	11,498	9	6,302	6	5,217	5
Share of profit of associates and joint venture	25,188	5	23,723	6	11,237	6	12,440	10	10,155	9	8,297	8
Profit before taxation	136,301	28	142,939	35	74,527	41	50,633	40	49,910	44	39,567	39
Provision for taxation	(51,356)	(11)	(57,414)	(14)	(27,075)	(15)	(16,263)	(13)	(10,045)	(9)	(9,816)	(10)
Profit for the year	84,945	18	85,525	21	47,452	26	34,370	27	39,865	35	29,751	29
EPS (Rs)	58.44		59.29		37.30		27.02		31.33		23.38	

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 over 700 branches, in addition to a wholesale banking branch in the Kingdom of Bahrain. FFC acquired a 43.15% equity stake in AKBL in 2012, which increased to 64.72% due to merger of FFBL with and into FFC in 2024.

The Bank delivered a healthy performance during the period, with profit after tax amounting to PKR 24.7 billion. The improved results were driven by a sizable increase in net mark-up income arising from higher average current account balances and effective asset deployment, besides improved non-mark-up income.

AKBL continued to strengthen its deposit base during the period, with growth largely led by low-cost current accounts, reinforcing the sustainability of its earnings. In parallel, AKBL progressed on its strategic transition towards Islamic banking, with nearly 50% of its branch network now offering Shariah-compliant products and services.

PACRA reaffirmed AKBL's long-term entity rating at 'AA+' with a Stable outlook, while the short-term rating was maintained at 'A1+', reflecting the Bank's sound financial profile, experienced management and strong association with the Fauji Group.

The Contribution from AKBL to the group has been taken on FFC and ex-FFBL combined holding for the full year of 2025. During 2024 FFC's share for the full year of operations of AKBL was reported while third quarter results were reported on account of ex-FFBL shareholding in AKBL, post-merger.



Fauji Cement Company Limited

FCCL was incorporated in 1992 and is listed on the Pakistan Stock Exchange. It is principally engaged in the manufacturing and sale of cement. Pursuant to a scheme of arrangement approved by the Boards of Directors of both companies in 2021 and sanctioned by the Honourable Lahore High Court in March 2022, Askari Cement Limited was amalgamated with and into FCCL. This merger positioned FCCL among the leading players in Pakistan's cement industry with a capacity of 10.5 million tonnes per annum. As a result of the share exchange undertaken under the scheme, FFC's shareholding in FCCL reduced to 4.29% from 6.79%.

During the year, FCCL delivered a strong performance, supported by improved pricing environment, higher dispatches and continued focus on cost optimisation initiatives. Enhanced utilisation of local coal and alternative fuels, increased reliance on own power generation, in-house production of PP bags and optimisation of fixed costs contributed to lower cost of production. As a result, FCCL recorded net earnings of PKR 13.4 billion, reflecting a 51% increase compared to PKR 8.9 billion in the previous 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 (shareholding of 12.5% initially, which increased to 37.5% following the merger of FFBL with FFC in 2024, Fauji Foundation (12.5%)

and the Moroccan state-owned organization Officie Cherifien Des Phosphates (50%). PMP began its activities in 2008 and is engaged in manufacturing and marketing of phosphoric acid, fertilizer and other related products.

The 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.

During the period, the joint venture reported a profit of PKR 9.8 billion and continued to generate strong cash flows, enabling distribution of dividends amounting to PKR 7 billion to FFC during the year. The dividend received during the year alone, relative to the Group's equity investment of PKR 2.1 billion in PMP, underscores the strong returns being generated from this long-standing strategic investment.

The Contribution from PMP to the group has been taken on FFC and ex-FFBL combined holding of 37.5% for the full year of 2025. During 2024 FFC's share for the full year of operations of PMP was reported while third quarter results were reported on account of ex-FFBL shareholding in PMP, post-merger.



Thar Energy Limited

Thar Energy Limited (TEL) was incorporated as a public unlisted company in 2016. The 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

Financial Performance of the Group

revenues. FFC holds an equity stake of 30% in the project.

TEL demonstrated strong operational performance during the year.

The plant generated 1.69 GWh of electricity during the period, supporting stable operations. As a result, profit after tax stood at PKR 12.44 billion, compared to PKR 7.47 billion in the corresponding period last year, reflecting an impressive increase of 67%.



Agritech Limited

Agritech Limited (AGL) was incorporated in Pakistan on December 15, 1959 and was privatized by the Government in 2006. The Company is listed on the Pakistan Stock Exchange and is principally engaged in the manufacturing and marketing of fertilizers. AGL operates a urea

manufacturing plant at Iskanderabad, District Mianwali, and a Granular Single Super Phosphate (GSSP) plant at Hattar Road, Haripur.

Aligned with the Group's strategic objective of ensuring reliable supply of urea and supporting national food security, the Group further increased its investment in AGL through acquisition of 101 million additional ordinary shares at an aggregate cost of PKR 2.4 billion, comprising PKR 400 million in cash investment and PKR 2 billion through conversion of listed convertible preference shares. As a result, the Group's equity stake in AGL increased to 37.36% at year end.

A key strategic development during the year was the resolution of long-standing uncertainty regarding gas availability for urea production. Subsequent to year end, the Government of Pakistan approved the allocation of raw gas from the Ghazij/Shawal discoveries in the Mari Field to AGL's urea plant at

Daud Khel on a long-term basis. The Board considers this development a significant milestone for the sustainability and long-term viability of AGL's fertilizer operations.

During 2025, AGL reported a profit after tax of PKR 4.4 billion as compared to PKR 1.6 billion reported in last quarter of 2024.

Subsequent Events

FFC Board of Directors, in its meeting held on January 29, 2026 has recommended a final cash dividend of PKR 8.5 per share i.e. 85% for the year ended 2025, for shareholders' approval taking the total payout for the year to PKR 37 per share i.e. a payout of 71.58%. There were no other material changes affecting the financial position of the Group till the date of this Report.

Appropriations	Rs in million	Rs per share
Opening equity and reserves	244,891	
Non-controlling interest	(755)	
Final dividend 2024	(29,885)	21
Effect due to IFRS 9 adoption by associate	147	
Net profit -2025	84,946	
Other comprehensive income	6,020	
Available for appropriations	305,364	
Appropriations		
First interim dividend 2025	(9,962)	7
Second interim dividend 2025	(17,077)	12
Third interim dividend 2025	(13,520)	9.5
Closing December 2025	264,805	

Lt Gen Anwar Ali Hyder, HI(M), (Retd)

Chairman

Rawalpindi
January 29, 2026

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, 2025, 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, 2025 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 Matter

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 is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	Revenue recognition (Refer notes 3.13 and 29 to the consolidated financial statements) 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 483,808 million for the year ended December 31, 2025. 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.	Our procedures in relation to this matter included, amongst others: • 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; • Performed verification of sample of revenue transactions with underlying documentation including delivery documents and sales invoices; • Performed cut-off procedures on sample basis to ensure revenue has been recorded in the correct period; • Verified that sales prices are approved by appropriate authority; • Verified discounts with supporting documentation on test basis; and • Checked that revenue has been recognized in accordance with Group's accounting policy and the applicable accounting and financial reporting framework.

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 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 23, 2026

UDIN: AR202510610J97soCfIT

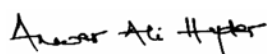
Consolidated Statement of Financial Position

As at December 31, 2025

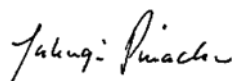
	Note	2025	2024
		Rs '000	Rs '000
EQUITY AND LIABILITIES			
EQUITY AND RESERVES			
Share capital	5	14,231,086	14,231,086
Capital reserves	6	44,630,739	41,335,049
Revenue reserves			
General reserves		8,802,360	8,802,360
Unappropriated profit		184,276,548	172,169,158
		193,078,908	180,971,518
Surplus on re-measurement of investments to fair value – net		7,559,791	4,132,721
Share in revaluation reserve of associates – net		366,742	297,678
Non-controlling interest		4,937,686	3,922,535
		264,804,952	244,890,587
NON – CURRENT LIABILITIES			
Long term borrowings – secured	7	50,817,992	32,491,030
Lease liabilities	8	396,531	290,770
Deferred government grant	9	48,222	73,400
Deferred taxation	10	35,930,184	30,721,809
Compensated leave absences	11	3,398,553	2,958,960
		90,591,482	66,535,969
CURRENT LIABILITIES			
Current portion of long term borrowings – secured	7	11,636,683	7,417,960
Current portion of lease liabilities	8	105,626	60,377
Current portion of deferred government grant	9	25,058	30,810
Trade and other payables	12	206,886,556	196,832,347
Mark-up and profit accrued	13	987,536	980,779
Short term borrowings – secured	14	22,009,674	38,340,517
Unclaimed dividend		851,778	663,851
Provision for taxation		15,398,817	17,930,211
		257,901,728	262,256,852
TOTAL LIABILITIES		348,493,210	328,792,821
TOTAL EQUITY AND LIABILITIES		613,298,162	573,683,408
CONTINGENCIES AND COMMITMENTS	15		

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

	Note	2025	2024
		Rs '000	Rs '000
ASSETS			
NON – CURRENT ASSETS			
Property, plant and equipment	16	132,494,031	116,419,750
Intangible assets	17	2,037,672	1,990,233
Long term investments	18	146,225,194	124,629,228
Long term loans and advances – secured	19	4,529,993	1,785,266
Long term deposits and prepayments	20	146,962	135,045
		285,433,852	244,959,522
CURRENT ASSETS			
Stores, spares and loose tools	21	18,100,523	16,187,525
Stock in trade	22	45,350,440	29,698,865
Trade debts	23	33,901,558	15,315,117
Loans and advances – secured	24	7,554,482	6,715,734
Deposits and prepayments	25	1,515,730	1,398,914
Other receivables	26	8,442,339	21,016,416
Short term investments	27	199,033,962	222,415,276
Cash and bank balances	28	13,965,276	15,976,039
		327,864,310	328,723,886
TOTAL ASSETS		613,298,162	573,683,408



Chairman



Chief Executive



Director



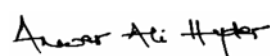
Chief Financial Officer

Consolidated Statement of Profit or Loss

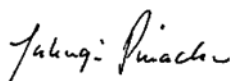
For the year ended December 31, 2025

	Note	2025	2024
		Rs '000	Rs '000
Turnover – net	29	483,807,560	411,254,410
Cost of sales	30	(334,927,990)	(267,509,156)
GROSS PROFIT		148,879,570	143,745,254
Administrative and distribution expenses	31	(38,085,058)	(31,986,143)
		110,794,512	111,759,111
Finance costs	32	(7,115,236)	(7,852,760)
Other losses			
– Unwinding of GIDC liability	12.1	–	(212,406)
– Loss allowance on subsidy receivable from GoP	26.7	–	(1,203,000)
		–	(1,415,406)
Other expenses	33	(11,241,113)	(10,305,414)
Other income	34	18,675,087	27,030,585
Share of profit of associates and joint venture		25,188,663	23,723,249
PROFIT BEFORE INCOME TAX AND LEVIES		136,301,913	142,939,365
Final and minimum taxes – levies	35	(120,144)	(2,349,820)
PROFIT BEFORE INCOME TAX		136,181,769	140,589,545
Provision for taxation	36	(51,235,462)	(55,064,201)
PROFIT FOR THE YEAR		84,946,307	85,525,344
ATTRIBUTABLE TO:			
Equity holders of Fauji Fertilizer Company Limited		83,170,819	84,379,493
Non – controlling interest		1,775,488	1,145,851
		84,946,307	85,525,344
Earnings per share – basic and diluted (Rupees)	37	58.44	59.29

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.



Chairman



Chief Executive



Director



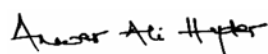
Chief Financial Officer

Consolidated Statement of Profit or Loss and Other Comprehensive Income

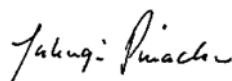
For the year ended December 31, 2025

	2025	2024
	Rs '000	Rs '000
PROFIT FOR THE YEAR	84,946,307	85,525,344
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that may be subsequently reclassified to profit or loss:		
(Deficit) / surplus on re-measurement of investments to fair value – net of tax	(43,285)	201,160
Share of equity accounted investees, share of OCI – net of tax	3,552,818	8,273,490
	3,509,533	8,474,650
Items that will not be subsequently reclassified to profit or loss:		
Gain on re-measurement of staff retirement benefit plans – net of tax	595,076	677,488
Equity accounted investees, share of OCI – net of tax	1,915,396	437,409
	2,510,472	1,114,897
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	90,966,312	95,114,891
ATTRIBUTABLE TO:		
Equity holders of Fauji Fertilizer Company Limited	89,196,235	93,970,005
Non – controlling interest	1,770,077	1,144,886
	90,966,312	95,114,891

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.



Chairman



Chief Executive



Director



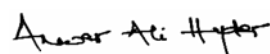
Chief Financial Officer

Consolidated Statement of Cash Flows

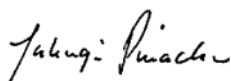
For the year ended December 31, 2025

	Note	2025	2024
		Rs '000	Rs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	111,479,414	183,664,281
Finance cost paid		(7,027,990)	(8,766,265)
Income tax paid		(50,782,957)	(44,865,859)
Levies paid		(117,623)	(1,599,437)
		(57,928,570)	(55,231,561)
Net cash generated from operating activities		53,550,844	128,432,720
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(26,076,843)	(13,759,186)
Proceeds from disposal of property, plant and equipment		176,641	112,695
Proceeds from disposal of investment property		–	855,958
Investment in Agritech Limited		(3,858,798)	(10,992,049)
Loan to Agritech Limited		(1,318,294)	–
Other investments – net		2,178,248	2,145,802
Interest and profit received		2,337,449	3,400,965
Dividend received		13,369,449	3,249,627
Net cash (used in) investing activities		(13,192,148)	(14,986,188)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowings:			
Draw-downs		30,003,164	20,311,867
Repayments		(7,457,479)	(30,099,850)
Repayment of lease liabilities		(172,815)	(85,614)
Dividend paid		(71,010,880)	(25,739,051)
Net cash (used in) financing activities		(48,638,010)	(35,612,648)
Net (decrease) / increase in cash and cash equivalents		(8,279,314)	77,833,884
Cash and cash equivalents at beginning of the year		191,619,934	86,315,120
Effect of exchange rate changes		(854,486)	(263,891)
Acquisition of cash and cash equivalents pursuant to merger	1.2	–	27,734,821
Cash and cash equivalents at end of the year	28.6	182,486,134	191,619,934

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.



Chairman



Chief Executive



Director



Chief Financial Officer

Consolidated Statement of Changes in Equity

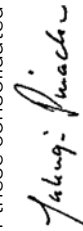
For the year ended December 31, 2025

	Capital reserves						Revenue reserves		Surplus/ (deficit) on re-measurement of investments to fair value - net	Share in revaluation reserve of associates - net	Non - controlling Interest	Total	
	Share capital	Share premium reserve	Capital redemption reserve	Merger reserve	Translation reserve	Statutory reserve	Acquisition reserve	General reserve					Unappropriated profit
Rs '000													
Balance at January 1, 2024	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
Total comprehensive income for the year													
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
	-	-	-	-	830,596	-	-	-	85,250,367	7,837,809	51,233	1,144,886	95,114,891
Transactions pursuant to merger of FBBL													
Consideration transferred - note 1.2.1	1,508,704	-	-	-	-	-	-	-	-	-	-	-	1,508,704
Merger reserve - note 1.2	-	-	-	27,047,377	-	-	-	-	-	-	-	-	27,047,377
	1,508,704	-	-	27,047,377	-	-	-	-	-	-	-	-	28,556,081
Effect of reclassification on adoption of IFRS - 9 by an associate - net of tax													
Effect of adoption of IFRS - 9 - ECL by an associate - net of tax	-	-	-	-	-	-	-	-	123,124	675,757	-	-	798,881
Transfer from share in revaluation reserve of associates - net of tax	-	-	-	-	-	-	-	-	(2,475,111)	-	-	-	(2,475,111)
Acquisition reserve of a subsidiary	-	-	-	-	-	-	-	-	1,216,405	-	(1,216,405)	-	-
Gain on disposal of equity securities measured at FVTOCI by an associate - net of tax	-	-	-	-	-	-	-	-	-	-	-	-	(1,440,369)
Distributions:													
Final dividend 2023: Rs 4.10 per share	-	-	-	-	-	-	-	-	66,241	(66,241)	-	-	-
First interim dividend 2024: Rs 5.50 per share	-	-	-	-	-	-	-	-	-	-	-	-	-
Second interim dividend 2024: Rs 10 per share	-	-	-	-	-	-	-	-	-	-	-	-	-
FWEL - II dividends to non-controlling interest holders:													
Final dividend 2023: Rs 4.5 per share	-	-	-	-	-	-	-	-	-	-	-	(317,493)	(317,493)
Interim dividend 2024: Rs 7 per share	-	-	-	-	-	-	-	-	-	-	-	(493,877)	(493,877)
	-	-	-	-	-	-	-	-	-	-	-	(811,370)	(811,370)
Other changes in equity:													
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
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	83,170,819	-	-	1,775,488	84,946,307
Other comprehensive income/ (loss) - net of tax	-	-	-	-	1,680,885	-	-	-	777,030	3,498,437	69,064	(5,411)	6,020,005
	-	-	-	-	1,680,885	-	-	-	83,947,849	3,498,437	69,064	1,770,077	90,966,312
Effect of reclassification on adoption of IFRS - 9 by an associate - net of tax													
Effect of adoption of IFRS - 9 - ECL by an associate - net of tax	-	-	-	-	-	-	-	-	(56,796)	205,469	-	-	148,673
Gain on disposal of equity securities measured at FVTOCI by an associate - net of tax	-	-	-	-	-	-	-	-	(1,813)	-	-	-	(1,813)
Transactions with owners of the Company													
Distributions:	-	-	-	-	-	-	-	-	276,836	(276,836)	-	-	-
Final dividend 2024: Rs 21.00 per share	-	-	-	-	-	-	-	-	(29,885,283)	-	-	-	(29,885,283)
First interim dividend 2025: Rs 7.00 per share	-	-	-	-	-	-	-	-	(9,961,761)	-	-	-	(9,961,761)
Second interim dividend 2025: Rs 12.00 per share	-	-	-	-	-	-	-	-	(17,077,304)	-	-	-	(17,077,304)
Third interim dividend 2025: Rs 9.50 per share	-	-	-	-	-	-	-	-	(13,519,533)	-	-	-	(13,519,533)
	-	-	-	-	-	-	-	-	(70,443,881)	-	-	-	(70,443,881)
FWEL - II dividends to non-controlling interest holders:													
Interim dividend 2025: Rs 10.7 per share	-	-	-	-	-	-	-	-	-	-	-	(754,926)	(754,926)
Other changes in equity:													
Transfer to statutory reserve by an associate	-	-	-	-	-	1,614,805	-	-	(1,614,805)	-	-	-	-
Balance at December 31, 2025	14,231,086	40,000	120,000	27,047,377	9,382,522	9,481,209	(1,440,369)	8,802,360	184,276,548	7,559,792	366,742	4,937,686	264,804,952

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.


Anwar Ali Hader

Chairman


Jalangi Pinach

Chief Executive


Director


Chief Financial Officer

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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 locations
Registered office	
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
Head office – FFF & FFL	
	42 CCA, Ex Park View, DHA Phase–VIII, Lahore
Production plants – FFC	
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
Production plant – FFCEL	Deh Kohistan, Taluka Jhampir (District: Thatta), Sindh
Production plant – FWEL– I	Gharo Creek Area, District Thatta, Sindh
Production plant – FWEL– II	Gharo Creek Area, District Thatta, Sindh
Production plant – FPCL	P–1/EZ–1/ Eastern Zone, Bin Qasim, Karachi
Production plant – FFF	16 km Sahiwal Pakpattan Road, Sahiwal (District: Sahiwal), Punjab
Production plant – FFL	Bhalwal, District Sargodha, 57 Dhamial Road, Rawalpindi, Punjab
Production plant – FIFL	Fauji Infravest, Dhamial Road, Rawalpindi
Karachi office – FFC	B–35, KDA Scheme No. 1, Karachi, Sindh
Islamabad office – FFC	Plot No. C1/C2, Sector B, Jinnah Boulevard, Phase II, DHA, Islamabad
Marketing division – FFC	Sona Tower Lahore, 01–H Gulberg II, Lahore, Punjab
Zonal marketing offices – FFC	
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

Business unit	Geographical location
Regional marketing offices – FFC	
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, Rafiqui 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	13	7
Sahiwal region	4	11	6
Lahore region	6	16	10
Sargodha region	5	11	9
Peshawar region	5	10	8
Bahawalpur region	4	8	8
D. G. Khan region	4	11	6
Multan region	4	10	6
Rahim Yar Khan region	4	7	6
Vehari region	4	11	6
Hyderabad region	6	13	9
Sukkur region	7	17	13
Nawabshah region	5	10	6
	63	148	100

1.2 Merger/ amalgamation of Fauji Fertilizer Bin Qasim Limited with and into FFC (during the year ended December 31, 2024)

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, 2025

In the year 2024, a Scheme of Arrangement (the Scheme) for merger/ amalgamation of FFBL with and into the 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 Honorable 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 complied with the provisions of sections 279 to 283 and 285(8) of the Companies Act, 2017 (the Act). The effective date of merger/ amalgamation was July 1, 2024 i.e the date at which all assets and liabilities of FFBL were vested with the FFC. Consequently, FFBL stands dissolved without winding up.

The consideration transferred was 150.87 million fully paid ordinary shares of Rs 10 each issued to the shareholders of FFBL (other than the FFC) in accordance with the approved swap ratio (i.e. 1 share of FFC 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 the consolidated financial statements for the year ended December 31, 2024, aforementioned merger/ amalgamation of FFBL with and into FFC and the resulting acquisitions of control of FFL and FPCL had 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 had been amalgamated/ consolidated on a line-by-line basis in the consolidated financial statements for the year ended December 31, 2024 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 had 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 were incorporated prospectively from the effective date of merger into the consolidated financial statements. Consequently, the comparative information in these consolidated financial statements do not reflect the results of FFBL, FFL and FPCL for the period before the transaction occurred. Amounts recognised directly within the equity as a 'Merger Reserve', as a result of aforementioned transactions were 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	18.1	20,082,299
Carrying amount of FFBL's investment in PMP transferred to FFC on merger	18.1	15,253,389
Equity accounted carrying amount of investment in FFBL derecognized	18.1	(41,696,034)
Equity accounted carrying amount of investment in FFL derecognized	18.1	(4,345,230)
		28,556,081
		27,047,377

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 were merged/ amalgamated into the Group, were as follows:

Carrying amounts as on merger date	
Rs '000	
ASSETS	
Non-current assets	
Property, plant and equipment	9,456,408
Investment property	270,242
Long term advances	221,787
Long term deposits	78,643
	10,027,080
Current assets	
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
Total assets	118,359,954
LIABILITIES	
Non-current liabilities	
Long term loans	(7,559,523)
Deferred tax liabilities	(1,683,355)
Provision for compensated leave absences	(534,970)
	(9,777,848)
Current liabilities	
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)
Total liabilities	(106,997,759)
Carrying amount of FFBL's net assets as on merger date	11,362,195

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

1.2.2.1 Post merger/ amalgamation of FFBL with and into FFC, FFBL 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 the profit of the Group for the year ended December 31, 2024.

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 were acquired upon gain of control pursuant to merger of FFBL with and into FFC, were as follows:

Carrying amounts as acquisition date	
Rs '000	
ASSETS	
Non-current assets	
Property, plant and equipment	7,454,563
Intangible assets	12,181
Security deposits	22,800
	7,489,544
Current assets	
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
Total assets	15,781,876
LIABILITIES	
Non-current liabilities	
Deferred tax liability	(24,588)
Lease liabilities	(173,823)
Provision for dismantling	(442)
Employee retirement benefits	(68,139)
	(266,992)
Current liabilities	
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)
Total liabilities	(8,447,980)
Carrying amount of FFL's net assets as on acquisition date	7,333,896

1.2.3.1 Post acquisition of FFL by the Group, FFL contributed Rs 11,990,615 thousand in turnover, Rs 427,932 thousand in profit before income tax and Rs 328,000 thousand in the profit of the Group for the year ended December 31, 2024.

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 were acquired upon gain of control pursuant to merger of FFBL with and into FFC were as follows:

Carrying amounts as acquisition date	
Rs '000	
ASSETS	
Non-current assets	
Property, plant and equipment	23,995,486
Intangibles	1,371
	23,996,857
Current assets	
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
Total assets	37,156,578
LIABILITIES	
Non-current liabilities	
Long term finance facilities	(7,061,011)
Deferred employee benefit	(204,173)
Deferred taxation	(664,010)
	(7,929,194)
Current liabilities	
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)
Total liabilities	(16,591,012)
Carrying amount of FPCL's net assets as on acquisition date	20,565,566

- 1.2.4.1** Post acquisition of FPCL by the Group, FPCL 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 the profit of the Group for the year ended December 31, 2024.

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. Accounting and reporting standards applicable in Pakistan comprise of:

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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

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, 11.1 and 26.5
- ii) Estimate of useful life of property, plant and equipment – note 3.6 and 16
- iii) Estimate of fair value of investments through other comprehensive income – note 3.17 and 18
- iv) Provisions and contingencies – note 3.2, 3.3 and 15
- v) Impairment of non-financial assets – note 3.8, 16 and 17
- vi) Estimate of recoverable amount of goodwill – note 3.7 and 17
- vii) Estimate of recoverable amount of investment in associated companies – note 3.1.4 and 18
- viii) Provision for taxation – note 3.5 and 36
- ix) Expected credit loss allowance – note 3.17, 23 and 26
- x) Provision for slow moving spares and stock in trade – note 3.9, 3.10, 21 and 22
- xi) Assessment of significant influence in an associate and control over a subsidiary – note 3.1.1, 3.1.4 and 18

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 (2024: 100% owned), FFF 100% owned (2024: 100% owned), FWEL-I 100% owned (2024: 100% owned), FWEL-II 80% owned (2024: 80% owned), FFL 82.16% owned (2024: 82.16% owned), FPCL 75% owned (2024: 75% owned), FIFL 100% owned (2024: 100% owned) and OLIVE 100% owned (2024: 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.

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).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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.

The applicable financial reporting framework for an equity-accounted investee also include Banking Companies Ordinance, 1962 and underlying rules and directives.

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 were merged into FFC which have 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 26.5 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, 2025

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 were 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.

Levy

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss as these levies fall under the scope of IFRIC 21 / IAS 37.

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 16 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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 17.1 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."

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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.

Turnover 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.

Turnover 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.

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.

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For the year ended December 31, 2025

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.

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.

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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.

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.

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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 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. During the year, FFC has entered into an agreement with Agritech Limited (AGL) and has allocated certain expenses to AGL.

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.

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 Group's incremental borrowing rate. Generally, the Group 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;

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- 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 and amended standards and interpretations

4.14.1 There are certain amendments to the accounting and reporting standards which became applicable to the Group on January 1, 2025. However, these amendments do not have any significant impact on the Group's financial statements.

4.14.2 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 Group:

- Amendments to IAS 21 – 'Translation to a Hyperinflationary Presentation Currency' (effective for annual reporting periods beginning on or after January 1, 2027). These amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.
- 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). 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 SPPI criterion; add new disclosures for certain instruments with contractual terms that can change cash flows; and make updates to the disclosures for equity instruments designated at FVOCI.

- Amendment to IFRS 7 – ‘Financial Instruments: Disclosures’ and IFRS 9 – ‘Financial Instruments – Contracts Referencing Nature-dependent Electricity’ (effective for annual reporting periods beginning on or after January 1, 2026). These amendments change the ‘own use’ and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7.
- 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 insurance contracts. 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.
- IFRS 18 – ‘Presentation and Disclosure in Financial Statements’ (effective for annual reporting periods beginning on or after January 1, 2027). The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses.
- IFRS 19 – ‘Subsidiaries without Public Accountability: Disclosures’ and Amendments to IFRS 19 (effective for annual reporting periods beginning on or after January 1, 2027). The objective of IFRS 19 is to specify the disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. Further, the amendments cover new or amended IFRS Accounting Standards issued between February 28, 2021 and May 1, 2024 that were not considered when IFRS 19 was first issued.
- In July 2024, the IASB issued ‘Annual improvements to IFRS – Volume 11’ (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7). The amendments are effective for annual reporting periods beginning on or after January 1, 2026 with early adoption available.
- Disclosures about Uncertainties in the Financial Statements (Illustrative Examples). Illustrative examples are not an integral part of standards and, therefore, do not have an effective date.

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 of the Group other than in presentation and 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, 2025:

IFRS 1 (First Time Adoption of International Financial Reporting Standards)

IFRIC 12 (Service Concession Arrangements)

Notes to the Consolidated Financial Statements

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5. SHARE CAPITAL

Authorised share capital

This represents 3,000,000,000 (2024: 3,000,000,000) ordinary shares of Rs 10 each amounting to Rs 30,000,000 thousand (2024: Rs 30,000,000 thousand).

Issued, subscribed and paid up share capital

	2025	2024	2025	2024
	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	150,870,449	1,508,704	1,508,704
	<u>1,423,108,696</u>	<u>1,423,108,696</u>	<u>14,231,086</u>	<u>14,231,086</u>

5.1 Fauji Foundation (FF) holds 43.70% (2024: 43.51%) ordinary shares of FFC at the year end. During the year, FF has further acquired 2,609 thousand shares of FFC, which resulted in increase in its shareholding by 0.19%. Refer note 46.1 to these consolidated financial statements.

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	2025	2024
		Rs '000	Rs '000
6. CAPITAL RESERVES			
Share premium	6.1	40,000	40,000
Capital redemption reserve	6.2	120,000	120,000
Merger reserve	6.3	27,047,377	27,047,377
Translation reserve	6.4	9,382,522	7,701,637
Statutory reserve	6.5	9,481,209	7,866,404
Acquisition reserve	6.6	(1,440,369)	(1,440,369)
		<u>44,630,739</u>	<u>41,335,049</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.

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	2025	2024
			Rs '000	Rs '000
7.	LONG TERM BORROWINGS – SECURED			
	Borrowings from banking companies – secured			
	Conventional borrowings			
	Fauji Fertilizer Company Limited (FFC)	7.1		
	The Bank of Punjab (BOP-1)		–	350,000
	Allied Bank Limited (ABL-1)		–	500,000
	Allied Bank Limited (ABL-2)		500,000	1,000,000
	Allied Bank Limited (ABL-3)		300,000	600,000
	Allied Bank Limited (ABL-4)		1,500,000	2,250,000
	Allied Bank Limited (ABL-5)		2,250,000	3,000,000
	Allied Bank Limited (ABL-6)		5,000,000	5,000,000
	Bank Al-Habib Limited (BAH-1)		2,000,000	2,000,000
			11,550,000	14,700,000
	Fauji Fresh n Freeze Limited (FFF)	7.2		
	Askari Bank Limited – SBP TERF facility	7.2.1	256,880	286,742
	Habib Metropolitan Bank Limited – SBP TERF facility	7.2.2	110,374	159,853
	Bank Alfalah Limited – Term finance	7.2.3	75,000	150,000
	Habib Bank Limited – Term finance	7.2.4	187,500	375,000
	Bank of Punjab – Term finance	7.2.5	112,500	187,500
	MCB Bank Limited – Term finance	7.2.6	412,421	549,895
			1,154,675	1,708,990
			12,704,675	16,408,990
	Add: Mark-up accrued on conventional borrowings	13	86,928	167,949
			12,791,603	16,576,939

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	Note	2025	2024
		Rs '000	Rs '000
Islamic borrowings			
Fauji Fertilizer Company Limited (FFC)			
Meezan Bank Limited (MBL-1)		500,000	1,000,000
Meezan Bank Limited (MBL-2)		750,000	1,500,000
Meezan Bank Limited (MBL-3)		750,000	1,500,000
Meezan Bank Limited (MBL-4)		1,000,000	1,500,000
Meezan Bank Limited (MBL-5)		3,750,000	5,000,000
Meezan Bank Limited (MBL-6)		8,000,000	8,000,000
Meezan Bank Limited (MBL-7)		13,500,000	–
MCB Islamic Bank Limited (MCBIL-1)		3,000,000	3,000,000
MCB Islamic Bank Limited (MCBIL-2)		1,000,000	–
Dubai Islamic Bank Limited (DIB-1)		2,000,000	2,000,000
Habib Bank Limited (HBL-1)		2,500,000	–
Bank Alfalah Limited (BAF-1)		2,000,000	–
Faysal Bank Limited (FBL-1)		5,000,000	–
Allied Bank Limited (ABL-7)		5,000,000	–
Bank Al-Habib Limited (BAH-2)		1,000,000	–
		49,750,000	23,500,000
Add: Profit accrued on Islamic borrowings	13	429,705	565,959
		50,179,705	24,065,959
Less: Current portion shown under current liabilities			
Conventional borrowings		4,636,683	3,667,960
Islamic borrowings		7,000,000	3,750,000
		11,636,683	7,417,960
Less: Mark-up and profit accrued on long term borrowings		516,633	733,908
		50,817,992	32,491,030

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

Conventional borrowings

BOP-1	6 months KIBOR+0.10	Nil	Paid on August 29, 2025
ABL-1	6 months KIBOR+0.08	Nil	Paid on December 30, 2025
ABL-2	6 months KIBOR+0.08	2 half yearly	September 20, 2026
ABL-3	6 months KIBOR+0.08	2 half yearly	September 30, 2026
ABL-4	6 months KIBOR+0.05	4 half yearly	December 27, 2027
ABL-5	6 months KIBOR+0.03	6 half yearly	December 19, 2028
ABL-6	6 months KIBOR-0.50	8 half yearly	December 13, 2029
BAH-1	6 months KIBOR-0.50	8 half yearly	December 10, 2029

Lenders	Mark-up / profit rate p.a. (%)	No. of installments outstanding	Date of final repayment

Islamic borrowings

MBL-1	6 months KIBOR+0.10	2 half yearly	September 29, 2026
MBL-2	6 months KIBOR+0.10	2 half yearly	July 5, 2026
MBL-3	6 months KIBOR+0.10	2 half yearly	September 29, 2026
MBL-4	6 months KIBOR+0.00	4 half yearly	September 30, 2027
MBL-5	6 months KIBOR+0.01	6 half yearly	November 16, 2028
MBL-6	6 months KIBOR-0.15	8 half yearly	October 30, 2029
MBL-7	6 months KIBOR-0.10	8 half yearly	December 30, 2030
MCBIL-1	6 months KIBOR-0.50	8 half yearly	November 29, 2029
MCBIL-2	6 months KIBOR-0.10	8 half yearly	December 23, 2030
DIB-1	6 months KIBOR-0.25	8 half yearly	December 30, 2029
HBL-1	6 months KIBOR-0.10	8 half yearly	December 24, 2030
BAF-1	6 months KIBOR-0.10	8 half yearly	December 24, 2030
FBL-1	6 months KIBOR-0.10	8 half yearly	December 26, 2030
ABL-7	6 months KIBOR-0.10	8 half yearly	December 23, 2030
BAH-2	6 months KIBOR-0.10	8 half yearly	December 29, 2030

7.1.1 These borrowings are secured by a first pari passu charge over all present and future assets of FFC (excluding land and building) 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 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 installments 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 installments 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Bank Name	Facility	Mark-up as per agreement	Tenure and basis of principal
Bank of Punjab	Term finance	3 months KIBOR + 0.5% per annum, payable quarterly.	The loan is payable in 16 quarterly equal installments ending on April 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 63,655 thousand (2024: Rs 84,066 thousand) recognized as deferred government grant. The differential mark up between markup as per agreement and market based markup has been recognized as deferred government grant as mentioned in note 9 to the financial statements, which will be amortized 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 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 9,625 thousand (2024: Rs 20,144 thousand) from recognized as deferred government grant. The differential mark up between markup as per agreement and market based markup has been recognized as deferred government grant as mentioned in note 9 to the financial statements, which will be amortized 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 (2024: 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 (2024: 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 (2024: 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 (2024: 8.57% per annum to 20.51% 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	2025	2024
		Rs '000	Rs '000
8. LEASE LIABILITIES			
Balance at the beginning		351,147	97,757
Acquisition pursuant to merger of FFBL	1.2	–	220,035
Additions during the year		243,336	88,281
Unwinding of interest on lease liability		80,489	35,373
Derecognition of lease liability during the year		–	(4,685)
Payments made during the year		(172,815)	(85,614)
Balance at the end		502,157	351,147
Less: Current portion shown under current liabilities		(105,626)	(60,377)
		396,531	290,770

8.1 Lease liabilities as at year end amounted to Rs 23,035 thousand (2024: Rs 22,048 thousand) for FWEL – I, Rs 31,526 thousand (2024: Rs 30,176 thousand) for FWEL – II, Rs 22,471 thousand (2024: Rs 22,090 thousand) for FFCEL, Rs 425,125 thousand (2024: Rs 276,833 thousand) for FFL.

9. DEFERRED GOVERNMENT GRANT

This represents 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.

	2025	2024
	Rs '000	Rs '000
Balance at the beginning	104,210	136,851
Government grant recognised during the year	–	3,815
Less: amortisation of deferred government grant	(30,930)	(36,456)
Balance at the end	73,280	104,210
Less: Current portion of deferred government grant	(25,058)	(30,810)
	48,222	73,400

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Note		2025	2024
		Rs '000	Rs '000
10.	DEFERRED TAXATION		
	The balance of deferred tax is in respect of the following temporary differences:		
	Accelerated depreciation / amortization	11,718,696	10,856,467
	Tax on equity accounted investments	27,234,234	21,908,041
	Re-measurement of investments	1,558,725	2,339,748
	Provision for slow moving spares, doubtful debts, other receivables, investments and others	(4,581,471)	(4,382,447)
		35,930,184	30,721,809
	The gross movement in the deferred tax liability during the year is as follows:		
	Balance at the beginning	30,721,809	12,158,457
	Acquisition pursuant to merger of FFBL 1.2	–	2,371,953
	Tax charge recognized in consolidated profit or loss	3,364,357	13,717,759
	Tax charge recognised in consolidated comprehensive income	1,795,064	3,032,383
	Tax charge/ (credit) recognised in consolidated equity	48,954	(558,743)
	Balance at the end	35,930,184	30,721,809

11 COMPENSATED LEAVE ABSENCES

11.1 The main assumptions used for actuarial valuation of FFC are as follows:

	Scheme - I 2025	Scheme - II 2025	Scheme - I 2024	Scheme - II 2024
Discount rate – per annum	11.00%	11.00%	12.25%	12.25%
Expected rate of increase in salaries – per annum				
Management	12.00%	11.75%	13.25%	13.00%
Non-management	13.00%		14.25%	
Mortality table	SLIC (2001-05)		SLIC (2001-05)	
Withdrawal factor	Light	Moderate	Light	Moderate
Number of employees	2,574	569	2,654	868

		Note	2025	2024
			Rs '000	Rs '000
12.	TRADE AND OTHER PAYABLES			
	Creditors			
	– GIDC payable	12.1	84,977,267	84,977,267
	– Others	12.2	15,638,721	21,159,989
			100,615,988	106,137,256
	Accrued liabilities		41,745,067	35,385,536
	Consignment account of Agritech Limited (related party) – unsecured		1,250,126	–
	Sales tax payable – net		84,294	76,602
	Federal excise duty payable		–	51,524
	Deposits	12.3	370,309	285,040
	Retention money		497,340	345,483
	Workers' Welfare Fund – FFC		4,265,530	4,641,900
	Workers' Welfare Fund – FFF, FFL & FPCL		92,575	46,076
	Workers' Profit Participation Fund – FFC	12.4	506,582	–
	Workers' Profit Participation Fund – FFCEL, FFF, FWEL – I & II, FPCL, FFL		363,841	893,276
	Payable to Fauji Foundation (related party)	12.5	6,445,614	6,743,826
	Payable to Pakistan Maroc Phosphore S.A. (related party)		26,356,550	22,278,496
	Payable to gratuity fund – I – FFC (related party)	26.5	–	504,575
	Payable to gratuity fund – FFF, FWEL – I & II, FFCEL, OLIVE, FPCL, FFL (related party)		108,665	83,588
	Payable to provident fund (related party)		30,430	34,366
	Payable to Joint Operators – PEF project		1,393,750	–
	Contract liability – advances from customers	12.6	17,841,288	13,200,942
	Provision for tax levies		2,792,360	2,789,839
	Other liabilities		2,126,247	3,334,022
			206,886,556	196,832,347
12.1	Gas Infrastructure Development Cess (GIDC) Payable			
	Balance at the beginning		84,977,267	62,437,223
	Acquisition pursuant to merger of FFBL	1.2	–	22,327,638
	Unwinding of GIDC liability – charge to profit or loss		–	212,406
			84,977,267	84,977,267

- 12.1.1** 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 pending in Sindh High Court, has now been transferred to Civil Judge, Karachi.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

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.

- 12.2** 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 (2024: Rs 2,474,978 thousand) and Rs 2,308,324 thousand (2024: Rs 2,308,324 thousand), respectively.
- 12.3** These represent unutilizable amounts received as security deposits from dealers and suppliers of the Group, and are kept in separate bank accounts.
- 12.4** This represents a net balance relating to WPPF receivable pertaining to FFC and WPPF payable pertaining to ex-FFBL amounting to Rs 538,104 thousand and Rs 1,044,686 thousand, respectively.
- 12.5** This amount includes Rs. 3,348,000 thousand (2024: 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. The conversion will be subject to the approval of the FFL's shareholders and the regulator as well as completion of other legal formalities. The conversion which will be at a price per share equal to the lower of par value or the average price per share on the stock exchange during the six months preceding the date on which the FF exercises its option to acquire shares. It has an interest-free grace period of two years ending on February 19, 2026 with an extension of time as mutually agreed upon by the parties. After two years, a markup of six months KIBOR plus spread of 50 basis points will be charged.

This amount further includes Rs. 210,000 thousand (2024: 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. The conversion which will be at a price per share equal to the lower of par value or the average price per share on the stock exchange during the six months preceding the date on which the FF exercises its option to acquire shares. It has an interest-free grace period of two years ending on February 20, 2026 with an extension of time as mutually agreed upon by the parties. After two years, a markup of 6-months KIBOR plus spread of 50 basis points will be charged.

This amount further includes Rs. 2,350 million (2024: Rs. 2,350 million) received by FFL in prior years from FF as share deposit money under an agreement dated August 22, 2022. The amount was convertible in ordinary shares at face value. FFL in its Extraordinary General Meeting held on October 18, 2022, had approved further issue of shares against the said amount, by way of other than right issue. The requisite approval from SECP was obtained on January 23, 2023 for issuance of shares against the above mentioned amount. The approval was valid for a period of 60 days. Prior to lapse of the said approval, a request was received from FF to defer the share allotment. Based on the above request, pursuant to the Board of Directors' approval dated March 1, 2023, the FFL deferred the allotment / issuance of ordinary shares at par value to FF, till further communication. During the prior year, FFL received a letter from FF dated April 18, 2024 wherein FF withdrew its consent to exercise the option to acquire shares and both the parties agreed on the amount as per the original loan agreement to be treated as a loan through addendum letter dated August 23, 2024. Accordingly, the amount was reclassified from share deposit money to loan with mutual consent of both the Companies.

The loan is unsecured and repayable on demand, with an all-time option to convert it into fully paid ordinary shares at or below par value (subject to fulfilment of the necessary conditions and the receipts of all approvals under application law). The loan initially carried an interest-free grace period of two years with a provision for further extensions subject to mutual agreement of both the parties. Following the end of grace period, FFL has secured a waiver on interest payments until December 31, 2025.

12.6 Contract liabilities – advances from customers

This represents payment received by the Group from its customers before the related goods / services are transferred.

	2025	2024
	Rs '000	Rs '000
Balance at the beginning	13,200,942	9,852,680
Acquisition pursuant to merger	–	4,413,529
Revenue recognised during the year	(468,087,153)	(399,640,537)
Advance received during the year	472,727,499	398,575,270
Balance at the end	17,841,288	13,200,942

12.6.1 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 12,975,312 thousand (2024: Rs 9,522,739 thousand) has been recognised in current year in respect of advances from customers at the beginning of year.

	2025	2024
	Rs '000	Rs '000
13. MARK-UP AND PROFIT ACCRUED		
On long term borrowings		
Conventional borrowings	86,928	167,949
Islamic borrowings	429,705	565,959
	516,633	733,908
On short term borrowings		
Conventional borrowings	250,319	154,357
Islamic borrowings	220,584	92,514
	470,903	246,871
	987,536	980,779

14. 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:

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Note	2025	2024
		Rs '000	Rs '000
Lending Institutions			
Conventional borrowings			
Fauji Fertilizer Company Limited (FFC)	14.1		
National Bank of Pakistan		22,653	2,044,793
Bank Al-Habib Limited		8,843	24,052
United Bank Limited		64,872	1,061,488
Askari Bank Limited (related party)		7,969,117	17,954,517
Allied Bank Limited		–	1,416
Bank Alfalah Limited		62,965	–
Habib Bank Limited		–	2,159,653
The Bank of Punjab		65,207	530,769
MCB Bank Limited		–	1,478,549
Samba Bank Limited		–	964
Soneri Bank Limited		309,069	760,962
Habib Metropolitan Bank Limited		1,134,758	1,515,574
Fauji Fresh n Freeze Limited (FFF)			
JS Bank Limited	14.2	–	35,006
FFBL Power Company Limited (FPCL)	14.3		
The Bank of Punjab		1,446,709	1,500,000
Allied Bank Limited		280,721	106,968
National Bank of Pakistan		–	1,202,593
United Bank Limited		–	417,042
		11,364,914	30,794,346
Add: Mark-up accrued on conventional borrowings		250,319	154,357
		11,615,233	30,948,703
Islamic borrowings			
Fauji Fertilizer Company Limited (FFC)	14.4		
Meezan Bank Limited		6,598,427	2,204,367
Dubai Islamic Bank Limited		699,829	–
BankIslami Pakistan Limited		–	1,500,000
Faysal Bank Limited		1,658,907	41,804
		8,957,163	3,746,171
FFBL Power Company Limited (FPCL)	14.3		
Meezan Bank Limited		947,049	1,500,000
Faysal Bank Limited		–	300,000
MCB Islamic Bank Limited		740,548	2,000,000
		1,687,597	3,800,000
		10,644,760	7,546,171
Add: Profit accrued on Islamic borrowings		220,584	92,514
		10,865,344	7,638,685
Less : Mark-up and profit accrued on short term borrowings		470,903	246,871
		22,009,674	38,340,517

- 14.1** Short term borrowings are available from various banking companies under mark-up arrangements against facilities amounting to Rs 36,014,037 thousand (2024: Rs 58,177,000 thousand) which represent the aggregate of all facility agreements between FFC and respective banks. The facilities have various maturity dates upto July 31, 2026 (2024: July 31, 2025). The per annum rates of mark-up are 1 month KIBOR plus 0.05% to 0.25% and 3 month KIBOR plus 0% to 0.25% (2024: 1 month KIBOR plus 0.05% to 0.5% and 3 month KIBOR minus 2% to plus 0.45%)

The facilities are secured by pari passu / ranking hypothecation charges on all present and future assets (excluding land and building) of FFC with 25% margin besides lien over mutual funds in certain cases.

- 14.2** For 2024, this represented running finance facility (interest / markup based) availed from JS Bank Limited to meet working capital requirements with a sanctioned limit of Rs. 1,400 million which carried mark up 3 month KIBOR plus 50 bps per annum. The facility has expired in February 2025 and has been repaid during the year.

- 14.3** The facilities for short term running finances, available from various banks, aggregate to Rs. 8,000 million (2024: Rs. 10,000 million). The rate of interest on the overdraft facilities during the year ended December 31, 2025 ranges from 1-month to 3-month KIBOR with spreads ranging from -2% to 0.15% (2024: -2% to 0.15%) per annum. As of reporting date, un-availed facilities amount to Rs. 4,585 million (2024: Rs. 2,936 million). The 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.

- 14.4** Shariah compliant short term borrowings are available from various banking companies under profit arrangements against facilities amounting to Rs 9,700,000 thousand (2024: Rs 16,200,000 thousand) which represent the aggregate of all facility agreements between FFC and respective banks. The facilities have various maturity dates upto September 30, 2026 (2024: June 30, 2025). The per annum rate of profit is 3 month KIBOR minus 0.0% to 0.15% (2024: 3 month KIBOR minus 3.70% to plus 0.2%).

The facilities are secured by ranking hypothecation charges on all present and future assets of FFC with 25% margin besides lien over PIBs in certain cases.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies:

Material contingencies in the perspective of the Group's financial statements as at December 31, 2025 are as follows:

	2025	2024
	Rs '000	Rs '000
Fauji Fertilizer Company Limited (FFC)		
i) Guarantees issued by banks on behalf of FFC	11,378,768	13,365,563
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 1,960,366 thousand (2024: Rs 4,077,552 thousand).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

- iv) Penalty of Rs 5,500,000 thousand (2024: 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 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 9,724 million (2024: 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 9,724 million as of December 31, 2025. During the year, FFC has recognized the levy amounting to Rs 2,462 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, 2025. FFC is making efforts in getting this guarantee released.

Foundation Wind Energy II Limited (FWEL – II)

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 was 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 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 filed an appeal against the said order before PRA Tribunal. PRA Tribunal did not appreciate the grounds and during the year, upheld the decision of Commissioner (Appeals), PRA against FWEL –II. A notice for recovery of principal amount of Rs. 488 million alongwith the default surcharge thereon was issued by the PRA. FWEL-II has filed a writ petition with Lahore High Court (LHC) against the decision of the PRA Tribunal. The High Court has granted stay order against recovery in favor of FWEL-II upon submission of 50% of the principal amount i.e Rs 244 million as Bank Guarantee and 50% of the principal amount i.e Rs 244 million as post dated cheques. The case is currently pending adjudication before LHC. No provision has been made in these consolidated financial statements as the management and the legal advisors of FWEL-II are confident of a favourable outcome of the matter.

FFBL Power Company Limited (FPCL)

The Inland Revenue authorities (IR Authorities) framed an order under section 161/182/205 of the Ordinance for the Tax Year 2015 and 2016 on October 27, 2017 whereby, tax demand of Rs. 1,168 million inclusive of default surcharge and penalty was created for alleged non-deduction of tax on foreign payments, local payments, and reimbursement to 'Fauji Fertilizer Company Limited'. The principal demand along with default surcharge and penalty has already been set aside by the commissioner appeals. Further, in response to the appeal filed on May 12, 2025, the Appellate Tribunal Inland Revenue (the ATIR) has remanded back the case to the assessing officer with the direction to pass fresh orders after giving the opportunity of being heard to FPCL.

Fauji Infravest Foods Limited (FIFL)

In the previous year, FIFL was selected for audit, regarding tax year 2017, under section 214C of the Ordinance and notice was issued under section 177 (1) of the Ordinance and compliance was made. However, dissatisfied with the response, the ADCIR issued a show cause notice under section 122 (9) of the Ordinance. Subsequently, the 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, the FIFL filed an appeal before CIR(A) Islamabad on July 13, 2023.

The appeal had been transferred to the ATIR. In the meantime, recovery of income tax demand raised vide recovery notice dated September 30, 2025, issued under section 138 (1) of the Income Tax Ordinance, 2001 by the ADCIR was initiated. FIFL sought stay of recovery, which was duly granted. Furthermore, ATIR heard the instant appeal on January 21, 2025 and announced in open court that the matter would be remanded to the Assessing Officer for de novo proceedings, however, the written order in this regard is still awaited. Despite the subsisting stay announced by the ATIR, coercive recovery amounting to Rs. 0.06 million was made by the department which is unlawful and contrary to the directions of the ATIR. A favorable outcome is expected.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	Rs '000	Rs '000
Group's share of contingencies of associates		
i) Group's share of contingencies in Fauji Cement Company Limited as at September 30, 2025 (2024: September 30, 2024)	329,134	237,337
ii) Group's share of contingencies and guarantees in Askari Bank Limited as at September 30, 2025 (2024: September 30, 2024)	187,488,227	192,488,712
iii) Group's share of contingencies in Thar Energy Limited as at September 30, 2025 (2024: September 30, 2024)	547,020	449,820
iv) Group's share of contingencies in Agritech Limited as at December 31, 2025 (2024: December 31, 2024)	8,543,076	6,691,033

	2025	2024
	Rs '000	Rs '000
15.2 Commitments in respect of:		
i) Capital expenditure commitments (including share of commitments amounting to Rs 16,439,474 thousand (2024: Rs 14,236,243 thousand) relating to PEF joint operations as disclosed in note 45.	35,297,488	24,851,152
ii) Purchase of fertilizer, stores, spares and other operational items	19,303,191	27,540,495
iii) Investment in Thar Energy Limited	89,776	89,232
iv) Contracted out services	625,737	507,895
v) Operation and Maintenance (O&M) agreement of FWEL I & II	379,748	78,452
vi) Group's share of commitments of PMP as at September 30, 2025 (2024: September 30, 2024)	38,527	22,434
vii) Group's share of commitments of FCCL as at September 30, 2025 (2024: September 30, 2024)	31,017	203,174
viii) Group's share of commitments of AKBL as at September 30, 2025 (2024: September 30, 2024)	371,205,172	437,281,928

	2025	2024
	Rs '000	Rs '000
ix) Group's share of commitments of TEL as at September 30, 2025 (2024: September 30, 2024)	2,145,723	2,114,001
x) Group's share of commitments of AGL as at December 31, 2025 (2024: December 31, 2024)	75,191	58,084

15.3 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 FFF entered into novation agreements for the purpose of novation of rights and obligations of NTDC to CPPA as detailed above.

iii) Operation and Maintenance (O&M) Agreements

FWEL–I and FWEL–II entered into Engineering, Procurement and Construction (EPC) agreements with its O&M contractors, which expired during the year. Further, during the year, FWEL–I & II entered into further two years O&M contracts with an O&M contractor. Commitments related to such contracts amount to Rs 379,748 thousand (2024: 78,452 thousand) which are subject to changes in inflation rates.

iv) 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold 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 16.6)	Total
Rs '000															
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	-	(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)
Net Book Value	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
Net Book Value	-	-	(419)	-	-	12,393,811	-	(1,076)	(6)	(20,754)	(401)	-	(12,474,981)	-	(103,826)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,799,792)	(4,799,792)
Depreciation 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)
Impairment charge	-	-	-	-	-	(55,000)	-	-	-	-	-	-	-	-	(55,000)
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
As at January 1, 2025															
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
Year ended December 31, 2025															
Opening 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
Additions / transfers	14,318	-	5,422,274	5,378	-	11,166,216	2,173,383	1,452,641	365,208	468,973	584,197	374	249,706	11,419,112	33,321,780
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	(5,549)	-	-	(134,667)	-	(62,469)	(31,763)	(162,834)	(16,585)	-	(2,770)	-	(416,637)
Depreciation	-	-	4,460	-	-	67,695	-	49,957	28,958	123,792	16,214	-	231	-	291,307
Net Book Value	-	-	(1,089)	-	-	(66,972)	-	(12,512)	(2,805)	(39,042)	(371)	-	(2,539)	-	(125,330)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,074,061)	(7,074,061)
Depreciation charge	-	(60,057)	(764,583)	(414,372)	-	(6,562,786)	(523,327)	(444,093)	(110,205)	(386,721)	(729,139)	(34)	(107,791)	-	(10,103,108)
Reversal of impairment charge	-	-	-	-	-	55,000	-	-	-	-	-	-	-	-	55,000
Net Book Value	1,650,078	1,070,052	13,171,231	6,432,564	-	80,365,241	2,546,229	2,591,572	907,497	1,467,402	1,841,790	352	707,281	19,742,742	132,494,031
As at December 31, 2025															
Cost	1,650,078	1,859,104	20,196,779	11,077,796	26,517	168,255,251	6,032,144	5,574,151	1,648,834	3,309,160	6,325,922	8,220	4,020,202	19,742,742	241,686,496
Accumulated depreciation and impairment	-	(789,052)	(7,025,548)	(4,645,232)	(26,517)	(87,890,010)	(3,485,915)	(2,982,579)	(741,337)	(1,841,758)	(4,484,132)	(7,868)	4,727,483	-	(109,192,465)
Net Book Value	1,650,078	1,070,052	13,171,231	6,432,564	-	80,365,241	2,546,229	2,591,572	907,497	1,467,402	1,841,790	352	707,281	19,742,742	132,494,031
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	-	-

	Note	2025	2024
		Rs '000	Rs '000
16.1 Depreciation charge has been allocated as follows:			
Cost of sales	30	9,675,724	7,177,732
Administrative and distribution expenses	31 & 31.1	424,075	227,479
Other expenses		3,309	2,167
Charged to FFBL under FFF Services			
Agreement prior to merger/ amalgamation of FFBL with and into FFC		–	7,648
		10,103,108	7,415,026

16.2 Details of assets disposed off having net–book value in excess of Rs 500,000:

Vehicles	Sold to	Cost	Book Value	Sale Proceeds	Gain
		Rs '000	Rs '000	Rs '000	Rs '000
Suzuki Cultus	Rafay Saeed	4,300	3,674	3,794	120
Toyota Yaris	Aatif Nadeer	5,113	3,084	3,270	186
Toyota Yaris	Zahid Ahmed	4,579	3,025	3,365	340
Suzuki Cultus	Omair Zakariya	4,141	2,998	3,281	283
Toyota Yaris	Zulfiqar Ali	4,579	2,763	3,463	700
Kia Picanto	Furqan Ahmed	3,671	2,332	2,840	508
Hyundai Elantra	Ahmed Attyub	3,694	1,742	2,304	562
Suzuki Alto	Ghulam Abbas	1,487	1,244	1,253	9
Toyota Yaris	Khurram Raza	3,060	995	1,145	150
Suzuki Alto	Wali Muhammad Khan	1,492	985	916	(69)
Suzuki Mehran	Muhammad Hassan Ali	712	534	3,123	2,589
Suzuki Alto	EFU Insurance	2,770	2,539	2,800	261
Road tanker	Mr. Khalid	1,817	702	3,342	2,640
Motor vehicle	Syed Adeel Ahmed	4,294	4,008	3,827	(181)
Motor vehicle	Khalid Jalil	2,807	327	547	220
Motor vehicle	Usman Ahmed Khan	1,552	1,431	1,216	(215)
Motor vehicle	Zulfiqar Ali	4,134	2,615	2,781	166
Motor vehicle	Liaquat Amin Khatak	1,910	637	471	(166)
Motor vehicle	Hashim Irfan	2,068	586	334	(252)
Motor vehicle	Kamran Rashid Mirza	2,612	740	377	(363)
Motor vehicle	Lt Col Ali Siddiq (Retd)	3,512	1,229	375	(854)
Office and IT equipment					
Visi cooler	Mehboob Hussain	4,530	1,852	790	(1,062)
Plant and machinery					
Dryer	Dairy Engineering	2,412	848	848	–
Ecolean	Six – B Food Industries (Private) Limited	17,127	10,645	16,270	5,625
Ammonia chiller	Six – B Food Industries (Private) Limited	4,127	2,488	2,300	(188)
Packing machine	Selo Foodtech	95,835	38,584	40,996	2,412
Packing machine	Selo Foodtech	78,459	37,266	39,596	2,330
		266,794	129,873	145,624	15,751

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	Rs '000	Rs '000
16.3 Cost and accumulated depreciation include:		
Assets of FFF not in possession of the Group		
Electrical equipments – in possession of distributors/ sub-distributors/ customers' outlets		
Cost	193,282	214,970
Accumulated depreciation	59,397	65,601

16.3.1 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.

16.4 Details of immovable property (land and building) in the name of the Group companies:

Location	Usage	Area
FFC		
Sona Tower, 156 – The Mall, Rawalpindi Cantt, Punjab	Head office building	16 kanals and 7.5 marlas
FFC 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 building	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

Location	Usage	Area
18 Khaira Gali (District: Abbottabad), Khyber Pakhtunkhwa	Guest house	1 kanal and 3 marlas
FFCEL		
Deh Kohistan, Taluka Jhampir (District: Thatta), Sindh	Production plant including allied facilities	1,283 acres
FFF		
16-Km Sahiwal Pakpattan Road, Sahiwal (District: Sahiwal), Punjab	Production plant including allied facilities	76.5 acres (FFF is in the process of novation of title for 74 acres land)
FWEL – I		
Gharo Creek Area, District Thatta, Sindh Province	Production plant including allied facilities	1,210 acres
FWEL – II		
Gharo Creek Area, District Thatta, Sindh Province	Production plant including allied facilities	1,656 acres
FFL		
Bhalwal, District Sargodha	Production plant including allied facilities	120 kanals and 5 marlas
57 Dhamial Road, Rawalpindi	Production plant including allied facilities	31 kanals and 3 marlas
FIFL		
57 Dhamial Road, Rawalpindi	Production plant including allied facilities	37 kanals and 2 marlas
FPCL		
FFBL Complex, P-1/EZ-1/ Eastern Zone, Bin Qasim, Karachi.	Production plant including allied facilities	100 acres

		2025	2024
		Rs '000	Rs '000
16.5	Right of use assets as at year		
	end comprises of:		
	Plant and machinery	384,346	355,688
	Land and building	322,935	212,217
		707,281	567,905

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	Rs '000	Rs '000
16.6 Capital work in progress as at year end comprises of:		
Civil works	2,482,733	5,714,942
Plant, machinery and others (including in transit items)	17,260,009	9,682,749
	19,742,742	15,397,691

16.6.1 The Capital work in progress balance mainly relates to production related enhancement projects and boiler upgrade activities. Further, capital work in progress include Rs 7,609,441 thousand (2024: Rs 2,400,058 thousand) being Company's share in Joint operation related to Gas Pressure Enhancement Facility (PEF), as disclosed in note 45 to the financial statements.

	Note	2025	2024
		Rs '000	Rs '000
17. INTANGIBLE ASSETS			
Computer software	17.1	105,111	57,672
Goodwill	17.2	1,932,561	1,932,561
		2,037,672	1,990,233
17.1 Computer software			
Balance at the beginning		57,672	2,674
Additions pursuant to merger of FFBL	1.2	–	13,552
Additions during the year		72,460	49,581
Amortisation charge for the year	17.1.1	(25,021)	(8,135)
Balance at the end		105,111	57,672
Amortisation rate		33.33%	33.33%
17.1.1 Amortisation charge has been allocated as follows:			
Cost of sales	30	5,777	2,696
Administrative and distribution expenses	31 & 31.1	19,244	5,439
		25,021	8,135
17.2 Goodwill			
Goodwill on acquisition of Pak Saudi Fertilizer Company Limited	17.2.1	1,569,234	1,569,234
Goodwill on acquisition of Fauji Fresh n Freeze Limited	17.2.2	363,327	363,327
		1,932,561	1,932,561

17.2.1 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% (2024: 2%) and terminal value determined based on long term earning multiples. The cash flows are discounted using a discount rate of 14.14% per annum (2024: 16.31% per annum). Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

17.2.2 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 15.05% (2024: 15.47%) per annum and terminal growth rate of 3% (2024: 3%). Based on this calculation no impairment is required to be accounted for against the carrying amount of goodwill.

		Note	2025	2024
			Rs '000	Rs '000
18.	LONG TERM INVESTMENTS			
	Equity accounted investments	18.1	139,542,576	117,853,804
	Other long term investments	18.2	6,682,618	6,775,424
			<u>146,225,194</u>	<u>124,629,228</u>
18.1	Equity accounted investments			
	Investment in associates – equity method			
	Fauji Cement Company Limited (FCCL)	18.2.1		
	Balance at the beginning		3,691,749	3,417,302
	Share of profit for the year		573,398	379,916
	Dividend received		(131,836)	(105,469)
			<u>4,133,311</u>	<u>3,691,749</u>
	Fauji Fertilizer Bin Qasim Limited (FFBL)			
	Balance at the beginning		–	35,008,094
	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
	Share of OCI for the year		–	914,754
	Dividend received		–	(644,019)
	Derecognised pursuant to merger of FFBL	1.2	–	(41,696,034)
			<u>–</u>	<u>–</u>
	Askari Bank Limited (AKBL)	18.2.2		
	Balance at the beginning		73,508,398	36,947,033
	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		195,814	(1,954,350)
	Share of profit for the year		16,014,064	10,554,727
	Share of OCI for the year		5,102,583	9,442,022
	Dividend received		(5,862,499)	(1,563,333)
			<u>88,958,360</u>	<u>73,508,398</u>
	Thar Energy Limited (TEL)	18.2.3		
	Balance at the beginning		10,899,478	8,662,870
	Share of profit for the year		3,733,325	2,240,852
	Share of OCI for the year		(879)	(4,244)
	Dividend received		(299,345)	–
			<u>14,332,579</u>	<u>10,899,478</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

Note		2025	2024
		Rs '000	Rs '000
Fauji Foods Limited (FFL)			
Balance at the beginning		–	4,787,277
Share of acquisition reserve created during the year		–	(501,839)
Share of profit for the year		–	60,788
Share of OCI for the year		–	(996)
Derecognised upon gain of control pursuant to merger of FFBL	1.2	–	(4,345,230)
		–	–
Agritech Limited (AGL)			
	18.2.4		
Balance at the beginning		5,343,667	–
Investment during the year		2,452,437	4,855,105
Share of profit for the year		1,207,861	483,104
Share of OCI for the year		(914)	5,458
		9,003,051	5,343,667
Advance against issue of shares		–	69,644
		9,003,051	5,413,311
Investment in joint venture – equity method			
Pakistan Maroc Phosphore S.A., Morocco (PMP)			
	18.2.5		
Balance at the beginning		24,340,868	6,271,304
Carrying amount of investment in PMP acquired pursuant to merger of FFBL	1.2	–	15,253,389
Share of profit for the year		3,660,015	2,495,441
Gain on translation of net assets		2,190,161	1,257,540
Dividend received		(7,075,769)	(936,806)
		23,115,275	24,340,868
		139,542,576	117,853,804
18.2 Other long term investments			
Arabian Sea Country Club Limited		–	–
		–	–
Investments at fair value through profit or loss (FVTPL)			
	18.3		
Investment in listed preference shares		–	1,715,978
Investment in un-listed preference shares		5,917,440	3,299,093
Advance against issue of privately placed term finance certificates (PPTFCs)		–	1,020,171
		5,917,440	6,035,242
Investments at fair value through other comprehensive income (FVTOCI)			
	18.4		
Bank Alfalah Term Finance Certificates		300,000	300,000
Pakistan Investment Bonds		465,178	2,714,385
		765,178	3,014,385
		6,682,618	9,049,627
Less: Current portion shown under short term investments at fair value through other comprehensive income (FVTOCI)			
Pakistan Investment Bonds	27	–	2,274,203
		6,682,618	6,775,424

18.2.1 Investment in FCCL – at equity method

Investment in FCCL represents 105,469 thousand (2024: 105,469 thousand) fully paid ordinary shares of Rs 10 each representing 4.29% (2024: 4.29%) of share capital of FCCL as at December 31, 2025. Market value of the Group's investment as at December 31, 2025 was Rs 5,900,991 thousand (2024: Rs 3,858,056 thousand). FCCL is an associate due to representation on the Board of Directors.

18.2.2 Investment in AKBL – at equity method

Investment in AKBL represents 938,000 thousand (2024: 938,000 thousand) fully paid ordinary shares of Rs 10 each representing 64.72% (2024: 64.72%) of AKBL's share capital. Market value of the Group's investment as at December 31, 2025 was Rs 94,325,280 thousand (2024: Rs 35,897,254 thousand).

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 (2024: 938,000 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.

18.2.3 Investment in TEL – at equity method

Investment in TEL represents 598,691 thousand (2024: 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 (2024: 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. TEL, however, has challenged the determination of these invoices, and has sought certain clarifications from CPPA(G). Despite several requests, the CPPA(G) has not furnished the requested information so far, and consequently, TEL has disputed all the invoices raised by the CPPA(G). Accordingly, in view of TEL's management, supported by its legal counsel there is no exposure on TEL to make any payment on account of HVDC charges.

18.2.4 Investment in AGL – at equity method

Investment in AGL represents 223,835 thousand (2024: 122,541 thousand) fully paid ordinary shares of Rs 10 each, representing 37.36% (2024: 28.86%) of AGL's share capital. Market value of the Group's investment in the ordinary shares of AGL as at December 31, 2025, was Rs 15,227,495 thousand (2024: Rs 4,652,882 thousand).

International Financial Reporting Standard 3, (IFRS 3) "Business Combinations", requires that all identified assets and liabilities acquired in a business combination should be carried at fair values in the acquirer's balance sheet and any intangible assets acquired in the business combination are required to be separately recognized and carried at fair values. The acquisition has been accounted for by applying the purchase

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method in accordance with the requirements of IFRS – 3. IFRS – 3 allows the acquirer a maximum period of one year from the date of acquisition to finalize the determination of fair value of the assets and liabilities and to determine the value of any intangible asset separately identified

For the purpose of acquisition accounting, fair values of acquired net assets were carried at provisional fair values determined by the management's expert as at the acquisition date. During the year, the Group carried out an exercise to firm up the fair values of net assets acquired, to complete the acquisition accounting within a period of twelve months from the date of acquisition in accordance with IFRS 3 'Business Combinations'. Accordingly, the fair values of net assets acquired have been revised and goodwill has also been re-measured. The Group has assessed that there is no retrospective effect as a result of this revision in provisional fair values of the net assets acquired, accordingly, no adjustment is required to be made in these consolidated financial statements retrospectively.

The related revision in the recognised amounts of acquired net assets are as follows:

	Recognised values after measurement period	Amounts measured on provisional basis
	Rs '000	Rs '000
Assets		
Non-current assets		
Property, plant and equipment	71,380,237	77,128,574
Intangible assets	2,190,000	–
Long-term loans and advances	31,236	31,236
Long-term deposits and prepayments	62,041	62,041
	73,663,514	77,221,851
Current assets		
Stores, spares and loose tools	305,310	2,262,286
Stock in trade	8,167,165	8,253,752
Trade debts	62,040	68,103
Advances, deposits, prepayments and other receivables	–	4,487,396
Tax refund due from government	–	91,064
Short term investments	2,112,460	2,112,460
Cash and bank balances	237,879	237,879
	10,884,854	17,512,940
Total assets	84,548,368	94,734,791
Non-current liabilities		
Redeemable capital – secured	3,240,246	3,563,905
Convertible, redeemable preference shares	–	2,820,565
Non-convertible, redeemable preference shares	17,345,074	18,542,698
Deferred liabilities	16,307,807	20,972,730
	36,893,127	45,899,898
Current liabilities		
Preference dividend payable	16,599,338	27,395,365
Convertible, redeemable preference shares	3,543,191	–
Embedded derivative	1,453,662	–
Trade and other payables	7,311,130	7,610,130
Mark-up accrued on borrowings	3,289,967	3,289,967
Short term borrowings – secured	2,926,356	2,926,356
	35,123,644	41,221,818
Total liabilities	72,016,771	87,121,716
Fair value of net assets of AGL	12,531,597	7,613,075

Goodwill

Pursuant to revision in acquired net assets, goodwill arising from the initial acquisition has been revised as follows:

	Recognised values after measurement period	Amounts measured on provisional basis
	Rs '000	Rs '000
Cost of investment in associate	4,855,105	4,855,105
Fair value of identifiable net assets	12,531,597	7,613,075
Percentage shareholding in associate	28.86%	28.86%
Group's share of net assets	3,616,619	2,197,133
Goodwill – initial acquisition	1,238,486	2,657,972

During the year, the Group acquired an additional 8.5% equity interest in AGL for a consideration of Rs 2,452,427 thousand. The resulting goodwill of Rs 1,236,562 thousand has been disclosed in note 18.5 to these consolidated financial statements.

18.2.5 Investment in PMP – at equity method

Investment in PMP represents 37.5% (2024: 37.5%) equity participation in PMP, amounting to Moroccan Dirhams (MAD) 300,000 thousand (2024: Moroccan Dirhams (MAD) 300,000 thousand) equivalent to Rs 2,117,075 thousand (2024: Rs 2,117,075 thousand).

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.

18.2.6 Investment in Arabian Sea Country Club Limited

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.

18.3 Investments at fair value through profit and loss (FVTPL)

Listed preference shares

For the year 2024, this represented investment in listed, cumulative, non-voting and convertible preference shares of AGL having par value of Rs 10 each. These shares were convertible into variable number of ordinary shares at the discretion of its holder. The preference shareholders had a preferred right to dividend at the rate of 11% per annum on a cumulative basis (on an annual basis). During the year, the Group exercised its option to convert 77,998 thousand listed convertible preference shares of AGL into 91,666 thousand ordinary shares of AGL.

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Un-listed preference shares

This represents investment in 875,948 thousand (2024: 190,011 thousand) 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.

Advance against issue of Privately placed Term Finance Certificate (PPTFCs)

For the year 2024, this represented advance against issue of AGL's zero coupon privately placed term finance certificate (PPTFCs) having par value of Rs 5,000 each. During the year, AGL issued the PPTFCs against the advance paid by the Company. Refer note 27.2 to the financial statements.

18.4 Investments at fair value through other comprehensive income (FVTOCI)

Term Finance Certificate (TFCs)

This represents investments in Bank Alfalah Term Finance Certificate amounting to Rs. 300,000 thousand (2024: Rs. 300,000 thousand) holding tenure of perpetuity with floating return of 6MK+2% per annum.

Pakistan Investment Bonds (PIBs)

Pakistan Investment Bonds with 5 and 10 years tenure having aggregate face value of Rs 475 million (2024: Rs 2.78 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.

18.5 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, 2025 and September 30, 2025, which have been used for accounting under equity method as these were the latest approved financial statements.

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 2025 and last quarter of financial year 2024 have been considered for AKBL and results of first quarter of operations of financial year 2026 and three quarters of financial year 2025 have been considered for FCCL and TEL. Results of year ended December 31, 2025 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, 2025						
	FCCL	FFBL	AKBL	TEL	FFL	AGL	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Percentage of shareholding	4.29%	49.88%	64.72%	30.00%	18.45%	37.36%	
Non-current assets / total assets	119,761,452	-	2,827,504,955	98,862,088	-	25,430,913	3,071,559,408
Current assets (including cash and cash equivalents)	42,378,597	-	-	50,697,928	-	21,582,159	114,658,684
Total assets	162,140,049	-	2,827,504,955	149,560,016	-	47,013,072	3,186,218,092
Non-current liabilities / total liabilities	(44,950,756)	-	(2,685,835,320)	(67,263,788)	-	(18,791,078)	(2,816,840,942)
Current liabilities	(32,696,707)	-	-	(33,629,416)	-	(44,333,431)	(110,659,554)
Total liabilities	(77,647,463)	-	(2,685,835,320)	(100,893,204)	-	(63,124,509)	(2,927,500,496)
Net assets (100%)	84,492,586	-	141,669,635	48,666,812	-	(16,111,437)	258,717,596
Non-controlling interest of associate	-	-	(536,729)	-	-	-	(536,729)
Net assets attributable to Group (100%)	84,492,586	-	141,132,906	48,666,812	-	(16,111,437)	258,180,867
Group's share of net assets	3,624,732	-	91,341,217	14,600,044	-	(6,019,233)	103,546,760
Impact of fair value adjustment on retained interest in associates at loss of control	-	-	3,108,749	-	-	-	3,108,749
Fair value adjustment	-	-	-	-	-	13,198,450	13,198,450
Goodwill	823,365	-	-	-	-	2,475,048	3,298,413
Dividend declared subsequently	-	-	(1,172,483)	(299,345)	-	-	(1,471,828)
Other adjustments	(314,786)	-	(4,319,123)	31,880	-	(651,214)	(5,253,243)
Carrying amount of interest in associate	4,133,311	-	88,958,360	14,332,579	-	9,003,051	116,427,301
Revenue	89,417,734	-	316,705,398	55,636,558	-	35,880,379	497,640,069
Profit from continuing operations (100%)	13,365,913	-	24,743,609	12,444,417	-	3,439,527	53,993,466
Other comprehensive income/ (loss) (100%)	-	-	7,884,090	(2,930)	-	(2,447)	7,878,713
Total comprehensive income (100%)	13,365,913	-	32,627,699	12,441,487	-	3,437,080	61,872,179
Group share of profit	573,398	-	16,014,064	3,733,325	-	1,207,861	21,528,648
Group share of other comprehensive income/ (loss)	-	-	5,102,583	(879)	-	(914)	5,100,790
Group's share of total comprehensive income	573,398	-	21,116,647	3,732,446	-	1,206,947	26,629,438

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	December 31, 2024						
	FCCL	FFBL	AKBL	TEL	FFL	AGL	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Percentage of shareholding	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
Total assets	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)
Total liabilities	(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)
Net assets attributable to Group (100%)	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 retained interest in associates at 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)
Carrying amount of interest in associate	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
Total comprehensive income (100%)	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 income / (loss)	-	914,754	9,442,022	(4,244)	(996)	5,458	10,356,994
Group's share of							
Total comprehensive income	379,916	8,423,175	19,996,749	2,236,608	59,792	488,562	31,584,802

The following table analyses, in aggregate, the carrying amount and share of profit and OCI of these associates:

	2025	2024
	Rs '000	Rs '000
Carrying amount of interests in associates	116,427,301	93,443,292
Share of:		
– Profit from continuing operations	21,528,648	21,227,808
– Other comprehensive income/ (loss)	5,100,790	10,356,994

Joint venture

The following table summarizes the financial information of PMP as included in its own financial statements for the period ended September 30, 2025, 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 2024 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.

	2025	2024
	Rs '000	Rs '000
Percentage ownership interest	37.50%	12.50% & 37.50%
Non-current assets	18,264,855	15,253,505
Current assets including cash and cash equivalent amounting to Rs 24,517 million (2024: Rs 24,280 million)	76,250,501	73,017,363
Non-current liabilities	(19,211)	(58,998)
Current liabilities	(32,855,412)	(23,302,889)
Net assets (100%)	61,640,733	64,908,981
Group's share of net assets (37.50%)	23,115,275	24,340,868
Revenue	137,563,256	113,907,481
Depreciation and amortization	(1,295,463)	(1,607,179)
Interest expense	(59,671)	(107,889)
Income tax expense	(4,831,498)	(3,611,687)
Other expenses	(121,616,584)	(93,624,685)
Profit for the year (100%)	9,760,040	14,956,041
Other comprehensive income for the year (100%)	5,840,429	3,041,119
Total comprehensive income for the year (100%)	15,600,469	17,997,160
Group's share of profit for the year	3,660,015	2,495,441
Group's share of other comprehensive income for the year	2,190,161	1,257,540
Group's share of total comprehensive income (37.50%)	5,850,176	3,752,981

This represents FFC's share of translation reserve of PMP. This has arisen due to movement in exchange rate parity between the Moroccan Dirham and Pakistani Rupee.

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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 Fauji Foundation located at 68 Tipu Road, Chaklala, Rawalpindi Cantt, Pakistan 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 Dividend 2015 Rs 50,911 thousand Dividend 2016 Rs 55,720 thousand Dividend 2017 Rs 262,551 thousand Dividend 2018 Rs 144,061 thousand Dividend 2019 Rs 371,638 thousand Dividend 2020 Rs 335,525 thousand Dividend 2021 Rs 518,962 thousand Dividend 2022 Rs 1,349,419 thousand Dividend 2024 Rs 936,806 thousand Dividend 2025 Rs 7,075,769 thousand
Details of litigations	None
Details of default / breach relating to investment	None
Gain / loss on disposal of investment	Not applicable

Note		2025	2024
		Rs '000	Rs '000
19. LONG TERM LOANS AND ADVANCES – SECURED			
Loans and advances – considered good, to:	19.1		
Executives			
Interest bearing		1,906,270	1,599,691
Non-interest bearing		1,589,567	1,288,302
		3,495,837	2,887,993
Other employees			
Interest bearing		1,232,471	960,314
Non-interest bearing		842,380	572,272
		2,074,851	1,532,586
		5,570,688	4,420,579
Less: Impact of present value of loans and advances to employees		1,797,812	1,600,000
		3,772,876	2,820,579
Add: Advances for capital expenditure	19.2	2,122,531	–
Less: Amount due within twelve months, shown under current loans and advances			
Interest bearing		545,083	432,111
Non-interest bearing		820,331	603,202
		1,365,414	1,035,313
		4,529,993	1,785,266

19.1 Reconciliation of carrying amount of loans and advances:

	Executives	2025 Other employees	Total	2024 Total
	Rs '000	Rs '000	Rs '000	Rs '000
Balance at January 1	2,887,993	1,532,586	4,420,579	3,439,210
Adjustments	244,194	(244,194)	–	–
Disbursements	1,318,844	1,126,587	2,445,431	2,289,813
	4,451,031	2,414,979	6,866,010	5,729,023
Repayments	(955,194)	(340,128)	(1,295,322)	(1,308,444)
Balance at December 31	3,495,837	2,074,851	5,570,688	4,420,579

19.1.1 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.

19.1.2 The maximum amount of loans and advances to executives outstanding at the end of any month during the year was Rs 3,495,837 thousand (2024: Rs 2,954,113 thousand).

19.2 This represents advance paid to Mari Petroleum Company Limited, a related party, in relation to PEF project, as disclosed in note 45 to the financial statements.

19.3 Loans and advances to employees exceeding Rs 1 million

	2025		2024	
Category	No. of employees	Amount Rs '000	No. of employees	Amount Rs '000
Rs 1 million to Rs 2 million	179	258,554	164	226,962
Exceeding Rs 2 million upto Rs 3 million	197	500,062	136	343,366
Exceeding Rs 3 million upto Rs 5 million	314	1,224,448	273	1,009,651
Exceeding Rs 5 million upto Rs 10 million	225	1,538,828	173	1,199,444
Exceeding Rs 10 million upto Rs 25 million	114	1,874,827	97	1,473,886
	1,029	5,396,719	843	4,253,309

	Note	2025 Rs '000	2024 Rs '000
20. LONG TERM DEPOSITS AND PREPAYMENTS			
Non-interest bearing deposits		146,962	134,192
Prepayments		–	853
		146,962	135,045
21. STORES, SPARES AND LOOSE TOOLS			
Stores		4,731,980	3,719,239
Spares		12,079,808	10,937,779
Provision for slow moving spares	21.1	(1,045,819)	(1,012,368)
		11,033,989	9,925,411
Loose tools		36,118	34,040
Items in transit		2,298,436	2,508,835
		18,100,523	16,187,525

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		Note	2025	2024
			Rs '000	Rs '000
21.1	Movement of provision for slow moving spares			
	Balance at the beginning		1,012,368	634,216
	Acquisition pursuant to merger of FFBL	1.2	–	296,095
	Provision during the year – net		33,451	82,057
	Balance at the end		1,045,819	1,012,368
22.	STOCK IN TRADE			
	Raw materials		14,531,703	8,122,194
	Raw materials in transit		12,057,283	11,773,706
	Work in process		896,700	744,345
	Finished goods – FFC			
	Manufactured fertilizer		13,847,578	1,904,359
	Purchased fertilizer		841,885	4,922,413
	Finished goods – FFL		1,104,118	557,703
	Finished goods – FFF		2,158,350	1,878,532
			17,951,931	9,263,007
	Less:			
	Raw material / finished goods written off		(11,828)	(94,898)
	Provision for obsolete raw material and finished goods	22.1	(75,349)	(109,489)
			45,350,440	29,698,865
22.1	Movement in provision for slow moving stock			
	Balance at the beginning of the year		109,489	–
	(Reversal)/ provision during the year		(34,140)	109,489
	Balance at the end of the year		75,349	109,489
23.	TRADE DEBTS			
	Considered good:			
	Secured			
	– against bank guarantees		20,153,212	943,632
	– against guarantee issued by the Government of Pakistan	23.1	8,551,982	10,201,389
	Unsecured – local		5,196,364	4,170,096
	Considered doubtful:			
	Unsecured – local		166,059	140,407
			34,067,617	15,455,524
	Loss allowance	23.2	(166,059)	(140,407)
			33,901,558	15,315,117

- 23.1** 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 13.05% to 24.69% (2024: 14.19 % 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 22.38% to 15.57% (2024: 23.61 % to 28.44%) per annum for FWEL- I & FWEL-II.

		Note	2025	2024
			Rs '000	Rs '000
23.2	Movement of loss allowance			
	Balance at the beginning		140,407	80,325
	Acquisition pursuant of merger of FFBL	1.2	–	51,907
	Loss allowance during the year – net		25,652	8,175
	Balance at the end		166,059	140,407
24.	LOANS AND ADVANCES – SECURED			
	Current portion of long term loans and advances	19	1,365,414	1,035,313
	Loans and advances to employees – unsecured – considered good, non–interest bearing			
	Executives		174,631	223,053
	Others		185,542	190,175
	Loan to related party – interest bearing			
	Agritech Limited (AGL) – an associate	24.1	1,318,294	–
	Advances to suppliers – considered good		4,510,601	5,267,193
	Advances to suppliers – considered doubtful		19,413	27,220
	Loss allowance	24.2	(19,413)	(27,220)
			4,510,601	5,267,193
			7,554,482	6,715,734

- 24.1** This represents running finance facility provided to Agritech Limited, a related party, to support its cashflow requirements under markup arrangement at the FFC's weighted average cost of debt plus 0.10% per annum. The maximum amount of loan to AGL outstanding at the end of any month during the year was Rs 1,318,294 thousand (2024: Rs Nil).

		2025	2024
		Rs '000	Rs '000
24.2	Movement in loss allowance		
	Balance at the beginning	27,220	17,356
	Provision during the year	19,145	9,864
	Advances written off	(26,952)	–
	Balance at the end	19,413	27,220

24.3 Loans and advances to employees exceeding Rs 1 million

Category	2025		2024	
	No. of employees	Amount	No. of employees	Amount
		Rs '000		Rs '000
Rs 1 million to Rs 2 million	98	124,811	41	59,168
Exceeding Rs 2 million upto Rs 3 million	14	35,894	11	24,522
Exceeding Rs 3 million upto Rs 5 million	13	47,098	5	19,223
Exceeding Rs 10 million upto Rs 25 million	6	48,457	–	–
	131	256,260	57	102,913

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Note		2025	2024
		Rs '000	Rs '000
25. DEPOSITS AND PREPAYMENTS			
Non-interest bearing deposits		250,653	150,376
Prepayments		1,265,077	1,248,538
		1,515,730	1,398,914
26. OTHER RECEIVABLES			
Accrued income on investments and bank deposits			
– Pakistan Investment Bonds		14,968	112,169
– Conventional banks		166,992	542,444
– Islamic banks		471	402
Sales tax receivable – net	26.1	2,014,376	14,133,275
Advance tax	26.2	1,449,975	1,461,071
Subsidy receivable from Government agencies	26.3	10,122,870	10,122,870
Federal excise duty receivable		79,699	–
Receivable from Workers' Profit Participation Fund – unsecured		–	540,819
Receivable from Agritech Limited – unsecured		14,393	–
Receivable from Pakistan Maroc Phosphore S.A. (related party)		1,931	–
Receivable from Fauji Meat Limited (FML)		30,295	28,487
Receivable from joint operators – PEF project		–	196
Receivable from gratuity fund – I (related party)	26.5	486,929	–
Receivable from gratuity fund – II (related party)	26.5	266,606	181,166
Deferred cost on employee loans		664,250	–
Due from pension fund – FFC (related party)	26.5	824,327	912,625
Receivable from NTDC / CPPA – G against WPPF by FWEL-I & FWEL-II & others		2,387,653	3,064,288
Loss allowance	26.7	(10,083,396)	(10,083,396)
		8,442,339	21,016,416

26.1 Sales tax receivable is net-off provision for sales tax amounting to Rs 39,611,483 thousand (2024: Rs 25,231,061 thousand).

26.2 This includes tax paid of Rs 322,368 thousand (2024: 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.

26.3 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.

- 26.4** The maximum amount of receivable from FML, AGL and PMP during the year was Rs 46,258 thousand (2024: Rs 28,487 thousand), Rs 14,393 thousand (2024: Nil) and Rs 1,931 thousand (2024: Rs 1,931 thousand) respectively.

	Funded gratuity - I	Funded gratuity - II	Funded pension	2025 Total	2024 Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
26.5 Retirement benefit funds – FFC					
26.5.1 The amounts recognized in the consolidated statement of financial position are as follows:					
Present value of defined benefit obligation	(5,158,129)	(1,198,952)	(3,893,214)	(10,250,295)	(9,470,864)
Fair value of plan assets	5,645,058	1,465,558	4,717,541	11,828,157	10,060,080
Asset	486,929	266,606	824,327	1,577,862	589,216
26.5.2 Amounts recognised in the consolidated profit or loss are as follows:					
Current service cost	(277,914)	(59,034)	(134,027)	(470,975)	(348,904)
Net interest cost	(116,137)	20,947	105,520	10,330	(95,478)
	(394,051)	(38,087)	(28,507)	(460,645)	(444,382)
26.5.3 The movements in the present value of defined benefit obligation is as follows:					
Present value of defined benefit obligation at beginning	(5,076,827)	(1,108,253)	(3,285,784)	(9,470,864)	(6,489,927)
Acquisition pursuant to merger of FFBL	–	–	–	–	(987,597)
Current service cost	(277,914)	(59,034)	(134,027)	(470,975)	(348,904)
Interest cost	(610,826)	(134,109)	(391,087)	(1,136,022)	(1,088,590)
Benefits paid	620,956	68,154	357,746	1,046,856	668,350
Re-measurement of defined benefit obligation	186,482	34,290	(440,062)	(219,290)	(1,224,196)
Present value of defined benefit obligation at end	(5,158,129)	(1,198,952)	(3,893,214)	(10,250,295)	(9,470,864)
26.5.4 The movement in fair value of plan assets:					
Fair value of plan assets at beginning	4,572,252	1,289,419	4,198,409	10,060,080	5,858,017
Acquisition pursuant to merger	–	–	–	–	1,106,356
Expected return on plan assets	494,689	155,056	496,607	1,146,352	993,112
Contributions	394,051	–	28,507	422,558	428,563
Benefits paid	(620,956)	(68,154)	(357,746)	(1,046,856)	(668,350)
Re-measurement of plan assets	805,022	89,237	351,764	1,246,023	2,342,382
Fair value of plan assets at end	5,645,058	1,465,558	4,717,541	11,828,157	10,060,080
26.5.5 Actual return on plan assets and others	1,299,711	244,293	848,371	2,392,375	3,335,495
26.5.6 Contributions expected to be paid to the plan for the next annual reporting period	233,914	25,567	67,983	327,464	460,645

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	Funded gratuity - I	Funded gratuity - II	Funded pension	2025 Total	2024 Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
26.5.7 Plan assets comprise of:					
Quoted:					
Investment in debt securities	3,353,189	1,155,152	2,681,631	7,189,972	4,343,730
Investment in equity securities	2,021,440	225,138	1,598,581	3,845,159	3,284,171
Mutual funds	214,508	41,062	209,812	465,382	2,359,249
Un-quoted:					
Deposits with banks	211,842	43,839	288,493	544,174	116,485
Others	(155,921)	367	(60,976)	(216,530)	(43,555)
	5,645,058	1,465,558	4,717,541	11,828,157	10,060,080

26.5.8 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 gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
26.5.9 Movement in liability / (asset) recognised in consolidated statement of financial position:						
Opening liability / (asset)	(504,575)	181,166	912,625	(997,592)	–	365,682
Acquisition pursuant to merger of FFBL	–	–	–	–	118,759	–
Cost for the year recognised in profit or loss	(394,051)	(38,087)	(28,507)	(385,115)	(15,819)	(43,448)
Employer's contribution during the year	394,051	–	28,507	385,115	–	43,448
Total amount of re-measurement recognised in						
Other Comprehensive Income (OCI)						
during the year	991,504	123,527	(88,298)	493,017	78,226	546,943
Closing liability / (asset)	486,929	266,606	824,327	(504,575)	181,166	912,625
26.5.10 Re-measurements recognised in consolidated OCI during the year:						
Re-measurement loss / (gain) on obligation						
Due to change in financial assumptions	(7,163)	5,914	(400,800)	(543,295)	(7,503)	(781,439)
Due to change in demographic assumptions	–	–	–	(40,145)	(11,861)	(63,773)
Due to change in experience adjustments	193,645	28,376	(39,262)	143,131	(29,610)	110,299
	186,482	34,290	(440,062)	(440,309)	(48,974)	(734,913)
Re-measurement loss / (gain) on plan assets						
Actual return on plan assets	1,304,552	245,448	851,672	1,406,694	209,129	1,282,947
Interest income on plan assets	(494,689)	(155,056)	(496,607)	(490,023)	(81,929)	(421,161)
Others	(4,841)	(1,155)	(3,301)	16,655	–	420,070
	805,022	89,237	351,764	933,326	127,200	1,281,856
Re-measurement loss / (gain) recognised in OCI	991,504	123,527	(88,298)	493,017	78,226	546,943

	Funded gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	(Percentage)					
26.5.11 Principal actuarial assumptions used in the actuarial valuations are as follows:						
Discount rate	11.00	11.00	11.00	12.25	12.25	12.25
Expected rate of salary growth – short term						
Management	12.00	11.75	12.00	13.25	13.00	13.25
Non-management	13.00	–	–	14.25	–	–
Expected rate of salary growth – long term						
Management	12.00	11.75	12.00	13.25	13.00	13.25
Non-management	13.00	–	–	14.25	–	–
Expected rate of return on plan assets	11.00	11.00	11.00	12.25	12.25	12.25
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
Demographic assumptions						
Mortality rates (for death in service)	SLIC	SLIC	SLIC	SLIC	SLIC	SLIC
	(2001-05)-1	(2001-05)-1	(2001-05)-1	(2001-05)-1	(2001-05)-1	(2001-05)-1
Rates of employee turnover						
Management	Light	Moderate	Light	Light	Moderate	Light
Non-management	Light	–	–	Light	–	–

26.5.12 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.

	2025 Defined benefit obligation		2024 Defined benefit obligation	
	Effect of 1 percent increase	Effect of 1 percent decrease	Effect of 1 percent increase	Effect of 1 percent decrease
	Rs '000	Rs '000	Rs '000	Rs '000
Discount rate	(846,102)	984,942	(740,523)	858,473
Future salary growth	591,591	(528,403)	556,057	(495,338)
Future pension	432,047	(374,441)	338,140	(293,317)

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates.

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For the year ended December 31, 2025

	Funded gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	(Years)					
26.5.13 The weighted average number of years of defined benefit obligation is given below:						
Plan duration	8.83	7.73	8.59	8.47	7.61	7.92

	Funded gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
26.5.14 Analysis of present value of defined benefit obligations:						
Vested / non – vested						
Vested	5,116,470	1,157,470	–	5,035,826	1,037,150	–
Non – vested	41,659	41,482	–	41,001	71,103	–
	5,158,129	1,198,952	–	5,076,827	1,108,253	–
Types of members						
Active	–	–	3,668,599	–	–	3,083,657
Retirees	–	–	224,615	–	–	202,127
	–	–	3,893,214	–	–	3,285,784
Types of benefits earned to date						
Accumulated benefit obligation	2,194,203	537,209	2,721,522	2,128,624	466,959	2,379,901
Amount attributed to future salary increases	2,963,926	661,743	1,171,692	2,948,203	641,294	905,883
	5,158,129	1,198,952	3,893,214	5,076,827	1,108,253	3,285,784

26.5.15 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 gratuity - I	2025 Funded gratuity - II	Funded pension	Funded gratuity - I	2024 Funded gratuity - II	Funded pension
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
26.5.16 Distribution of timing of benefit payments:						
1 year	412,355	87,678	323,294	464,281	86,805	326,053
2 years	423,058	107,341	317,842	566,291	115,319	400,667
3 years	495,771	102,975	381,346	463,898	93,512	330,940
4 years	591,979	93,456	353,222	555,663	123,800	384,512
5 years	654,904	164,159	581,654	624,155	103,502	310,881
6–10 years	3,354,301	955,089	2,368,509	3,557,974	1,118,725	2,082,935

26.5.17 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.

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.

26.5.18 Salaries, wages and benefits" expense, stated in notes 30 and 31 include retirement benefits in respect of gratuity fund, provident fund, pension plan and compensated absences amounting to Rs 432,138 thousand, Rs 362,787 thousand, Rs 26,397 thousand and Rs 638,588 thousand, respectively (2024: Rs 387,133 thousand, Rs 265,311 thousand, Rs 37,989 thousand and Rs 533,873 thousand respectively).

26.6 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.

		Note	2025	2024
			Rs '000	Rs '000
26.7	Movement in loss allowance			
	Balance at the beginning		10,083,396	5,719,404
	Acquisition pursuant to merger of FFBL		–	3,160,992
	Charge for the year		–	1,203,000
	Balance at the end	26.7.1	10,083,396	10,083,396

26.7.1 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.

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		Note	2025	2024
			Rs '000	Rs '000
27.	SHORT TERM INVESTMENTS			
	Amortized cost – conventional instruments			
	Term deposits with banks and financial institutions	27.1		
	Local currency		2,694,890	3,700,750
	Foreign currency		5,530,553	5,258,558
			8,225,443	8,959,308
	Investment in privately placed term finance certificates (PPTFCs)	27.2	1,831,517	–
			10,056,960	8,959,308
	Investments at fair value through profit or loss	27.3		
	Conventional investments		55,473,242	128,931,182
	Shariah compliant investments		133,503,760	82,250,583
			188,977,002	211,181,765
	Current maturity of long term investments			
	Fair value through OCI	18.2	–	2,274,203
			199,033,962	222,415,276

27.1 These represent investments having maturities ranging between 1 to 3 months and are being carried at amortized cost.

27.2 This represents investment in privately place term finance certificates (PPTFCs) of AGL having par value of Rs 5,000 each. These PPTFCs are zero coupon instruments and are payable to the instrument holders in the form of a bullet payment by the end of 2026. These instruments have been initially recognized at fair value, determined by discounting the expected future cash flows at a rate of 11.02%.

27.3 Fair values of these investments are determined using quoted repurchase price.

27.3.1 Details of investment in mutual funds are as follows:

	2025		2024	
	Number of units	Fair value	Number of units	Fair value
	In '000	Rs '000	In '000	Rs '000
Money Market Funds	1,155,894	45,905,768	3,843,517	114,627,114
Income Funds	644,077	9,567,474	651,278	14,304,068
Shariah Compliant Funds	3,091,645	133,503,760	1,616,081	82,250,583
	4,891,616	188,977,002	6,110,876	211,181,765

	Note	2025	2024
		Rs '000	Rs '000
28. CASH AND BANK BALANCES			
At banks			
Local currency			
Current accounts – Conventional banking		2,044,319	516,692
Current accounts – Islamic banking		9,124	126,835
Deposit accounts – Conventional banking	28.1	11,708,300	14,874,939
Deposit accounts – Islamic banking	28.2	73,929	314,633
		13,835,672	15,833,099
Foreign currency			
Deposit accounts (US\$ 315; 2024: US\$ 19,993)		89	5,545
	28.3	13,835,761	15,838,644
Cash in transit	28.4	128,032	135,040
Cash in hand		1,483	2,355
		13,965,276	15,976,039

28.1 Balances with banks carry markup ranging from 2.54% to 15.00% (2024: 11.50% to 20.51%) per annum.

28.2 Balances with banks carry profit ranging from 3.55% to 9.50% (2024: 4.70% to 14.25%) per annum.

28.3 Balances with banks include Rs 370,309 thousand (2024: Rs 285,040 thousand) in respect of security deposits received.

28.4 These represent demand drafts held by the Group at year end.

28.5 This includes balances of Rs 6,427,774 thousand (2024: Rs 6,156,661 thousand) held under lien.

	Note	2025	2024
		Rs '000	Rs '000
28.6 Cash and cash equivalents			
Cash and cash equivalents included in the statement of cash flows comprise of the following :			
Cash and bank balances	28	13,965,276	15,976,039
Short term borrowings	14	(22,009,674)	(38,340,517)
Short term highly liquid investments	27	197,202,445	220,141,073
Short term highly liquid investments held under lien		(244,139)	–
Bank balance held under lien		(6,427,774)	(6,156,661)
		182,486,134	191,619,934
29. TURNOVER-NET			
Manufactured fertilizer		455,665,685	354,725,841
Purchased and packaged fertilizers		18,193,382	44,799,510
Sale of electricity		18,158,892	22,961,407
Food products		45,111,870	23,703,575
Others		898,169	993,953
		538,027,998	447,184,286
Sales tax and excise duty		(42,431,608)	(33,773,054)
Trade discount and others		(11,788,830)	(2,156,822)
		(54,220,438)	(35,929,876)
		483,807,560	411,254,410

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		Note	2025	2024
			Rs '000	Rs '000
30.	COST OF SALES			
	Raw materials consumed	30.1	247,384,539	144,473,307
	Fuel and power		26,398,738	25,085,836
	Chemicals and supplies		2,759,992	1,637,135
	Salaries, wages and benefits		21,241,140	17,370,435
	Training and employees welfare		2,025,321	1,604,812
	Rent, rates and taxes		723,237	826,169
	Insurance		2,224,124	1,915,700
	Travel and conveyance		2,764,096	2,092,369
	Repairs and maintenance (includes stores and spares consumed of Rs 2,228,592 thousand; (2024: Rs 1,752,522 thousand))		9,312,619	5,650,196
	Depreciation	16.1	9,675,724	7,177,732
	Amortization	17.1.1	5,777	2,696
	Communication and other expenses	30.2	9,053,573	9,443,965
			333,568,880	217,280,352
	Opening stock – work in process		744,345	174,232
	Acquisition pursuant to merger of FFBL	1.2	–	412,915
	Closing stock – work in process		(896,700)	(744,345)
			(152,355)	(157,198)
	Cost of goods manufactured		333,416,525	217,123,154
	Opening stock – manufactured goods		4,340,594	2,500,312
	Acquisition pursuant to merger of FFBL	1.2	–	12,505,700
	Closing stock – manufactured goods		(17,098,218)	(4,340,594)
			(12,757,624)	10,665,418
	Cost of sales – manufactured goods		320,658,901	227,788,572
	Opening stock – purchased fertilizer		4,922,413	545,387
	Purchase of fertilizer for resale		10,188,561	44,097,610
	Closing stock – purchased fertilizer		(841,885)	(4,922,413)
	Cost of sale – purchased fertilizer		14,269,089	39,720,584
			334,927,990	267,509,156

30.1 This includes provision against sales tax receivable amounting to Rs 14,125,422 thousand (2024: Rs 9,793,003 thousand).

30.2 This includes provision for slow moving spares amounting to Rs 33,451 thousand (2024: Rs 82,057 thousand).

	Note	2025	2024
		Rs '000	Rs '000
31. ADMINISTRATIVE AND DISTRIBUTION EXPENSES			
Administrative expenses	31.1	2,106,730	1,460,138
Product transportation		21,440,756	20,066,279
Salaries, wages and benefits		5,309,175	5,016,232
Training and employees welfare		468,288	404,538
Rent, rates and taxes		399,750	298,286
Technical services to farmers		50,945	36,796
Travel and conveyance		1,133,956	891,687
Sale promotion and advertising		2,649,137	1,161,505
Communication and other expenses		3,490,046	2,162,750
Warehousing expenses		713,068	322,704
Depreciation	16.1	322,037	164,318
Amortisation	17.1.1	1,170	910
		38,085,058	31,986,143
31.1 Administrative expenses			
This represents administrative and general expenses of FFCEL, FWEL-I, FWEL-II, FFF, FFL, FPCL and OLIVE:			
Salaries, wages and benefits		1,093,949	662,329
Travel and Conveyance		124,868	65,628
Utilities		35,663	33,863
Printing and stationery		8,130	11,350
Repairs and maintenance		74,902	50,397
Communication, advertisement and other expenses		425,349	387,791
Rent, rates and taxes		99,442	74,726
Legal and professional		77,071	88,053
Depreciation	16.1	102,038	63,161
Amortisation	17.1.1	18,074	4,529
Miscellaneous		47,244	18,311
		2,106,730	1,460,138
32. FINANCE COSTS			
Mark-up / profit on long term borrowings			
Conventional borrowings		1,690,310	3,834,068
Islamic borrowings		2,696,078	2,828,574
		4,386,388	6,662,642
Mark-up / profit on short term borrowings			
Conventional borrowings		1,525,401	553,653
Islamic borrowings		741,769	282,822
		2,267,170	836,475
Bank and other charges		461,678	353,643
		7,115,236	7,852,760

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	2025	2024
	Rs '000	Rs '000
33. OTHER EXPENSES		
Research and development	2,360,906	2,038,842
Workers' Profit Participation Fund	6,804,483	6,126,105
Workers' Welfare Fund	1,973,195	2,010,382
Auditors' remuneration		
Audit fee	10,000	6,816
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	5,484	5,617
Fee of subsidiary auditors (including special purpose audits)	19,320	15,124
Special purpose audits and other certifications	–	23,800
Taxation and other advisory services	64,496	75,612
Out of pocket expenses	3,229	3,116
	102,529	130,085
	11,241,113	10,305,414
34. OTHER INCOME		
Income from financial assets		
Income on loans, deposits and investments in:		
– Pakistan Investment Bonds	182,633	376,329
– Conventional banks	1,679,443	3,197,788
– Islamic banks	2,789	174,926
– Employee loans	111,098	88,529
Gain on investments on mutual funds		
– Conventional mutual funds	6,852,590	1,589,866
– Shariah compliant mutual funds	3,694,977	2,213,556
Gain on re-measurement of investments classified as fair value through profit or loss on:		
– Conventional mutual funds	2,078,392	6,821,352
– Shariah compliant mutual funds	3,071,410	2,704,039
– Other investments	237,710	–
Dividend income on:		
– Conventional mutual funds	37,306	4,544,620
– Shariah compliant mutual funds	5,027	3,837,022
Unwinding of discount on employee loans	530,782	–
Exchange loss on foreign currency balances – net	(854,486)	(263,891)
	17,629,671	25,284,136
Income from non-financial assets		
Gain on disposal of property, plant and equipment	51,311	8,869
Gain on disposal of investment property	–	585,716
Commission on sale of AGL products	7,249	–
Commission on sale of FFBL products prior to merger / amalgamation of FFBL with and into FFC	–	11,337
	58,560	605,922
Other income		
Scrap sales	670,854	213,033
Others	316,002	927,494
	986,856	1,140,527
	18,675,087	27,030,585

35. 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.

35.1 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	2025	2024
		Rs '000	Rs '000
Current tax liability for the year as per applicable tax laws		47,991,249	43,696,262
Less:			
Portion of current tax liability as per tax laws representing income tax under IAS 12	35.2	(47,871,105)	(41,346,442)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IAS 37/ IFRIC 21		(120,144)	(2,349,820)
		–	–

35.2 The aggregate of minimum and final tax and income tax amounting to Rs 47,991,249 thousand (2024: Rs 43,696,262 thousand) represents tax liability of the Group calculated under the relevant provisions of the Income Tax Ordinance, 2001.

	2025	2024
	Rs '000	Rs '000
36. PROVISION FOR TAXATION		
Current tax		
Current year	46,871,868	41,346,442
Prior year	999,237	–
	47,871,105	41,346,442
Deferred tax	3,364,357	13,717,759
	51,235,462	55,064,201
36.1 Reconciliation between tax expense and accounting profit		
Profit before income tax	136,181,769	140,589,545

	2025	2024
	%	%
Applicable tax rate	29.00	29.00
Tax effect of income that is exempt or taxable at reduced rates	(5.89)	(4.78)
Effect of tax levies	(0.01)	(1.30)
Effect of permanent differences	2.79	3.67
Effect of prior years/ super tax	11.04	12.27
Others	0.69	0.31
Average effective tax rate charged on income	37.62	39.17

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	2025	2024
	Rs '000	Rs '000
36.2 Tax impacts on items recognised in other comprehensive income		
Tax impact on:		
(Deficit)/ surplus on re-measurement of investments to fair value	(27,674)	128,610
Gain on re-measurement of staff retirement benefit plans	380,458	433,147
Equity accounted investees – share of OCI	1,822,738	2,903,773
	<u>2,175,522</u>	<u>3,465,530</u>

	2025	2024
37. EARNING PER SHARE – BASIC AND DILUTED		
Profit for the year attributable to equity shareholders of FFC (Rupees '000)	83,170,819	84,379,493
Weighted average number of shares in issue (Number '000)	1,423,109	1,423,109
Basic and diluted earnings per share (Rupees)	<u>58.44</u>	<u>59.29</u>

There is no dilutive effect on the basic earnings per share of the Group.

38. 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:

	2025		2024	
	Chief Executive	Executives	Chief Executive	Executives
	Rs '000		Rs '000	
Managerial remuneration	92,201	5,631,041	78,437	3,985,967
Contribution to provident fund	6,359	315,680	5,409	229,922
Bonus and other awards	42,442	1,263,669	37,420	1,450,067
Good performance award	–	1,490,229	–	1,353,457
Allowances, contribution to retirement benefit plans and others	15,863	6,048,106	32,546	4,967,775
Total	<u>156,865</u>	<u>14,748,725</u>	<u>153,812</u>	<u>11,987,188</u>
No. of person(s)	1	1,223	2	1,076

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 Nil thousand (2024: Rs 9,749 thousand) and Rs 136,500 thousand (2024: Rs 96,638 thousand) were paid to chief executive and executives respectively on separation, in accordance with the Group's policy.

Executive means an employee whose basic salary exceeds Rs 1,200 thousand (2024: Rs 1,200 thousand) during the year.

In addition, 40 (2024: 52) directors were paid aggregate fee of Rs 58,775 thousand (2024: Rs 80,140 thousand). Directors are not paid any remuneration except meeting fee.

39. 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
Balance at January 1, 2025	39,908,990	351,147	104,210	663,851	41,028,198
Changes from financing cash flows					
Draw-downs	30,003,164	–	–	–	30,003,164
Repayments	(7,457,479)	–	–	–	(7,457,479)
Repayment of lease liability – net	–	(172,815)	–	–	(172,815)
Dividend paid	–	–	–	(71,010,880)	(71,010,880)
	22,545,685	(172,815)	–	(71,010,880)	(48,638,010)
Other changes					
Liability related	–	323,825	–	–	323,825
Dividend declared	–	–	–	71,198,807	71,198,807
Amortisation of government grant	–	–	(30,930)	–	(30,930)
	–	323,825	(30,930)	71,198,807	71,491,702
Balance at December 31, 2025	62,454,675	502,157	73,280	851,778	63,881,890

	Long term borrowings	Lease liabilities	Government grant	Unclaimed dividend	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
Balance at January 1, 2024	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)
Other changes					
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
Balance at December 31, 2024	39,908,990	351,147	104,210	663,851	41,028,198

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

		Note	2025	2024
			Rs '000	Rs '000
40.	CASH GENERATED FROM OPERATIONS			
	Profit before income tax		136,181,769	140,589,545
	Adjustments for:			
	Unwinding of GIDC liability	12.1	–	212,406
	Loss allowance on subsidy receivable from GoP	26.7	–	1,203,000
	Depreciation	16.1	10,048,108	7,462,378
	Provision for sales tax	26.1	14,380,422	12,404,003
	Amortization	17.1.1	25,021	8,135
	Impact of present value of loans and advances to employees	19	–	1,600,000
	Provision for slow moving spares	30.2	33,451	82,057
	Reversal / provision for slow moving stock	22.1	(34,140)	109,489
	Raw material and finished goods written off	22	11,828	94,898
	Reversal of loss allowance on trade debts	23.2	25,652	60,082
	Finance costs	32	7,115,236	7,852,760
	Income on loans, deposits and investments		(1,864,865)	(3,749,043)
	Gain on remeasurement of other investments held at FVTPL	34	(237,710)	–
	Share of profit of associates and joint venture		(25,188,663)	(23,723,249)
	Gain on disposal of investment property	34	–	(585,716)
	Gain on disposal of property, plant and equipment	34	(51,311)	(8,869)
	Unwinding of discount on employee loans	34	(530,782)	–
	Amortization of deferred cost on employee loans		64,344	–
	Amortization of government grant	9	(30,930)	(32,641)
	Final and minimum taxes – levies	35	120,144	2,349,820
	Exchange loss – net	34	854,486	263,891
			4,740,291	5,603,401
			140,922,060	146,192,946
	Changes in working capital			
	(Increase) / decrease in current assets:			
	Stores, spares and loose tools		(1,946,449)	(3,906,614)
	Stock in trade		(15,629,263)	5,700,499
	Trade debts		(18,612,093)	6,599,312
	Loans and advances		479,546	(1,957,853)
	Deposits and prepayments		(116,816)	(274,226)
	Other receivables		(1,614,679)	1,794,631
	Bank balances held under lien		(515,252)	854,971
	Increase in current liabilities:			
	Trade and other payables		11,027,223	29,038,413
			(26,927,783)	37,849,133
	Changes in long term loans and advances		(2,942,539)	(755,628)
	Changes in long term deposits and prepayments		(11,917)	(2,964)
	Changes in compensated leave absences		439,593	380,794
			111,479,414	183,664,281

41. 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	2025	2024
			Rs '000	Rs '000
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Assets				
Long term investments	Shariah	18	50,584,216	44,345,406
Loans and advances	Shariah	19	9,425,252	1,257,372
Short term investments	Shariah	27	135,335,277	82,250,583
Bank balances / instruments	Shariah	28	212,568	578,863
Liabilities				
Long term borrowings – secured (including current portion)	Shariah	7	49,750,000	19,750,000
Short term borrowings – secured	Shariah	14	10,644,760	7,546,171
Mark-up and profit accrued	Shariah	13	650,289	658,473
CONSOLIDATED STATEMENT OF PROFIT OR LOSS				
Turnover	Shariah	29	483,807,560	411,254,410
Income on loans, deposits and investments	Non – shariah Shariah		1,973,174 2,789	3,574,117 174,926
		34	1,975,963	3,749,043
Gain on investments	Non – shariah Shariah		6,852,590 3,694,977	1,589,866 2,213,556
		34	10,547,567	3,803,422
Gain on re-measurement of investments	Non – shariah Shariah		2,316,102 3,071,410	6,821,352 2,704,039
		34	5,387,512	9,525,391
Dividend income	Non – shariah Shariah		37,306 5,027	4,544,620 3,837,022
		34	42,333	8,381,642
Other income / (loss)	Non – shariah Shariah		(323,704) 1,045,416	(263,891) 1,834,978
		34	721,712	1,571,087
Share of profit of associates and joint venture	Non – shariah Shariah		16,014,064 9,174,599	13,278,683 10,444,566
		34	25,188,663	23,723,249

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 212,568 thousand (2024: Rs 578,863 thousand) and availed borrowing facilities amounting to Rs 61,045,049 thousand (2024: Rs 27,954,644 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 135,335,277 thousand (2024: Rs 82,250,583 thousand).

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42. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

42.1 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
December 31, 2025				
Financial assets:				
Maturity up to one year				
Trade debts	33,901,558	–	–	33,901,558
Loans and advances	3,043,881	–	–	3,043,881
Deposits	250,653	–	–	250,653
Other receivables	2,656,177	–	–	2,656,177
Short term investments	10,056,960	188,977,002	–	199,033,962
Cash and bank balances	13,965,276	–	–	13,965,276
Maturity after one year				
Long term investments	–	5,917,440	765,178	6,682,618
Long term loans and advances	2,407,462	–	–	2,407,462
Long term deposits	146,962	–	–	146,962
	66,428,929	194,894,442	765,178	262,088,549

	Amortised Cost
	Rs '000
Financial liabilities:	
Maturity up to one year	
Current portion of long term borrowings	11,636,683
Current portion of lease liabilities	105,626
Trade and other payables	175,838,611
Markup and profit accrued	987,536
Short term borrowings	22,009,674
Unclaimed dividend	851,778
Maturity after one year	
Long term borrowings	50,817,992
Lease liabilities	396,531
	262,644,431

	Amortised cost	Fair value through profit or loss	Fair value through other comprehensive income	Total
	Rs '000	Rs '000	Rs '000	Rs '000
December 31, 2024				
Financial assets:				
Maturity up to one year				
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
Maturity after one year				
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
Financial liabilities:				
Maturity up to one year				
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
Maturity after one year				
Long term borrowings				32,491,030
Lease liabilities				290,770
				<u>249,711,990</u>

42.2 Credit quality of financial assets

The credit quality of Group'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.

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Rating		2025	2024
		Rs '000	Rs '000
Trade debts			
Counterparties without external credit ratings			
Existing customers with no default in the past		25,349,576	5,113,728
Existing customer (CPPA) on behalf of DISCOs			
with no default in past – GoP guarantee backed		8,551,982	10,201,389
		33,901,558	15,315,117
Loans and advances			
Counterparties without external credit ratings			
Loans to employees		1,725,587	1,448,541
Loan to related party		1,318,294	–
		3,043,881	1,448,541
Deposits			
Counterparties without external credit ratings		250,653	150,376
Other receivables			
Counterparties with external credit ratings	A1+ / A1+		
	A1 / A1 / A-2	182,431	655,015
Counterparties without external credit ratings			
Balances with related parties		46,619	28,487
Others		2,427,127	3,103,958
		2,656,177	3,787,460
Short term investments			
Counterparties with external credit ratings	A1+/A-1+	8,224,693	8,959,308
	AM1	172,073,467	192,606,229
	AM2++/AM2 /AM2+/AM3++	16,904,285	18,575,536
Counterparties without external credit ratings			
Investment in PPTFCs of a related party		1,831,517	–
PIBs and T-Bills issued by the Government of Pakistan		–	2,274,203
		199,033,962	222,415,276
Bank balances			
Counterparties with external credit ratings	A1+/A-1+/P-1	13,952,739	15,078,631
	A1/A-1	11,730	875,567
	A-2	11	20,468
	A-3	–	3
Counterparties without external credit ratings		796	1,370
		13,965,276	15,976,039
Long term investments			
Counterparties with external credit ratings		AA+	300,000
Counterparties without external credit ratings			
PIBs issued by the Government of Pakistan		465,178	440,182
Others		5,917,440	6,035,242
		6,682,618	6,775,424
Long term loans and advances			
Counterparties without external credit ratings		2,407,462	1,785,266
Long term deposits			
Counterparties without external credit ratings		146,962	134,192

42.3 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:

	2025	2024
	Rs '000	Rs '000
Long term investments	6,682,618	6,775,424
Loans and advances	5,451,343	3,233,807
Deposits	397,615	284,568
Trade debts	33,901,558	15,315,117
Other receivables	2,656,177	3,787,460
Short term investments	199,033,962	222,415,276
Bank balances	13,965,276	15,976,039
	<u>262,088,549</u>	<u>267,787,691</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 39,284,670 thousand (2024: Rs 28,134,609 thousand). This is included in total carrying amount of investments as at reporting date.

Notes to the Consolidated Financial Statements

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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 aging of trade debts at the reporting date was:

	2025		2024	
	Gross	Impairment	Gross	Impairment
	Rs '000		Rs '000	
Not yet due	24,197,498	3,811	2,829,175	3,457
Past due 1–30 days	1,919,971	3,103	1,838,668	9,704
Past due 31–60 days	1,094,301	1,379	2,589,250	6,143
Past due 61–90 days	1,107,439	3,652	2,313,360	10,352
Over 90 days	5,699,272	104,978	5,885,071	110,751
	34,018,481	116,923	15,455,524	140,407

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.

	Carrying amount	Within 1 year	1 to 5 years	More than 5 years
			Contractual Amount	
	Rs '000	Rs '000	Rs '000	Rs '000
December 31, 2025				
Long term borrowings (including current portion) and accrued interest	62,971,308	12,153,316	50,775,256	42,736
Trade and other payables	175,838,611	175,838,611	–	–
Unclaimed dividend	851,778	851,778	–	–
Short term borrowings and accrued interest	22,480,577	22,480,577	–	–
Lease liabilities	502,157	105,626	194,632	201,899
	262,644,431	211,429,908	50,969,888	244,635
December 31, 2024				
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
	249,711,990	216,930,190	32,732,934	48,866

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:

	2025		2024	
	Rs '000	USD '000	Rs '000	USD '000
Bank balances	89	0.32	5,545	19.92
Investments (Term Deposit Receipts)	5,530,553	19,713	5,258,558	18,892

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The following significant exchange rates applied during the year:

	2025 Average rate	2024	2025 Reporting date rate	2024
US Dollars	280.97	273.81	280.55	278.35

Sensitivity analysis

A 10% strengthening of the functional currency against foreign currencies at December 31 would have decreased profit after tax by Rs 337,369 thousand (2024: Rs 321,110 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:

	2025 Carrying amount	2024
	Rs '000	Rs '000
Fixed rate instruments		
Financial assets	11,829,362	14,134,968
Financial liabilities	73,280	104,210
Variable rate instruments		
Financial assets	25,778,073	16,836,259
Financial liabilities	84,464,349	78,249,507

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 2024.

	100 basis points increase	100 basis points decrease
	Rs '000	Rs '000
December 31, 2025		
Cash flow sensitivity – Variable rate instruments		
Financial assets	157,246	(157,246)
Financial liabilities	(515,233)	515,233
December 31, 2024		
Cash flow sensitivity – Variable rate instruments		
Financial assets	102,701	(102,701)
Financial liabilities	(477,322)	477,322

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 4,668 thousand (2024: Rs 18,388 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 1,188,856 thousand (2024: Rs 1,304,899 thousand). The analysis is performed on the same basis for 2024 and assumes that all other variables remain the same.

42.4 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.

42.5 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:

	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
	Rs '000		Rs '000	
Assets carried at amortised cost				
Long term loans and advances	2,407,462	2,407,462	1,785,266	1,785,266
Long term investments	–	–	3,299,093	3,299,093
Long term deposits	146,962	146,962	134,192	134,192
Trade debts	33,901,558	33,901,558	15,315,117	15,315,117
Loans and advances	3,043,881	3,043,881	1,448,541	1,448,541
Deposits	250,653	250,653	150,376	150,376
Other receivables	2,656,177	2,656,177	3,787,460	3,787,460
Short term investments	10,056,960	10,056,960	8,959,308	8,959,308
Cash and bank balances	13,965,276	13,965,276	15,976,039	15,976,039
	66,428,929	66,428,929	50,855,392	50,855,392
Assets carried at fair value				
Long term investments	6,682,618	6,682,618	3,476,331	3,476,331
Short term investments	188,977,002	188,977,002	213,455,968	213,455,968
	195,659,620	195,659,620	216,932,299	216,932,299

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	2025		2024	
	Carrying value	Fair value	Carrying value	Fair value
	Rs '000		Rs '000	
Liabilities carried at amortised cost				
Long term borrowings	50,817,992	50,817,992	32,491,030	32,491,030
Trade and other payables	175,838,611	175,838,611	169,466,706	169,466,706
Mark-up and profit accrued	987,536	987,536	980,779	980,779
Short term borrowings	22,009,674	22,009,674	38,340,517	38,340,517
Unclaimed dividend	851,778	851,778	663,851	663,851
Current portion of long-term borrowings	11,636,683	11,636,683	7,417,960	7,417,960
Lease liabilities	502,157	502,157	351,147	351,147
	<u>262,644,431</u>	<u>262,644,431</u>	<u>249,711,990</u>	<u>249,711,990</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:

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
December 31, 2025			
Assets carried at fair value			
Long term investments – FVTOCI & FVTPL	–	765,178	5,917,440
Current portion of long term investments – FVTOCI	–	–	–
Short term investments – FVTPL	188,977,002	–	–
	<u>188,977,002</u>	<u>765,178</u>	<u>5,917,440</u>
December 31, 2024			
Assets carried at fair value			
Long term investments – FVTOCI	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	–	–
	<u>212,897,743</u>	<u>3,014,385</u>	<u>1,020,171</u>

42.5.1 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 Rs '000	1 % decrease Rs '000
Unlisted Preference Shares	DCF method	Discount rate of 10.39% p.a.	(59,174)	59,174

	2025	2024
	Rs '000	Rs '000
42.5.2 Reconciliation of level 3 fair values		
Balance as at January 1,		
Investment during the year	1,020,171	–
Balance as at December 31,	4,897,269	1,020,171
	5,917,440	1,020,171

42.5.3 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 or 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.

43. 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

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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
December 31, 2025						
Segment revenues	432,410,443	32,195,071	36,603,446	799,274	(18,200,674)	483,807,560
Segment profit before levies and income tax	120,864,085	10,110,111	2,181,208	401,401	2,745,108	136,301,913
Interest income	1,286,226	76,704	530,945	9,829	(38,839)	1,864,865
Finance cost	6,517,974	391,057	245,044	–	(38,839)	7,115,236
Depreciation	5,187,767	3,654,860	1,232,874	1,073	26,534	10,103,108
Share of profit of equity accounted investees	–	–	–	–	25,188,663	25,188,663
Segment assets (total)	437,485,133	89,744,185	28,039,169	1,226,438	(82,739,339)	473,755,586
Equity accounted investees	–	–	–	–	139,542,576	139,542,576
	437,485,133	89,744,185	28,039,169	1,226,438	56,803,237	613,298,162
Segment liabilities (total)	301,901,608	7,981,126	13,565,471	349,775	24,695,230	348,493,210

	Fertilizers	Power	Food	Technical Services	Consolidated Total adjustments/ eliminations	Total
	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000
December 31, 2024						
Segment revenues	373,536,920	30,289,378	18,314,163	873,245	(11,759,296)	411,254,410
Segment profit / (loss) 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
Segment assets (total)	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

Reconciliation of information on reportable segments to applicable financial reporting standards

	2025	2024
	Rs '000	Rs '000
i) Revenue for reportable segments		
Consolidated revenue	483,807,560	411,254,410
ii) Profit before tax for reportable segments		
Elimination of intra segment profit	(22,443,555)	(6,865,360)
Other adjustments	25,188,663	23,723,249
Consolidated profit before tax from continuing operations	136,301,913	142,939,365
iii) Total assets for reporting segments		
Equity accounted investments	139,542,576	117,853,804
Consolidated total assets	613,298,162	573,683,408
iv) Total liabilities for reporting segments		
Deferred tax on equity accounted investments	27,234,234	19,067,979
Consolidated total liabilities	348,493,210	328,792,821

44. RELATED PARTY TRANSACTIONS AND BALANCES

44.1 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	43.70%
Lt Gen Anwar Ali Hyder, HI(M) (Retired)	Director	—
Mr. Jahangir Piracha	Director	0.00913%
Mr. Saad Amanullah Khan	Director	0.00004%
Ms. Maryam Aziz	Director	0.00001%
Mr. Yassir Ghiyati Ibn Ziyad	Director	—
Mr. Qamar Haris Manzoor	Director	0.00056%
Syed Bakhtiyar Kazmi	Director	—
Mr. Shoaib Javed Hussain	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	0.03162%
Dr. Shamshad Akhtar	Director	0.00001%
Mr. Mohammad Majid Munir	Director	—
Syed Shahzad Nabi	Director	—
Syed Atif Ali	Key management personnel	—
Mr. Ather Javed	Key management personnel	—
Mr. Wajid Ishaq Bhatti	Key management personnel	—
Mr. Muhammad Abdullah	Key management personnel	0.00004%
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	0.00003%
Mr. Usman Ghani	Key management personnel	0.00001%

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Related party	Basis of relationship	Aggregate % age shareholding in FFC
Mr. Muhammad Tariq	Key management personnel	–
Mr. Salar Malik	Key management personnel	0.00142%
Mr. Shahbaz Ahmad Khan	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. Zulfiqar Ali Haider	Key management personnel	–
Mr. Ali Ashfaq	Key management personnel	–
Chaudhary Muhammad Azhar Nawaz	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	–
Mr. Jahan Zeb	Key management personnel	–
Mr. Khurram Saleem	Key management personnel	–
Mr. Muhammad Afzal	Key management personnel	–
Mr. Saad Ullah Khan Lodhi	Key management personnel	–
Mr. Muhammad Ali Janjua	Key management personnel	–
Mr. Atif Nadeer	Key management personnel	0.00001%
Provident Fund Trust	Contributory provident fund	0.10950%
Gratuity Fund Trust – I	Defined benefit fund	0.08469%
Gratuity Fund Trust – II	Defined benefit fund	0.00325%
Pension Fund Trust	Defined benefit fund	0.04336%

Related party	Basis of relationship	Aggregate % age shareholding the Group
Askari Bank Limited	Associated company	64.72%
Agritech Limited	Associated company	37.36%
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	–
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	–

- 44.2** 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 FFC	37.50% Equity Investment by FFC

- 44.3** Fauji Foundation holds 43.70% (2024: 43.51%) 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 19, 24 and 38 to the consolidated financial statements respectively. Unless otherwise stated, none of the transactions incorporate special terms and conditions. Outstanding balances are usually settled in cash.

	2025	2024
	Rs '000	Rs '000
Transactions with holding company		
Dividend paid	30,653,059	11,059,058
Cost recharge	1,561,222	1,693,332
Sale of investment property	–	855,958
Donations	197,040	171,900
Sale of fertilizers	9,242	8,091
Others	759,643	85,189
Balances		
Balance payable	6,445,614	6,743,826
Transactions and balances with associates / undertakings due to common directorship		
Transactions		
Expenses charged on account of marketing of fertilizer on behalf of an associate	481,057	679,653
Commission on sale of products	7,249	11,337
Sale of fertilizer	150,347	89,737
Payments under consignment account – net	25,504,675	76,743,428
Payments against purchase of gas, PEF project and others	58,842,675	57,452,107
Purchase of raw materials and others	118,064,153	43,247,344
Investment during the year	3,858,798	10,992,049
Loan provided during the year	1,318,294	–
Services and materials provided	698,547	55,108
Services and materials received	264,215	6,349
Donations	1,717,992	767,812
Interest expense	774,833	243,888
Interest income	325,193	1,239,701
Dividend income	13,369,449	3,249,627
Dividend paid	754,926	811,370

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	2025	2024
	Rs '000	Rs '000
Balances		
Short term borrowings	7,969,117	17,954,517
Long term borrowings	320,536	370,808
Bank balances	2,650,350	2,729,844
Balance receivable	2,174,034	558,761
Balance payable	94,498,517	89,819,235
STAFF RETIREMENT FUNDS		
Contributions		
Employees' Provident Fund Trust	966,240	777,673
Employees' Gratuity Fund Trust	462,870	412,970
Employees' Pension Fund Trust	28,507	43,448
Employees' Funds as Dividend on equity holding of 0.24% (2024: 0.23%)	170,068	62,579
Balances		
Balance receivable/ (payable) – Gratuity Fund – I	486,929	(504,757)
Balance receivable – Gratuity Fund – II	266,606	181,166
Balance payable – Other gratuity funds	54,045	38,361
Balance receivable – Pension Fund Trust	824,327	912,625
Balance payable – Provident Fund	237	–
OTHERS		
Transactions		
Remuneration and benefits of key management personnel (Number of person(s): 36 (2024: 37))	1,757,776	1,346,444
Balances		
Loans and advances	153,322	173,470

45. 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.

46. NON ADJUSTING EVENTS AFTER REPORTING DATE

46.1 Subsequent to the year end, the SECP on January 5, 2026 granted conditional approval for the further issuance of shares otherwise than by way of a rights offer under Section 83(1)(b) of the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2020. Pursuant to this approval, 214,687,500 ordinary voting shares of FPCL (representing 25% of its paid-up capital) were transferred to FFC on January 22, 2026 against the proposed issuance of 15,914,566 ordinary shares of FFC to Fauji Foundation.

46.2 The Board of Directors in its meeting held on January 29, 2026 has proposed a final dividend of Rs 8.50 per share.

47. GENERAL

47.1 Production capacity

	Total design capacity		Production during the year	
	2025	2024	2025	2024
	(Tonnes '000)		(Tonnes '000)	
UREA				
Goth Machhi – Plant I	695	695	837	867
Goth Machhi – Plant II	635	635	748	830
Mirpur Mathelo – Plant III	718	718	862	858
Port Qasim – Plant IV	551	551	456	286
	2,599	2,599	2,903	2,841
DAP				
Port Qasim – Plant IV	650	650	837	452

	2025	2024	2025	2024
	(MWh)		(MWh)	
Power				
FFCEL	143,559	143,559	76,142	71,943
FWEL – I	144,600	144,600	86,829	91,372
FWEL – II	143,700	143,700	98,298	101,248
FPCL	639,480	641,232	301,000	483,620
	1,071,339	1,073,091	562,269	748,183

	2025	2024	2025	2024
	(Metric ton '000)		(Metric ton '000)	
Steam				
FPCL	1,752	1,757	1,455	1,529

Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

	Total design capacity		Production during the year	
	2025	2024	2025	2024
	(Tonnes '000)		(Tonnes '000)	
FFF				
French fries, fruits and vegetables	28.08	24.98	18.16	14.15

	Unit	2025	2024
FFL			
Design Capacity			
Liquid Products	Litres '000	221,312	221,312
Non-Liquid products	Kgs '000	24,012	7,157
Actual Production			
Liquid Products	Litres '000	69,125	67,225
Non-Liquid products	Kgs '000	4,403	2,828

47.2 Facilities of letters of guarantee and letters of credit

Facilities for letters of credit and letters of guarantee amounting to Rs 86,261,607 thousand and Rs 8,824,000 thousand respectively (2024: Rs 80,376,000 thousand and Rs 8,256,000 thousand) are available to FFC, FFCEL, FFF, OLIVE and FFL. These facilities are secured through a lien on shipping/ title documents, a charge on the assets of FFC, lien over import documents, and a lien over cash deposits, term deposit receipts (TDRs), and investment securities. Facilities against letter of credit include Rs 12,023,000 thousand and Rs 2,175,000 (2024: Rs 12,023,000 thousand and Rs 2,175,000 thousand) thousand limits assigned for issuance of SBLCs in relation to FFC's investment in Thar Energy Limited and Foundation Wind Energy Limited-I and Foundation Wind Energy Limited-II.

47.3 Donations

Cost of Sales and Distribution Cost include donations amounting to Rs 1,051,745 thousand (2024: Rs 552,530 thousand) and Rs 666,247 thousand (2024: Rs 215,282 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.

47.4 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 FFCEL, FWEL – I, FWEL – II and FPCL, the power purchase agreement.

47.5 Exemption from applicability of IFRS 9 – "Financial Instruments"

Securities and Exchange Commission of Pakistan (SECP) through S.R.O 25(I)/2026 dated January 6, 2026 in partial modification of its previous S.R.O. 1784(I)/2024 dated November 4, 2024, 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, 2026, 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.

	2025	2024
47.6 Number of employees		
Total number of employees at end of the year	5,444	5,248
Average number of employees for the year	5,323	4,783

47.7 Rounding off

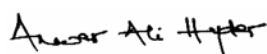
Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

47.8 Corresponding figures

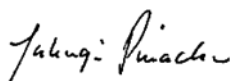
Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of better presentation in accordance with the accounting and reporting standards as applicable in Pakistan.

48. DATE OF AUTHORIZATION

These consolidated financial statements have been authorized for issue by the Board of Directors of FFC on January 29, 2026.



Chairman



Chief Executive



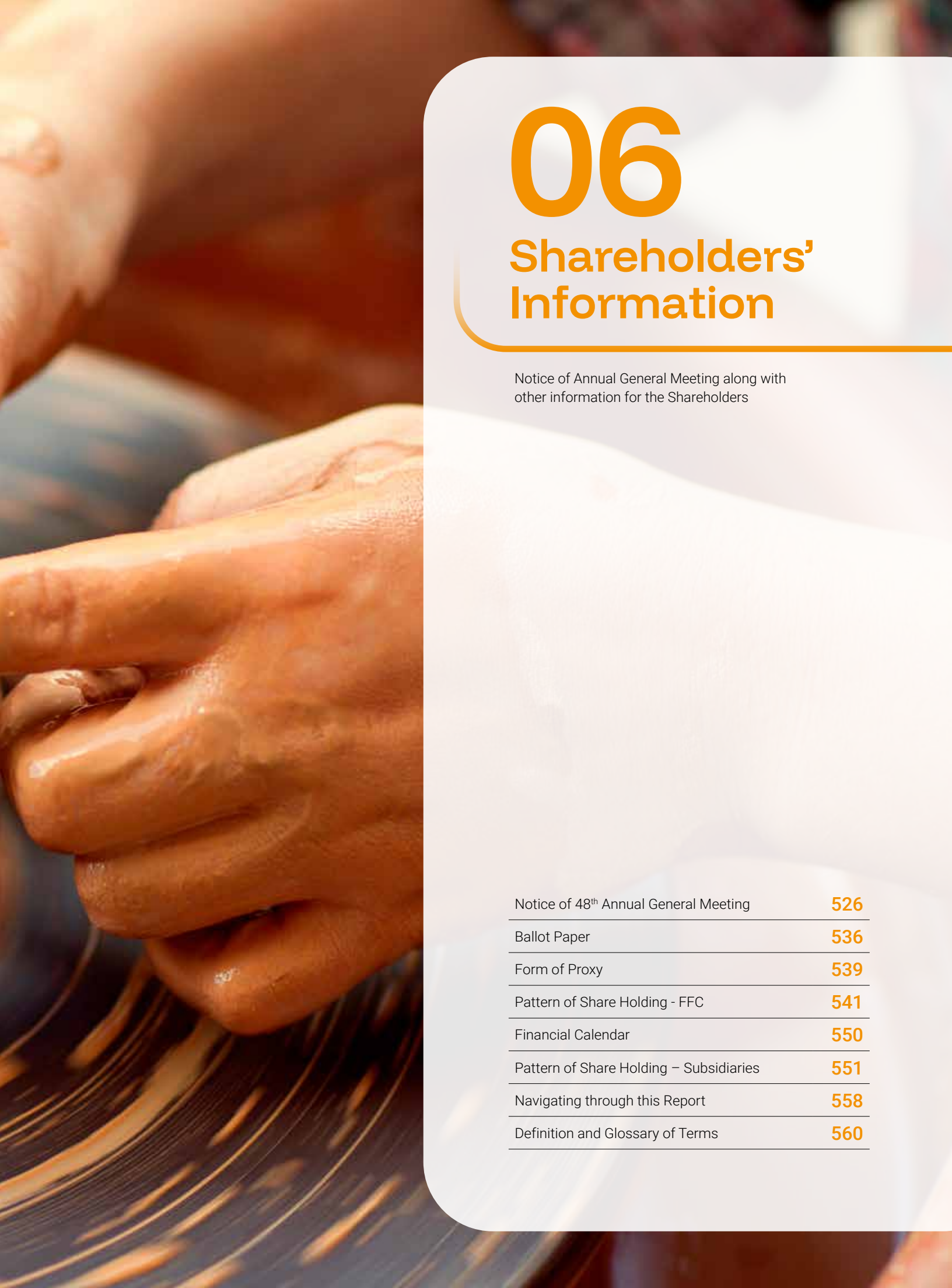
Director



Chief Financial Officer



A traditional potter's wheel used in Thatta, where local artisans known as Kumhar skillfully shape natural clay into handcrafted earthenware, preserving centuries-old traditions.

A background image showing a close-up of hands holding a globe, with a focus on the texture of the skin and the metallic bands of the globe. The image is partially obscured by a white rounded rectangle on the right side.

06

Shareholders' Information

Notice of Annual General Meeting along with other information for the Shareholders

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Notice of 48th Annual General Meeting

Notice is hereby given that the 48th Annual General Meeting of the shareholders of Fauji Fertilizer Company Limited will be held on Monday, March 16, 2026 at 1100 hours at FFC Head Office, 156 The Mall, Rawalpindi and through video-conferencing facility to transact the following business:

Ordinary business

Agenda Item 01

To confirm the minutes of Extraordinary General Meetings held on December 08, 2025.

Agenda Item 02

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, 2025.

Agenda Item 03

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.

Agenda Item 04

To consider and approve payment of Final Dividend for the year ended December 31, 2025 as recommended by the Board of Directors.

Special business

Agenda Item 05

To consider and, if thought fit, pass, with or without modification(s), the following resolutions as special resolutions, in terms of Section 199 of the Companies Act, 2017, and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, for the purposes of authorizing investments in the Company's associated Company i.e. PIA Equity Limited ("PIAEL"), including:

- (i) Investment by way of acquisition and / or subscription of ordinary voting shares of PIAEL, in tranches, from time to time and at any time up until the second anniversary of the date hereof ("Investment Period"), in accordance with the terms of the share purchase and subscription agreement and the shareholders agreement executed between, *inter alios*, PIAEL, the Government of Pakistan, the Privatization Commission, PIA Holding Company Limited and PIACL (the "Transaction Documents"), and the shareholders agreement to be entered into between the Company, PIAEL and the existing shareholders of PIAEL in relation to the aforementioned investment ("PIAEL SHA"), in the aggregate investment amount of up to PKR 67 Billion (Pak Rupees Sixty Seven Billion), broadly as per the terms stipulated in the statement accompanying this Notice; and
- (ii) Investment in PIAEL, from time to time, including by way of sponsor support, standby letters of credit, guarantees, share pledges and / or any other form of security, as deemed appropriate by the Company in accordance with the requirements of the Transaction Documents and the PIAEL SHA, over the course of the Investment Period, in the aggregate investment amount of up to PKR 11 Billion (Pak Rupees Eleven Billion):

In each case, subject to written approval being granted by the Privatization Commission for the designation of the Company as a 'Nominated Person' in accordance with the Transaction Documents;

SPECIAL RESOLUTION

"RESOLVED THAT the Company be and is hereby authorized, in accordance with Section 199 of the Companies Act, 2017 and other applicable laws, to make investments in its associated company, PIA Equity Limited ("PIAEL"), from time to time and at any time up until the second anniversary of the date hereof ("Investment Period"), by way of acquisition and / or subscription of ordinary voting shares of PIAEL ("Shares"), to the extent of such number of Shares as would allow the Company to hold not less than 33.99% shareholding in PIAEL, for an aggregate purchase

price not exceeding PKR 67 Billion (Pak Rupees Sixty Seven Billion), broadly as per the terms stipulated in the statement accompanying this Notice;

FURTHER RESOLVED THAT the aforementioned investment in PIAEL be made in accordance with the terms of the share purchase and subscription agreement and the shareholders agreement executed between, *inter alios*, PIAEL, the Government of Pakistan, the Privatization Commission, PIA Holding Company Limited and PIACL (the "Transaction Documents"), AND the shareholders agreement to be entered into between the Company, PIAEL and the existing shareholders of PIAEL ("PIAEL SHA");

FURTHER RESOLVED THAT the Company be and is hereby authorized, in accordance with Section 199 of the Companies Act, 2017, to make investments in PIAEL, from time to time and at any time during the Investment Period, by way of sponsor support arrangements, including standby letters of credit, guarantees, share pledges, and other forms of security interest over the assets of the Company, as deemed necessary pursuant to the terms of the Transaction Documents and the PIAEL SHA, as determined by the authorized representatives of the Company, in the aggregate investment amount of up to PKR 11 Billion (Pak Rupees Eleven Billion), broadly as per the terms stipulated in the statement accompanying this Notice.

FURTHER RESOLVED THAT the aforementioned investments be made subject to written approval being granted by the Privatization Commission for the designation of the Company as a 'Nominated Person' in accordance with the Transaction Documents;

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and Company Secretary, or any person(s) authorized by any of them, be and are hereby severally authorized and empowered to take any and all necessary steps and actions for implementing the aforementioned resolutions, make the requisite investments from time to time, do all such acts, deeds and things, and to negotiate, execute and deliver all such deeds, agreements, accession agreements, declarations, undertakings, and instruments, including any ancillary document(s) thereto, or provide any such documentation for and on behalf and in the name of the Company, fulfilling regulatory requirements, in each case, as may be necessary or required or deemed fit, for or in connection with or incidental to the proposed investments including, without limiting the generality of the foregoing, the negotiation and finalization of the terms and conditions relating to such investments and entering into arrangements with other shareholders."

FURTHERMORE,

RESOLVED THAT the Chairman of Board of Directors of Fauji Fertilizer Company Limited (FFC) be and is hereby authorized to nominate at least three (03) candidates, or such other number as the Chairman deems appropriate, for the position of nominee Directors on the Board of Directors of PIA Equity Limited ("PIAEL").

FURTHER RESOLVED THAT the Chairman be and is hereby authorized to nominate any person to replace any nominee director on the Board of Directors of PIAEL who vacates their seat, for any reason whatsoever, during their term of office, thereby creating a casual vacancy on the Board of PIAEL.

FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to provide a certified true copy / extract of these resolutions to whomever it may concern.

A statement of material facts prescribed by Section 134(3) of Companies Act, 2017 pertaining to special business to be transacted at the AGM is appended along with this notice.

Ordinary business

Agenda Item 06

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

By Order of the Board



Brig Khurram Shahzada, SI(M) (Retired)
Company Secretary

Rawalpindi
February 23, 2026

Notice of 48th Annual General Meeting

Closure of Share Transfer Books

The share transfer books of the Company will remain closed from March 09, 2026 to March 16, 2026 (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 Shahrah-e-Faisal, Karachi-74400 by the close of business on March 06, 2026 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 (March 14, 2026 by 1100 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 name, address and CNIC number 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 the 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 per Section 132(2) of the Companies Act, 2017, members can avail video conference facility for the AGM, 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 (March 09, 2026) 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 AGM along with complete information necessary to access the facility.

In this regard, please send a duly signed request as per the following format at the registered address of the Company, at least 7 days before holding of the AGM.

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 the relevant guidelines issued by the Securities and Exchange Commission of Pakistan for ensuring participation of members in general meeting through electronic means as a regular feature, the Company has made arrangement for the members to attend the meeting via video-link. 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 FFC Investor Relations by providing the requisite details at their earliest but not later than 48 hours before the time of the AGM (by 1100 hours on March 14, 2026) through e-mail to be sent at investor.relations@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 16, 2026 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

In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001, 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%

Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share

Registrar, / Transfer Agent CDC Share Registrar Services Limited (CDCSRSL), of the Company by the first day of book closure.

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 06, 2026; 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 Shahra-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 06, 2026, 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, 2025, have been placed on the Company's Website, which can be accessed / downloaded from the following link and QR code:

<https://ffc.com.pk/investor-relations/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 2025 will be provided to members on demand as per the format provided on the Company's website.

Notice of 48th Annual General Meeting

7. Postal Ballot / E-Voting

Members are hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018, read with Sections 143-144 of the Companies Act, 2017, and SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business in accordance with the conditions mentioned therein. The following options are being provided to members for voting:

A. Postal Ballot

- i. Members may alternatively opt for voting through postal ballot. Ballot Paper shall also be available for download from the website of the Company at: **www.ffc.com.pk** or use the same as annexed to this Notice and published in newspapers.
- ii. Members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting at Fauji Fertilizer Company Limited, 156-The Mall Rawalpindi, through post by March 13, 2026 OR through the registered email address of the Chairman at **general.meetings@ffc.com.pk** on or before March 15, 2026 before 1700 hours. The signature on the ballot paper shall match with the signature on CNIC. A postal ballot received after this time / date shall not be considered for voting.
- iii. Please note that in case of any dispute in voting including the casting of more than one vote, the Chairman of the meeting shall be the deciding authority.

B. E-Voting Procedure

- i. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses (Registered email ID) available in the register of members of the Company by

the close of business on March 06, 2026.

- ii. The web address, login details and password will be communicated to members via email. The security codes will be communicated to members through SMS and email by M/s CDC Share Registrar Services Limited (being the e-voting service provider) on March 9, 2026.
- iii. Identity of the members intending to cast vote through E-Voting shall be authenticated through electronic signature or authentication for login.
- iv. E-Voting lines will start from March 12, 2026 and shall close on March 15, 2026 at 1700 hours. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

8. Statutory Code of Conduct at AGM

Members are requested to observe the conduct referred in sub-regulation 2 of Regulation 55 of the Companies Regulations, 2024 while attending the AGM.

9. Restriction on Distribution of Gifts

In accordance with the directive issued by the SECP vide its SRO 452(I)/2025 dated March 17, 2025 the company would like to inform all the shareholders that no gifts will be distributed at the AGM.

10. Provision of Information by Members

To comply with various statutory requirements, and to avoid any non-compliance of law or any inconvenience in future, all members are hereby advised to coordinate / update their records with their respective Participant / CDC Investor Account Services / the Company's Share Registrar (CDCSRSL) in connection with following:

- i. Submission of copies of their valid / updated CNIC / NTN Certificate / Zakat Declaration (Exemption) Form / Tax Exemption Certificate.
- ii. Provision of mandatory registration details in terms of Section 119 of the Companies Act, 2017 and other applicable laws, including mobile number / landline number, mailing address and email address (if available).
- iii. Promptly notify any change in mailing address, email address and mobile number by writing to the office of the Company's Share Registrar (CDCSRSL).

11. For any further assistance, the members may contact the Company or the Share Registrar at the following phone numbers, email addresses:

FFC Investor Relations

156-The Mall, Rawalpindi
Telephone: 92-51-8453235
Email: investor.relations@ffc.com.pk

CDC Share Registrar Services Limited

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

12. 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	

13. 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.

14. Unclaimed and Unpaid Dividend / Shares

Notice is hereby given to the shareholders of the Company that, in accordance with the provisions of Section 244 of the Companies Act, 2017, those shareholders who have not yet received or claimed their dividend(s) for previous

years are requested to contact the Company or its Shares Registrar at their earliest convenience.

The details of unclaimed and unpaid dividends have been uploaded on the Company's website: www.ffc.com.pk/investor-relations/ for the information of the concerned shareholders.

15. Copies of the Memorandum and Articles of Association of the Company; Statement of Material Facts Under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special business and any other information relevant to the special business in respect of the Company shall be available upon request, and for inspection, by any person entitled to attend the AGM from the registered office of the Company, located at 156-The Mall, Rawalpindi, Pakistan, free of cost during normal office hours, from the date of this notice till the conclusion of the AGM. The said information shall also be placed for inspection of members of the Company during the AGM.

INFORMATION ABOUT SCRUTINIZER

With reference to the Regulations 4(4) and 11 of the Companies (Postal Ballot) Regulations, 2018, below is the information regarding the Scrutinizer for the purpose of upcoming Annual General Meeting (AGM) of Fauji Fertilizer Company Limited (the Company) to be held on March 16, 2026:

Name of Scrutinizer	Messrs UHY Hassan Naeem & Co, Chartered Accountants
Qualification and Experience	The firm has grown over the last decade as a leading multi-disciplinary organization offering auditing taxation, business advisory, information technology, human resources and corporate services to public and private sector organizations in the country. UHY Hassan Naeem & Co. is a member of UHY International, one of the world's leading accounting and business advisory network, with offices in over 330 business centers in 90 countries across the globe. The firm holds a satisfactory Quality Control Review (QCR) status from the Institute of Chartered Accountants of Pakistan (ICAP) which demonstrates the quality standards maintained by the firm. It is registered on the Panel of State Bank of Pakistan (SBP) and is on the panel of USAID.
Purpose of appointment	In accordance with Regulation No. 11 of the Companies (Postal Ballot) Regulations, 2018, the Board of the Company has appointed Messrs UHY Hassan Naeem & Co, Chartered Accountants, a QCR rated audit firm to act as the Scrutinizer of the Company for Polling on Special Business and to undertake other responsibilities as defined in Regulation No. 11A.

Notice of 48th Annual General Meeting

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed as an integral part of notice of annual general meeting of shareholders of Fauji Fertilizer Company Limited ("Company") to be held on March 16, 2026, at 1100 hours. at Rawalpindi; and sets out material facts concerning special business to be transacted at the meeting.

Agenda: Investment in an associated company, PIA Equity Limited, to be passed as Special Resolution.

The Company seeks the approval from its shareholders for investments in its associated company, PIA Equity Limited ("PIAEL"), through passing of the special resolutions (with or without modification(s)) provided in the agenda of the AGM Notice, in accordance with Section 199 of the Companies Act, 2017.

Background of the Investment

The Board of Directors of the Company (the "Board") at its meeting held on December 24, 2025 gave its approval and authorized the Company to join the AHCL Consortium comprising of (i) Arif Habib Corporation Ltd, (ii) Fatima Fertilizer Company Limited, (iii) AKD Group Holdings (Private) Limited, (iv) The Lake City Holdings (Private) Limited, and (v) City Schools (Private) Limited (collectively, the "Consortium"), which had been declared as the successful bidder in the privatization bid for PIACL. In accordance with the transaction documents in relation to the privatization and sale of PIACL (the "Transaction Documents"), the Consortium incorporated PIA Equity Limited ("PIAEL"), a special purpose vehicle, which will acquire and subscribe to the shares of PIACL. The Consortium members are shareholders / members of PIAEL.

The Privatization Commission has given its in-principle approval by way of its letter, reference No. I&T/PC/PIA/2013-01 dated January 8, 2026, for inclusion of the Company in the Consortium (and as a shareholder in PIAEL), and in accordance with the Transaction Documents, the Company has made an initial investment of PKR 1,699,500,000 against which amount PIAEL will issue shares to the Company, representing around 34% of the issued and paid-up capital of PIAEL.

PIAEL is therefore, an associated company of the Company and any further investment in PIAEL requires shareholder approval by way of special resolution under the provisions of the Companies Act, 2017 read with attendant regulations.

The Company believes that given PIA's strategic positioning and status as national airline, under private ownership, PIACL can be repositioned as a regionally competitive and profitable airline. The proposed investment will support PIACL in improvements across fleet optimization, network planning, service quality, operational and safety standards, and broader organizational and commercial capabilities. The Consortium's equity participation and oversight are expected to provide the structure and discipline required to implement these initiatives in a phased and sustainable manner, with the objective of creating long-term value for all stakeholders.

The Board of Directors of the Company has certified that the investment is being made after necessary due diligence of the proposed investment in PIAEL and has recommended that the shareholders of the Company pass the resolutions to permit the said investments.

The Board undertakes that they have carried out necessary due diligence for the proposed investments, which due diligence report is available for inspection at the registered office of the Company.

There are no common directors on the boards of PIAEL and the Company to the date of this Notice.

The information required to be annexed to the Notice in accordance with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (the "Regulations") is set out below:

Sr. No	Description	Information required
(a)	Disclosures for all types of Investments	
(A)	Regarding associated company	
(i)	Name of the associated company	PIA Equity Limited ("PIAEL"), being the associated company in which the proposed investment is intended to be made by the Company.
(ii)	Basis of relationship	PIAEL is an associated company by virtue of the Company's initial investment in PIAEL, amounting to an aggregate of PKR 1,699,500,000, against which PIAEL will issue ordinary voting shares to the Company, representing approximately 33.99% of the issued and paid up capital of PIAEL.
(iii)	Earnings/(Loss) per share for the last three years.	Not applicable as PIAEL was recently incorporated in January 2026.
(iv)	Break-up value per share, based on latest audited financial statements.	The break-up value per share of PIAEL is PKR 10
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Not applicable as PIAEL was recently incorporated in January 2026.
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely.....:	Not Applicable
(B)	General Disclosures:	
(i)	Maximum amount of investment to be made:	A. Investment in PIAEL by way of acquisition and / or subscription of ordinary voting shares of PIAEL in the aggregate investment amount of up to PKR 67 Billion (Pak Rupees Sixty Seven Billion). B. Investments in PIAEL including by way of sponsor support, standby letters of credit, guarantees, share pledges and / or any other form of security, over the course of the Investment Period, in the aggregate investment amount of up to PKR 11 Billion (Pak Rupees Eleven Billion), In each case, subject to written approval being granted by the Privatization Commission for the designation of the Company as a 'Nominated Person' in accordance with the Transaction Documents;
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;	FFC believes that PIA has a strong potential to return to profitability through improvements across fleet optimization, network planning, service quality, operational and safety standards, and broader organizational and commercial capabilities. While reviving the national airline to its past glory, this effort will also enhance shareholder value and potential for returns to the Company.

Notice of 48th Annual General Meeting

Sr. No	Description	Information required
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: I. Justification for investment through borrowings; II. Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and III. Cost benefit analysis	The investment will be financed through a mix of internal cashflow and external financing from various financial institutions. The external financing will be secured against a charge on the Company's fixed assets, excluding land & buildings. In utilizing a mix of internal and external financing is consistent with the Company's objective of optimizing its capital structure. The Company aims to strengthen financial efficiency and enhance shareholder value by leveraging favorable long-term debt options available in the market.
(iv)	Salient features of the agreement(s), if any, with its associated company or associated undertaking with regards to the proposed investment.	Upon grant of written approval being granted by the Privatization Commission for the designation of the Company as a 'Nominated Person' in accordance with the Transaction Documents; The Company will: (a) accede to the Transaction Documents, and (b) enter into a shareholders' agreement and ancillary arrangements with PIAEL and its existing shareholders.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	Not Applicable
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write offs, and	Not Applicable
(vii)	Any other important details necessary for the members to understand the transaction.	Not Applicable
(b)	In case of Equity Investment, following disclosures in addition to those provided under clause (a) above	
(i)	Maximum price at which securities will be acquired.	Aggregate purchase price not exceeding PKR 67 Billion (Pak Rupees Sixty Seven Billion) for acquisition / subscription of such number of shares of PIAEL which will allow the Company to hold around 34% shareholding in PIAEL.
(ii)	In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof.	Not Applicable
(iii)	Maximum number of securities to be acquired.	Please see (i) above,
(iv)	Number of securities and percentage thereof held before and after the proposed investment.	Please see (i) above.
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and	Not Applicable
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities.	Not Applicable as PIAEL was recently formed as a special purpose vehicle for investment in PIAEL. However, the shares of PIAEL are at par value of PKR 10 each for now.

Sr. No	Description	Information required
(c)	In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) above	
(i)	Category-wise amount of investment	In aggregate, PKR 11 Billion, by way of sponsor support arrangements, including standby letters of credit, guarantees, share pledges, and other forms of security interest over the assets of the Company, as deemed necessary pursuant to the terms of the Transaction Documents.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	The average borrowing cost of the Company is currently approximately 11.5%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by the investing company.	Not Applicable
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment.	Not Applicable
(v)	If the investment carries conversion feature i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Not Applicable

The resolutions required for the above purpose are set forth in the notice convening the AGM which shall be proposed and passed as Special Resolutions.

A copy of the Memorandum and Articles of Association has been kept at the registered office of the Company and may be inspected during business hours on any working day from the date of publication of this notice till the conclusion of the general meeting.

The Directors are not interested, directly or indirectly, in the above special businesses, other than as Directors and shareholders of the Company.

Ballot Paper

FAUJI FERTILIZER COMPANY LIMITED

156-The Mall, Rawalpindi

Phone No 051-111-332-111 Fax No 051-8458831

Email: investor.relations@ffc.com.pk; Website: www.ffc.com.pk

BALLOT PAPER FOR VOTING THROUGH POST

For voting through post for the Special Business at the Annual General Meeting of Fauji Fertilizer Company Limited (FFC) to be held on March 16, 2026 at 1100 Hours at 156-The Mall, Rawalpindi.

Email address to the Chairman with duly filled ballot paper may be sent at designated email: general.meetings@ffc.com.pk

Name of shareholder / joint shareholders	
Registered Address	
Folio No / CDC account No.	
Number of shares held	
CNIC Number / Passport No. (In case of Foreigner)	
Copy to be attached	
Additional Information and Enclosures (In case of representative of body corporate, corporation and Federal Government) Name of Authorized Signatory:	

Agenda item 05:

SPECIAL RESOLUTION

"RESOLVED THAT the Company be and is hereby authorized, in accordance with Section 199 of the Companies Act, 2017 and other applicable laws, to make investments in its associated company, PIA Equity Limited ("PIAEL"), from time to time and at any time up until the second anniversary of the date hereof ("Investment Period"), by way of acquisition and/or subscription of ordinary voting shares of PIAEL ("Shares"), to the extent of such number of Shares as would allow the Company to hold not less than 33.99% shareholding in PIAEL, for an aggregate purchase price not exceeding PKR 67 Billion (Pak Rupees Sixty Seven Billion), broadly as per the terms stipulated in the statement accompanying this Notice;

FURTHER RESOLVED THAT the aforementioned investment in PIAEL be made in accordance with the terms of the share purchase and subscription agreement and the shareholders agreement executed between, inter alios, PIAEL, the Government of Pakistan, the Privatization Commission, PIA Holding Company Limited and PIACL (the "Transaction Documents"), AND the shareholders agreement to be entered into between the Company, PIAEL and the existing shareholders of PIAEL ("PIAEL SHA");

FURTHER RESOLVED THAT the Company be and is hereby authorized, in accordance with Section 199 of the Companies Act, 2017, to make investments in PIAEL, from time to time and at any time during the Investment Period, by way of sponsor support arrangements, including standby letters of credit, guarantees, share pledges, and other forms of security interest over the assets of the Company, as deemed necessary pursuant to the terms of the Transaction Documents and the PIAEL SHA, as determined by the authorized representatives of the Company, in the aggregate investment amount of up to PKR 11 Billion (Pak Rupees Eleven Billion), broadly as per the terms stipulated in the statement accompanying this Notice.

FURTHER RESOLVED THAT the aforementioned investments be made subject to written approval being granted by the Privatization Commission for the designation of the Company as a 'Nominated Person' in accordance with the Transaction Documents;

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and Company Secretary, or any person(s) authorized by any of them, be and are hereby severally authorized and empowered to take any and all necessary steps and actions for implementing the aforementioned resolutions, make the requisite investments from time to time, do all such acts, deeds and things, and to negotiate, execute and deliver all such deeds, agreements, accession agreements, declarations, undertakings, and instruments, including any ancillary document(s) thereto, or provide any such documentation for and on

behalf and in the name of the Company, fulfilling regulatory requirements, in each case, as may be necessary or required or deemed fit, for or in connection with or incidental to the proposed investments including, without limiting the generality of the foregoing, the negotiation and finalization of the terms and conditions relating to such investments and entering into arrangements with other shareholders.”

FURTHERMORE,

RESOLVED THAT the Chairman of Board of Directors of Fauji Fertilizer Company Limited (FFC) be and is hereby authorized to nominate at least three (03) candidates, or such other number as the Chairman deems appropriate, for the position of nominee Directors on the Board of Directors of PIA Equity Limited (“PIAEL”).

FURTHER RESOLVED THAT the Chairman be and is hereby authorized to nominate any person to replace any nominee director on the Board of Directors of PIAEL who vacates their seat, for any reason whatsoever, during their term of office, thereby creating a casual vacancy on the Board of PIAEL.

FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to provide a certified true copy / extract of these resolutions to whomever it may concern.

Instructions for Poll

1. Please indicate your vote by ticking (✓) the relevant box.
2. In case if both the boxes are marked as (✓) your poll shall be treated as “Rejected”.

I / We hereby exercise my / our vote in respect of above-mentioned special resolutions through postal ballot by conveying my / our assent or dissent to the said resolutions by placing tick (✓) mark in the appropriate box below: -

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I / We assent to the Resolution (For)	I / We dissent to the Resolution (Against)
1	Special Resolution as per item 05 of Agenda (as given above)			

Signature of shareholder(s) / Proxy holder
(In case of corporate entity, please affix Company stamp)
Place: _____
Date: _____

NOTES

1. Duly filled Postal Ballot Form should be sent to Chairman at Fauji Fertilizer Company Limited, 156 The Mall, Rawalpindi Pakistan through email at **general.meetings@ffc.com.pk** by or before 1700 hours on March 15, 2026
2. Copy of CNIC /Passport (in case of foreigner) should be enclosed with the Postal Ballot Form
3. Postal Ballot Forms should reach chairman of the meeting till 1700 hours on March 13, 2026. Any Postal Ballot Form received after this date, will not be considered for voting.
4. Signature on Postal Ballot Form should match with signature on CNIC / Passport.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written Ballot Form will be rejected.
6. In case of representative of a body corporate, corporation or Federal Government the Ballot Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, Power of Attorney, Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having Jurisdiction over the member. Ballot Paper Form has also been placed on the website of the company at **www.ffc.com.pk**.

SAY NO TO CORRUPTION

Form of Proxy

48th Annual General Meeting

I/We _____

of _____

being a member(s) of Fauji Fertilizer Company Limited hold _____

ordinary Shares hereby appoint _____ of _____ or failing him _____

of _____ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the

Annual General Meeting of the Company to be held on March 16, 2026 and/or any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2026.

Signed by _____

in the presence of _____

Folio No	CDC Account No	
	Participant I.D	Account No

Signature on
Fifty Rupees
Revenue Stamp

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 proxies 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
Tel No. +92-51-111-332-111, 8450001

Pattern of Shareholding - FFC

As at December 31, 2025

Number of Shareholders	From	Shareholding To	Shares Held
17813	1	100	581,360
12203	101	500	2,957,806
3657	501	1000	2,909,431
6348	1001	5000	15,710,889
1693	5001	10000	12,611,606
755	10001	15000	9,498,826
447	15001	20000	7,940,362
351	20001	25000	8,018,826
238	25001	30000	6,653,718
185	30001	35000	6,054,372
150	35001	40000	5,711,432
95	40001	45000	4,053,702
137	45001	50000	6,659,975
94	50001	55000	4,942,112
75	55001	60000	4,360,750
70	60001	65000	4,383,897
68	65001	70000	4,625,647
44	70001	75000	3,216,608
45	75001	80000	3,511,498
39	80001	85000	3,212,125
32	85001	90000	2,823,044
26	90001	95000	2,411,095
75	95001	100000	7,458,238
39	100001	105000	3,982,896
26	105001	110000	2,804,813
15	110001	115000	1,683,181
23	115001	120000	2,709,932
34	120001	125000	4,191,975
21	125001	130000	2,691,420
16	130001	135000	2,126,677
14	135001	140000	1,934,670
16	140001	145000	2,299,687
22	145001	150000	3,268,634
12	150001	155000	1,829,099
13	155001	160000	2,042,326
10	160001	165000	1,623,022
12	165001	170000	2,017,001
15	170001	175000	2,585,415
10	175001	180000	1,775,519
5	180001	185000	917,558
5	185001	190000	934,111
5	190001	195000	969,354

Pattern of Shareholding - FFC

As at December 31, 2025

Number of Shareholders	Shareholding		Shares Held
	From	To	
20	195001	200000	3,979,491
8	200001	205000	1,608,698
8	205001	210000	1,656,285
2	210001	215000	425,747
7	215001	220000	1,529,238
5	220001	225000	1,114,679
5	225001	230000	1,140,902
8	230001	235000	1,864,052
8	235001	240000	1,903,264
2	240001	245000	485,175
11	245001	250000	2,741,454
6	250001	255000	1,512,044
6	255001	260000	1,557,473
1	260001	265000	260,001
2	265001	270000	536,527
9	270001	275000	2,456,312
1	275001	280000	280,000
7	280001	285000	1,973,246
4	285001	290000	1,150,518
1	290001	295000	290,889
7	295001	300000	2,095,097
4	300001	305000	1,215,337
2	305001	310000	615,267
4	315001	320000	1,268,067
5	320001	325000	1,618,500
4	325001	330000	1,315,332
1	330001	335000	333,110
1	335001	340000	340,000
2	340001	345000	685,500
3	345001	350000	1,050,000
3	350001	355000	1,054,802
3	355001	360000	1,070,409
2	360001	365000	726,771
3	365001	370000	1,106,207
2	370001	375000	748,954
1	375001	380000	377,825
1	380001	385000	383,003
1	385001	390000	389,018
1	390001	395000	390,303
7	395001	400000	2,798,873
1	400001	405000	403,500
2	405001	410000	813,722

Number of Shareholders	Shareholding		Shares Held
	From	To	
1	410001	415000	412,800
3	415001	420000	1,252,667
1	420001	425000	421,636
1	425001	430000	425,404
1	440001	445000	444,663
5	445001	450000	2,245,127
1	455001	460000	457,367
5	460001	465000	2,318,083
3	465001	470000	1,404,700
2	470001	475000	950,000
3	475001	480000	1,438,391
1	480001	485000	480,700
1	485001	490000	486,136
2	490001	495000	986,890
2	495001	500000	996,366
1	500001	505000	504,379
1	505001	510000	508,980
2	510001	515000	1,023,849
1	515001	520000	517,386
2	525001	530000	1,056,334
1	535001	540000	536,541
2	540001	545000	1,083,651
5	555001	560000	2,789,628
1	560001	565000	560,988
3	565001	570000	1,699,815
1	570001	575000	574,000
1	575001	580000	580,000
3	580001	585000	1,745,702
1	590001	595000	593,096
2	595001	600000	1,200,000
1	600001	605000	602,386
1	605001	610000	607,000
2	615001	620000	1,235,463
3	620001	625000	1,867,467
1	625001	630000	630,000
3	630001	635000	1,903,074
2	635001	640000	1,275,130
1	650001	655000	654,000
2	665001	670000	1,333,810
2	670001	675000	1,345,918
1	675001	680000	679,772
1	695001	700000	700,000

Pattern of Shareholding - FFC

As at December 31, 2025

Number of Shareholders	Shareholding		Shares Held
	From	To	
2	705001	710000	1,418,157
2	725001	730000	1,454,551
1	745001	750000	750,000
1	750001	755000	753,992
1	755001	760000	756,247
3	765001	770000	2,302,480
1	775001	780000	778,600
2	795001	800000	1,600,000
2	800001	805000	1,602,203
3	810001	815000	2,439,942
1	845001	850000	849,650
1	855001	860000	855,500
1	860001	865000	863,295
1	870001	875000	875,000
1	875001	880000	876,128
2	885001	890000	1,772,714
1	895001	900000	900,000
1	900001	905000	900,535
1	925001	930000	925,010
1	935001	940000	937,800
2	945001	950000	1,895,188
1	955001	960000	960,000
1	960001	965000	962,059
2	995001	1000000	1,998,500
1	1010001	1015000	1,012,172
1	1015001	1020000	1,019,337
1	1040001	1045000	1,040,217
1	1050001	1055000	1,050,330
1	1065001	1070000	1,070,000
1	1080001	1085000	1,081,000
3	1095001	1100000	3,297,331
1	1100001	1105000	1,102,000
1	1155001	1160000	1,159,000
1	1190001	1195000	1,193,795
1	1205001	1210000	1,205,300
1	1230001	1235000	1,232,862
1	1250001	1255000	1,254,135
1	1255001	1260000	1,255,989
1	1270001	1275000	1,274,939
1	1285001	1290000	1,290,000
1	1295001	1300000	1,300,000
1	1320001	1325000	1,320,998

Number of Shareholders	Shareholding		Shares Held
	From	To	
1	1440001	1445000	1,444,049
2	1445001	1450000	2,899,350
1	1455001	1460000	1,456,000
5	1495001	1500000	7,500,000
1	1545001	1550000	1,548,135
2	1550001	1555000	3,103,899
1	1595001	1600000	1,600,000
1	1605001	1610000	1,605,294
1	1635001	1640000	1,636,125
1	1670001	1675000	1,674,620
1	1680001	1685000	1,681,203
1	1730001	1735000	1,733,600
1	1735001	1740000	1,735,576
1	1775001	1780000	1,778,200
1	1785001	1790000	1,788,374
3	1795001	1800000	5,400,000
1	1890001	1895000	1,890,585
1	1980001	1985000	1,983,156
1	1995001	2000000	2,000,000
1	2010001	2015000	2,014,283
1	2105001	2110000	2,108,000
1	2145001	2150000	2,147,600
1	2165001	2170000	2,170,000
1	2205001	2210000	2,207,216
1	2270001	2275000	2,272,953
1	2315001	2320000	2,316,470
1	2380001	2385000	2,381,562
1	2410001	2415000	2,413,185
1	2425001	2430000	2,427,092
1	2490001	2495000	2,490,525
1	2515001	2520000	2,516,165
1	2605001	2610000	2,608,088
1	2640001	2645000	2,643,019
1	2815001	2820000	2,819,000
1	2860001	2865000	2,863,471
1	2865001	2870000	2,866,415
1	2895001	2900000	2,897,944
1	2935001	2940000	2,939,002
4	2995001	3000000	12,000,000
1	3005001	3010000	3,009,913
1	3045001	3050000	3,050,000
1	3265001	3270000	3,270,000

Pattern of Shareholding - FFC

As at December 31, 2025

Number of Shareholders	Shareholding	Shares Held
From	To	
1	3320001	3,323,000
1	3355001	3,356,500
1	3495001	3,500,000
1	3510001	3,510,591
1	3525001	3,526,140
1	3595001	3,597,807
1	3615001	3,616,000
1	4030001	4,034,127
1	4190001	4,192,384
1	4435001	4,437,852
1	4465001	4,468,971
1	4595001	4,600,000
1	4610001	4,613,792
1	4665001	4,665,325
1	4755001	4,759,796
1	4895001	4,895,312
1	4975001	4,978,917
1	5040001	5,040,099
1	5765001	5,767,807
1	6195001	6,200,000
1	6630001	6,634,663
1	6865001	6,868,376
1	6900001	6,902,264
1	8005001	8,007,360
1	8945001	8,945,913
1	9205001	9,209,706
1	9355001	9,359,126
1	9865001	9,869,477
1	9995001	9,998,900
1	10155001	10,155,962
1	10360001	10,363,991
1	10500001	10,500,100
1	10930001	10,934,310
1	13045001	13,048,249
1	13655001	13,656,636
1	14745001	14,750,000
1	127995001	128,000,000
1	129515001	129,516,412
1	489335001	489,336,306
45,360		1,423,108,696

Categories of Shareholders	Shareholders	Shares Held	Percentage
President of Pakistan			
President of the Islamic Republic of Pakistan	1	8,945,913	0.63
Directors and their Spouse(s) and Minor Children			
Jahangir Piracha	2	130,000	0.01
Saad Amanullah Khan	1	500	0.00
Farhad Shaikh Mohammad	1	450,000	0.03
Maryam Aziz	1	100	0.00
Hina Farhad	1	1,800,000	0.13
Mahrukh Zaka	1	500	0.00
Fareeha Jahangir	1	1,600	0.00
Associated Companies, Undertakings and Related Parties	4	621,863,631	43.70
Executives and Employees	17	63,141	0.00
Public Sector Companies and Corporations	13	140,733,801	9.89
NIT and ICP	1	116	0.00
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	77	105,352,346	7.40
Mutual Funds			
TRUSTEE-RAHIM IQBAL RAFIQ & CO.EMPLOYEES PROVIDENT FUND	1	2,000	0.00
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	960,000	0.07
CDC - TRUSTEE PAKISTAN INCOME FUND	1	135,500	0.01
CDC - TRUSTEE HBL INVESTMENT FUND	1	73,000	0.01
CDC - TRUSTEE JS LARGE CAP. FUND	1	446,127	0.03
CDC - TRUSTEE HBL GROWTH FUND	1	94,000	0.01
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	465,000	0.03
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	5,767,807	0.41
CDC - TRUSTEE MEEZAN BALANCED FUND	1	383,003	0.03
CDC - TRUSTEE JS ISLAMIC FUND	1	53,700	0.00
CDC - TRUSTEE FAYSAL STOCK FUND	1	23,510	0.00
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	68,459	0.00
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	271,682	0.02
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	316,935	0.02
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	3,616,000	0.25
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	9,209,706	0.65
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	1	12,300	0.00
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	4,437,852	0.31

Pattern of Shareholding - FFC

As at December 31, 2025

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	1,444,049	0.10
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	4,759,796	0.33
CDC - TRUSTEE NBP STOCK FUND	1	10,155,962	0.71
CDC - TRUSTEE NBP BALANCED FUND	1	333,110	0.02
CDC - TRUSTEE MCB DCF INCOME FUND	1	22,000	0.00
CDC - TRUSTEE MEEZAN TAHAFUZ PENSION FUND - EQUITY SUB FUND	1	1,735,576	0.12
CDC - TRUSTEE APF-EQUITY SUB FUND	1	358,262	0.03
CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	1	24,930	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	1,254,135	0.09
CDC - TRUSTEE HBL - STOCK FUND	1	282,000	0.02
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	1	421,636	0.03
CDC - TRUSTEE APIF - EQUITY SUB FUND	1	206,300	0.01
MC FSL - TRUSTEE JS GROWTH FUND	1	536,541	0.04
CDC - TRUSTEE HBL MULTI - ASSET FUND	1	19,300	0.00
CDC-TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY SUB FUND	1	9,000	0.00
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	1,983,156	0.14
CDC - TRUSTEE PAKISTAN INCOME ENHANCEMENT FUND	1	300,000	0.02
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	621,234	0.04
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	1,636,125	0.11
CDC - TRUSTEE ABL STOCK FUND	1	1,605,294	0.11
CDC - TRUSTEE AL HABIB STOCK FUND	1	2,170,000	0.15
CDC - TRUSTEE LAKSON EQUITY FUND	1	753,992	0.05
CDC - TRUSTEE NBP SARMAYA IZAFI FUND	1	171,307	0.01
CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	1	356,821	0.03
CDC-TRUSTEE HBL ISLAMIC STOCK FUND	1	259,500	0.02
CDC - TRUSTEE HBL EQUITY FUND	1	123,000	0.01
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	89,000	0.01
CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	50,600	0.00
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	1,255,989	0.09
CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND	1	1,290,000	0.09
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	390,303	0.03
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	464,436	0.03
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	38,500	0.00
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	1	104,641	0.01
CDC - TRUSTEE AWT ISLAMIC STOCK FUND	1	469,500	0.03
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1	766,979	0.05
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	756,247	0.05
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	9,869,477	0.69
CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	1	148,400	0.01
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	1	19,000	0.00

Categories of Shareholders	Shareholders	Shares Held	Percentage
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	1	51,600	0.00
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1	2,866,415	0.20
CDC - TRUSTEE AWT ISLAMIC ASSET ALLOCATION FUND	1	57,500	0.00
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	679,772	0.05
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	1	56,000	0.00
CDC-TRUSTEE NITPF EQUITY SUB-FUND	1	45,500	0.00
CDC - TRUSTEE NBP SAVINGS FUND - MT	1	123,350	0.01
ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	1	500	0.00
CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	1	98,500	0.01
CDC - TRUSTEE ALFALAH MTS FUND - MT	1	377,825	0.03
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	142,934	0.01
CDC - TRUSTEE LAKSON TACTICAL FUND	1	5,000	0.00
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	5,700	0.00
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	7,700	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1	29,200	0.00
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1	140,597	0.01
CDC - TRUSTEE AL HABIB ASSET ALLOCATION FUND	1	200,000	0.01
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	1	103,650	0.01
CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND	1	7,500	0.00
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	1	110,000	0.01
CDC - TRUSTEE NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND	1	50,184	0.00
CDC - TRUSTEE ALFALAH FINANCIAL VALUE FUND-II	1	6,000	0.00
CDC - TRUSTEE UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND	1	82,560	0.01
CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	1	328,868	0.02
CDC - TRUSTEE MEEZAN PAKISTAN EXCHANGE TRADED FUND	1	216,770	0.02
CDC - TRUSTEE NBP PAKISTAN GROWTH EXCHANGE TRADED FUND	1	38,335	0.00
CDC - TRUSTEE JS MOMENTUM FACTOR EXCHANGE TRADED FUND	1	258,360	0.02
CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	1	74,663	0.01
CDC - TRUSTEE MCB PAKISTAN DIVIDEND YIELD PLAN	1	140,000	0.01
CDC - TRUSTEE ALHOF-DIVIDEND STRATEGY PLAN	1	144,000	0.01
CDC - TRUSTEE MAHAANA ISLAMIC INDEX EXCHANGE TRADED FUND	1	252,938	0.02
CDC - TRUSTEE MDAAF - MEEZAN DIVIDEND YIELD PLAN	1	99,500	0.01
CDC-TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND - II	1	486,136	0.03
CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND-II	1	57,150	0.00
CDC - TRUSTEE LUCKY ISLAMIC STOCK FUND	1	3,356,500	0.24
DCCL - TRUSTEE JS ISLAMIC SARMAYA MEHFOOZ FUND PLAN-I	1	67,200	0.00
CDC - TRUSTEE ABL OPTIMAL ASSET ALLOCATION FUND	1	35,500	0.00
CDC - TRUSTEE NIPPF-NBP ISLAMIC PRINCIPAL PROTECTION PLAN-I	1	78,548	0.01
DCCL - TRUSTEE JS ISLAMIC SARMAYA MEHFOOZ FUND PLAN-2 2020	1	7,000	0.00
CDC-TRUSTEE NIPPF-NBP ISLAMIC PRINCIPAL PROTECTION PLAN-II	1	64,100	0.00

Pattern of Shareholding - FFC

As at December 31, 2025

Categories of Shareholders	Shareholders	Shares Held	Percentage
General Public			
a. Local	43,116	365,737,269	25.70
b. Foreign	1,453	5,662,152	0.40
Foreign Companies	45	20,213,348	1.42
Others	527	67,608,045	4.75
Totals	45,360	1,423,108,696	100.00

Shareholders holding 10% or more	Shares Held	Percentage
Committee of Admin Fauji Foundation	621,863,631	43.70

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 16, 2026
1 st Quarter ending March 31, 2026	Last Week of April 2026
Half-Year ending June 30, 2026	Last Week of July 2026
3 rd Quarter ending September 30, 2026	Last Week of October 2026
Year ending December 31, 2026	Last Week of January 2027

Pattern of Shareholding - Subsidiaries

As at December 31, 2025



fauji foods

Fauji Foods Limited

Number of Shareholders	From	Shareholding To	Shares Held
5487	1	100	221,932
4742	101	500	1,571,063
3276	501	1,000	2,878,503
7052	1,001	5,000	19,837,524
2499	5,001	10,000	19,918,517
961	10,001	15,000	12,363,293
684	15,001	20,000	12,636,310
459	20,001	25,000	10,790,765
289	25,001	30,000	8,227,128
179	30,001	35,000	5,943,351
173	35,001	40,000	6,705,695
108	40,001	45,000	4,672,017
269	45,001	50,000	13,296,702
96	50,001	55,000	5,081,139
72	55,001	60,000	4,217,753
43	60,001	65,000	2,730,872
51	65,001	70,000	3,512,372
53	70,001	75,000	3,879,324
47	75,001	80,000	3,709,217
29	80,001	85,000	2,401,287
32	85,001	90,000	2,834,414
16	90,001	95,000	1,487,893
134	95,001	100,000	13,368,528
22	100,001	105,000	2,260,883
17	105,001	110,000	1,843,755
12	110,001	115,000	1,357,131
21	115,001	120,000	2,497,328
18	120,001	125,000	2,235,466
11	125,001	130,000	1,409,676
8	130,001	135,000	1,064,299
12	135,001	140,000	1,666,857
7	140,001	145,000	998,660
35	145,001	150,000	5,229,278
9	150,001	155,000	1,379,589
3	155,001	160,000	479,000
9	160,001	165,000	1,471,326
10	165,001	170,000	1,682,143
9	170,001	175,000	1,563,604
6	175,001	180,000	1,079,183
7	180,001	185,000	1,283,204
6	185,001	190,000	1,126,201

Pattern of Shareholding - Subsidiaries

As at December 31, 2025

Fauji Foods Limited

Number of Shareholders	From	Shareholding To	Shares Held
4	190,001	195,000	772,501
34	195,001	200,000	6,798,599
4	200,001	205,000	811,900
1	205,001	210,000	210,000
4	210,001	215,000	848,025
3	215,001	220,000	657,785
6	220,001	225,000	1,337,243
6	225,001	230,000	1,374,500
5	230,001	235,000	1,164,750
2	235,001	240,000	474,700
5	240,001	245,000	1,214,693
18	245,001	250,000	4,494,486
2	250,001	255,000	505,990
3	255,001	260,000	775,948
1	260,001	265,000	262,000
2	265,001	270,000	537,928
7	270,001	275,000	1,917,600
1	275,001	280,000	279,592
1	280,001	285,000	281,400
1	285,001	290,000	288,615
4	290,001	295,000	1,173,447
13	295,001	300,000	3,900,000
3	300,001	305,000	903,509
4	305,001	310,000	1,228,458
3	310,001	315,000	937,185
3	315,001	320,000	950,394
1	320,001	325,000	325,000
2	325,001	330,000	659,579
2	335,001	340,000	675,992
6	345,001	350,000	2,087,370
1	350,001	355,000	354,400
1	365,001	370,000	368,000
1	370,001	375,000	375,000
1	375,001	380,000	380,000
1	380,001	385,000	383,969
1	390,001	395,000	391,305
3	395,001	400,000	1,200,000
1	400,001	405,000	400,072
1	405,001	410,000	405,244
3	420,001	425,000	1,275,000
1	435,001	440,000	437,000
3	445,001	450,000	1,345,500
2	465,001	470,000	940,000

Number of Shareholders	Shareholding		Shares Held
	From	To	
1	475,001	480,000	480,000
9	495,001	500,000	4,500,000
1	515,001	520,000	518,000
2	525,001	530,000	1,056,500
2	530,001	535,000	1,067,500
1	535,001	540,000	540,000
2	545,001	550,000	1,100,000
2	555,001	560,000	1,115,572
1	565,001	570,000	567,000
1	570,001	575,000	573,000
2	575,001	580,000	1,156,731
1	580,001	585,000	584,000
3	595,001	600,000	1,800,000
1	610,001	615,000	610,666
1	630,001	635,000	635,000
2	640,001	645,000	1,288,068
1	645,001	650,000	650,000
1	655,001	660,000	659,000
1	670,001	675,000	672,000
2	680,001	685,000	1,363,745
5	695,001	700,000	3,500,000
1	700,001	705,000	700,550
1	710,001	715,000	714,000
1	715,001	720,000	719,000
1	720,001	725,000	724,711
1	745,001	750,000	750,000
1	785,001	790,000	788,796
1	790,001	795,000	793,578
2	795,001	800,000	1,600,000
1	820,001	825,000	825,000
1	830,001	835,000	834,500
1	855,001	860,000	858,770
3	870,001	875,000	2,618,543
1	895,001	900,000	900,000
1	920,001	925,000	923,337
1	945,001	950,000	947,012
7	995,001	1,000,000	7,000,000
1	1,035,001	1,040,000	1,036,816
1	1,055,001	1,060,000	1,058,700
1	1,100,001	1,105,000	1,105,000
1	1,135,001	1,140,000	1,140,000
1	1,145,001	1,150,000	1,146,050
1	1,155,001	1,160,000	1,157,000

Pattern of Shareholding - Subsidiaries

As at December 31, 2025

Fauji Foods Limited

Number of Shareholders	From	Shareholding To	Shares Held
1	1,205,001	1,210,000	1,207,900
2	1,245,001	1,250,000	2,498,323
1	1,325,001	1,330,000	1,326,729
1	1,345,001	1,350,000	1,350,000
1	1,380,001	1,385,000	1,383,000
1	1,410,001	1,415,000	1,412,091
1	1,470,001	1,475,000	1,475,000
2	1,495,001	1,500,000	3,000,000
1	1,555,001	1,560,000	1,559,016
1	1,660,001	1,665,000	1,660,500
1	1,695,001	1,700,000	1,699,285
1	1,780,001	1,785,000	1,783,500
1	1,845,001	1,850,000	1,845,784
1	1,880,001	1,885,000	1,884,151
1	1,995,001	2,000,000	2,000,000
1	2,000,001	2,005,000	2,000,597
1	2,195,001	2,200,000	2,200,000
1	2,245,001	2,250,000	2,249,598
1	2,290,001	2,295,000	2,295,000
1	2,375,001	2,380,000	2,377,000
1	2,695,001	2,700,000	2,700,000
1	2,930,001	2,935,000	2,932,130
1	3,495,001	3,500,000	3,500,000
1	4,010,001	4,015,000	4,014,414
1	4,120,001	4,125,000	4,123,285
1	4,660,001	4,665,000	4,664,496
1	4,995,001	5,000,000	5,000,000
1	7,985,001	7,990,000	7,987,302
1	7,995,001	8,000,000	8,000,000
1	10,085,001	10,090,000	10,089,879
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
27,253			2,519,963,139

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors, CEO their Spouse(s) and Minor Children			
Usman Zaheer Ahmad	1	200,000	0.01
Basharat Ahmad Bhatti	1	1	0.00
Javed Kureishi	1	1	0.00
Syed Bakhtiyar Kazmi	1	1	0.00
Mrs Nosheen Akhtar	1	1	0.00
Lt Gen Anwar Ali Hyder, HI(M) (Retd)	1	1	0.00
Lt Gen Ali Amir Awan (Retd)	1	1	0.00
Yasir Ilyas Khan	1	1	0.00
Jahangir Piracha	1	1	0.00
Mohammad Majid Munir	1	1	0.00
Associated Companies, Undertakings and Related Parties	4	2,137,948,153	84.84
Executives and Employees	1	5,000	0.00
NIT & ICP	2	258,300	0.01
Financial Institutions	3	6,560,198	0.26
Investment Companies	2	318,000	0.01
Insurance Companies	2	350,072	0.01
Joint Stock Companies	96	30,576,238	1.21
Modarbas & Mutual Funds			
FIRST ALNOOR MODARBA	1	25,000	0.00
TRUST MODARABA	1	75,000	0.00
CDC - TRUSTEE AFVF-ALFALAH FINANCIAL VALUE PLAN-I	1	71,500	0.00
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	183,600	0.01
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	250,000	0.01
CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	1	67,969	0.00
CDC - TRUSTEE ALFALAH GHP INCOME FUND - MT	1	3,825	0.00
CDC - TRUSTEE ALFALAH GHP INCOME MULTIPLIER FUND - MT	1	858,770	0.03
CDC - TRUSTEE ALFALAH MTS FUND - MT	1	947,012	0.04
CDC - TRUSTEE FIAAF-III-FAYSAL SHARIAH FLEX PLAN-1	1	650,000	0.03
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	15,000	0.00
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	1	400,072	0.02
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	1,248,323	0.05
CDC - TRUSTEE LAKSON TACTICAL FUND	1	1,600	0.00
CDC - TRUSTEE NBP MAHANA AMDANI FUND - MT	1	923,337	0.04
CDC - TRUSTEE NBP SAVINGS FUND - MT	1	241,470	0.01

Pattern of Shareholding - Subsidiaries

As at December 31, 2025

Fauji Foods Limited

Categories of Shareholders	Shareholders	Shares Held	Percentage
Other Companies	11	2,395,407	0.10
General Public			
a. Foreign	7	84,500	0.00
b. Local	27,099	335,304,784	13.31
Totals	27,253	2,519,963,139	100.00

Shareholders holding 10% or more	Shares Held	Percentage
Fauji Fertilizer Company Limited	1,205,576,237	47.84
FFC Energy Limited	465,000,000	18.45
FFBL Power Company Limited	400,000,000	15.87

FFC Energy Limited



Categories of Shareholders	Shareholders	Shares Held	Percentage
Fauji Fertilizer Company Limited	1	243,755,000	99.97
Jahangir Piracha	1	10,000	0.00
Maj Gen Saeed Akhtar (Retd)	1	10,000	0.00
Syed Bakhtiyar Kazmi	1	10,000	0.00
Maj Gen Tariq Qaddus (Retd)	1	10,000	0.00
Maj Gen Muhammad Aneeq Ur Rehman Malik (Retd)	1	10,000	0.00
Maj Gen Muhammad Zafar Iqbal (Retd)	1	10,000	0.00
Syed Iftikhar Ahmad Kirmani	1	10,000	0.00
Totals	8	243,825,000	100.00

Foundation Wind Energy - I Limited



Categories of Shareholders	Shareholders	Shares Held	Percentage
Fauji Fertilizer Company Limited	1	350,249,489	100.00
Jahangir Piracha	1	1	0.00
Syed Bakhtiyar Kazmi	1	1	0.00
Maj Gen Muhammad Ihsanullah (Retd)	1	1	0.00
Maj Gen Tariq Qaddus (Retd)	1	1	0.00
Syed Aamir Abbas	1	1	0.00
Syed Atif Ali	1	1	0.00
Totals	7	350,249,495	100.00

Foundation Wind Energy - II Limited



Categories of Shareholders	Shareholders	Shares Held	Percentage
Fauji Fertilizer Company Limited	1	282,215,158	80.00
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
Syed Atif Ali	1	10	0.00
Aziz Ikram	1	10	0.00
Col Salar Malik (Retd)	1	1	0.00
Mustafa Tapal	1	35,276,910	10.00
Adnaan Tapal	1	17,638,450	5.00
Danish Tapal	1	17,638,450	5.00
Totals	11	352,769,020	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
Maj Gen Amjad Ahmed Butt, HI (M) (Retd)	1	1	0.00
Maj Gen Muhammad Zafar Iqbal, HI(M), TI(M) (Retd)	1	1	0.00
Muhammad Tariq	1	1	0.00
Lt Gen Anwar Ali Hyder, HI(M) (Retd)	1	1	0.00
Jahangir Piracha	1	1	0.00
Qamar Haris Manzoor	1	1	0.00
Syed Bakhtiyar Kazmi	1	1	0.00
Aziz Ikram	1	1	0.00
Mazhar Abbas Hasnani	1	1	0.00
Totals	11	858,750,000	100.00

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
Totals	8	1,123,960,000	100.00

OLIVE Technical Services (Private) Limited



Categories of Shareholders	Shareholders	Shares Held	Percentage
Fauji Fertilizer Company Limited	1	20,000,040	100.00

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 253), and SASB Content Index (Page 262).

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	
	Policy statement of Ethics and Business Practices	
	Product portfolio	
	Geographical presence	Details of our operations and the environment we operate in 10
	Company profile and group structure	
	Organizational chart	
	Corporate Events	
	Competitive landscape and market positioning	
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 98-121, 200-203
Business Model	Value creation business model	Key components of our Business Model that make it possible to transform our resources 198
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, 196-197
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DOMAIN	CONTENT ELEMENTS		PAGE
Strategy and Resource Allocation	Strategy and resource allocation	Goals and breakdown of objectives	26-28, 394-413
	Financial Capital (FFC & Group)	Our financial resources	54-87, 389-422
	Manufactured Capital	Our tangible inputs	122-138, 205-216
	Intellectual Capital	Our knowledge-based intangibles	140-145, 235-247
	Human Capital	Our people	146-151, 217-234
Performance and Position, Analysis of Financial / Non-financial Information	History of Major Events	Timeline of our journey	22-23
	Highlights 2025	Achievements during the year	09
	Chairman's Review	Broad overview of where we stand and where we are headed	51,388
	MD & CEO's Overview	The key drivers of our success and incisive analysis of our business	53
	Financial Capital (FFC & Group)	Our financial resources	54-87, 389-422
	Manufactured Capital	Our tangible inputs	122-138, 205-216
	Intellectual Capital	Our knowledge-based intangibles Disclosure on IT, Governance & Cyber Security	140-145, 235-247,
	Human Capital	Our people	146-151, 217-234
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, 166-168, 248
		Global Fertilizer outlook	169
Stakeholders Relationship and Engagement	Stakeholders' engagement	How stakeholders' engagement affect our performance and value, and how those relationships are managed	120-121, 182-183
FFC Group Financial Statements	Standalone Financial Statements	Financial performance of FFC and Group during the year	306-382
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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	154-164, 173-185
	Sustainability Report and Sustainability related financial disclosures (IFRS S1 & S2)		171-293

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

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
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
FFL	Fauji Foods Limited
FIFL	Fauji Infraavest Foods Limited
FMPAC	Fertilizer Manufacturers of Pakistan Advisory Council
FPCCI	Federation of Pakistan Chamber of Commerce and Industries
FPCL	FFBL Power Company Limited
FWEL - I	Foundation Wind Energy - I Limited
FWEL - II	Foundation Wind Energy - II Limited

Definitions & Glossary of Terms

Term	Description
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.
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
IIRC	International Integrated Reporting Council
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

Term	Description
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.
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
P2O5	Phosphorus Pentoxide
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

Definitions & Glossary of Terms

Term	Description
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
ROIC	Return on Invested Capital
SAARC	South Asian Association for Regional Cooperation
SAFA	South Asian Federation of Accountants
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)
SOC	Safe Operation Committee
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
TEL	Thar Energy Limited
TRIR	Total Recordable Incident Rate
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
WPPF	Workers' Profit Participation Fund
WWF	Workers' Welfare Fund

اولیو ٹیکنیکل سروسز (پرائیویٹ) لمیٹڈ

حصص دانگان کی اقسام	حصص دانگان	تعداد حصص	بھند
فوری فراڈا بیز رکھتی ہوئے	۱	20,000,040	100.00
فول	1	20,000,040	100

ایف ایف بی ایل پاور کیمپنی لمیٹڈ

حصص دانگان کی اقسام	حصص دانگان	تعداد حصص	بھند
فوری فراڈا بیز رکھتی ہوئے	1	644,062,491	75.00
فوری فراڈا بیز	1	214,887,500	25.00
بھرتراں امداد، ایف ایف بی ایل (ایم)، (ریکارڈ)	1	1	0.00
بھرتراں امداد، ایف ایف بی ایل (ایم)، (ایم)، (ریکارڈ)	1	1	0.00
محمد طارق	1	1	0.00
ایف ایف بی ایل، ایف ایف بی ایل (ایم)، (ریکارڈ)	1	1	0.00
بھرتراں امداد	1	1	0.00
قرارداد حشر	1	1	0.00
سید علی علی	1	1	0.00
عزیز اکرم	1	1	0.00
مظہر عباس مسانی	1	1	0.00
فول	11	858,750,000	100.00

ایف ایف سی انرجی لیٹڈ

حصص دانگان کی اقسام	حصص دانگان	تعداد حصص	بیمہ
فوجی فریڈا نیوز ریکھلی لیٹڈ	1	243,755,000	99.97
جیا گیم پرائیویٹ	1	10,000	0.00
بیمہ جنرل سید اختر (ریٹائرڈ)	1	10,000	0.00
سید علیہ کمالی	1	10,000	0.00
بیمہ جنرل طارق قدوس (ریٹائرڈ)	1	10,000	0.00
بیمہ جنرل محمد شفیق الرحمن ملک (ریٹائرڈ)	1	10,000	0.00
بیمہ جنرل محمد صہرا جمال (ریٹائرڈ)	1	10,000	0.00
سید افکار امروہائی	1	10,000	0.00
کل	8	243,825,000	100

قاوڈیشن ونڈ انرجی- I لیٹڈ

حصص دانگان کی اقسام	حصص دانگان	تعداد حصص	بیمہ
فوجی فریڈا نیوز ریکھلی لیٹڈ	1	350,249,489	100.00
جیا گیم پرائیویٹ	1	1	0.00
سید علیہ کمالی	1	1	0.00
بیمہ جنرل محمد اسماعیل اللہ (ریٹائرڈ)	1	1	0.00
بیمہ جنرل طارق قدوس (ریٹائرڈ)	1	1	0.00
سید عامر عباس	1	1	0.00
سید عاطف علی	1	1	0.00
کل	7	350,249,495	100

قاوڈیشن ونڈ انرجی- II لیٹڈ

حصص دانگان کی اقسام	حصص دانگان	تعداد حصص	بیمہ
فوجی فریڈا نیوز ریکھلی لیٹڈ	1	282,215,158	80.00
جیا گیم پرائیویٹ	1	10	0.00
سید علیہ کمالی	1	1	0.00
بیمہ جنرل محمد اسماعیل اللہ (ریٹائرڈ)	1	10	0.00
بیمہ جنرل طارق قدوس (ریٹائرڈ)	1	10	0.00
سید عاطف علی	1	10	0.00
عزیز اکرام	1	10	0.00
کرشن سدا رملک (ریٹائرڈ)	1	1	0.00
مصطفیٰ نیال	1	35,275,910	10.00
صدان نیال	1	17,638,450	5.00
دانش نیال	1	17,638,450	5.00
کل	11	352,769,020	100.00

فوجی فریڈا این فریز لیٹڈ

حصص دانگان کی اقسام	حصص دانگان	تعداد حصص	بیمہ
فوجی فریڈا نیوز ریکھلی لیٹڈ	1	1,123,952,000	100.00
ڈائریکٹرز	7	8,000	0.00
کل	8	1,123,960,000	100

پیٹرن آف شیئر ہولڈنگ - سبسائیڈریز

۳۱ دسمبر ۲۰۲۵

حصص ہولڈنگ کی اقسام	حصص ہولڈنگ	تعداد حصص	فیصد
سی ڈی سی - ٹرنٹی این پی پی، ہاؤس آرڈی ٹیٹ - ایم پی	1	923,337	0.04
سی ڈی سی - ٹرنٹی این پی پی، سیوگرڈ - ایم پی	1	241,470	0.01
ٹیکسٹائل	11	2,395,407	0.10
غیر ملکی	7	84,500	0.00
مقامی	27,099	335,304,784	13.31
کل	27,253	2,519,963,139	100.00
ان کے تحت ہونے والے حصص ہولڈنگ	تعداد حصص	فیصد	
فوری ٹریڈرز کی ہولڈنگ	1,205,576,237	47.84	
ایب ایف سی انری ہولڈنگ	465,000,000	18.45	
ایب ایف سی ایلیٹ پاور کی ہولڈنگ	400,000,000	15.87	

پیٹرن آف شیئر ہولڈنگ - سبسیڈریز

۲۰۲۵ ستمبر ۲۰

فوجی فوڈز لمیٹڈ

صاحبانِ شام	صاحبانِ شام	تعداد	قیمت
ڈائریکٹری، ای، او، این کی شریکیت جیٹا اور جیٹا	1	200,000	0.00
مہمان علی احمد	1	1	0.00
بھارت احمد علی	1	1	0.00
چاچہ ترنگ	1	1	0.00
سیہنیا راجی	1	1	0.00
سزاشین اختر	1	1	0.00
لیٹینٹ جنرل انوولی جیو راجی آئی (ایم)، (ریٹائرڈ)	1	1	0.00
لیٹینٹ جنرل علی عامر ایمان (ریٹائرڈ)	1	1	0.00
ایس ایس خان	1	1	0.00
جہانگیر پراچہ	1	1	0.00
محمد بھدیر	1	1	0.00
ملک کپتیاں باقر اسعد اور حلقہ کپتیاں	4	2,137,948,153	84.84
ایچ بی پی ایچ ایم پی	1	5,000	0.00
ایم ای آئی ای آئی ای	2	258,300	0.01
ایم ای آئی ای	3	6,560,198	0.26
ایم ای آئی ای	2	318,000	0.01
ایم ای آئی ای	2	350,072	0.01
ایم ای آئی ای	96	30,576,238	1.21
ایم ای آئی ای	1	25,000	0.00
ایم ای آئی ای	1	75,000	0.00
ایم ای آئی ای	1	71,500	0.00
ایم ای آئی ای	1	183,600	0.00
ایم ای آئی ای	1	250,000	0.00
ایم ای آئی ای	1	67,969	0.00
ایم ای آئی ای	1	3,825	0.00
ایم ای آئی ای	1	858,770	0.03
ایم ای آئی ای	1	947,012	0.04
ایم ای آئی ای	1	650,000	0.03
ایم ای آئی ای	1	15,000	0.00
ایم ای آئی ای	1	400,072	0.02
ایم ای آئی ای	1	1,248,323	0.05
ایم ای آئی ای	1	1,600	0.00

مالیاتی کیلنڈر

کمپنی کے مالیاتی سال کی مدت یکم جنوری سے 31 دسمبر تک ہے۔

کمپنی کے مالیاتی نتائج کا اعلان مندرجہ ذیل عارضی شیڈول کے مطابق کیا جائے گا۔

سالانہ اجلاس عام	16 مارچ 2026
31 مارچ 2026 کو ختم ہونے والی پہلی سرمایہ:	آخری ہفتہ اپریل 2026
30 جون 2026 کو ختم ہونے والی دوسری سرمایہ:	آخری ہفتہ جولائی 2026
30 ستمبر 2026 کو ختم ہونے والی تیسری سرمایہ:	آخری ہفتہ اکتوبر 2026
سالانہ نتائج 31 دسمبر 2026	آخری ہفتہ جنوری 2027

صنعتی و خانگی گیس	صنعتی و خانگی گیس	تعداد	قیمت
سی ڈی سی۔ ٹرنٹی ٹیکنیکل سنٹر	1	5,000	0.00
سی ڈی سی۔ ٹرنٹی ٹیکنیکل اسلام آباد ٹیکنیکل سنٹر	1	5,700	0.00
ایم سی بی ایف ایس ایل۔ ٹرنٹی اے بی ایل اسلام آباد ٹیکنیکل اسلام آباد	1	7,700	0.00
سی ڈی سی۔ ٹرنٹی اللہ راج بی ایچ بی ایل اسلام آباد ٹیکنیکل ٹیکنیکل سنٹر	1	29,200	0.00
سی ڈی سی ٹرنٹی۔ میران ڈی ٹیکنیکل ٹیکنیکل سنٹر	1	140,597	0.01
سی ڈی سی۔ ٹرنٹی الحویب ایسٹ ایڈمیشن سنٹر	1	200,000	0.01
سی ڈی سی۔ ٹرنٹی ٹیس اسلام آباد ٹیکنیکل اسلام آباد	1	103,650	0.01
سی ڈی سی۔ ٹرنٹی فیصل اسلام آباد ٹیکنیکل ٹیکنیکل سنٹر	1	7,500	0.00
سی ڈی سی۔ ٹرنٹی این آئی بی ایس ایڈمیشن سنٹر	1	110,000	0.01
سی ڈی سی۔ ٹرنٹی این آئی بی پاکستان گیٹ ویسٹ ٹیکنیکل ٹیکنیکل سنٹر	1	50,184	0.00
سی ڈی سی۔ ٹرنٹی اللہ راج ٹیکنیکل واپس ٹیکنیکل سنٹر۔ دوم	1	6,000	0.00
سی ڈی سی۔ ٹرنٹی بی بی ایل پاکستان اعظمی ٹیکنیکل ٹیکنیکل سنٹر	1	82,560	0.01
سی ڈی سی۔ ٹرنٹی فیصل اسلام آباد اسلام آباد	1	328,868	0.02
سی ڈی سی۔ ٹرنٹی میران پاکستان ٹیکنیکل ٹیکنیکل سنٹر	1	216,770	0.02
سی ڈی سی۔ ٹرنٹی این آئی بی پاکستان کراچی ٹیکنیکل ٹیکنیکل سنٹر	1	38,335	0.00
سی ڈی سی۔ ٹرنٹی بی ایس موٹورنگ ٹیکنیکل ٹیکنیکل سنٹر	1	258,360	0.02
سی ڈی سی۔ ٹرنٹی اللہ راج بی ایچ بی ایل اسلام آباد ٹیکنیکل ٹیکنیکل سنٹر	1	74,663	0.01
سی ڈی سی۔ ٹرنٹی ایم سی بی پاکستان ڈی بی ٹیکنیکل ٹیکنیکل سنٹر	1	140,000	0.01
سی ڈی سی۔ ٹرنٹی الحویب ڈی بی ٹیکنیکل ٹیکنیکل سنٹر	1	144,000	0.01
سی ڈی سی۔ ٹرنٹی ہاؤس اسلام آباد ٹیکنیکل ٹیکنیکل سنٹر	1	252,938	0.02
سی ڈی سی۔ ٹرنٹی ایم ڈی اے ایف۔ میران ڈی بی ٹیکنیکل ٹیکنیکل سنٹر	1	99,500	0.01
سی ڈی سی۔ ٹرنٹی فیصل اسلام آباد ایسٹ ایڈمیشن سنٹر۔ دوم	1	486,136	0.03
سی ڈی سی۔ ٹرنٹی فیصل اسلام آباد اسلام آباد۔ دوم	1	57,150	0.00
سی ڈی سی۔ ٹرنٹی ٹی اسلام آباد اسلام آباد	1	3,356,500	0.24
ڈی سی بی ایل۔ ٹرنٹی بی ایس اسلام آباد سربراہ محفوظ ٹیکنیکل ٹیکنیکل سنٹر۔ اول	1	67,200	0.00
سی ڈی سی۔ ٹرنٹی اے بی ایل آفٹنل ایسٹ ایڈمیشن سنٹر	1	35,500	0.00
سی ڈی سی۔ ٹرنٹی این آئی بی بی ایف آئی۔ این بی بی اسلام آباد پرنسپل ٹیکنیکل ٹیکنیکل سنٹر۔ اول	1	78,548	0.01
ڈی سی بی ایل۔ ٹرنٹی بی ایس اسلام آباد سربراہ محفوظ ٹیکنیکل ٹیکنیکل سنٹر۔ دوم 2020	1	7,000	0.00
سی ڈی سی۔ ٹرنٹی این آئی بی بی ایف آئی۔ این بی بی اسلام آباد پرنسپل ٹیکنیکل ٹیکنیکل سنٹر۔ دوم	1	64,100	0.00
مقامی	43,116	365,737,269	25.70
غیر ملکی	1,453	5,662,152	0.40
غیر ملکی کمپنیاں	45	20,213,348	1.42
ایم۔	527	67,608,045	4.75
ٹرنٹی	45,360	1,423,108,696	100.00
کل			
کل	1	621,863,631	43.70

۲۰۲۵میر ۲۰

دائر یکنترز رپورٹ

۲۰۲۵میں ۳۱ دسمبر

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فوجی فریلائزر کمپنی لمیٹڈ

پراکسی فارم

اڑتالیسواں سالانہ اجلاس عام

میں اہم..... کا.....
 بحیثیت ممبر (ز) فوجی فریلائزر کمپنی لمیٹڈ اور حامل عام حصص..... محترم / محترمہ..... یا ان کے حاضر نہ ہو سکنے کی صورت میں.....
 کو اپنی / ہماری عدم موجودگی میں کمپنی کے 16 مارچ 2026 کو ہونے والے سالانہ اجلاس عام میں شرکت کرنے، حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت میں اپنا ہمارا بطور نمائندہ
 (پراکسی) مقرر کرتا / کرتے ہیں۔

بطور گواہ آج بتاریخ..... دن..... 2026 میرے ہمارے دستخط ہوئے

دستخط.....

..... کی موجودگی میں

پچاس روپے کے ریونیو ٹکٹ پر دستخط

اس دستخط کا کمپنی کے ساتھ رجسٹرڈ دستخط کے نمونے سے مشابہت
 ہونا لازمی ہے

فولیو نمبر	سی ڈی سی اکاؤنٹ نمبر	
	پارٹنیشن آئی ڈی	اکاؤنٹ نمبر

اہم نکات:

- 1- ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم اجلاس سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس 156 دی مال راولپنڈی میں موصول ہو جانا چاہیے۔
- 2- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انشروٹنس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انشروٹنس آف پراکسی کا عدم قرار دینے جائیں گے۔
- 3- سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے کے لیے مزید برآں درج ذیل شرائط کو پورا کیا جائے گا۔
 - (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں گی۔
 - (ii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
 - (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔

مربع برائے

یہ فیصلہ کیا جاتا ہے کہ فرمی فریڈنگز ٹریڈنگ کمپنی لمیٹڈ (FFC) کے بورڈ آف ڈائریکٹرز کے فیصلے میں اس بات کا اختیار دیا جاتا ہے کہ PIAEL کو اپنی لمیٹڈ ("PIAEL") کے بورڈ آف ڈائریکٹرز میں ماحول ڈائریکٹرز کے فیصلوں کے لیے کم از کم تین (03) امیدوار، یا ڈائریکٹرز کی سوابدید کے مطابق کوئی اور تعداد، ماحول کریں۔

مربع یہ فیصلہ کیا جاتا ہے کہ ڈائریکٹرز میں اس بات کے ماحول ہوں گے کہ PIAEL کے بورڈ آف ڈائریکٹرز میں کسی بھی ماحول ڈائریکٹر کی جگہ، جو اپنے مہدے کی مدت کے دوران کسی بھی وجہ سے اپنا اشتغال خالی کرے اور اس طرح بورڈ میں اضافی خالی جگہ پیدا ہو جائے، کسی بھی شخص کو بطور متبادل ماحول کریں۔

مربع یہ فیصلہ کیا جاتا ہے کہ کچھ دیگر فرمی کو اختیار دیا جاتا ہے کہ وہ ان قراردادوں کی تصدیق / اختیار حاصل کر سکیں اور ان قراردادوں کو فراہم کریں۔

جلیات برائے چل

1. برادر کم اپنے ووٹ کا اختیار حاصل کرنے میں (✓) کا نشان لگا کر کریں۔
2. اگر وہ دوسرے خاتون میں (✓) کا نشان لگا کر وہ آپ کا چل منسوخ تصور کیا جائے گا۔

میں، امیر، یہ بورڈ ایکٹ اپنے ووٹ کا حق استعمال کرتے ہوئے، متوجہ بالخصوص قراردادوں کے حق یا اختلاف میں پانچ ووٹ، درج ذیل مناسب خانے میں (✓) کا نشان لگا کر ظاہر کرتے ہیں:

نمبر	قراردادوں کی فراہم کنندہ	فرمی ڈائریکٹرز کے فیصلوں کے لیے ووٹ ڈالنے کے	میں، امیر، اس کی تصدیق دے گا (✓)	میں، امیر، اس سے اختلاف کرتے ہیں (✓)
1	ایکٹ 05 کے مطابق خصوصی قرارداد (جیسا کہ اوپر دیا گیا ہے)			

دھندلے حصے (کان) / برائے ہولڈر
(کارپوریٹ ادارے کی صورت میں کچھ کی ضرورت کی جائے)

مقام: _____
تاریخ: _____

نوٹ:

1. برائے پیش طے نام ڈائریکٹرز میں کوئی فریڈنگز ٹریڈنگ کمپنی لمیٹڈ 156 دی مال، راولپنڈی، پاکستان پر ای میل کے ذریعے general.meetings@ffc.com.pk پر 15 مارچ 2026 کو شام 5:00 بجے سے قبل ارسال کیا جائے۔
2. پیش طے فارم کے ساتھ CNIC / پاسپورٹ (نمبرنگ کی صورت میں) کی نقل منسلک ہونا ضروری ہے۔
3. پیش طے فارم ڈائریکٹرز میں اجلاس کو 13 مارچ 2026 کو شام 5:00 بجے تک ہر صورت موصول ہو جانا چاہیے۔ اس تاریخ کے بعد موصول ہونے والا کوئی بھی پیش طے فارم دوپٹ کے لیے قابل قبول نہیں ہوگا۔
4. پیش طے فارم پر CNIC / پاسپورٹ پر موجود دھندلے مطابقت رکھنے چاہئیں۔
5. مکمل، غیر دھندلے، مسترد شدہ، پٹا ہوا اثرا، یا زائد دیگر مسترد کردہ یا جائے گا۔
6. ہائی کارپوریٹ، کارپوریٹ یا وفاقی حکومت کے نامہ کے صورت میں طے فارم کے ساتھ کارپوریٹ CNIC کی نقل، بورڈ ریزولوشن، پاور آف اٹارنی، اتھارائزیشن لیٹر وغیرہ کی تصدیق شدہ نقل، کنٹریکٹ 2017 کے کنٹینر 138 یا 139 مطابق (جیسا کہ قابل اطلاق ہو) لازمی منسلک کی جائے۔ غیر ملکی ہائی کارپوریٹ کی صورت میں تمام دستاویزات منسلک پاکستانی قوانین جزل سے تصدیق شدہ ہونے چاہئیں۔ طے ہر فارم کچھ کی ویب سائٹ www.ffc.com.pk پر بھی دستیاب ہے۔

بیلٹ پیپر

قومی لبریریا، نیشنل بیلٹ

156 دی ہال، راولپنڈی

فون نمبر: 051-111-332-111

فیکس نمبر: 051-8458831

ای میل: investor.relations@ffc.com.pk

ویب سائٹ: www.ffc.com.pk

پوسٹ کے ذریعے دو ٹک کے لئے بیلٹ پیپر

قومی لبریریا، نیشنل بیلٹ (ایف ایف سی) کے 16 مارچ 2026 کو 156 دی ہال، راولپنڈی میں 11 بجے ہونے والے سالانہ اجلاس عام میں خصوصی امور کے لیے ڈاک کے ذریعے دو ٹک کے لیے۔

تجربے سے مزید کیا ہوا بیلٹ پیپر ای میل کے ذریعے مقررہ ایڈریس پر بھیجے گئے جہاں سے ای میل ڈرائس: general.meetings@ffc.com.pk

حصص یافتگان/مشترک حصص یافتگان کا نام	
رجسٹرڈ پتہ	
فولیو نمبر/ICDC اکاؤنٹ نمبر	
موجودہ حصص کی تعداد	
CNIC نمبر/پاسپورٹ نمبر (غیر ملکی کی صورت میں) کوئی منسلک کی جائے	
اضافی معلومات اور منسلکات (کارپوریٹ ادارے، کارپوریشن یا دفاتر حکومت کے نمائندے کی صورت میں) جواز دھندلکندہ کا نام	

ایڈیشن 05

خصوصی قرارداد

یہ فیصلہ کیا جاتا ہے کہ کتنی کو کنٹینر ایکٹ 2017 کی دفعہ 199 اور دیگر قلمی اطلاق قوانین کے مطابق، اس کی ایسی ایکٹ کنٹینر IPIA کو نیشنل بیلٹ ("PIAEL") میں دفن کیا جائے گا اور اس تاریخ سے دوسری پیم ساگر ویک کی بھی وقت ("مستحقہ سرمایہ کاری") سرمایہ کاری کرنے کی اجازت دی جاتی ہے، بذریعہ PIAEL کے عام دو ٹک شیئرز ("مشترک") کے حصول اور اپنا مسکن پانچ کے اس حد تک کہ کتنی PIAEL میں کم از کم 33.99 فیصد شیئر ہولڈنگ برقرار رکھے، اور مجموعی خریداری قیمت 67 ارب روپے (پاکستانی روپیہ) سے زائد نہ ہو، جیسا کہ اس نوٹس کے ساتھ منسلک نشیئت میں عمومی طور پر درج شرائط کے مطابق موجود ہے۔

مزید یہ فیصلہ کیا جاتا ہے کہ مذکورہ PIAEL میں سرمایہ کاری شیئر پر جی ایف ایس اسکیم پانچ معاہدہ اور شیئر ہولڈرز معاہدہ کی شرائط کے مطابق کی جائے گی، جو کہ دیگر کے علاوہ PIAEL، حکومت پاکستان، بینکاری کمیشن، PIA، ہولڈنگ کنٹینر بیلٹ اور PIAEL کے درمیان طے پائے ہیں (جنہیں مجموعی طور پر "کرائز ٹیکشن دستاویزات" کہا گیا ہے)، اور اس شیئر ہولڈرز معاہدہ کے مطابق بھی، جو کہ کتنی، PIAEL اور PIAEL کے موجودہ شیئر ہولڈرز کے درمیان طے پائے ہیں (PIAEL "SHA"):

مزید یہ فیصلہ کیا جاتا ہے کہ کتنی کو کنٹینر ایکٹ 2017 کی دفعہ 199 کے مطابق اس بات کی اجازت دی جاتی ہے کہ وہ مستحق سرمایہ کاری کے دوران دفن کیا اور کی بھی وقت PIAEL میں سرمایہ کاری کرے، بذریعہ اپنا سرچسپورٹ انتظامات، جن میں اسٹیٹ پرائیویز آف کریڈٹ، ضمانتی، شیئر منیجر، اور کتنی کے اثاثہ جات پر دیگر اقسام کے سیکورٹی مفادات شامل ہیں، جیسا کہ کرائز ٹیکشن دستاویزات اور PIAEL SHA کی شرائط کے مطابق ضروری سمجھا جائے اور کتنی کے مجاز لیا حد گمان کی جانب سے تصدیق کیا جائے، زیادہ سے زیادہ مجموعی سرمایہ کاری کی رقم 11 ارب روپے (پاکستانی روپیہ) تک، جیسا کہ اس نوٹس کے ساتھ منسلک بیان میں عمومی طور پر درج شرائط کے مطابق ہے۔

مزید یہ فیصلہ کیا جاتا ہے کہ مذکورہ ادارہ سرمایہ کاریوں اس شرط کے ساتھ کی جائیں گی کہ بینکاری کمیشن کی جانب سے تحریری منظوری دی جائے تاکہ کرائز ٹیکشن دستاویزات کے مطابق کتنی کو "مستحقہ" کے طور پر مقرر کیا جاسکے:

مزید یہ فیصلہ کیا جاتا ہے کہ پیف انجیریکٹو غیر پیف انجیر اور کتنی بیکری ایمان میں سے کسی ایک کی جانب سے مجاز کردہ کوئی بھی فرد، افراد، طبقہ و طبقہ و طور پر اس بات کے مجاز اور یا اختیار ہوں گے کہ وہ مذکورہ بالا قراردادوں پر عمل درآمد کے لیے تمام ضروری اقدامات اور کارروائیاں کریں، دیکھا تو کیا مطلوبہ سرمایہ کاری انجام دیں، تمام ایسے افعال، امور اور اقدامات سرانجام دیں، اور کتنی کی جانب سے اور اس کے نام پر تمام ایسے معاہدات، ڈیڈز، ایکسچینج ایکٹس، اطلاعات، وعدہ جات (ایڈریٹیکٹو) اور دیگر دستاویزات، بشمول ان سے متعلق ذیلی دستاویزات، اے کریں، دیکھا کریں اور جاری کریں، یا ایسی کوئی بھی دستاویزات فراہم کریں، نیز دیگر لیڈری تقاضوں کی تکمیل کریں، جیسا کہ ہر معاملہ میں ضروری، مطلوب یا مناسب سمجھا جائے، مجوزہ سرمایہ کاریوں کے سلسلے میں ایمان سے متعلق ایمان کے ضمنی امور کے لیے بشمول مگر اس تک محدود نہیں، ایسی سرمایہ کاریوں سے متعلق شرائط و ضوابط پر مذاکرات اور انہیں حتمی شکل دینا اور دیگر شیئر ہولڈرز کے ساتھ انتظامات میں داخل

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اڑتالیسویں سالانہ اجلاس عام کا نوٹس

نمبر	تصنیف	درجہ اولیات
(c)	قرض دانیہ اور سہولیات کی شکل میں سرمایہ کاری کی صورت میں داؤد حق (الف) کے تحت فراہم کردہ معلومات کے علاوہ درج ذیل نکات بھی کیے جائیں گے۔	
(i)	سرمایہ کاری کی رقم، ذمہ دار (Category-wise)۔	کلی طور پر، 16 ارب روپے، اسپانسر سپورٹ انتظامات کی صورت میں، بشمول اسٹینڈ پائی لیزز آف کرایٹ، مگاریو، ڈیٹر ٹیلور اور کھیتی کے اثاثوں پر دیگر قسم کے سکاؤ رٹی مفادات، جیسا کہ ریزائیکشن و سٹاؤن لٹ کی شرائط کے تحت ضروری سمجھا جائے۔
(ii)	معلقہ عدت کے لیے سرمایہ کاری کرنے والی کھیتی کی اوسط قرض کی لاگت، کراچی انٹر بینک آف ڈریسٹ (KIBOR) بشرطیت کے مطابق مصنوعات کی واپسی کی شرح، اور انٹرفیک کی سہولیات کی واپسی کی شرح، جیسا کہ صورت حال ہو۔	کھیتی کی اوسط قرض لینے کی لاگت فی الحال تقریباً 11.5 فیصد ہے۔
(iii)	سودی شرح، مارک اپ، مٹاؤ، فیس، پائیکس وغیرہ جو سرمایہ کاری کرنے والی کھیتی وصول کرے گی۔	قابل اطلاق نہیں
(iv)	موجود سرمایہ کاری کے سلسلے میں کوئی لینڈ پائیکس رٹی کی تفصیلات حاصل کی جائیں۔	قابل اطلاق نہیں
(v)	اگر سرمایہ کاری میں تبدیلی کی خصوصیت ہو، یعنی یہ سکاؤ رٹیز میں تبدیل ہو سکتی ہو تو اس حقیقت کے ساتھ ساتھ اس کے شرائط و ضوابط بھی فراہم کیے جائیں، بشمول تبدیلی کا فارمولا، وہ حالات جن میں تبدیلی ممکن ہو سکتی ہے، اور وہ وقت جب تبدیلی کو نافذ کیا جا سکتا ہے۔	قابل اطلاق نہیں
(vi)	وابستہ کھیتی یا وابستہ ادارے کو دی جانے والی قرضوں یا لینڈ وائسز کی ادائیگی کا شیڈول اور شرائط و ضوابط۔	قابل اطلاق نہیں

مندرجہ بالا مقصد کے لیے درکار قراردادیں سالانہ اجلاس عام کے نوٹس میں دی گئی ہیں، جو بطور خصوصی قرارداد (Special Resolutions) پیش اور منظور کی جائیں گی۔

میں درج ذیل اور آرٹیکلز آف ایسوسی ایشن کی ایک کاپی کھیتی کے رجسٹر آفس میں رکھی گئی ہے اور اس نوٹس کی اشاعت کی تاریخ سے اجلاس عام کے اختتام تک کسی بھی کام کے دن کے دوران کاروباری اوقات میں اس کا مطالعہ کیا جاسکتا ہے۔

ڈائریکٹرز برادرسٹ یا ان لوگوں کے طور پر جو کہ خصوصی کاروبار میں دلچسپی رکھتے ہوں گے ان کے لیے ڈائریکٹرز اور ڈیٹریٹرز کے طور پر۔

[illegible]

اڑتالیسویں سالانہ اجلاس عام کا نوٹس

کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت مادی حقائق کا بیان

یہ بیان یہ فی فریڈا نوٹس کنٹینیوئلٹی ("کنٹینیوئلٹی") کے شیئر ہولڈرز کے سالانہ اجلاس عام کے نوٹس کا لازمی حصہ ہے، 16 مارچ 2026 کو وقت 11 بجے، راولپنڈی میں منعقد ہوگی، اور اس میں اجلاس میں پیش کیے جانے والے خصوصی امور سے متعلق مادی حقائق بیان کیے گئے ہیں۔

ایجنڈا: ایسوی لڈ کنٹینیوئلٹی (PIA) کو پی ایچ ایف میں سرمایہ کاری، بطور خصوصی قرارداد منظوری کے لیے پیش کیا جائے گی۔

کنٹینیوئلٹی اپنے شیئر ہولڈرز سے درخواست کرتی ہے کہ وہ کنٹینیوئلٹی کی ایسوی لڈ کنٹینیوئلٹی (PIA) کو پی ایچ ایف ("PIAEL") میں سرمایہ کاری کی منظوری دیں، جس کا کہ AGM کے نوٹس کے ایجنڈا میں فراہم کردہ خصوصی قراردادوں (ترجمہ کے ساتھ یا بغیر ترجمہ) کے ذریعے کمپنیز ایکٹ 2017 کی دفعہ 199 کے مطابق ہے۔

سرمایہ کاری کا بیڑا

کنٹینیوئلٹی کے بورڈ آف ڈائریکٹرز ("بورڈ") نے اپنے 24 دسمبر 2025 کو منعقدہ اجلاس میں منظوری دیتے ہوئے کنٹینیوئلٹی کو AHCL کنسورٹیم میں شمولیت اختیار کرنے کی اجازت دی، جس میں شامل ہیں: (i) عارف حبیب کارپوریشن لڈ کنٹینیوئلٹی، (ii) عارف فریڈا نوٹس کنٹینیوئلٹی، (iii) اے کے ڈی گروپ ہولڈنگز (پرائیویٹ) لڈ کنٹینیوئلٹی، (iv) دی ایکسٹری ہولڈنگز (پرائیویٹ) لڈ کنٹینیوئلٹی، (v) سی اسکولز (پرائیویٹ) لڈ کنٹینیوئلٹی، (vi) "کنسورٹیم"، (vii) پی ایچ ایف کی لڈ کنٹینیوئلٹی، (viii) پی ایچ ایف کی لڈ کنٹینیوئلٹی اور (ix) عارف فریڈا نوٹس کنٹینیوئلٹی کے مطابق، کنسورٹیم نے PIA کو پی ایچ ایف ("PIAEL") کو ایک خصوصی مقصد کی ادارے (Special Purpose Vehicle) کے طور پر قائم کیا، جو PIAEL کے حصص حاصل کرے گا اور ان کی سسٹر کمپنی کے گاہک کنسورٹیم کے راکٹریں PIAEL کے شیئر ہولڈرز/انصران ہیں۔

پی ایچ ایف کنٹینیوئلٹی نے اپنے معاہدہ E&T/PG/PIA/2013-01 کے تحت 8 جنوری 2026 کے ذریعے کنٹینیوئلٹی کو کنسورٹیم (اور PIAEL میں بطور شیئر ہولڈر) شامل کرنے کی اصولی منظوری دے دی ہے، اور فراڈیکشن دستاویزات کے مطابق کنٹینیوئلٹی نے 1,699,500,000 روپے کی ابتدائی سرمایہ کاری کی ہے، جس کے عوض PIAEL کنٹینیوئلٹی کو حصص جاری کرے گی، جو PIAEL کے جاری شدہ اور ادا شدہ سرمائے کا تقریباً 34 فیصد نمائندگی کریں گے۔

لہذا، PIAEL کنٹینیوئلٹی کی ایک ایسوی لڈ کنٹینیوئلٹی ہے، اور PIAEL میں کسی بھی حریف سرمایہ کاری کے لیے کمپنیز ایکٹ 2017 اور متعلقہ ضابطہ کے تحت خصوصی قرارداد کے ذریعے شیئر ہولڈرز کی منظوری درکار ہوگی۔

کنٹینیوئلٹی کا کہنا ہے کہ PIA کی اسٹرکچرل پروپازیشنل افویئر لائن کی حیثیت کو مد نظر رکھتے ہوئے، فنی کلیت کے تحت PIAEL کو ایک علاقائی سطح پر مسابقتی اور منافع بخش ایئر لائن کے طور پر دوبارہ منظم کیا جاسکتا ہے۔ مجوزہ سرمایہ کاری PIAEL کو پی ایچ ایف کی بحالی (Fleet Optimization)، ایف اے ٹی، ایکسٹری گروپ، سروس کے معیار، آپریشن اور حفاظتی معیارات، اور مجموعی تکنیکی و تجارتی صلاحیتوں میں بہتری کے لیے معاون ثابت ہوگی۔ کنسورٹیم کی ایئر لائنی شرکت اور گرائی سے ان اقدامات کو مربوط اور پانچ بار ایئر لائن میں نافذ کرنے کے لیے ضروری و معالجہ اور رقم و خطہ فراہم ہونے کی توقع ہے، جس کا مقصد ان مسائل کو ہولڈرز کے لیے طویل المدتی قدر پیدا کرنا ہے۔

کنٹینیوئلٹی کے بورڈ آف ڈائریکٹرز نے تصدیق کی ہے کہ PIAEL میں مجوزہ سرمایہ کاری ضروری جانچ پڑتال (Due Diligence) کے بعد کی جارہی ہے اور انہوں نے شیئر ہولڈرز کو سفاکی کی ہے کہ وہ مددگار سرمایہ کاری کی اجازت دینے کے لیے قرارداد میں منظوری کریں۔

بورڈ اس بات کا اصرار کرتا ہے کہ مجوزہ سرمایہ کاریوں کے لیے ضروری جانچ پڑتال کی جائیگی ہے، جس کی رپورٹ کنٹینیوئلٹی کے بورڈ ڈائریکٹرز میں سامنے کے لیے دستیاب ہے۔

اس نوٹس کی تاریخ تک PIAEL اور کنٹینیوئلٹی کے بورڈ میں کوئی شیئر کرڈائریکٹرز موجود نہیں ہے۔

کنٹینیوئلٹی (ایسوی لڈ کنٹینیوئلٹی) ایسوی لڈ کنٹینیوئلٹی میں سرمایہ کاری، ریکریٹو، 2017 کے مطابق نوٹس کے ساتھ منسلک کی جانے والی مطلوبہ معلومات ذیل میں فراہم کی جارہی ہیں:

نمبر شمار	تفصیلی	ادارہ معلومات
(a)	برج کی سرمایہ کاری کے لیے انگشتاں	
(A)	ایسوی لڈ کنٹینیوئلٹی کے حقائق	
(i)	ایسوی لڈ کنٹینیوئلٹی کا نام:	پی ایچ ایف، کنٹینیوئلٹی (PIAEL)، جو کہ کنٹینیوئلٹی کی ایسوی لڈ کنٹینیوئلٹی ہے، جس میں کنٹینیوئلٹی کی جانب سے مجوزہ سرمایہ کاری کی جارہی ہے۔
(ii)	حقائق کی بنیاد:	PIAEL کنٹینیوئلٹی کی ابتدائی سرمایہ کاری کے باعث ایک ایسوی لڈ کنٹینیوئلٹی ہے جس کی کل رقم 1,699,500,000 روپے ہے، جس کے عوض PIAEL کنٹینیوئلٹی کو عام ورلڈ شیئر جاری کرے گی، جو PIAEL کے جاری شدہ اور ادا شدہ سرمائے کا تقریباً 33.99 فیصد نمائندگی کریں گے
(iii)	مکمل حقائق میں سالوں کی فی شیئر آمدنی/ (تقصیرات)۔	قابل اطلاق نہیں کیونکہ PIAEL مالی سال میں جنوری 2026 میں قائم کی گئی تھی
(iv)	تاریخ شدہ ادا کی گئی کوٹھاروں کی بنیاد پر فی شیئر یکساں دلچہ	PIAEL کی فی شیئر یکساں دلچہ 10 روپے ہے۔
(v)	مالی حیثیت، جس میں اس کے کاروبار میں مالی کوٹھاروں کی بنیاد پر اثبات آف فی الحال پوزیشن اور ملحقہ نقصان کے کاؤنٹ کی اہم نکات شامل ہوں۔	قابل اطلاق نہیں کیونکہ PIAEL مالی سال میں جنوری 2026 میں قائم کی گئی تھی
(vi)	آگے ایسوی لڈ کنٹینیوئلٹی کی ایسوی لڈ کنٹینیوئلٹی کے کسی منصوبے میں سرمایہ کاری کی جارہی ہو جس نے ابھی تک کام شروع نہیں کیا تو درج ذیل مزید معلومات فراہم کی جائیں گی:۔	قابل اطلاق نہیں

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(b) فعال ٹیکس دہندگان کی فہرست میں شامل نہ ہونے والے افراد کے لیے 30 فیصد

منافع (ڈیویڈنڈ) کی آمدنی پر دو ہولڈنگ ٹیکس سے استثنیٰ صرف اسی صورت میں دیا جائے گا جب درست اور معائنہ شدہ ٹیکس اعلیٰ حقیقت کی نقل کھلی کے شیئر رجسٹرار / انٹرنیشنل ایس ڈی سی شیئر رجسٹرار سرورس لیٹھ (CDCSRSL) کو بک کلور کے پہلے دن تک فراہم کر دی جائے۔

تاہم، فعال ٹیکس دہندگان کی فہرست میں شامل نہ ہونے والے غیر مقامی افراد کی ڈیویڈنڈ ادائیگی پر اضافی دو ہولڈنگ ٹیکس کا اطلاق نہیں ہوگا۔

کھلی کو یہ قابل بنانے کے لیے کہ نقد ڈیویڈنڈ پر 30 فیصد کی بجائے 15 فیصد ٹیکس کوٹی کی جاسکے، تمام شیئر ہولڈرز جن کے نام ایف بی آر کی ویب سائٹ پر موجود فعال ٹیکس دہندگان کی فہرست (ATL) میں نہیں ہیں، اگرچہ وہ فاکرز ہیں، سے درخواست ہے کہ وہ جتنی جلد بھی ان کے نام نقد ڈیویڈنڈ کی منظوری کی تاریخ یعنی 06 مارچ 2026ء سے قبل ATL میں شامل ہوں۔ بصورت دیگر، ان کے نقد ڈیویڈنڈ پر ٹیکس 15 فیصد کی بجائے 30 فیصد کے حساب سے منہا کیا جائے گا۔

کارپوریٹ شیئر ہولڈرز کے لیے، جن کے سی ڈی سی ای اکاؤنٹس ہیں، ضروری ہے کہ وہ اپنے ٹیکس نمبرز (NTN) اپنے حلقہ پانچ ٹیکس کے ساتھ پُر ڈیٹ کریں، جبکہ کارپوریٹ فزیکل شیئر ہولڈرز اپنی NTN سرٹیفکیٹ کی کاپی کھلی یا اس کے شیئر رجسٹرار یعنی سی ڈی سی ای شیئر رجسٹرار سرورس لیٹھ، سی ڈی سی ای ایس بی-99، یا بک B+ ایس۔ ایم۔ سی۔ ایچ۔ ایس میں شاہراہ فیصل، کراچی-74400 کو بھیجیں۔ NTN، NTN سرٹیفکیٹ بھیجے وقت، کھلی کا نام اور حلقہ فزیکل نمبر ضرور درج کریں۔

جراحت شیئر ہولڈرز کے پے ٹیکس

ایف بی آر نے اپنے وضاحتی لیٹر نمبر R-132872-2014/Exp(54) مورخہ 25 ستمبر 2014ء میں واضح کیا ہے کہ شیئر کرکلیٹ یا جراحت اکاؤنٹس میں شیئر رکھنے والے افراد کو ملحدہ ملحدہ فاکرز یا نان فاکرز کے طور پر تصور کیا جائے گا اور ٹیکس بر شیئر ہولڈرز کی تاحی شیئر ہولڈنگ کے مطابق ٹیکس کوٹی کی جائے گی۔

جراحت شیئر ہولڈرز کو چاہیے کہ وہ اپنی جراحت ہولڈنگ کے تناسب کی تصدیق شیئر رجسٹرار کو 08 مارچ 2026ء تک درج ذیل فارم میں مطلع کریں:

NTN/CD	فائل نمبر	فریکوئنسی	پائل فائل نمبر	جراحت شدہ
نمبر				
		14	14	14
		14	14	14

سالانہ آڈٹ شدہ مالی حسابات / سالانہ رپورٹ اور AGM کے نوٹس کی ترسیل

اراکین کو مطلع کیا جاتا ہے کہ سیکرٹری انچارج ایگزیکٹو آف پاکستان (SECP) نے اپنے ایس آر او 1389(I)/2023 مورخہ 21 مارچ 2023ء کے ذریعے کمپنیوں کو اجازت دی ہے کہ وہ سالانہ بیننس شیٹ، منفع و نقصان کا حساب، آڈٹ اور ڈائریکٹرز کی رپورٹس وغیرہ (سالانہ آڈٹ شدہ مالی حسابات یا سالانہ رپورٹ) اراکین / شیئر ہولڈرز کو CD / DVD / USB کے ذریعے بھیج سکیں، بجائے QR کوڈ اور ویب لنک کے ذریعے فراہم کریں۔ جسے 23 نومبر 2023 کو کھلی کے غیر معمولی اجلاس عام میں شیئر ہولڈرز کی جانب سے منظور کیا تھا۔

31 دسمبر 2025 کو ختم ہونے والے سال کے لیے سالانہ آڈٹ شدہ مالی حسابات / سالانہ رپورٹ اور سالانہ اجلاس عام کا نوٹس کھلی کی ویب سائٹ پر دستیاب ہیں، جنہیں درج ذیل لنک اور QR کوڈ کے ذریعے دیکھا جاسکتا ہے

<https://ffc.com.pk/investor-relations/reports/>



سالانہ آڈٹ شدہ مالی حسابات / سالانہ رپورٹ اور AGM کا نوٹس تمام شیئر ہولڈرز کو ای میل کے ذریعے بھیجا جا رہا ہے، جن کے درست ای میل ایڈریس کھلی / رجسٹرار کے پاس موجود ہیں۔ سالانہ رپورٹ 2025 کی فزیکل کاپی بھی اراکین کو کھلی کی ویب سائٹ پر موجود فارم کے مطابق درخواست پر فراہم کی جائے گی۔

پیش طے ای ویلنگ

اراکین کو مطلع کیا جاتا ہے کہ کمپنیز (پیش طے) ریگولیشنز، 2018، کمپنیز ایکٹ 2017 کی دفعات 143 اور 144 اور ایس آر او 2192(1)/2022 مورخہ 5 دسمبر 2022 کے ساتھ پرمی جائیں گے، کے مطابق اراکین کو مذکورہ خصوصی امور پر درج شرائط کے تحت ووٹ دینے کا حق استعمال کرنے کی اجازت ہوگی۔ ویلنگ کے لیے اراکین کو درج ذیل اختیارات فراہم کیے جا رہے ہیں:

الف۔ پیش طے

اراکین متبادل طور پر پیش طے کے ذریعے ووٹ دینے کا انتخاب کر سکتے ہیں۔ طے بھی کھلی کی ویب سائٹ www.ffc.com.pk سے بھی ڈاؤن لوڈ کیا جاسکتا ہے یا اس نوٹس کے ساتھ منسلک اور اخبارات میں شائع شدہ طے بھی استعمال کیا جاسکتا ہے۔

اراکین اس بات کو یقینی بنائیں کہ باقاعدہ پُر شدہ اور دھلا شدہ طے بھی، کمپنیز انڈوسٹری شاپنگ کارڈ (CNIC) کی کاپی کے ہمراہ، بذریعہ ڈاک ختم شدہ اجلاس کو 13 مارچ 2026ء تک یا ختم شدہ اجلاس کے رجسٹرار ای میل ایڈریس general.meetings@ffc.com.pk پر 15 مارچ 2026ء بوقت 17:00 بجے سے پہلے موصول ہو جائے۔

طے بھی پر موجود دھلا CNIC پر موجود دھلا سے مطابقت رکھتے ہوں۔ مقررہ تاریخ / وقت کے بعد موصول ہونے والا پیش طے ویلنگ کے لیے قابل قبول نہیں ہوگا۔

براہ کرم نوٹ کریں کہ ویلنگ سے حلقہ کسی بھی تاجر کی صورت میں، بشمول ایک سے زائد ووٹ ڈالنے کی صورت، اجلاس کے ختم ہونے کا فیصلہ نہیں ہوگا۔

ب۔ ای ویلنگ کا طریقہ کار

ای ویلنگ کی سہولت کی تفصیلات ان اراکین کو ای میل کے ذریعے فراہم کی جائیں گی جن کے درست CNIC نمبر، سو پائل نمبر اور ای میل ایڈریس (رجسٹرڈ ای میل آئی ڈی) کھلی کے نمبران کے رجسٹر میں 6 مارچ 2026ء کو کارڈ وار کے اختتام تک درج ہوں گے۔

ای ویلنگ کے لیے، اراکین ان تفصیلات اور پاس ورڈ اراکین کو ای میل کے ذریعے فراہم کیے جائیں گے۔ سیکرٹری کوڈز میسروری ڈی سی شیئر رجسٹرار سرورس لیٹھ (پلورائی ویلنگ سرورس فراہم کنندہ) کی جانب سے 9 مارچ 2026ء کو ایس ایم ایس اور ای میل کے ذریعے ارسال کیے جائیں گے۔

ای ویلنگ کے ذریعے ووٹ ڈالنے کے خواہشمند اراکین کی شناخت آگ ان کے لیے الیکٹرانک دھلا یا توثیق عمل کے ذریعے کی جائے گی۔

ای ویلنگ کی سہولت 12 مارچ 2026ء سے شروع ہوگی اور 15 مارچ 2026ء کو بوقت 17:00 بجے بند ہو جائے گی۔ اراکین اس مدت کے دوران کسی بھی وقت اپنا ووٹ کاسٹ کر سکتے ہیں۔ ایک مرتبہ کسی قرارداد پر ووٹ ڈالنے کے بعد، کن کو اس میں تبدیلی کی اجازت نہیں ہوگی۔

AGM میں قانونی ضابطہ اطلاق

اراکین سے درخواست ہے کہ وہ AGM میں شرکت کے دوران کمپنیز ریگولیشنز، 2024 کے ریگولیشن 55 کی ذیلی ضابطہ 2 میں بیان کیے گئے طریقوں کی پابندی کریں۔

حقوق کی تقسیم پر پابندی

SECP کی ایس آر او نمبر 1452(I)/2025 مورخہ 17 مارچ 2025ء میں جاری کردہ ہدایات کے مطابق، کھلی تمام شیئر ہولڈرز کو مطلع کرتی ہے کہ AGM میں کسی قسم کے حقوق تقسیم نہیں کیے جائیں گے۔

اراکین کی جانب سے معلومات کی فراہمی

حقوق قانونی قاضیوں کی قیادت کے لیے، اور کسی بھی قانونی خلاف ورزی یا مستثنیٰ میں کسی قسم کی پڑھائی سے بچنے کے لیے، تمام اراکین کو عہدہ کی جاتی ہے کہ وہ درج ذیل امور میں اپنے حلقہ پارمیچسٹ CDC انویسٹر اکاؤنٹ سرورس کھلی کے شیئر رجسٹرار

حصص کی خرید و فروخت:

کھیتی کے حصص کی کھیتی 09 مارچ 2026 سے 16 مارچ 2026 تک (بشمول دونوں ایام) بند رہیں گے۔ کھیتی کے شیئر رجسٹر ایل سی ڈی سی شیئر رجسٹر سرورس لیٹر، سی ڈی سی ہاؤس، 99-B، چاک-B، انیس-ایم سی۔ ایچ۔ ایس، مین شاہرہ فیصل، کراچی۔ 74400-06 مارچ 2026 کو کاروباری اوقات کے اختتام تک موصول ہونے والی ٹرانسفر درخواستوں کو جی ڈی بی ٹریڈ کی ادائیگی کے مقصد کے لیے بروقت وصول کیا جائے گا اور منتقلی حاصل کرنے والوں کے حق میں قابل قبول ہوں گی۔

نوٹس

1- کھیتی کا کوئی بھی رکن جو اجلاس میں شرکت اور ووٹ ڈالنے کا اہل ہو، اپنی جانب سے کسی شخص (انسان) کو بطور پراکسی مقرر کر سکتا ہے تاکہ وہ اس کی جانب سے اجلاس میں شرکت اور ووٹ ڈال سکے۔ پراکسی موثر ہونے کے لیے کھیتی کے رجسٹر آفیس، 156-ویلی ہاؤس، راولپنڈی، پاکستان میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل (یعنی 14 مارچ 2026 کو صبح 11:00 بجے تک) موصول ہونی چاہیے اور اپنے دن کے کسی حصے کو شارٹس کیا جائے گا جو ورکنگ ڈے نہ ہو۔ کوئی بھی رکن ایک سے زیادہ پراکسی مقرر کرنے کا مجاز نہیں ہوگا۔

2- سی ڈی سی کے کسی بھی انفرادی مفید مالک، جو مذکورہ اجلاس میں ووٹ ڈالنے کا اہل ہو، اپنی شناخت ثابت کرنے کے لیے اصل کیپیورنڈز اور قومی شناختی کارڈ (CNIC) ساتھ لانا ہوگا اور پراکسی کی صورت میں شیئر ہولڈر کے تصدیقی شدہ CNIC کی نقل پراکسی فارم کے ساتھ منسلک کرنا لازم ہوگی۔ کارپوریٹ اراکین کے نمائندگان کو اس مقصد کے لیے روکار موصول کے دستاویزات ساتھ لائے ہوں گے۔

سی ڈی سی اکاؤنٹ ہولڈرز کو سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے جاری کردہ سرگرم نمبر 1 سورس 26 جنوری 2000 میں درج ذیل ہدایات پر بھی عمل کرنا ہوگا:

اجلاس میں شرکت کیلئے

1- انفرادی اراکین کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور جن کی رجسٹریشن تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہوں، اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کے لیے اصل کیپیورنڈز اور قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ پیش کرے گا۔

2- سی ڈی سی میں رجسٹرڈ اراکین سے بھی درخواست ہے کہ وہ اپنی تفصیلات، شناختی نمبر اور سی ڈی ایس میں اکاؤنٹ نمبر ساتھ لائیں۔

3- کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بعد درج ذیل کے نمونہ دستخط اجلاس کے وقت پیش کیے جائیں گے (اگر یہ پہلے فراہم نہ کیے گئے ہوں)۔

پراکسی کی تقرری کیلئے

1- انفرادی اراکین کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور جن کی رجسٹریشن تفصیلات ضوابط کے مطابق اپ لوڈ کی گئی ہوں، مذکورہ بالا تفصیلات کے مطابق پراکسی فارم جمع کرانے گا۔

2- پراکسی فارم پر دو گواہوں کے دستخط ہوں گے جن کے نام، پتے اور CNIC نمبر فارم پر درج کرنا لازم ہوگا۔

3- مفید مالکان اور پراکسی کے پاس CNIC یا پاسپورٹ کی تصدیقی شدہ نقل پراکسی فارم کے ساتھ فراہم کی جائے گی۔

4- پراکسی اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا۔

5- کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بعد درج ذیل کے نمونہ دستخط (اگر پہلے فراہم نہ کی گئی ہو) پراکسی فارم کے ساتھ کھیتی کو پیش کرنا ہوگا۔

دیجیٹل الیکٹرانک سہولت کے ذریعے شرکت

3- کیپیورنڈز ایکٹ، 2017 کے سیکشن 132(2) کے مطابق، اراکین 3- اور کارپوریٹوں میں سالانہ اجلاس میں دیجیٹل الیکٹرانک سہولت سے فائدہ اٹھا سکتے ہیں بشرطیکہ کھیتی کو مذکورہ مقامات پر تمام ایسے اراکین کی رضامندی موصول ہو جائے جو مجموعی طور پر کم از کم 10 فیصد یا اس سے زائد شیئر ہولڈنگ رکھتے ہوں، اور یہ رضامندی اجلاس کی تاریخ سے کم از کم 7 دن قبل (یعنی 09 مارچ 2026 تک) حاصل ہو جائے۔ مذکورہ شرائط کی تعمیل سے مشروطاً، اراکین کو سالانہ اجلاس عام کی تاریخ سے 5 دن قبل مقام انعقاد سے حتمی مطلع کر دیا جائے گا، جس سہولت تک رسائی کے لیے روکار مکمل معلومات بھی فراہم کی جائیں گی۔ اس سلسلے میں، براہ کرم درج ذیل ذمہ داریات کے مطابق دستخط شدہ درخواست کھیتی کے رجسٹر آفیس پر سالانہ اجلاس عام کے انعقاد سے کم از کم 7 دن قبل ارسال کریں۔

میں / ہم، _____ ساکن _____، فوری فرمایا کرتے ہوئے کھیتی لیٹر کا نمبر _____ رکن رجسٹر فلیو / سی ڈی سی اکاؤنٹ نمبر _____ کے مطابق عادی شیئر (ز) کا حامل ہوں / ہیں، اور بذریعہ دیجیٹل الیکٹرانک سہولت میں شرکت کا انتخاب کرتے ہوئے ہیں۔

رکن کے دستخط

سالانہ اجلاس عام کی کارروائی میں درج ذیل شرکت

4- سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ متعلقہ ہدایات کی روشنی میں، سالانہ اجلاس عام میں اراکین کی شرکت کو الیکٹرانک ذرائع کے ذریعے ایک مستقل سہولت کے طور پر پیش کیا جائے گا۔ کھیتی نے اراکین کے لیے ویڈیو لنک کے ذریعے اجلاس میں شرکت کے امکانات کئے ہیں۔ شیئر ہولڈرز کو ترغیب دی جاتی ہے کہ وہ کھیتی کی فراہم کردہ الیکٹرانک سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کریں۔

5- الیکٹرانک سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کے لیے، شیئر ہولڈرز سے درخواست ہے کہ وہ ایف ایف سی انویسٹر ریلیشنز کو مطلوب تفصیلات فراہم کر کے بروقت رجسٹریشن کروائیں، تاہم کی گئی صورت میں سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے قبل (یعنی 14 مارچ 2026 کو صبح 11:00 بجے تک) ای میل investor.relations@ffc.com.pk کے ذریعے اپنی درخواست ارسال کریں۔

6- شیئر ہولڈرز کو ہدایت کی جاتی ہے کہ وہ درج ذیل تفصیلات فراہم کریں، ساتھ ہی اپنے اور اپنے پراکسی (اگر مقرر کیے گئے ہوں) کے CNIC کی اسکرین شٹس بھی ارسال کریں۔ مزید برآں، کارپوریٹ رکن کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بعد درج ذیل کے نمونہ دستخط کی اسکرین شٹس بھی فراہم کرنا لازم ہوگا۔

شیئر ہولڈر کا نام	علاقہ	ذمہ دار سی ڈی سی اکاؤنٹ نمبر	سوال نمبر	ایکٹرانک سہولت

میں / ہم، _____ ساکن _____، فوری فرمایا کرتے ہوئے کھیتی لیٹر کا نمبر _____ رکن رجسٹر فلیو / سی ڈی سی اکاؤنٹ نمبر _____ کے مطابق عادی شیئر (ز) کا حامل ہوں / ہیں، اور بذریعہ دیجیٹل الیکٹرانک سہولت میں شرکت کا انتخاب کرتے ہوئے ہیں۔

7- الیکٹرانک سہولت (ویڈیو لنک اور لاگ ان کنٹرول) کی تفصیلات متعلقہ شیئر ہولڈرز کو ان کے فراہم کردہ ای میل ایڈریس پر بھیجی جائیں گی۔ اس کے مطابق، شیئر ہولڈرز اپنے اسمارٹ فون یا کمپیوٹر ڈیسک کے ذریعے AGM کی کارروائی میں شرکت کر سکیں گے۔ علاوہ انہیں، شیئر ہولڈرز AGM کے ایجنڈا آفلو کے حوالے سے اپنی رائے اور یا تجاویز بھی مذکورہ ذرائع کے ذریعے فراہم کر سکتے ہیں۔

8- لاگ ان سہولت 16 مارچ 2026 کو صبح 10:30 بجے کھولی جائے گی تاکہ شرکت کنندگان اور تصدیقی عمل کے بعد اجلاس میں شامل ہو سکیں، جو کہ 11:00 بجے شروع ہوگا۔

ایم پی ٹی پر درج ذیل تفصیلات

9- اگر کمپنیز آرڈیننس 2001 کے سیکشن 150 بعد پہلے شیڈول کی ڈویژن ایک (Division I) کے حصہ دوم (Part II) کے تحت، منافع (ایم پی ٹی) پر درج ذیل تفصیلات کمپنیز اور منافع کی ادائیگی سے کمپنیز کی کوآپریٹو کی شریعتیں مندرجہ ذیل ہوں گی:

(a) فعال کمپنیز، دہندگان کی فہرست میں شامل افراد کے لیے 15 فیصد

اڑتالیسویں سالانہ اجلاس عام کا نوٹس

مزید یہ فیصلہ کیا جاتا ہے کہ مذکورہ بالا سرمایہ کاریاں اس شرط کے ساتھ کی جائیں گی کہ کارگزاری کمیشن کی جانب سے تقریری منظوری دی جائے تاکہ رازداری کمیشن دستویزات کے مطابق کمپنی کو "ناحضر شخص" کے طور پر مقرر کیا جاسکے:

مزید یہ فیصلہ کیا جاتا ہے کہ چیف ایگزیکٹو آفیسر، چیف فنانس افسر اور کمپنی سیکریٹری، یا ان میں سے کسی ایک کی جانب سے مجاز کردہ کوئی بھی فرد، افراد، طبقہ، طبقہ و طور پر اس بات کے مجاز اور یا اختیار ہوں گے کہ وہ مذکورہ بالا قراردادوں پر عمل درآمد کے لیے تمام ضروری اقدامات اور کارروائیاں کریں، اور ان کو تمام مطلوبہ سرمایہ کاری انجام دیں، ایسے افعال، امور اور اقدامات سرانجام دیں، اور کمپنی کی جانب سے اور اس کے نام پر تمام ایسے معاہدات، ڈیلز، ایکسیس، انگریجمنٹس، اعلانات، وعدہ جات (انڈر ٹیکنگ) اور دیگر دستویزات بشمول ان سے متعلق ذیلی دستویزات، سنے کریں، دھکیل کریں اور جاری کریں، یا انکی کوئی بھی دستویزات فراہم کریں، نیز ریگولیٹری اتکاضوں کی تعمیل کریں، جیسا کہ ہر معاملہ میں ضروری، مطلوب یا مناسب سمجھا جائے، مجوز سرمایہ کاریوں کے سلسلے میں یا ان سے متعلق یا ان کے ضمنی امور کے لیے بشمول مگر اس تک محدود نہیں، ایسی سرمایہ کاریوں سے متعلق شرائط و ضوابط پر مذاکرات اور آئیں حتمی فیصلہ دینا اور دیگر شیئر ہولڈرز کے ساتھ اختلافات میں داخل ہونا۔

مزید یہ:

یہ فیصلہ کیا جاتا ہے کہ فرنی فرنیٹائر کمپنی لمیٹڈ (FFC) کے بورڈ آف ڈائریکٹرز کے جتیرمین کو اس بات کا اختیار دیا جاتا ہے کہ وہ PIA کو پی ایچ پی ("PIAEL") کے بورڈ آف ڈائریکٹرز میں ناظرہ ڈائریکٹرز کے عہدوں کے لیے کم از کم تین (03) امیدوار، یا جتیرمین کی صوابیہ کے مطابق کوئی اور تعداد، ناظرہ کریں۔

مزید یہ فیصلہ کیا جاتا ہے کہ جتیرمین اس بات کے مجاز ہوں گے کہ وہ PIAEL کے بورڈ آف ڈائریکٹرز میں کسی بھی ناظرہ ڈائریکٹر کی جگہ، جو اپنے عہدے کی مدت کے دوران کسی بھی وجہ سے اپنی نشست خالی کرے اسے اور اس طرح بورڈ میں اتفاقی خالی جگہ پُر ہو جائے، کسی بھی شخص کو بطور متبادل ناظرہ کریں۔

مزید یہ فیصلہ کیا جاتا ہے کہ کمپنی سیکریٹری کو اختیار دیا جاتا ہے کہ وہ ان قراردادوں کی مصدقہ نقل، اقتباس متعلقہ افراد یا اداروں کو فراہم کریں۔

کمپنیز ایکٹ 2017 کی دفعہ 134(3) کے تحت خصوصی امور سے متعلق مادی حقائق پر مشتمل بیان، جو سالانہ اجلاس عام میں پیش کیا جاتا ہے اس نوٹس کے ساتھ منسلک ہے۔

دیگر امور

ایجنڈا آئٹم 6

جتیرمین کی اجازت سے کسی بھی دیگر امور کا کی انجام دیں۔

عظیم پورٹ

برجینڈیز عزم فہرہ، ایس آئی (ایم)، (ریٹائرڈ)
کمپنی سیکریٹری

راولپنڈی

23 فروری 2026ء

روپے رہا جبکہ 2024 کے دوران یہ 328 ملین روپے تھا۔ یہ نتیجہ FFL کے مضبوط عملیاتی بنیادی اصولوں اور کاروبار کو مستحکم کرنے اور ترقی دینے کے لیے حالیہ برسوں میں کیے گئے اقدامات کے فواید کی عکاسی کرتا ہے۔

سال کے دوران FFL نے سیرلز (Cereals) اور پاستا میں توسیع کے بعد ایک خصوصی ازمیری بزنس سے ملتی کھجور کی فرڈ پلیٹ فارم میں اپنی تجدید عمل کی۔ اس واقعہ چوتھوں نے صارفین کی روزمرہ کی گروسری باسٹ میں FFL کی موجودگی کو مضبوط کیا ہے اور توقع ہے کہ یہ درمیانی مدت میں پائیدار ترقی میں مدد دے گا۔ ایف ایف ایل کے آڈیٹز نے 31 دسمبر 2025 کے مالیاتی گوشواروں پر غیر مشروط رائے دی ہے۔ تقابلی اعداد و شمار انعام کے بعد صرف 2024 کی دوسری ششماہی کی کارکردگی کی نمائندگی کرتے ہیں، جبکہ 2025 کے دوران پورے سال کے نتائج شامل کیے گئے ہیں۔

ایف ایف ایل پاور کھلی لیڈ (FPCL)

FPCL پورٹ ٹائم کراچی میں واقع 118 میگا واٹ کا کٹے سے چلنے والا بجلی کا منصوبہ ہے، جو پاکستان کی توانائی کی ضروریات کو پورا کرنے کے لیے ڈیزائن کیا گیا ہے۔ یہ گروپ کو قابل اعتماد سستی بجلی فراہم کرتا ہے، جبکہ کے الیکٹرک (Electric-K) کے ذریعے پیکسل گز میں بھی حصہ ڈال رہا ہے۔ FPCL نے 19 مئی 2017 کو تجارتی سرگرمیوں کا آغاز کیا، جس کی کل لاگت تقریباً 29.1 ملین ڈالر تھی، جو 28.72 کے قرض اور ایکویٹی کے تناسب سے ٹائرس کی گئی۔ 2024 میں FFC کے FFBL میں انعام کے بعد FPCL میں FFBL کی 75 فیصد شیئر ہولڈنگ FFC کو منتقل کر دی گئی۔

سال کے انعام کے بعد، FFC نے حصہ داران کی منظوری کے مطابق FPCL کی 100 فیصد ملکیت اور مکمل کنٹرول حاصل کر لیا ہے۔ آپریشنل طور پر FPCL نے سال کے دوران بجلی اور انجینئری کی پورے فراہمی کے ذریعے گروپ کے فریڈیزر آپریشن میں کلیدی کردار ادا کرتا جاری رکھا۔ FPCL نے FFC کے بین کام فریڈیزر پلانٹ کو 149.7 میگا واٹ آؤٹ (GWh) اور کے الیکٹرک کو 151.3 میگا واٹ آؤٹ بجلی فراہم کی۔ حیدرآباد، منصوبہ نے گروپ کو تقریباً 1.45 ملین میٹرک ٹن انجین فرام کی، جس سے پلانٹ کے مضبوط آپریشن میں مدد ملی۔ سال کے دوران کے الیکٹرک کو بجلی کی فراہمی کا تکاب حیرت آؤٹ کے متعلق رہی، جس نے مجموعی ترسیل کو متاثر کیا۔

FPCL کی سالانہ آمدنی 22.5 ارب روپے رہی جبکہ فروخت کی لاگت 17 ارب روپے تھی۔ سال کے لیے ٹیکس کے بعد نتائج 4.5 ارب روپے رہے۔

آڈیٹرز نے 31 دسمبر 2025 کے مالیاتی گوشواروں پر غیر مشروط رائے دی ہے۔ تقابلی اعداد و شمار صرف 2024 کی دوسری ششماہی کی نمائندگی کرتے ہیں، جبکہ 2025 میں پورے سال کے نتائج شامل ہیں۔

مشک کن کمپنیاں (Associated Companies)

عسکری بینک لیڈ (AKBL)

عسکری بینک 1991 میں ایک بینک لیڈ کھلی کے طور پر قائم ہوا اور بنیادی طور پر بینکنگ کے کاروبار میں مصروف ہے، جو 700 سے زائد شاخوں کے نیٹ ورک کے علاوہ بحریں میں ایک ہول ٹیل بینکنگ برانچ کے ذریعے کام کر رہا ہے۔ FFC نے 2012 میں عسکری بینک میں 43.15 فیصد ایکیٹی حصہ حاصل کیا تھا، جو 2024 میں FFBL کے FFC میں انعام کی وجہ سے بڑھ کر 64.72 فیصد ہو گیا۔

بینک نے اس عرصے کے دوران بہترین کارکردگی کا مظاہرہ کیا، اور ٹیکس کے بعد نتائج 24.7 ارب روپے رہے۔ یہ بہترین نتائج اکاؤنٹ بینکنگ میں اضافے، الاٹوں کی مؤثر ترقیاتی اور نان مارک اپ آمدنی میں بہتری کے باعث حاصل ہوئے۔ بینک نے اپنا رٹ میں مضبوط بنانا جاری رکھا، جس میں زیادہ تر اضافی نوکریات والے کرنٹ اکاؤنٹس کی وجہ سے ہوا، جو آمدنی کے استحکام کی علامت ہے۔ ساتھ ہی، عسکری بینک نے اسلامی بینکنگ کی طرف سترچیک منتقلی میں پیش رفت کی، اور اب اس کی تقریباً 50 فیصد شاخیں شریعہ کے اصولوں کے مطابق مصنوعات اور خدمات فراہم کر رہی ہیں۔

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے بینک کے مضبوط مالیاتی پروفائل، تجربہ کار مینجمنٹ اور فنی گروپ کے ساتھ مضبوط وابستگی کی بنیاد پر عسکری بینک کی کوئٹہ ایچ آر اینڈ این "AA" اور ٹیکس ایچ آر اینڈ این "A1" برقرار رکھی ہے۔ عسکری بینک کی جانب سے گروپ کے لیے حصہ 2025 کے پورے سال کے لیے FFC اور سابقہ FFBL کی مشترکہ ہولڈنگ کی بنیاد پر لیا گیا ہے۔

فنی سینٹ کھلی لیڈ (FCCL)

FCCL پاکستان اسٹاک ایکسچینج پر مندرج ایک بینک کھلی ہے جو 1992 میں معرض وجود میں آئی۔ کھلی بنیادی طور پر سینٹ بنانے اور بیچنے کے کاروبار سے مشغول ہے۔ سال 2021 میں FCCL اور عسکری سینٹ لیڈ دوٹوں کے بورڈ آف ڈائریکٹرز نے عسکری سینٹ لیڈ کے FCCL میں انعام کی سیم کی منظوری دی ہے۔ اس سیم کی معزز لاہور ہائیکورٹ نے بھی مارچ 2022 میں منظوری دے دی ہے۔ اس انعام کے نتیجے میں FCCL ملک کی سینٹ کی مارکیٹ کی تیسری سب سے بڑی کھلی بن گئی ہے اور اس کی استعداد 10.8 ملین ٹن ہے۔

عسکری سینٹ اور FCCL کے حصہ داران کے درمیان حصص کے تبادلے کے نتیجے میں، FFC کی FCCL میں ملکیت سال 2021 میں 6.79 فیصد سے کم ہو کر 4.29 فیصد ہو گئی۔

سال کے دوران FCCL نے قیوں کے بہتر ماحول، زیادہ ترسیل اور لاگت کو بہتر بنانے کے اقدامات پر مسلسل توجہ کی بدولت شمار کارکردگی کا مظاہرہ کیا۔ مقامی کوئلے اور شہاں ایندھن کے بڑھتے ہوئے استعمال، اپنی بجلی کی پیداوار پر انحصار، پی پی (PP) بجلی کی اندرونی تیاری اور مقررہ اخراجات (Fixed Costs) کو کم کرنے سے پیداواری لاگت میں کمی آئی۔ نتیجے کے طور پر، FCCL نے 13.4 ارب روپے کی خالص آمدنی ریکارڈ کی، جو گزشتہ سال کے 8.9 ارب روپے کے مقابلے میں 51 فیصد اضافہ ظاہر کرتی ہے۔

پاک مراک اسٹیمپس اسٹراٹجی (PMP)

PMP کو 2004 میں مراکش میں ایک پرائیویٹ کھلی کے طور پر قائم کیا گیا تھا۔ جو کہ FFC کے ابتدائی 12.5 فیصد (جو کہ 2024 میں FFBL کے FFC میں انعام کے نتیجے میں بڑھ کر 37.5 فیصد ہو گیا)، Fauji Foundation کے 12.5 فیصد اور مراکش کی حکومت کی ملکیتی Office Cherifien Des Phosphates کے 50 فیصد حصے کے ساتھ ایک مشترکہ منصوبہ (Joint Venture) ہے۔ کھلی نے اپنے کاروبار کا آغاز 2008 میں کیا اور یہ اسٹیمپس ایڈجسٹنگ اور دیگر مصنوعات کی تیاری اور فروخت کے کاروبار میں مصروف ہے۔

اس کا پچھلے نصف اسٹراٹجی میں واقع ہے اور اس کی سالانہ پیداواری صلاحیت 375 ہزار ٹن مصنوعی فاسفورک ایسڈ ہے جو کہ بنیادی طور پر FFC کو DAP کی پیداوار کے لیے بطور خام مال مینا کی جاتی ہے جبکہ ڈائیمینو اور دیگر بین الاقوامی منڈی میں فروخت کیا جاتا ہے۔

اس عرصے کے دوران، مشترکہ منصوبہ نے 9.8 ارب روپے کا نتائج رپورٹ کیا اور بہترین پیش رفت دیکھا، جس سے سال کے دوران FFC کو 7 ارب روپے کے نتائج مشترکہ ترسیل ممکن ہوئی۔ صرف اس سال وصول ہونے والے نتائج، گروپ کی 2.1 ارب روپے کی ایکویٹی سرمایہ کاری کے مقابلے میں، اس طویل المیعاد سترچیک سرمایہ کاری سے حاصل ہونے والے بہترین نتائج کو ظاہر کرتا ہے۔ 2025 کے پورے سال کے نتائج میں PMP کا حصہ FFC اور سابقہ FFBL کی مشترکہ 37.5 فیصد ہولڈنگ کی بنیاد پر لیا گیا ہے۔

قراچی لیڈ (TEL)

TEL کو 2016 میں ایک غیر مندرج بینک کھلی کے طور پر قائم کیا گیا تھا۔ اس کی بنیادی سرگرمی 330MW کے کوئلے سے چلنے والے Power Plant کی تعمیر و ملکیت، چلائے اور برقرار رکھنا ہے جو کہ قراچیک اور قراچیک انکسٹر سٹریٹجی میں قائم کیا گیا ہے۔ یہ پراجیکٹ CPEC کے تحت قائم کیا جا رہا ہے اور اس میں Power Company HUB اور China Machinery Engineering and Limited Corporation کی شرکت داری ہے۔ TEL نے تجارتی سرگرمیوں اور آمدن کے حصول کا آغاز اکتوبر 2022 سے کر دیا تھا۔ FFC اس منصوبے میں 30 فیصد حصہ کی مالک ہے۔

گروپ کی مالیاتی کارکردگی

گروپ کی مالیاتی کارکردگی

FFC گروپ مندرجہ ذیل کمپنیاں پر مشتمل ہے۔

مرکزی کمپنی (Holding Company)

فونی فریڈ انٹرپرائز کمپنی لمیٹڈ (FFC)

ذیلی کمپنیاں (Subsidiary Companies)

FFC افریقی لمیٹڈ (FFCEL)

فونی فریڈ اینٹرپرائز لمیٹڈ (FFF)

فاؤنڈیشن وڈ انٹرنی-1 لمیٹڈ (FWEL-1)

فاؤنڈیشن وڈ انٹرنی-2 لمیٹڈ (FWEL-II)

اولیو اینڈ پینٹل مرسز (پرائیویٹ) لمیٹڈ (OLIVE)

فونی فوڈز لمیٹڈ (FFL)

FFBL پاور کمپنی لمیٹڈ (FPCL)

مشترک کمپنیاں (Associated Companies)

مسکری بینک لمیٹڈ (AKBL)

فونی سینٹ کمپنی لمیٹڈ (FCCL)

پاکستان مراک ٹرانسپورٹس - اے۔ سرائس (PMP)

قرآنٹی لمیٹڈ (TEL)

انگری ٹیک لمیٹڈ (AGL)

نفع و نقصان کا تجربہ

آمدن (Turnover)

گروپ نے 483.8 ارب روپے کی دیکار آمدن حاصل کی، جس میں کھار کے کاروبار سے 432.4 ارب روپے، تھرائی شیپ سے 36.6 ارب روپے اور توانائی کے شیپ سے 13.9 ارب روپے کی آمدنی شامل ہے۔ آمدنی میں یہ اضافہ 2025 کے دوران عورت تمام پائس کے پورے سال کے آپریٹنگ کارنگ کی شولیت کی جہ سے ہوا۔

لاگت فروخت (Cost of Sales)

لاگت فروخت 334.9 ارب روپے دیکار کی گئی، جس میں سے 301.8 ارب روپے کھار کے کاروبار سے 29.8 ارب روپے فروٹیکٹ اور 3 ارب روپے توانائی کے شیپ سے حاصل تھے۔ اس اضافے کی بنیادی وجوہات ہیکٹی کا دوا، تمام مال کی بدستی ہوئی تھیں اور 2025 کے دوران انعام شدہ اور اے (merged entity) کی پورے سال کی آپریٹنگ مرگرمیاں تھیں۔

نامیہ منافع (Gross Profit)

سال کے دوران، گروپ نے 148.9 ارب روپے کا مجموعی منافع دیکار کیا، جس میں کھار کے شیپ کا حصہ 130.6 ارب روپے، توانائی کا 10.2 ارب روپے اور توانائی کے شیپ کا 6.8 ارب روپے ہوا۔

انتظامی اور ترسیلی اخراجات (Administrative & Distribution Expenses)

سال کے دوران انتظامی اور ترسیلی اخراجات 38 ارب روپے رہے، جبکہ گزشتہ سال یہ 32 ارب روپے تھے۔

مالیاتی لاگت (Finance Cost)

دوران سال مالیاتی لاگت مجموعی طور پر 7.9 ارب روپے رہی، جو گزشتہ سال 7.9 ارب روپے تھی۔ اس میں کمی کی جہ سال کے دوران شرح سود میں کمی ہے۔

دیگر آمدن (Other Income)

سال کے دوران دیگر آمدن 18.7 ارب روپے رہی، جو گزشتہ سال کے مقابلے میں 31 لکھ کم ہے۔ اس کی بڑی جہ شرح سود میں کمی کے باعث ایک ڈائریکٹ اور بیجی ٹنڈر حاصل ہونے والی آمدنی ہے۔

دیگر نقصانات (Other Losses)

اخراجات (Other Expenses)

سال کے دوران کوئی دیگر نقصانات دیکار نہیں کیے گئے، جبکہ گزشتہ سال یہ 1.4 ارب روپے تھے۔ تاہم، 2025 کے دوران زیادہ WPPF چارجز کی جہ سے دیگر اخراجات 8 لکھ اضافے کے ساتھ 11 ارب روپے ہو گئے۔

مشترک کمپنیوں اور مشترکہ منصوبوں سے منافع کا حصہ

Share of Profit of Associates (and Joint Venture)

مشترک کمپنیاں اور مشترکہ منصوبوں سے منافع کا حصہ سال کے دوران بڑھ کر 25.2 ارب روپے ہو گیا۔ اس میں مسکری بینک (AKBL) کا حصہ 16 ارب روپے، قرآنٹی لمیٹڈ (TEL) 3.7 ارب روپے، جوائنٹ وینچر (PMP) 3.7 ارب روپے اور اے ٹی ایل (AGL) 1.2 ارب روپے شامل ہے۔

ٹیکس اخراجات (Provision for Taxation)

سال کے لیے ٹیکس کی دہی 51.2 ارب روپے کے اخراجات دیکار کیے گئے۔

خالص منافع (Net Profit)

گروپ کا خالص منافع 84.9 ارب روپے ہوا، جو گزشتہ سال کے 85.5 ارب روپے کے منافع کے گنگ جگ ہے۔ یہ 58.44 روپے فی حصص (EPS) بنتا ہے، جبکہ گزشتہ سال یہ 59.29 روپے تھا۔

ذیلی کمپنیاں (Subsidiary Companies)

FFC افریقی لمیٹڈ (FFCEL)

FFCEL ہوا سے بجلی بنانے والا سرٹیل ادارہ، ایک غیر مندرج (Unlisted) پبلک کمپنی ہے اور FFC کی ایک مکمل ملکیتی ذیلی کمپنی (Wholly Owned Subsidiary) ہے۔ FFCEL نے مئی 2013 میں تھرائی سرٹیلز کا آغاز کیا تھا اور اس کی بجلی بنانے کی استعداد 49.5 MW ہے۔ اس کمپنی میں FFC کی موجودہ مالکیت سہریا ہے 2.4 ارب روپے ہے۔

2025 کے دوران، FFCEL نے منظم مالیاتی کارکردگی کا مظاہرہ کیا اور 97 لکھ روپے منظم مالیاتی حاصل کی، جو کہ سرٹیلز کے معیاری کی سطح سے بلند رہا۔ پلانٹ نے سال کے دوران مجموعی گزشتہ 76.1 GW کی فراہمی کی۔ جبکہ بجلی کی بیجی اور کاروبار مستحق ہوا کے حالات سے ہے، اس لیے سال کے دوران توانائی کی بیجی اور کاروبار کی کم رفتار کی جہ سے سرٹیلز معیاری کی سطح سے کم رہی۔

سال کے دوران، دیکار ہاؤس بنز پزیر (WTG) اور ایجنٹریکل پٹلس آف پلانٹ Unscheduled Maintenance کے باوجود پلانٹ نے کارکردگی سے متعلق تمام ٹیکس کی اشاریہ (KPIs) کا سہریا سے حاصل کیے۔ ان سرٹیلز میں بڑے پڑوں کی تبدیلی، سرٹیلز، بجلی کا کام اور EBOP کے اجاڑوں کی ایجنٹریکل ٹیکسٹ شامل تھی، جہاں پر پیش ہمارے کو برقرار رکھا اور اخراجات کو کنٹرول کرنے کے لیے کی گئیں۔

ہوا کی کم رفتار اور قرض کے عنصر سے متعلق لیورف کے قیے (settlement) کی جہ سے اس سال آمدنی میں کمی واقع ہوئی۔ نتیجے کے طور پر FFCEL نے 1.33 ارب روپے کا خالص منافع رپورٹ کیا، جبکہ گزشتہ سال یہ منافع 1.54 ارب روپے تھا۔

FFCEL نے ترقیاتی اخراجات اور آپریٹنگ بجری کے (ارپیج) اپنی مختصی علاقوں کو منظم بنانے پر توجہ جاری رکھی۔ اس کے علاوہ FFCEL سال بھر مختلف کارپوریٹ سماجی ذمہ داریوں (CSR) کے منصوبوں میں بھی سرگرم رہا۔

FFCEL کے آڈیٹ نے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں پر اپنی رائے بطور کسی تحفظات کے دے دی ہے۔

چئیرمین کا تجزیہ (گروپ)

معزز شخص اداران

سال 2025 بھرتی کارکردگی کا ایک اور سال، جس میں گروپ نے اپنے شراکت داران کے لیے طویل البعد قدر (Value) پیدا کرنے کا سلسلہ جاری رکھا۔ سال 2025 کے مالیاتی نتائج میں سافٹ FFBL اور اس کے ذیلی اداروں بشمول FPCL اور FFL کے FFC میں انعام کے بعد پورے سال کے آپریشنز شامل ہیں، جبکہ 2024 میں صرف دوسری ششماہی کے آپریشنز شامل تھے۔

تذاتی کاروبار (Food business) نے اس سال کے دوران زیر دست بھرتی رکھائی۔ فوڈی فوڈز لیٹل (FFL) نے گروپ کے منافع میں 1.3 ارب روپے کا نپا تک کاسب سے زیادہ بھرتی گیس منافع فراہم کیا، جبکہ فوڈی فرنیٹس این فریج (FFF) نے بھی سال 2025 کے دوران 201 ملین روپے کا نپا منافع ریکارڈ کیا۔

ہوا سے ٹکلی بنانے والے منصوبے، جس میں FFCEL-10، FFCEL-11 اور FWEL شامل ہیں، دوران سال تک کے ٹکلی کے شعبے میں اہم حصہ دار ہے۔ ان تینوں منصوبوں نے ٹکلی کی فراہمی کے معیارات کو برقرار رکھا اور مجموعی طور پر بیٹھوس گرو کو 261 کیک ڈاٹ اور (GWH) ٹکلی فراہم کی۔ تاہم بان منصوبوں کی آمدنی 34 لاکھ کم ہو کر تقریباً 9.7 ارب روپے رہی، جو پچھلے سال 14.7 ارب روپے تھی، جس کی بنیادی وجہ قرض سے متعلق بھرتی کی ادائیگی تھی۔

FPCL نے سال کے دوران 4.5 ارب روپے کا خاص منافع ریکارڈ کیا۔ ریگولیٹری اداروں اور حصہ داران کی منظوری کے بعد، جنوری 2026 سے FPCL میں FFC کا حصہ مکمل کنٹرول تک بڑھ گیا ہے۔ فوڈی فوڈز لیٹل (FF) سے حاصل کردہ FPCL کے 215 ملین شیئرز کے بدلے FFC کے 16 ملین شیئرز جاری کیے گئے۔

انگری ٹیک لیٹل (AGL) گروپ کے لیے ترقی پاتی طور پر اہم ہے۔ سال کے دوران FFC نے AGL میں 5.18 ارب روپے کی اضافی سرمایہ کاری کی، جس کے نتیجے میں سال کے آخر تک مجموعی ٹکلی بنی بڑھ کر 37.36 لاکھ ہو گئی۔ انگری ٹیک لیٹل نے سال کے لیے 4.4 ارب روپے کا خاص منافع ریکارڈ کیا۔ اضافی سرمایہ کاری ملک میں پوری کی تکمیل فراہمی اور تذاتی قحط کو کچنی بنانے کے گروپ کے متعدد میں معاون ہے۔

AKBL نے پورٹفائل کے دوران 24.7 ارب روپے کا بھارت گیس منافع حاصل کیا اور گروپ کے دائرہ اداروں (Associates) میں 16 ارب روپے کے منافع کے ساتھ سب سے زیادہ حصہ دار رہا۔ ٹیک کی اس کارکردگی کی وجہ کم لاگت کے ڈپازٹس اور ٹیکس ٹکسٹ میں توسیع پر مسلسل توجہ تھی۔

پاک مراک فاسفور (PMP) جو گروپ کے DAP آپریشنز کے لیے فاسفورک ایسڈ کا اہم فراہم کنندہ ہے، نے اس مدت کے دوران گروپ کے منافع میں مثبت کردار ادا کیا، جس میں منافع کا حصہ 3.7 ارب روپے رہا۔

قمرانی لیٹل (TEL) نے 12.44 ارب روپے کا خاص منافع ریکارڈ کیا، جو گزشتہ سال کی اسی مدت کے 7.47 ارب روپے کے مقابلے میں 67 لاکھ کا اضافہ دکھا کر کرتا ہے۔ سال کے دوران TEL نے بھی گروپ کو منافع دیا شروع کر دیا۔ FFC کو 2025 میں 300 ملین روپے کا منافع مستحقہ موصول ہوا، جس کے بعد 2026 میں حرج 5.1 ارب روپے کے منافع مستحقہ کا اعلان کیا گیا۔

گروپ نے سال کے دوران 483.8 ارب روپے کی ایک سب سے زیادہ آمدن حاصل کی۔ یہ اضافہ 2025 کے دوران پورٹ فاسٹ پائٹس کے پورے سال کے آپریشنز اور تذاتی شعبے سے بھرتی آمدنی کی وجہ سے ہوا۔ فاسٹ فوڈ کیٹیجوں سے منافع کا حصہ 25.6 ارب روپے پر بان محال کے باوجود سرمایہ کاری کی آمدن گزشتہ سال کے 27 ارب روپے سے کم ہو کر 18.7 ارب روپے رہ گئی۔ نتیجے کے طور پر، گروپ کا خاص منافع 84.9 ارب روپے رہا جبکہ 2024 میں یہ 85.5 ارب روپے تھا۔ فی شیئر آمدن 58.44 روپے ریکارڈ کی گئی جو پچھلے سال 59.29 روپے تھی۔

مرکزی ٹیکنی FFC نے سال کے دوران مجموعی طور پر 28.5 روپے فی حصص کے تحت بھرتی منافع مستحقہ کا اعلان کیا۔ حرج برائے بورڈ نے فی حصص 8.50 روپے کے حقیقی منافع مستحقہ کی تجویز بھی دی ہے۔

بورڈ گروپ کو ترقی پاتی قیادت اور ترقی پاتی فراہم کرنے کے لیے حزم ہے، جس میں سرمایہ کی قلم و ضبط کے ساتھ تقسیم، عمدہ قلم و نق، اور خطرے کے انتظامیہ کے مسلسل توجہ مرکوز ہے۔ بورڈ کا مقصد قریبی تذاتی قحط میں حصہ اٹلے ہوئے حصہ داران کے لیے دیرپا سرمایہ فراہم کرنا ہے۔

Amir Ali Hyder

لیفٹیننٹ چیرل انوریٹیو، ایڈل انویسٹر (بھرتی) اور ایڈل

چئیرمین

داؤد پٹری

29 جنوری 2026

کئی کی مشورہ آمدنی کی بنیاد، علم و جذبہ پختی، باہمی اعتماد اور مارکیٹ میں قائم مضبوط عزائم اسے چیلنجز سے نکلنے اور اسٹیبل ہو لہرز کے لیے پائیدار قدر (value) کی فراہمی جاری رکھنے کی عاقبت فراہم کرتی ہے۔

مستقبل کے چیلنجز اور پختی کا تدارک (Response to Future Challenges And Uncertainties)

مستقبل میں بہتر کارکردگی کے لیے کلیدی منصوبہ (Key Projects to Support Future Performance)

ہیڈ آفس کے لیے کمرہ (PEF) کا منصوبہ 2026 میں مکمل ہونے کی توقع ہے تاکہ گیس کے کم ہونے والے اثرات کو کم کیا جاسکے اور پیداوار کی استحکام میں مدد مل سکے۔

حکومت نے لازمی لینڈ میں تازہ کاریوں اور پائپوں سے ایف اے ایف سی (FFC) پورٹ کا کام کو گیس کی فراہمی کی ضرورت کی سہولت دی ہے، جو اپنی اوقات ایس ایس سی ایس (SSGCL) سے ایک ورک پر کام کر رہا ہے۔ اس سے پورٹ کا کام میں تازہ کاری (DAP) اور سونہ گریٹر بنانے والے پائپس کے لیے طویل مدت تک توانائی کی فراہمی ممکن ہو سکے گی۔ تازہ کاریوں کی مکمل صلاحیت کے عملی تناظر میں وقت اور کام ہوگا اور FFC پورٹ کا کام SSGCL کے درمیان گیس سپلائی کا موجودہ انتظام برقرار رہے گا جب تک کہ تازہ کاری سے گیس کی سپلائی کے حتیٰ التعمات مکمل نہ ہوں۔

انگریز ٹیکس لینڈ (AGL) سے توقع ہے کہ وہ FFC کی کاروباری مہارت سے فائدہ اٹھاتے ہوئے اپنے آپ کو پختہ کرے گا اور FFC کے ملک گیر پیکرینج ورک کے ذریعے محصولات کی مارکیٹ کو بہتر بنائے گی۔ انگریز ٹیکس لینڈ بھی تازہ کاری سے گیس کی درآمدت کا فائدہ اٹھانے والی کھلی ہے، جس سے اس کے کھانڈے آپریشن کے

لے طویل مدت تک گیس کی فراہمی یقینی ہوگی۔

کئی پاکستان انٹر نیٹل انیورسٹیز کارپوریشن لینڈ (PIACL) کی چھوٹی کے لیے پوری قیمت والے سودیہ میں شامل ہوگئی ہے تاکہ ان کی کوئی حاصل کر سکے۔ اس اقدام سے انیورسٹیز کی کارکردگی بہتر بنانے اور قومی پراجیکٹ برادر ادارے کے دور کو بہتر بنانے میں مدد ملنے کی توقع ہے۔

قراقرم لینڈ (TEL) نے کئی کو مبالغہ دینا شروع کر دیا ہے، جس کے تحت 2026 میں 300 ملین روپے کے پیپلیمیری منافع مختصر کا اعلان کیا گیا۔ اس کے بعد 2026 کے دوران 5.1 ارب روپے کا ایک اور منافع مختصر دیا گیا اور ہمیں آنے والے سالوں میں اس مسئلہ کئی کی جانب سے بہتر کارکردگی کی توقع ہے۔

کئی کو آنے والے سالوں میں ہمارے مکمل بنانے والے منصوبوں سے ہمیں آمدنی کا سلسلہ جاری رہنے کی توقع ہے۔

ایف اے ایف سی کے "SAP Success Factors" کو مکمل کر دیا ہے جو اس کے انجینئرنگ ڈیپارٹمنٹ کے سفر کے مکمل کو چھوڑے اور معیاری بنانے میں معاون ہے۔

KMI-30 انجینئرس میں شمولیت کے بعد، کئی اپنی شرعی اصولوں سے مطابقت کے رہے اور قراردادیں کئے پختہ ہو کر چکے ہوئے ہے۔ جو عزم و جدوجہد اور مالیاتی فیصلہ سازی کے عمل کا حصہ ہے اور سرمایہ کاری کے ذخائر، باہمی التعمات اور آپریشنل طریقوں کی مسلسل گمانی کے ذریعے سے برقرار رکھا جاتا ہے۔

کئی سونہ سیکورٹیز ورک کو وسعت دے کر زرعی نظام کو مضبوط بنانا جاری رکھے ہوئے ہے، جس سے کسٹومرز کی کسٹم کھانڈے، رہائی بہتر ہوتی ہے اور اس کے ساتھ ساتھ ملک کی داخلی قیمت کے لیے زرعی معاشات کی تھامت فراہم کی جارہی ہیں۔

کئی کے لیے IFRS Sustainability کے رپورٹنگ کے معیارات 2026 سے نافذ العمل ہو گئے ہیں اور FFC نے Sustainability کی سرگرمیوں کی طرز عملیاتی اور رپورٹنگ کے لیے مکمل نظام اور طریقہ کار نافذ کر دیے ہیں۔ 2026 کے دوران انجام دی گئی سرگرمیوں کی مکمل IFRS کے مطابق Sustainability رپورٹ سال کے اختتام پر شراکت داران کو پیش کی جائے گی۔

اس سلسلہ کو برقرار رکھتے ہوئے، کئی مکمل کارکردگی، مکمل ترقی اور اپنے حصہ داران کے لیے مسلسل سرمایہ (value) پیدا کرنے کے لیے عہدہ معاشات میں ہے۔

جاری آپریشنل، ترویجی اور کسٹم منصوبوں کی تفصیلات اس سالانہ رپورٹ کے حلقہ Capitals میں فراہم کی گئی ہیں۔

FFC کو اثر کرنے والے نمایاں خطرات، امکانات (Key Risks and Uncertainties Affecting FFC)

کئی کے آپریشن اور منافع اب بھی متعدد بیرونی خطرات اور غیر یقینی صورتحال سے متاثر ہیں۔ مقامی گیس کے ذخائر میں مسلسل کمی، گیس کی قیمتوں میں نکتہ تبدیلیاں اور پیداواری لاگت میں اضافہ، کھانڈے کی مسلسل پیداوار اور لاگت کی سہولت کے لیے خطرہ ہیں۔ مطلوبہ پائپ کی سطح پر گیس کی بروقت دستیابی پیداواری انتظام برقرار رکھنے کے لیے ایک اہم ترین عنصر ہے۔

Fahim Pasha
ہیڈ مین
ٹیکس لینڈ (ٹیکس لینڈ)

Aamir Ali Hyder
ایف اے ایف سی کے ایگزیکٹو ڈائریکٹر (ٹیکس لینڈ)

راولپنڈی
29 جنوری 2026

مستقبل کی توقعات

کسی کی مستقل توقعات کا مستند شراکت داران (Stakeholders) کو اس کے اسکاؤٹ اور کھیتی باڑی کارکنوں کے لئے غیر ملکی حالات سے باخبر رکھنا ہے۔ تاہم، کھیتی باڑی کے متعلق جانکائی یہیں ختم نہ کر دے۔
 زمینوں سے مختلف ہو سکتے ہیں۔ روپے کے دیگر حصے بشمول ذخیرہ بین الاقوامی تجارتی بینکوں کے ہائے کار، مالیاتی سرمایے (Financial Capitals) کو غیر ملکی حرج و مرجع سے مطلع کرنا چاہئے۔

2025 年 4 月

[illegible]

پالیسیوں کے عواثر نکالنے سے توقعات سے زیادہ شرح نمو (Growth) حاصل کرنے میں مدد ملی، تاہم حالیہ سیلاب کی وجہ سے اس پر معمولی اثرات مرتب ہوئے۔ باہر ممالک کی مالیاتی اور برقی ادائیگیوں کے قزاقان کی بدولت پاکستان ایک دوہائی کے بعد کرنٹ اکاؤنٹ سرفیس حاصل کرنے میں کامیاب رہا، جبکہ زرمبادلہ کے ذخائر میں اضافے کا سلسلہ بھی جاری رہا۔ سیلاب کی وجہ سے خورداک کی قیمتوں میں گھٹا اضافے کے باوجود معمولی طور پر ماکان کی قیمتیں بھی

عالمی معیشت اس وقت خطرناک پسپائی (Protectionism) کی لہریں لہا رہی ہے۔ اگرچہ صورتحال اور تجارت کی پالیسیوں میں تبدیلیوں کی جیسے منتظر ہے۔ تاہم یہ کہ 2025 کے آغاز میں تجارتی سرگرمیوں میں بحالی کی توقع کی جا رہی ہے۔

کھاد کی مارکیٹ (Fertilizer Market)

2025 میں کھاد کی عالمی مارکیٹ حکم کر حیر رہی، جس کی وجہ بات جغرافیائی یا کسی تنازعہ، عالمی رسد میں کمی، بھارت کی جانب سے چینی سے چینی طلب اور چین کی برآمدات سے متعلق غیر چینی برآمداتی کمی۔ ایران اور مشرق وسطیٰ میں رسد کے مسائل کی وجہ سے پیدا کی گئیوں کو سہارا دیکھ سکتے ہیں، اور سہارا بھر طلب کی وجہ سے، فاسفیٹ (Phosphate) کی قیمتیں سال کے بیشتر حصے میں راکھ رہیں گی۔
لہذا سال کے آخر میں موسمی ستہ، دی اور تیز فخریہ کے دباؤ کے باعث کچھ بھاری آئی۔

اس سے برعکس پاکستان کی مقامی مارکیٹ زرعی مصنوعات کی کمزوری، نقدی کی کمی، فصلوں کی مناسب قیمتوں اور زرعی سرمد کی وجہ سے مسلسل واکاؤ کا شکار رہا۔ سال کی پہلی ششماہی میں بریائی کی فروخت ہوا، جس سے اسٹاک میں اضافہ اور نتیجتاً قیمتوں میں کمی ہوئی تاہم دوسری ششماہی میں زبردست بحالی دیکھی گئی جس کے نتیجے میں سالانہ فروخت کے سترے پچاڑ کا رقم ہونے اور اسٹاک بھی معمول کی سطح پر آگئے۔

ڈی اے پی (DAP) کی طلب قیثوں میں اضافے، سیلابی زونوں کا دور و طہر
 کے لحاظ سے کیے گئے کمرے جس کے نتیجے میں صنعت کی فروخت کم ہوئی۔ ان
 چیلنجز کے باوجود، FFC نے منہجہ عملدرآمد، سبجور و مینٹیننس اور نگرانی پر توجہ دینے اور
 نقش کے ذریعے پیداوار ڈی اے پی انڈیکس میں مارکیٹ کی اینڈرسپ برقرار
 رکھی۔

کھاد کی صنعت کا حوالہ مستقبل (Fertilizer Outlook)

عالمی شرح نمو 2024 میں 3.3 فیصد سے کم ہو کر 2025 میں 3.2 فیصد اور 2026 میں 3.1 فیصد رہے گی۔ پیش گوئی کی گئی ہے، جس میں ترقی یافتہ معیشتوں کی شرح نمو تقریباً پانچ فیصد اور عالمی ترقی پانچوں کی 4.0 فیصد سے کم ہو رہے گی۔ عالمی شرح نمو افزائش میں کمی متوقع ہے، جبکہ مسلسل گروپنگ کے باعث عالمی تجارت کی ترقی سے کم کی گئی۔ غلطی غلات عالمی ہیں، جس میں ماحول غیر

تجلی صورتِ جمال، جھلکِ ہندی میں اضافی حروروں کی دستیابی کے مسائل، مالیاتی کمزوریاں اور مالیاتی منڈیوں کی کمزوریاں شامل ہیں۔

یہ منظر ہمارا مذہبی اور دنیوی ترقی کے امکانات کو بڑھانے کے لیے معجزہ قابل غور تھا اور پانچواں منظر دو کام پالیسیوں، سماجی امکانات اور مفروضہ کثیر جہتی تعاون کی ضرورت پر زور دیتا ہے۔ (ماخذ: آئی ایم ایف ورلڈ بینک، آؤٹ لک، دسمبر 2025ء)۔

[illegible]

مستحقین پر نظر اور ان کی مالی حالت کی جانچ 2026 کی بجلی سرائی میں مضبوط ہونے کی توقع ہے، جس کی وجہ سے بجلی کی قیمتیں کم ہوں گی۔ راجہ شیٹل مہتا نے کہا کہ بجلی کی قیمتیں کم ہوں گی، جس کی وجہ سے بجلی کی قیمتیں کم ہوں گی۔ راجہ شیٹل مہتا نے کہا کہ بجلی کی قیمتیں کم ہوں گی، جس کی وجہ سے بجلی کی قیمتیں کم ہوں گی۔

گزشتہ برس چینی کی گئی مستقبل کی توقعات کا تجزیہ

Analysis/Comparison Against)

Last Year's Forward Looking

(Statement

2025 کے دوران، کینیڈا کی توجہ عالمی برسر میں شروع کیے گئے کئی ایسے سٹرکچرل اقدامات کی تکمیل پر مرکوز رہی۔ FFBLC کے FFC کے میں انضمام کے بعد، آپریشنز، ایسٹریجی اور تکنیکی شعبوں میں اہم اور منتقلی میں اضافہ آئی، جس سے آپ سٹرکچرل تبدیلی اور ایک مشترکہ آپریشنل ڈھانچے کے اہم ارتقاء میں اضافے کے حصول کو یقین بنایا۔

اپنی طویل المدیہ جدوجہداتی (Strategic) ترجیحات کے مطابق، کمپنی نے مارکیٹ میں یورپ کی قابل بھروسہ فراہمی کو یقینی بنانے کے لیے دوران سال Agritech Limited میں اپنی سرمایہ کاری میں مزید اضافہ کیا۔

2025 کے دوران بھارت کی بیچہ اور گزشتہ سال کے مقابلے میں کم ترقی لیکن اہل
کے مطابق رہی۔ یہ کمی زیادہ فائنل ٹرنارونڈ کی جگہ سے ہوئی جیسا

کہ گزشتہ برس یہاں کیا تھا۔

گیس پریشر بخارنے کے پراجیکٹ (PEF) پر مبنی رکت ٹینڈل کے مطابق جاری رہی۔

سال کے دوران کھپائی کے ریٹیل سیکڑ آؤٹ ایٹ ایٹس کی فروخت جاری رہی۔ سونائیکٹر
نیٹ ورک کو 244 آؤٹ ایٹس تک بڑھا دیا گیا، جس سے کاسٹلار برادری کے
ساتھ برادراست روایہ مضبوط ہوئے اور کھادی کو فروخت میں اضافہ ملی۔

تدوینیاتی سرمایہ کاریاں اور منسلک کمپنیوں نے آمدنی کے تنوع کو جاری رکھتے ہوئے کمپنی کے مجموعی منافع میں اضافہ حاصل کیا ہے۔

حریہ برآں، انجینیٹی ایس ٹی (GST) اور کھاد کی سسٹم کے دیرینہ وابہات کی وصولی کے لیے مختلف حکام کے ساتھ رابطہ برقرار رکھے ہوئے ہے، تاہم، ان مسائل کے حل کی حتمی تاریخ انجینیٹی کے دائرہ اختیار سے باہر ہے۔

تفصیل کے ساتھ پتہ چلے گا کہ اس سوال کے لئے والی معلومات اور

Source of معلومات کے ذرائع

information and assumptions

(forecasts / used for projections)

کھینچی سے مستحقین کے حوالے سے تجلیجی اس کی کارپوریٹ عصبیت عمل اور کاروباری مقاصد پر مبنی ہیں، جنہیں ماضی کی کارکردگی، انفرادی آپریشنس، ڈیٹا، دیگر کارنامہ، اشاریوں اور وضعی رقعات سے اظہار کردہ ضروریات کی بنیاد پر بنایا جاتا ہے۔

دیرونی معلومات میں بغیر انجمنی اداروں کے شائع کردہ معاشی مختصرے، حکومتی پالیسی کے احکامات، حکومتی صنعت کی رپورٹس، مالی انکوائری جی این سی کی تجویز کے رقعات، شرح سود اور شرح مبادلہ کی پیش گوئیاں شامل ہیں۔

آخرونی طور پر، جنھیں میں مارکیٹ، میٹروپولیٹن اور ایمپائر، ٹرانس، لیٹنا کوئی اور میٹروپولیٹن، اور چین میں روسور سمیت کاپیٹلزم میں معلومات شامل کی جاتی ہیں۔ ان معلومات کا مسئلہ جاننا چاہتا ہے اور اس میں وہی روشی رشت کے ساتھ ہم آہنگ کیا جاتا ہے تاکہ ہونے والی حالات کے مطابق مستند رہے۔

تجلی تلاش کرنا چاہئے۔ سرمایہ کاروں اور ترقی سے متعلق اہم اقدامات کا تحت

آخرونی طور پر جاننا چاہتا ہے اور جہاں مناسب اور بہتر میں اس کے طریقوں کے مطابق رہتی، رفتی رفتی میں اس کے ذریعے ان کی ترقی کی جاتی ہے۔

Future Outlook

Future Outlook of ایپ ایچ سی کے مستقبل کا نظریہ

(FFC

مستحقین میں، کھیتی کی حکمت عملی آپ بشرط کو مضبوط بنانے، پیداوار کے تسلسل کو تحفظ فراہم کرنے اور پائیدار طویل المدی عداوتی کے حامل اقدامات کو آگے بڑھانے پر مرکوز ہے۔

بھارت کا کرکٹ عالمی کپ (Enhanced efficiency fertilizers) کی تیار کرنے کے لیے پچھلے سال کے عزم کو آگے بڑھاتا ہے۔ یہ پہلی مسلسل EEF کی تیار کرنے کے لیے ہے جس کا مقصد پاکستان کے استعمال کو بڑھانا ہے۔

ظاہر ہے۔

مقیف شدہ خطرو			مجاوری خطرو		
شدت	امکان	درجہ ہنگامی	شدت	امکان	درجہ ہنگامی
اوسط	اوسط	اوسط	بلند	بلند	بلند
کسٹمرز کے غیر مطلق حاشیات کی وجہ سے فروخت میں کمی یا اضافی مالی یا تکنیکی مداخلت کی خاطر یہ درجہ پائل میں لکھی گئی ہے					
کم		سبب	توجہ		سبب
کمرشل رازیت میں		غارتی	فوری مداخلت		بازیافتی مداخلت
حلقہ شعبوں کے درمیان فراہم آگاہی کے ذریعے ملوثاتی استحکام میں اضافہ یا نقصان کی گواہی کے کاروبار میں مسلسل نمو رسم اور مداخلت فراہم کرنے والوں کا شعور بادل Horizontal کے ساتھ ساتھ Vertical شعور مداخلت پائل میں گواہی کے کاروبار میں فراہم کیا گیا۔ ESG سے حقیقی شعور کا سامرا ایک انٹرنیٹ نظام، وسیع الطریقہ اور مداخلت پائل میں فراہم کنندگان کے گروپ، مصنوعات کی گریڈ پر اضافی استعمال کا ذریعہ یا ذخیرہ کے ذریعے کا شکاروں کا گروپ اور مداخلت					

تجزیاتی فطریہ			تفصیلی فطریہ		
درجہ بندی	امکان	شدت	درجہ بندی	امکان	شدت
اوسط	اوسط	پائے	اوسط	اوسط	اوسط
چریت کا سمجھنا نہ آتا ہے اور اس میں بہاؤ اور بجلی کی مداخلت کے اثرات					
سراسر	نقص	سب	حم		
بالمقام تحقیق کردہ / انفرادی / قدرتی	فوری یا گہل مٹی	داخلی	آپریشن		
شک و شبہ	گھبراہٹ کا دورہ یا میں مسلسل ترقی				
مواقع	مواقع کسی بھی خط سے بچنے کے لئے قبول / انسانی یکہ۔ سب خدای کی طرف۔				
تفصیلی اقدامات	تفصیلی اقدامات بہاؤ اور بجلی کی مداخلت / کی کے لئے یکہ یا پورا طرز اور جس لیا سزا دستیاب لکھ۔ کسی بھی خطی اثر کو دور کرنے کے لئے حرج و مرج کو دور سے دور ہے۔				

[illegible]

تفصیلی شدہ اندازہ			مجموعی شدہ اندازہ		
اہمیت کی	امکان	شدت	اہمیت کی	امکان	شدت
بہت	بہت	اوسط	بہت	اوسط	اوسط
یہ فریج خوردہ بخش کی فروخت میں گیسے آسان ہے					
سراپہ	ذمیت	سبب	حم		
بازاری / افرادی / تحقیق کردہ	فوری یا جلد دستی	غذائی / داخلی	آپریشن		
مشکوک	کھانا کے کاروبار میں مسلسل ترقی کو برقرار رکھنا۔ اعلیٰ معیار کی ہوت پر مبنی معصومات اور خدمات فراہم کر کے نمایاں برائیاں کا کو برقرار رکھنا۔				
سوانح	پائیدار اور موثر شراکتی بننا اس کے عمل کی بڑھتی ہوئی طلب کو پورا کرنے کے لیے اسی اعلیٰ ایجاب معصومات کے پورے فواید میں توسیع، جس سے مارکیٹ میں مقام اور کسٹومرز کا کامیاب مشیرو ہو۔				
تفصیلی اقدامات	ایب ایف یو سابقہ قیوں کے فعالیے کو برقرار رکھتے ہوئے اور مارکیٹ کی ضروریات کے مطابق فوری اپڈیشنز کے لیے چکر اور ایب یواری منصوبہ بندی سے فائدہ اٹھانے سے بیکر کارکردگی اعلیٰ کاروباروں کے مسلسل استعمال کو یقینی بنانی ہے۔ کھانا کسٹومرز میں آگاہی بڑھانے اور معصومات کے استعمال کی حوصلہ افزائی کے لیے دعوتی تصدیق اور ترغیبی پروگرام بھی نافذ کرے گی۔ یہ اقدامات مجموعی طور پر ایب ایف یو کے اثر و نفوذ میں اضافہ کی حمایت کرتے ہیں کہ وہ موثر اور پائیدار کاروبار کے استعمال کو فروغ دیتے ہوئے اپنی مارکیٹ پر یقین کو مضبوط بنائے۔				

نمایاں خطرات اور مواقع

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تجلیف شدہ عذرہ			تجلیف شدہ عذرہ		
درجہ بندی	امکان	شدت	درجہ بندی	امکان	شدت
بچہ	اوسط	بچہ	بچہ	اوسط	اوسط
اس زمان کی غیر مستحسن احوال کا جائزہ					
سرمایہ	نومیت	سبب	حم		
مالیاتی / افرادی / تحقیق کردہ	فوری	جاری	کوشش / اپریشن		
مختلف شعبوں کے درمیان باہم ہم آہنگی کے ذریعے ملحقہ مالی استعدادیں متعارف کرانے میں کی گئیاں گے تاکہ وہ اداروں میں مسلسل نمو کا ردیالی تسلسل اور باقی چھوڑے ہوئے ہو جائیں گے۔ اس زمان کی فراہم صورت حال اور کئی کی سہولت سے متعلقہ ادارات سے ملنے کے لیے کئی نے تعاون اور تعلقات عامہ سے متعلقہ ادارات کا استعمال انکدام کر رہا ہے۔					

نمایاں خطرات اور مواقع

[illegible][illegible]

تفصیل میں مضمرہ			تیز کی مضمرہ		
رہنہ بندی	امکان	شدت	رہنہ بندی	امکان	شدت
بندہ	اوسط	بندہ	بندہ	اوسط	بندہ
محکم کی روشنی میں اسٹاکس مارکیٹ کی					
سرمایہ	نومیت	سبب	حم		
ماہیاتی آمدنی کی تحقیق کردہ	عملی مدتی	خامی اداکاری	آپریٹس اسٹریٹجک		
کھانا کے بارے میں مسئلہ مختلف شعبوں کے درمیان بہتر ہم آہنگی کے ذریعہ حل کیا جاسکتا ہے۔ اس میں اضافی آلات کی فوائد کی وجہ سے کھانا کی کاشتکاری کا استعمال ہر گھرانے کی کمائی میں اضافہ کی جائے محکم کے مطابق ہر گھرانے کے لیے ختم ہونے کے ساتھ ساتھ اس میں سرمایہ کاری محکم کے لیے کھانا کی کاشتکاری کی سہولیات میں سرمایہ کاری					

تحلیلی شدہ خطرہ			فیفاوی خطرہ		
شدت	امکان	درجہ بندی	شدت	امکان	درجہ بندی
بلند	کم	اوسط	بلند	اوسط	بلند
کھلائی پائیدیں آؤا کیے میں ہم تسلسل کے کہہ کی صنعت پر عمل اثرات					
حم	سبب	لوجست	سرمایہ	ہائیلی	
اخر چیک	خارجی	فوری باجیلی دتی			
کھار کے کاروبار میں تسلسل ہو					
دارکٹ شیئر اور دستیابی میں اضافہ تا کر کی حم کے عملی اثرات سے بچا جائے					
کھلائی درآمدت کھلی کے دائرہ اختیار سے باہر ہے تا ہم کھلی حکومت اور دیگر ذمہ داران کے ساتھ رابطہ برقرار رکھیں ہے تا کر بہتر پائیدیں آؤا میں کامیاب اور اضافاتی کیا جائے اور صنعت اور پائیدیں آؤا میں مسائل کا حل لایا جائے					

تحلیلی شدہ خطرہ			فیفاوی خطرہ		
شدت	امکان	درجہ بندی	شدت	امکان	درجہ بندی
بلند	اوسط	اوسط	بلند	بلند	بلند
زرمبادلہ کی شرح کم ہونا پر چرچا					
حم	سبب	لوجست	سرمایہ	ہائیلی	
کھلی	خارجی	کھلی دتی			
تعلق شعبہ کے درمیان اکثر ہم آہنگی کے ذریعے اطرافیات پر کاروبار میں اضافی استحوا میں اضافہ					
کھلائی برآمد کے امکان کا جائزہ اور مبادلہ کے خطرے کا اثر ڈارک					
زرمبادلہ کی شرح میں تاہم چرچا کا خطرہ سود کے دام میں مختلف طور اور موثر پائیدیں آؤا میں عمل سے بڑی حد تک کم ہو جاتا ہے۔					

تحلیلی شدہ خطرہ			فیفاوی خطرہ		
شدت	امکان	درجہ بندی	شدت	امکان	درجہ بندی
کم	کم	کم	بلند	بلند	بلند
مستحقہ برآمد شراکت داروں کا اصرار کم ہونے کے باعث ماحول کاروبار پر بھڑکاؤ ہو					
حم	سبب	لوجست	سرمایہ	ہائیلی	
قبلی اساتھ	خارجی داخلی	عملی دتی	تعلقات کاروباری قدرتی / اطروبی		
قبلی معیار کی وجہ سے ماحولیات کی لڑائی کے ذریعے برآمد کی بہترین ماحول برقرار رکھنا مستحکم ہوگی، ماحولیات اور کاروبار میں گہرے تعلق کو جس کے مزہ کو عملی طور پر					
برآمد تعلقات پر ہم کو قبیلہ تا کر کھلی کی ماحول برعادی جائے					
کھلی نے برساتی اعلیٰ معیار کی کھار اور زرعی تعلقات فراہم کر کے اعلیٰ رات کی ایک بھلائی داتی ہے۔ ہم ایک جامع پروگرام کے ذریعے اپنے شراکت داروں کے ساتھ فعال رابطے استوار رکھیں ہے (جیسا کہ زرعی رہنمائی اشتہارات، اشتہاریاتی ٹیلی ویژن اور کھلی ٹی وی پر اشتہار ایک مہم شروع کرنا ماحول داتے ادارے کا باعث بنتا ہے۔					

نمایاں خطرات اور مواقع

مخفیہ شدہ خطرو			نفاذی خطرو		
دوبہ بندی	اسکان	دوبہ بندی	دوبہ بندی	اسکان	دوبہ بندی
پندر	پندر	اوسط	پندر	پندر	پندر
کودہ کی مالی توجوں میں لگنے کے متعلق پر اثرات					
سرمایہ	لومیت	سبب	حم		
مالیاتی	فوری تاخیر دہی	خارجی	معرض		
مشکوہ طلب	کودہ کے کاروبار میں مسلسل نمو				
مراجع	مالی کردار اور دہی تاخیریں اعداد و شمار کی فراہمی کے ساتھ نہ حکومت کے ساتھ دہی تاخیر کے لیے ذریعہ رہا نہ پناہ دیا جائے				
مخفیہ اقدامات	حکومت کے ساتھ مالی کرنگ میں رسد میں کمی کا تخمینہ لگانے میں مالی کردار اور کارکن اس بات کو یقینی بنایا جائے کہ صرف مطلوبہ مصروفیات دہی جائیں، اس کے علاوہ اگت کے تحت کنٹرول اور پچھلے اداروں میں اضافے کے ذریعے مبالغہ کی شرح کو برقرار رکھنا۔				

مخفیہ شدہ خطرو			نفاذی خطرو		
دوبہ بندی	اسکان	دوبہ بندی	دوبہ بندی	اسکان	دوبہ بندی
پندر	اوسط	اوسط	پندر	پندر	پندر
IT خطرات					
سرمایہ	لومیت	سبب	حم		
مالیاتی	فوری	خارجی داخلی	آپریشن		
مشکوہ طلب	کودہ کے کاروبار میں مسلسل نمو				
مراجع	کاروباری تشویش اور پچھلے آپریشنز کو یقینی بنانا				
مخفیہ اقدامات	نئی تکنیکی معلومات کی حفاظت کے لیے جہیز آف آفیسر اور Firewall نصب کیے گئے ہیں۔ سسٹم IT Updates آف آفیسر خطرات آگاہی مہمات اور ڈیجیٹل سیکورٹی سے آگاہ کیا جائے گا ہے تاکہ خطرے کو کم کیا جائے				

مخفیہ شدہ خطرو			نفاذی خطرو		
دوبہ بندی	اسکان	دوبہ بندی	دوبہ بندی	اسکان	دوبہ بندی
کم	کم	کم	اوسط	کم	کم
شرع اور اعداد و شمار کے ذریعہ Liquidity کے خطرات جو کھلی کے ساتھ دہی مالیاتی کارکردگی کو متاثر کریں					
سرمایہ	لومیت	سبب	حم		
مالیاتی	میں تا وسط دہی	خارجی داخلی	معرض		
مشکوہ طلب	مشکوہ مہموں کے ذریعہ میان اجراء آگاہی کے ذریعہ مالیاتی استعداد میں اضافی اگت میں کمی				
مراجع	کی سرمایہ کاریوں کی حفاظت تاکہ شرع مبالغہ سے ناکام نہ ہو سہیل کیا جائے ساتھ مبالغہ کے ساتھ داخلوں کا مبالغہ اور مالیاتی خطرات سے بچنے کا مستند نظام				
مخفیہ اقدامات	تدارک افعال میں مالیات، مبالغہ کی مشورہ دہی مشیروں کے مطابق، مبالغہ کی شرح اور اعداد و شمار Liquidity کے متعلق آگاہی اثرات کو محدود رکھنے کے لیے مالیاتی تدارک میں اضافہ اور Credit Lines کو یقینی بنایا ہے۔				

بیلڈی جی 2025 کی تاریخ کا اضافہ ہے جس سے سال کے دوران منافع قسم کی ادائیگی ملے گی۔

اس کے نتیجے میں کمپنی نے سال کا اتمام مستحکم اور کمپنی بنیاد کے ساتھ کیا، اور فی مضمون ایک آپ 27.85 روپے کا کارڈ ہوئی۔

منافع کی تقسیم اور ذخائر (Profit Distribution & Reserve Analysis)

سال کے 2024 کے 10 اپریل کی ایکٹیو اور ذخائر 131.880 روپے تھے، جبکہ صدر سال کے 2024 کے لیے 29.89 روپے کے منافع قسم کی تقسیم کی گئی۔

2025 کے دوران کمپنی نے 174.1 روپے کی مجموعی منافع آمدن حاصل کی اور فی مضمون منافع قسم کا اعلان کیا، جس کی مجموعی رقم 40.8 روپے رہی، جبکہ General Reserves میں کوئی اضافہ نہیں کیا گیا۔

اس طرح سال کے اتمام پر ایکٹیو اور ذخائر کی مجموعی مالیت 136.6 روپے رہی، جس کی تفصیل درج ذیل ہے:

منافع کی تقسیم	میں روپے	فی مضمون روپے
بہاؤ ذخائر	131,880	
حتمی منافع حصہ 202	(29,885)	21.00
عام منافع 2025	73,564	
مکمل Comprehensive آمدن	583	
تغیر کے لیے منافع منافع	176,142	
پروایڈر منافع منافع 2025	(9,962)	7.00
دوسرے منافع منافع 2025	(17,077)	12.00
تیسرے منافع منافع 2025	(13,520)	9.50
کل ذخائر	135,583	

طویل المدتی قرضے (Long term Borrowings)
سال کے اتمام پر طویل المدتی قرضے (مکمل موجودہ قرضے) 61.3 روپے رہے، جو کہ گزشتہ سال 38.2 روپے تھے۔ اس اضافے کی وجہ سال کے دوران 30 روپے کے قرضے تھے، جو زیادہ تر سال کے اتمام پر اہم مجموعی منصوبوں کی شدت کے ضروریات پوری کرنے کے لیے حاصل کیے گئے۔ سال کے دوران 8.9 روپے کی قرضے واپس بھی کیے گئے۔

مکمل المدتی قرضے (Short Term Borrowings)
سال کے اتمام پر مکمل المدتی قرضے 18.8 روپے رہے، جو کہ گزشتہ سال 31.3 روپے تھے۔

تجارسی دینیات (Trade & Other Payables)
سال کے اتمام پر تجارتی اور دیگر دینیات 4 فیصد اضافے کے ساتھ 194.1 روپے رہے، جو کہ گزشتہ سال 186.1 روپے تھے۔ یہ اضافہ زیادہ تر صارفین سے حاصل ہونے والی تھیں، جو کم کے باعث ہونے والی تھیں جس اضافے کے باعث قرضہ کارڈ فراہم کنندگان کے دینیات میں بھی اضافہ ہوا۔

Contingencies and Commitments
حرج و مرج کی صورت میں پیش کیے گئے کم از کم 13 ملین روپے۔

Property, Plant & Equipment
سال کے اتمام پر 78.6 روپے Property, Plant & Equipment میں اضافہ ہوا، جو کہ گزشتہ سال 58.2 روپے تھے۔ یہ اضافہ بنیادی طور پر گہرائی (Reliability)، استحکام (Sustainability) کے جاری (Longing) منصوبوں کے باعث ہوا۔

طویل المدتی سرمایہ کاریاں (Long Term Investments)
سال کے اتمام پر طویل المدتی سرمایہ کاریاں 79.1 ملین روپے رہیں، جبکہ 2024 میں یہ 76.8 ملین روپے تھیں۔ یہ اضافہ بنیادی طور پر سال کے دوران AGI میں کی گئی حرج و سرمایہ کاری کے باعث ہے۔ اس میں 2.4 ملین روپے کی ایکٹ سے 10.1 ملین عام مضمون (ordinary shares) کا حصول شامل ہے، جو کہ 30.6 ملین روپے کی نقد سرمایہ کاری اور 2.1 ملین روپے کے منافع Convertible Preference Shares کی بنا پر مشتمل ہے۔ نتیجے کے طور پر سال کے اتمام پر AGI میں کمپنی کی ایکٹیو مالیت 37.36 فیصد ہو گئی۔ 31 دسمبر 2025 تک AGI میں کوئی ایکٹیو مالیت کی مالیت 15.2 ملین روپے تھی۔

سال کے دوران حرج و سرمایہ کاری کے بعد، سال کے اتمام پر AGI میں غیر منسلک (unlisted) پر غرض شیز کی مالیت 5.9 ملین روپے رہی۔

Stores, Spares & Loose Tools
Stores, Spares & Loose Tools کی مالیت گزشتہ سال 15.6 روپے رہی، جو کہ 2024 میں 14 روپے تھی، جو کہ 11 فیصد اضافے کو ظاہر کرتی ہے اور اس کا بنیادی سبب زائد تر مال ہے۔

Stock in Trade
2025 کے اتمام پر کمپنی کا کل Stock in Trade 38.2 روپے تھا، جو کہ گزشتہ سال 23.7 روپے تھا۔ اس اضافے کی وجہ گزشتہ سال کے باعث DAPR کا زائد تاک ہے، اس کے علاوہ عامیاتی چیزوں پر حاصل کیے گئے قرضہ کارڈ کی زائد تر بھی ہے۔

تجارسی دینیات (Trade Debts)
کمپنی کے تجارتی دینیات کی مجموعی مالیت 20.2 روپے رہی، جو کہ گزشتہ سال 944 ملین روپے تھی۔ یہ گزشتہ سال کے اتمام پر ادائیگی زائد تر قرضہ کی وجہ سے ہے۔

دیگر دینیات (Other Receivables)
دیگر دینیات اصول کم 15.2 روپے رہے، جو کہ گزشتہ سال 17.7 روپے رہے تھے، جس کا سبب دوران سال، دینیات اصول بنکر گئے کے لیے زائد Provision ہے۔

مکمل المدتی سرمایہ کاریاں (Short Term Investments)
سال کے اتمام پر مکمل المدتی سرمایہ کاریاں 181.5 روپے رہیں، جو کہ گزشتہ سال 204 روپے تھے، جس کا سبب مالیاتی اور جاری سرمایے (Working Capital) کی زائد تر سرمایہ کاری تھی۔

مکمل اثاثے (Total Assets)
سال کے اتمام پر کمپنی کے مجموعی 59 روپے 5 فیصد کے اضافے کے ساتھ 437.5 روپے رہے، جو کہ عامیاتی کے لیے جس کا بنیادی سبب Property, Plant & Equipment اور طویل المدتی سرمایہ کاریوں میں اضافہ اور زائد خاک - ان ٹریڈ اور تجارتی دینیات تھے، جبکہ مکمل المدتی سرمایہ کاریوں نے اس اضافے کو زائد تر بھی کیا۔

نقدیاتی تحریک (Cash Flow Analysis)
Cashflows from (Operating Activities)
آپریشنل منافع سے نقدیاتی قرضے 93.4 روپے رہے، جو کہ گزشتہ سال 159.6 روپے تھے۔ یہ کی بنیادی طور پر جاری سرمایے (Working Capital) کے 2 فیصد اضافے پر مشتمل، انٹرویو تجارتی دینیات میں اضافے اور سال کے اتمام پر DAPR کی بنیاد میں اضافے کی وجہ سے ہے۔ تجارتی دینیات میں اضافے کی بنیاد دوران سال کے اتمام پر کی جانے والی زیادہ تر فروخت تھی، تاکہ جاری انٹرویو میں طلب کی کی کی زیادہ تر فروخت کو مزید چھانچ سکے۔

عملیاتی سرگرمیوں سے حاصل ہونے والی منافع نقدی (Net cash) پر انٹرویو کی زیادہ تر ادائیگیوں کے لیے اہم تر سبب ہوئے، جس کے نتیجے میں آپریشنل منافع حاصل ہونے والی منافع نقدی 36.9 روپے رہے، جبکہ گزشتہ سال یہ 106.4 روپے تھی۔

سرمایہ کاریوں سے نقدیاتی تحریک (Cashflows from Investing Activities)
مکمل سرمایہ کاریوں سے نقدیاتی تحریک کے قرضے نقدیاتی تحریک پر Capex پر انٹرویو جاری رہی اور سال کے دوران 23.6 روپے اضافے کیے۔ حرج و برائے AGI میں 5.2 روپے کی سرمایہ کاری بھی کی گئی۔

22.4 روپے کی منافع منافع آمدن اور 1.7 روپے کی منافع منافع آمدن بھی دوران سال رہی، کیا گیا۔ نتیجاً، سرمایہ کاری سرگرمیوں میں نقدیاتی تحریک کا اضافہ 2 روپے رہا، جبکہ گزشتہ سال نقدیاتی تحریک کا اضافہ 11 روپے تھا۔

مالیاتی سرگرمیوں سے نقدیاتی تحریک (Cashflows from Financing Activities)
کمپنی پر انٹرویو کی بنیاد پر ضروریات کو پورا کرنے کے لیے، کمپنی نے سال کے دوران 30 روپے کا قرضہ حاصل کیا، جبکہ 5.9 روپے کا قرضہ اور بھی کیا گیا، اس کے علاوہ سال کے لیے منسلک آمدن کو بھی ہانے کے لیے کمپنی نے دوران سال 70.3 روپے کے منافع منافع قسم کے لیے گزشتہ سال کی ادائیگی 24.1 روپے کیے۔

نقد اور نقدیاتی کے مساوی (Cash and Cash Equivalents)
مکمل نقد اور نقدیاتی کے لیے سال کے اتمام پر نقد اور نقدیاتی کے مساوی 163.3 روپے رہے، جو کہ گزشتہ سال 176.7 روپے تھے۔ اضافی بخش 179 روپے کی اضافی نقدیاتی تحریک (Highly Liquid) مکمل المدتی سرمایہ کاریوں اور 8.3 روپے کی نقدیاتی تحریک پر مشتمل ہے، جس کا 18.6 روپے کے مکمل المدتی قرضوں اور 8 روپے کے اضافی تک بخش نے بڑی طور پر مدد کی۔

اندرونی مالیاتی کنٹرول (Internal Financial Controls)
بہر آف انٹریکٹر نے مالیاتی اور عملیاتی ضوابط کا ایک مستحکم اندرونی نظام وضع کیا ہے، جو کہ پورے سال کے دوران مالیاتی، عملیاتی اور اخلاقی ذمہ داری کے حامل کارکنوں کے ذریعے ہے۔ یہ مستحکم نظام دستی، اور کمپنی کی مالیاتی رپورٹنگ اور عملیاتی طریقہ پر عملدرآمد کو یقینی بناتا ہے۔

آڈٹ کمپنی نے مزید ذمہ داریات کو جانچنے کے لیے مستقل جانچنے والے ہونے والے ضوابط کے اندرونی فریم ورک کی گہرائی کا کردار ادا کیا، حرج و برائے ایک داخلی حساب شعبہ (Internal Audit Function) نے آڈٹ کے ساتھ گہرائی اور بروہ فراہم کیا جس نے پورے سال کے دوران میں ان ضوابط کے نفاذ کو یقینی بنایا۔

لاحقہ واقعات (Subsequent Events)
بہر آف انٹریکٹر 29 دسمبر 2025 کو مستحکم احوال میں اپنے صدر سال کے لیے 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے 8.5 روپے فی مضمون (85 فیصد) حتمی منافع قسم کی حرج و برائے ہونے والی حرج و برائے اس طرح سال کے لیے مجموعی ادائیگی 37 روپے فی مضمون رہی، جو کہ مجموعی طور پر 71.58 روپے تھا۔

اس رپورٹ کے مکمل ہونے کی تاریخ تک حرج و برائے کوئی قابل قدر تبدیلی جو کہ کمپنی کی مالی حیثیت پر اثر انداز ہو سکے۔

مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کا تبصرہ

سورجیو جنرل

سال 2025 تک کے لیے کامل ڈکریزی کا سال ہے۔ جو مارکیٹ کیپٹل مارکیٹ میں اضافے، تفریح کی کوششوں میں تیزی، کاسٹنگ ہاؤس، رسائی میں توسیع اور سافٹ ویئر ایپ کی ایل کے انضمام کے عزم سے جھلک رہی ہے۔

تاکم سال کے دوران کھادوں کی طلب میں غیر یقینی صورتحال رہی، جس کی وجہ سے اساتذہ کی حالت، مہنگائی کی غیر یقینی صورتحال اور کاسٹنگ ہاؤس کی مالی مشکلات تھیں۔ ان عوامل کے نتیجے میں کھاد کی مارکیٹ زائد از (Oversupplied) اور سال کے بیشتر حصے میں اسٹاک کی سطح بلند رہی۔ حکومت کی جانب سے زرعی شعبے کے لیے برائے تمام فراہم کیا گیا، جس میں زرعی قرضوں کی فراہمی، زرعوں پر فراہمی کی مثال تھیں۔ کھیتی لے اسٹاک کو کم کرنے کے لیے عوارضیات اٹھائے، جس کے نتیجے میں سال کے انضمام پر سافٹ ویئر ایپ کی اسٹاک کی سطح سے کم تھی۔

سال 2025 کے لیے کھیتی لے کے سال میں انضمام شدہ ادارے کے مکمل سال کے آپریٹنگ نتائج ہیں، جبکہ گزشتہ برس سافٹ ویئر ایپ کی صرف چھ ماہ کی کارکردگی کی مثال تھی۔ کھیتی لے سال کے دوران 73.6 ارب روپے کا عائد منافع حاصل کیا، جو 51.7 ارب روپے کی سطح پر رہا ہے، جو کہ 2024 میں 45.49 روپے تھا۔

یہ ایک مجموعی طور پر 2,903.37 ہزار روپے کی بجائے اسے لی کی بجائے 837 ہزار روپے کی بجائے گئی، جس میں انضمام کے استعمال کی اسٹاک خرید 112 ہزار روپے، 124 ہزار روپے، جبکہ اساتذہ کی حالت کے بہترین معلومات کو برقرار رکھا گیا۔

یہ ایک مجموعی طور پر 2,886 ہزار روپے کی بجائے اسے لی کی بجائے 834 ہزار روپے کی بجائے گئی، جس میں انضمام کے استعمال کی اسٹاک خرید 112 ہزار روپے، 124 ہزار روپے، جبکہ اساتذہ کی حالت کے بہترین معلومات کو برقرار رکھا گیا۔

کھیتی لے 432 ارب روپے کی آمدن فروخت حاصل کی، جس کا بنیادی سبب سال 2025 کے دوران پورے سال میں پائس کے پورے سال کی کارروائی کے آپریٹنگ نتائج کا مظاہرہ اور تعاون فراہم کرنے کے کوئی تقریباً دو سال ہنگامی کاروائیوں میں عمل نہیں کیے گئے۔ یہ ایک کوئین الا تواری ترغیوں کے مقابلے میں فراہم کردہ کم قیمت پر فروخت کیا گیا۔

سرمایہ کاری سے حاصل شدہ آمدنی کارکردگی کا ایک اہم ضروری، جس کا زیادہ حصہ مالی اور فنڈ کیپٹل سے حاصل ہونے والے 22 ارب روپے کے منافع حصہ پر مشتمل تھا۔

سال 2025 میں کمپنیز اور محصولات کی مدت 111.6 ارب روپے کی ادائیگیوں کے ذریعے رجسٹرڈ برسی کے 194.11 ارب روپے کے مقابلے میں زائد تھیں۔ کھیتی لے کوئی فراہم کنندہ نہیں تھا، جس کا بنیادی سبب عائد و مستحق طور پر پیدا شدہ کھادوں کی دستیابی نے درآمدی تھالوں کے ذریعے تقریباً 1.34 ارب امریکی ڈالر کی غیر ملکی زرمبادلہ کی قیمت میں کمی حاصل کی۔

ایپ ایپس نے 130-130 ٹریڈس میں شمولیت کے ذریعے سرمائے کی تلاشوں میں اپنے نظام کو بہتر بنایا، جو شریعت کے اصولوں سے مطابقت کے لیے کھیتی لے کے عزم کی عکاسی کرتا ہے۔ اسٹاک مارکیٹ نے کھیتی لے کا رد کار میں صنعت کی صلاحیت کا ادراک کیا ہے، چنانچہ سال کے انضمام پر کھیتی لے کے حصص کی قیمت تقریباً 591 روپے کی سطح پر رہی اور اسٹاک کی سطح گئی۔ یہ قدر سال 2025 کی پہلی سہ ماہی میں اٹھایا گیا تھا، اور کھیتی لے 2025 کی دوسری ششماہی میں PSX شریعت کھیتی لے کی ضرورت کو حاصل کرنے اور برقرار رکھنے میں کامیابی حاصل کی۔

حصہ داران کو یہ جان رکھی کہ اسٹاک ایپس کی PSX پر مندرج کیپٹل میں سرگرمیوں کی سطح میں کمی کی گئی، اسٹاک کی سطح گئی اور ریٹرنگ کے لیے کھیتی لے کی معلومات کے اضافہ کے طور پر کھیتی لے مسلسل دوسرے سال SAFA Best Presented Annual Report Award اور ICAP کے گزشتہ سال Best Corporate and Sustainability Report 2024 میں بھی اعزاز سے نوازا گیا۔ یہ اعزازات عزم و نظم و نسق، انضمام اور شفافیت کے لیے کھیتی لے کے عزم کی عکاسی کرتے ہیں۔

مارکیٹ میں یہ ایک قابل فخر کامیابی اور تجویز میں انضمام کے علاوہ مکمل قدرتی قوت کو کھیتی لے کے لیے اپنے عزم کے مطابق دو سال، کھیتی لے ایکریٹیک میں اپنی سرمایہ کاری میں اضافہ کیا۔

Future Outlook

حکومت نے نئی پالیسی میں تفریح / شہل کے دریافت شدہ گیس ذخائر سے FFC پورٹ کا کام چلائے، اساتذہ کے لیے گیس چھلانگ کرنے کی منظوری دی ہے۔ تفریح / شہل کی مکمل صلاحیت کے مکمل نظامی وقت، کارکردگی اور ایپ ایپس پورٹ کا کام SSGCL کے ذریعے گیس چھلانگ کا موجودہ انضمام برقرار ہے، جب تک کہ تفریح سے گیس کی چھلانگ کے حتمی انتظامات مکمل نہیں۔

کھیتی لے کے Pressure Enhancement Facility Project 2026 میں آپریٹنگ ہونے کی توقع ہے، جو کھیتی لے کو اپنی کھاد کی پیداوار کی سطح برقرار رکھنے کے قابل بنائے گی۔

دو سال سے زائد مالی قوت، رفت کی بنیاد پر، کھیتی لے شریعت سے مطابقت کا دوسرا برقرار رکھنے اور مستقل بنیادوں پر مضبوط کرنے کے لیے کھیتی لے کے ساتھ برعزم ہے۔ یہ عزم کھیتی لے کے اسٹاک اور ایپس کی فیصلہ سازی کے عمل کی بنیادوں میں شمولیت کر دیا گیا ہے، جس میں سرمایہ کاری کے انتظام، ایپس کی انتظامات، اور مالیاتی طریقہ کار کی مستقل عملی مثال ہے تاکہ شریعت کے اصولوں کے ساتھ ہم آگئی برقرار رہے۔

قریبی (TED) نے کھیتی لے کو تفریح شروع کر دیا ہے اور 2025 میں 300 ملین روپے کا پیداواری منافع حصہ جاری کیا۔ TEL نے 2026 کے لیے مزید 5.1 ارب روپے کے منافع حصہ کا بھی اعلان کیا، جو کراس سیکٹر (Associated) ادارے کے آپریٹنگ کے ابتدائی سالوں میں سرمایہ کاری کا سلسلہ ہے۔

مستقبل میں کھیتی لے کی فروخت کے رجحان کی مثال پر آنے کی توقع ہے، تاکہ صنعت میں اسٹاک کی بلند سطحیں کھیتی لے کے لیے تفریح کا باعث بن سکیں ہیں، لیکن ایپس ایچ سی 2026 میں اپنی کھاد کی تمام پیداوار کو فروخت کرنے کے لیے مکمل طور پر تیار ہے۔

ایپس ایچ سی کوئی فراہم کنندہ نہیں تھا، جس کا بنیادی سبب عائد و مستحق طور پر پیدا شدہ کھادوں کی دستیابی نے درآمدی تھالوں کے ذریعے تقریباً 1.34 ارب امریکی ڈالر کی غیر ملکی زرمبادلہ کی قیمت میں کمی حاصل کی۔

یہ ایک مجموعی طور پر

... کے لیے

جہاں گھر ہے

مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر

راولپنڈی

29 مئی 2026

چیئرمین کا جائزہ

معزز ممبران! السلام علیکم

دوران سال، ہیڈ آفس نے نگرانی کی اپنی ذمہ داریاں مسلسل انجام دیں، اور ایک مشکل، ماحول میں فعالیت، مطلوبہ کی موثر ترسیل اور مسائل کے بہترین استعمال کو یقینی بنایا۔

شرکت داران کے مطالبات کا تحفظ ہیڈ آفس کی بنیادی مقصد، اور اس کے علاوہ 30 فیصد تکلیف کے ذریعے اندرونی سودا کا مسلسل جائزہ لیا جاتا رہا، تاکہ قیمتیں فراہم کردہ کے موثر ٹھکانہ کو یقینی بناتے ہوئے محدود رقم واپس کو برقرار رکھا جاسکے۔

ہم ڈائریکٹریٹ کے انتقال پر دل کی اٹھا کر انہیں سے تحریک کا اظہار کرتے ہیں، جنہوں نے ہیڈ آفس اپنے دور میں تکلیف کی ترقی کے لئے گراں قدر قربانیاں فراہم کیں۔

تکلیف سببوں کو پیمانہ (Reason) انہوں نے اپنی معیار کی کھادوں تک پہنچائی، آسانی، رسائی، چلتی بنانے کے عزم پر قائم رہی، نیز سونا سٹورز کے ذریعے زرعی خدمات کی ایک وسیع رینج فراہم کی جاتی رہی۔ کسانوں تک رسائی میں اضافہ کرتے ہوئے سونا سٹورز کی تعداد 244 تک پہنچا دی گئی۔

تکلیف نے 173.6 روپے کا خاص منافع حاصل کیا، اور ہیڈ آفس کی ہے کہ 2025 کے لیے فی ممبر 8.50 روپے کے حتمی (Final) منافع حصص (Dividend) کے اعلان کی منظوری دے دے، جس کے نتیجے میں سال کے لیے مجموعی داغی فی ممبر 37 روپے بنتی ہے۔

میں آئیڈیٹریز کی قیمتی خدمات کا بھی اعتراف کرتا ہوں گا جنہوں نے سال کے دوران اپنی محنت، محنت کی اور ان سے ڈائریکٹریٹ کا غیر ملکی قدم کرتا ہوں جو علم و فہم، محنت، عملی اور کاروباری فہم میں متوجہ ہمارے اپنے ساتھ لے گئے ہیں۔

آئیڈیٹریز کے لیے کھلی کے کاروبار کی ماحول، ہیڈ آفس کی محنت، عملی (Fiduciary) فرائض، اور شرکت داران کے جس آئیڈیٹریز کی ذمہ داریوں سے آگاہی کے لیے جامع ضمانتی پروگرام مستند کیے گئے۔

ہیڈ آفس کی کمیٹیوں نے آگاہی سے اجلاس مستند کیے تاکہ سالانہ ریس پلان، باہمی کو شراہوں اور دیگر امور کی دان کے دائرہ کار کے مطابق خود بخود کے بعد منظوری دی جاسکے۔

ہیڈ آفس حیران کن شامل ہیں، جن میں ہمارے منتخب ڈائریکٹریٹ کے علاوہ MD&CEO بھی شامل ہیں جو کہ deemed آئیڈیٹریز ہیں۔ ہیڈ آفس میں چار آراء اور غیر آئیڈیٹریز شامل ہیں، جن میں سے دو خواتین ہیں، تاکہ مضامین کو فروغ دیا جاسکے۔

دوران سال، تکلیف نے انگریزی تکلیف میں اپنی کھلی میں اضافی کیا۔ اس کے علاوہ جنوری 2026 کے دوران FFC نے FFBL پاور تکلیف لپیٹ (FPCL) کا مکمل کنٹرول حاصل کر لیا اور FPCL کے حصص کی فروخت کے لیے فنی 50 فیصد بین FFC کے 16 ملین حصص جاری کر دیے۔ پاکستان انٹر بینکس ایگزیکٹوز کی فیکٹری کے عمل میں کامیاب کنسورٹیم میں شمولیت کے ذریعے ایرکائن میں سرمایہ کاری کی منظوری بھی دی گئی۔

FFC نے 2026 میں لاگو ہونے والے IFRS کے مطابق کاروبار کی استحکام کی سرگرمیوں کی موثر نگرانی اور پرنٹنگ کے لیے موثر نظام اور امور نافذ کیے ہیں۔

پاکستان انیشیایٹ آف کارپوریٹ گورننس (PICG) نے ہیڈ آفس کی کمیٹیوں کی کارکردگی کا مقصدی اور غیر جانبدارانہ جائزہ لیا، جس میں ہرکن کے لیے الگ الگ اور مجموعی اجلاس منعقد ہوئے۔

ہیڈ آفس صدران کو مستقل منافع فراہم کرنے کے ساتھ ساتھ ملک میں ترقیاتی تحفہ میں کردار ادا کرنے کے لیے کھلی کو ترقیاتی (Strategic) رسائی اور نگرانی فراہم کرنے کے لیے پوزم ہے۔

Anwar Ali Hayer

ایگزیکٹو ڈائریکٹر، جنرل مینجمنٹ، جنرل منیجر (ٹیکسٹائل) اور ہیڈ آفس

پاکستان

راولپنڈی

29 جنوری 2026



وادی کیلاش کے ماہر کار نگار نہایت مہارت سے پیچیدہ جیومیٹرک ڈیزائنوں پر مشتمل کشیدہ کاری ہاتھ سے تیار کرتے ہیں، جو کیلاش قوم کی رنگین روایات، شناخت اور صدیوں پرانی ثقافت کی خوبصورت ترجمانی کرتی ہے۔

07

ڈائریکٹرز رپورٹ

کمپنی اور گروپ کی کارکردگی پر ڈائریکٹرز کا تجزیہ

601	چیئر مین کا جائزہ
600	بینکنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر کا تبصرہ
599	مالیاتی سرمایہ
597	نمایاں خطرات اور مواقع
591	مستقبل کی توقعات
589	چیئر مین کا تجزیہ (گروپ)
588	گروپ کی مالیاتی کارکردگی
584	اڑتالیسویں سالانہ اجلاس عام کا نوٹس
576	بیلٹ پیپر
574	پراکسی فارم
572	پیژن آف شئیر ہولڈنگ FFC
568	پیژن آف شئیر ہولڈنگ - سبسیڈریز

سرورق

اُجھرتا ہوا افق ہماری اُس بلند ہمت پیش رفت کی علامت ہے جو مقررہ حدود سے آگے نئی وسعتوں کی جانب گامزن ہے، جبکہ مضبوط اور متوازن ساخت دیباہ صنعتی صلاحیت و مستحکم بنیادوں کی عکاسی کرتی ہے۔ گہرے نیلے پس منظر میں سکون، اعتماد اور ذمہ دارانہ قیادت کا تاثر نمایاں ہے۔ پھیلتا ہوا ارتباطی نقشہ اس امر کی عکاسی کرتا ہے کہ ہم نظم و ضبط اور حکمت عملی کے تحت تکنیکی شعبوں میں توسیع کرتے ہوئے متدرج کے نئے افق روشن کر رہے ہیں۔ ترقی کی شاخیں باہر کی جانب پھیلتی ہوئی ہمارے اس بنیادی ڈھانچے کو مزید مضبوط کرتی ہیں، ہامقصد تنوع اور مربوط سرمایے کی مؤثر تعیناتی کے ذریعے۔

یہ مجموعی اظہار ہمارے اس ارتقائی سفر کی عکاسی کرتا ہے جس کے تحت ہم وسعت اور ہمہ جہتی کے حامل ایک مربوط ادارے میں ڈھل چکے ہیں، جہاں نظم و ضبط سے حبڑی بصیرت پائیدار تدر میں تبدیل ہوتی ہے، اور مربوط نمو تدر کے نئے افق اُبھار کرتی ہے۔





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