

April 8, 2015
FATIMA/EXC/15/A-0013

The General Manager,
Karachi Stock Exchange Limited
Karachi Stock Exchange Building, K.S.E Road,
Karachi.
Fax No. 021-111-573-329

The General Manager,
Lahore Stock Exchange Limited
19, Khayaban-e-Aiwan-e-Iqbal,
P.O. Box: 1315,
Lahore-54000
Fax No. 042- 36368485

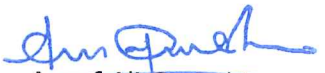
The General Manager,
Islamabad Stock Exchange Limited
ISE Towers
55-B, Jinnah Avenue,
Islamabad.
Fax No. 051-111-473-329

Subject: Notice of Annual General Meeting

Dear Sir,

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on April 30, 2015 for circulation amongst your members.

Yours Sincerely,



Ausaf Ali Qureshi
Company Secretary

Encl: As above

NOTICE OF THE 12TH ANNUAL GENERAL MEETING

Notice is hereby given that the 12TH Annual General Meeting of the shareholders of FATIMA FERTILIZER COMPANY LIMITED will be held on Thursday, April 30, 2015 at 10:30 a.m. at Royal Palm Golf and Country Club, 52-Canal Bank Road, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of the 11th Annual General Meeting held on April 30, 2014.
2. To receive, consider and adopt the audited financial statements of the Company together with the directors' and auditors' reports thereon for the year ended December 31, 2014.
3. To consider and approve final cash dividend for the year ended December 31, 2014 at Rs. 2.75 per share i.e., 27.5% as recommended by the Board of Directors.
4. To appoint Auditors for the year ending December 31, 2015 and to fix their remuneration. The Audit Committee and the Board of Directors have recommended for reappointment of M/s M. Yousuf Adil Saleem & Co. Chartered Accountants as external auditors.

Special Business

5. To consider and approve change in nature of PKR 3 billion loan extended to associated Company namely Pakarab Fertilizers Limited from Short Term Loan to renewable limit in the nature of Running Finance Facility for period(s) of one year and to pass the following Special Resolution(s) with or without modification(s):

“Resolved that the consent and approval be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 and “Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012” for extension of repayment period of Loan of Rs. 3 billion to Pakarab Fertilizers Limited for one year and for change of nature of Loan to renewable limit in the nature of Running Finance Facility to be repaid within 30 days of the notice of demand. The limit in the nature of Running Finance Facility shall be renewable in next general meeting(s) for further period(s) of one year.

Resolved further that the secretary, the CFO and any director of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”

6. To consider and approve loan investment of an aggregate amount of PKR 500 million in associated company namely Reliance Commodities (Pvt) Limited for period(s) of one year and to pass the following Special Resolution(s) with or without modification(s):

“Resolved that the consent and approval be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 for providing a loan in one or more tranches as Running Finance Facility of up-to an aggregate amount of Rs. 500 million (Rupees Five Hundred Million Only) to Reliance Commodities (Pvt) Limited (RCL), an associated company, for a period of one year to be repaid within 30 days of the notice of demand. The limit in the nature of Running Finance Facility shall be renewable in next general meeting(s) for further period(s) of one year.

Resolved further that the secretary, the CFO and any director of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”

Other Business

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

A statement under Section 160(1)(b) of the Companies Ordinance, 1984 setting out the material facts concerning the special business is annexed herewith.

By order of the Board



Ausaf Ali Qureshi
Company Secretary

Lahore
April 08, 2015

Notes:

1. The Share Transfer Books of the Company will remain closed from April 24, 2015 to April 30, 2015 (both days inclusive). Transfers received in order at the office of our Share Registrar/Transfer Agent, Central Depository Company of Pakistan Limited by the close of business on April 23, 2015 will be treated in time for the aforesaid purpose.
2. A member entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
3. An individual beneficial owner of shares from CDC must bring his/her original CNIC or Passport, Account and Participant's I.D. numbers to prove his/her identity. A representative of corporate members from CDC, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee.
4. The members are requested to notify the change of address, Zakat Declaration and Tax Exemption Status with its valid certificate, if any, immediately to our Share Registrar/Transfer Agent M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400.

Special notes to the Shareholders:

1. **Transmission of Audited Financial Statements along with Notice of Annual General Meeting through E-mail:**
Members are hereby informed that pursuant to SECP SRO 787(1)/2014 dated September 8, 2014, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.

In compliance with the above requirements, members who wish to receive the Annual Report in electronic form may file an application as per the format provided on the Company's website (also **annexed herewith**) in compliance with the subject SRO. The members who provide consent to receive Annual Report through email can subsequently request a hard copy which shall be provided free of cost within seven days; however, the Company shall continue to send hard copy to all other members as per practice in vogue.

Members are also requested to intimate any change in their registered email address on a timely manner, to ensure effective communication by the Company.

2. **Withholding Tax on Dividends:**

Government of Pakistan through Finance Act, 2014 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

- | | |
|---|-----|
| (a) For filers of income tax returns: | 10% |
| (b) For non-filers of income tax returns: | 15% |

To enable the Company to make tax deduction on the amount of cash dividend @ 10% instead of 15%, all the shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers are advised to make sure that their names are entered into ATL before the date of approval of the cash dividend i.e. April 30, 2015 otherwise tax on their cash dividend will be deducted @ 15% instead of 10%.

Please further note that according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Joint Holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold shares with joint shareholders, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar Central Depository Company of Pakistan Limited, CDC House, 99 — B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, in writing as follows:

Folio / CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must be reached to our Share Registrar by April 23, 2015, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

3. Submission of Copies of CNIC/NTN:

The Securities & Exchange Commission of Pakistan (SECP) vide its SRO 779 (D/2011 dated August 18, 2011, SRO 831(0/2012 dated July 5, 2012 and SRO 19 (D/2014 dated January 10, 2014 has made it mandatory that the dividend warrants should bear the Computerised Identity Card Number (CNIC) of the registered member or authorised person, except in the case of minor(s) and corporate members. Therefore individual members or their authorised representatives who have not yet provided an attested copy of their valid CNICs to the Company/ Shares Registrar are requested to provide the same at their earliest to avoid any inconvenience.

The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) 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. Central Depository Company of Pakistan Limited, Karachi. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.

Statement under section 160(1) (b) of the Companies Ordinance, 1984

Item 5 of the Agenda:

As per the disclosure requirement of Para 4(1) of the S.R.O. 27(I)/2012 dated January 16, 2012, it is informed that the following directors of the Company are also the directors in the investee company and the following relatives of the directors are also the shareholders of the investee company, however, the directors/relatives have no direct or indirect interest except to the extent of shareholding in the investee company:

Directors	Relatives
1) Mr Arif Habib	1) Mrs Zetun Arif
2) Mr Fawad Ahmed Mukhtar	2) Mrs Ambreen Fawad
3) Mr Fazal Ahmed Sheikh	3) Ms Meraj Fatima
4) Mr Faisal Ahmed Mukhtar	
5) Mr Muhammad Kashif Habib	

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

The information required under S.R.O.27(I)/2012 is provided below:

Sr. No.	Description	Information Required														
(i)	Name of investee company or associated undertaking along with criteria based on which the associated relationship is established	Pakarab Fertilizers Limited due to common directorship by the following: 1) Mr Arif Habib 2) Mr Fawad Ahmed Mukhtar 3) Mr Fazal Ahmed Sheikh 4) Mr Faisal Ahmed Mukhtar 5) Mr Muhammad Kashif Habib														
(ii)	Amount of Loans or Advances	PKR 3.00 Billion														
(iii)	Purpose of Loans or Advances and benefits likely to accrue to the investing Company and its members from such loans or advances	To continue investment of Company's funds at attractive rate of mark-up.														
(iv)	In case any Loan has already been granted to the said associated company or associated undertaking, the complete details thereof	Loan of PKR 3.00 billion was given pursuant to special resolutions of the Company passed on June 29, 2013 and April 30, 2014. It is being charged at the mark-up rate of 6M KIBOR + 2.12 but not less than the borrowing cost of Fatima. The Company is now seeking approval for extension of repayment period of loan for one year and for change of nature of Loan to renewable limit in the nature of Running Finance Facility to be repaid within 30 days of the notice of demand. The limit in the nature of Running Finance Facility shall be renewable in next general meeting(s) for further period(s) of one year.														
(v)	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	As per the Financial Statements for the year ended December 31, 2014 <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: right;">PKR in Billion</th> </tr> </thead> <tbody> <tr> <td>Authorized Capital</td> <td style="text-align: right;">10.0</td> </tr> <tr> <td>Paid Up Capital</td> <td style="text-align: right;">4.5</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">3.15</td> </tr> <tr> <td>Deferred Tax Liability</td> <td style="text-align: right;">10.18</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">18.61</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">8.99</td> </tr> </tbody> </table>	PKR in Billion		Authorized Capital	10.0	Paid Up Capital	4.5	Non-Current Liabilities	3.15	Deferred Tax Liability	10.18	Current Liabilities	18.61	Current Assets	8.99
PKR in Billion																
Authorized Capital	10.0															
Paid Up Capital	4.5															
Non-Current Liabilities	3.15															
Deferred Tax Liability	10.18															
Current Liabilities	18.61															
Current Assets	8.99															

		Revenue Gross Profit Finance Cost Loss After Tax	14.25 1.98 1.6 (0.25)
(vi)	Average borrowing cost of the investing company		11.46%
(vii)	Rate of interest, mark up, profit, fees or commission etc. to be charged		6M KIBOR+2.12 but not less than the borrowing cost of Fatima
(viii)	Sources of funds from where loans or advances will be given		Not applicable
(ix)	Where loans or advances are being granted using borrowed funds: 1. Justification for granting loan or advance out of borrowed funds; 2. Detail of guarantees/ assets pledged for obtaining such funds, if any; 3. Repayment schedules of borrowing of the investing company		Not applicable
(x)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any		Security for the loan was previously obtained in the form of a charge over fixed assets of the investee company. This charge shall be vacated on the repayment of the entirety of the loan
(xi)	If the loans or advances carry conversion feature		Not applicable
(xii)	Repayment schedule and terms of loans or advances to be given to the investee company		The Loan will be repayable within a year within 30 days of the notice of demand unless renewed by mutual consent of the parties, provided shareholders of Fatima approve any renewal.
(xiii)	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Agreement:	<ol style="list-style-type: none"> The parties agree to extend the repayment period for one year and to change the nature of Loan to renewable limit in the nature of Running Finance Facility to be repaid within 30 days of the notice of demand. The limit in the nature of Running Finance Facility shall be renewable in next general meeting(s) for further period(s) of one year. Markup will be charged on the Loan at the rate of 6M KIBOR+2.12 but not less than the borrowing cost of Fatima. Markup is payable on quarterly basis. On repayment of the Loan, the charge over the fixed assets of investee company is to be vacated
(xiv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration		<p>The following directors of the Company are also the directors in the investee company and the following relatives of the directors are also the shareholders of the investee company, however, the directors/relatives have no direct or indirect interest except to the extent of shareholding in the investee company:</p> <p>Directors</p> <ol style="list-style-type: none"> Mr Arif Habib Mr Fawad Ahmed Mukhtar

Am

		3) Mr Fazal Ahmed Sheikh 4) Mr Faisal Ahmed Mukhtar 5) Mr Muhammad Kashif Habib Relatives 1) Mrs Zetun Arif 2) Mrs Ambreen Fawad 3) Ms Meraj Fatima
(xv)	Any other important details necessary for the members to understand the transaction	None
(xvi)	In case of investment in a project of an associated company or associated undertaking that has not commenced operations: 1. Description of the project and its history since conceptualization; 2. Starting date and expected dated of completion; 3. Time by which such project shall become commercially operational; 4. Expected return on total capital employed in the project; 5. Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts	Not applicable

Item 6 of the Agenda:

As per the disclosure requirement of Para 4(1) of the S.R.O. 27(1)/2012 dated January 16, 2012, it is informed that the following directors of the Company are also the directors in the investee company and the following relatives of the directors are also the shareholders of the investee company, however, the directors/relatives have no direct or indirect interest except to the extent of shareholding in the investee company:

Directors

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

Relatives

- 1) Mrs Farah Faisal

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

The information required under S.R.O.27(1)/2012 is provided below:

Sr. No.	Description	Information Required
(i)	Name of investee company or associated undertaking along with criteria based on which the associated relationship is established	Reliance Commodities (Pvt) Limited (RCL) due to common directorship by the following: 1) Mr Fawad Ahmed Mukhtar 2) Mr Fazal Ahmed Sheikh 3) Mr Faisal Ahmed Mukhtar
(ii)	Amount of Loans or Advances	PKR 500 Million
(iii)	Purpose of Loans or Advances and benefits likely to accrue to the investing Company and its members from such loans or advances	To support the functionality and operations of associated undertaking and to make investment of Company's funds at attractive rate of mark-up.

(iv)	In case any Loan has already been granted to the said associated company or associated undertaking, the complete details thereof	Nil
(v)	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	As per the unaudited Financial Statements for the half year ended December 31, 2014 PKR in Million Authorized Capital 100 Paid Up Capital 80.05 Unappropriated Profit 8,450 Non-Current Liabilities 0 Deferred Tax Liability 0.542 Current Liabilities 776 Current Assets 9,060 Revenue 2,870 Gross Profit 371 Finance Cost 47 Profit After Tax 1,549
(vi)	Average borrowing cost of the investing company	11.46%
(vii)	Rate of interest, mark up, profit, fees or commission etc. to be charged	6M KIBOR+2.12 but not less than the borrowing cost of Fatima
(viii)	Sources of funds from where loans or advances will be given	From own sources of the Company
(ix)	Where loans or advances are being granted using borrowed funds: 1. Justification for granting loan or advance out of borrowed funds; 2. Detail of guarantees/ assets pledged for obtaining such funds, if any; 3. Repayment schedules of borrowing of the investing company	Not applicable
(x)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	As security for the loan, RCL shall provide a charge over present and future current assets.
(xi)	If the loans or advances carry conversion feature	None
(xii)	Repayment schedule and terms of loans or advances to be given to the investee company	The Loan will be repayable within a year within 30 days of the notice of demand unless renewed by mutual consent of the parties, provided shareholders of Fatima approve any renewal.
(xiii)	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	Agreement: 1. Fatima has agreed to provide a loan of Rs. 500 Million as Running Finance Facility to RCL for a period of one year to be repaid within 30 days of the notice of demand. The limit in the nature of Running Finance Facility shall be renewable in next general meeting(s) for further period(s) of one year. 2. Markup will be charged on the Loan at the rate of 6M KIBOR+2.12 but not less than the borrowing cost of Fatima. Markup is payable on quarterly basis.

		3. As security for the loan, RCL shall provide a charge over present and future current assets
(xiv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associates company or associated undertaking or the transaction under consideration	<p>The following directors of the Company are also the directors in the investee company and the following relatives of the directors are also the shareholders of the investee company, however, the directors/relatives have no direct or indirect interest except to the extent of shareholding in the investee company:</p> <p>Directors</p> <ol style="list-style-type: none"> 1) Mr Fawad Ahmed Mukhtar 2) Mr Fazal Ahmed Sheikh 3) Mr Faisal Ahmed Mukhtar <p>Relatives</p> <ol style="list-style-type: none"> 1) Mrs Farah Faisal
(xv)	Any other important details necessary for the members to understand the transaction	None
(xvi)	<p>In case of investment in a project of an associated company or associated undertaking that has not commenced operations:</p> <ol style="list-style-type: none"> 1. Description of the project and its history since conceptualization; 2. Starting date and expected dated of completion; 3. Time by which such project shall become commercially operational; 4. Expected return on total capital employed in the project; 5. Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts 	Not applicable

Consent Form for Transmission of Audited Financial Statements along with Notice of AGM through E-mail

Annexure

Date

In-charge, Share Registrar Department
Central Depository Company of Pakistan Limited,
CDC House, 99-B, Block-B, S.M.C.H.S.,
Mian Shakra-e-Faisal
Karachi.
Customer Support Services: 0800-CDCPL(23275)
Email: info@cdcpak.com
Website: www.cdcpakistan.com

Sub: Consent for Transmission of Audited Financial Statements along with Notice of Annual General Meeting through E-mail

I hereby instruct the company M/s Fatima Fertilizer Company Limited to send me the Company's annual balance sheet and profit and loss account, auditors' and directors' reports thereon along with notice of Annual General Meeting (AGM) (Audited Annual Financial Statements) at my email address as per detail given below:

FOLIO / CDS ACCOUNT NO.:
NAME OF SHAREHOLDER:
VALID E-MAIL ADDRESS:
CONTACT NO.:
CNIC NUMBER:
SIGNATURE OF SHAREHOLDER:

Yours sincerely,

Amir