

NOTICE OF THE 13TH ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting of the shareholders of FATIMA FERTILIZER COMPANY LIMITED will be held on Wednesday, April 27, 2016 at 11:00 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 12th Annual General Meeting held on April 30, 2015.
2. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company together with the Directors' and Auditors' Reports thereon for the year ended December 31, 2015.
3. To appoint Auditors for the year ending December 31, 2016 and to fix their remuneration. The Audit Committee and the Board of Directors have recommended for reappointment of M/s Deloitte Yousuf Adil Chartered Accountants as external auditors.

Special Business

4. To consider and approve renewal of running finance facility limit extended to associated company namely Pakarab Fertilizers Limited for further period of one year and to pass the following Special Resolution(s) with or without modification(s):

“Resolved that the consent and approval be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 and “Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012” for renewal of Running Finance Facility limit of up-to an aggregate amount of Rs. 3 billion extended to Pakarab Fertilizers Limited for further 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.”

5. To consider and approve renewal of running finance facility limit extended to associated company namely Reliance Commodities (Pvt) Limited for further period of one year and to pass the following Special Resolution(s) with or without modification(s):

“Resolved that the consent and approval be and is hereby accorded under Section 208 of the Companies Ordinance, 1984 and “Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012” for renewal of Running Finance Facility limit of up-to an aggregate amount of Rs. 500 million extended to Reliance Commodities (Pvt) Limited for further 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.

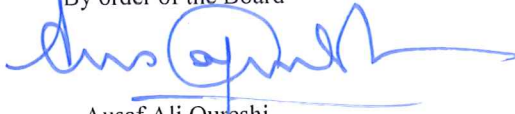
Resolved further that the secretary, the CFO and any director of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto.”

Other Business

6. 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.

Lahore
April 05, 2016

By order of the Board

Ausaf Ali Qureshi
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from April 21, 2016 to April 27, 2016 (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 20, 2016 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.
5. **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.

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

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

Item 4 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/directorship 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(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	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	Up to 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 an aggregate amount of up to PKR 3.00 billion in the nature of renewable running finance facility was given pursuant to special resolution of the Company passed on April 30, 2015. It is being charged at the mark-up rate of 6M KIBOR + 2.12 but not less than the borrowing cost of Fatima and to be repaid within 30 days of the notice of demand. The Company is now seeking approval for renewal of this running finance facility for further period 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 period ended September 30, 2015 <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right;">PKR in Billion</th> </tr> </thead> <tbody> <tr> <td>Authorized Capital</td> <td style="text-align: right;">10.0</td> </tr> <tr> <td>Paid up capital and reserves</td> <td style="text-align: right;">6.16</td> </tr> <tr> <td>Surplus on revaluation of operating fixed assets</td> <td style="text-align: right;">14.31</td> </tr> <tr> <td>Non-Current Liabilities</td> <td style="text-align: right;">13.50</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">28.82</td> </tr> <tr> <td>Current Assets</td> <td style="text-align: right;">19.54</td> </tr> <tr> <td>Non-Current Assets</td> <td style="text-align: right;">43.25</td> </tr> </tbody> </table>		PKR in Billion	Authorized Capital	10.0	Paid up capital and reserves	6.16	Surplus on revaluation of operating fixed assets	14.31	Non-Current Liabilities	13.50	Current Liabilities	28.82	Current Assets	19.54	Non-Current Assets	43.25
	PKR in Billion																	
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Non-Current Liabilities	13.50																	
Current Liabilities	28.82																	
Current Assets	19.54																	
Non-Current Assets	43.25																	

		Revenue	9.45
		Gross Profit	1.18
		Finance Cost	1.21
		Loss After Tax	0.30
(vi)	Average borrowing cost of the investing company	9.15%	
(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	Already given/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	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	<p>Agreement:</p> <ol style="list-style-type: none"> The parties agree to extend the repayment period of the Running Finance Facility to be repaid within 30 days of the notice of demand for one year. 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/directorship in the investee company:</p> <p>Directors</p> <ol style="list-style-type: none"> Mr. Arif Habib Mr. Fawad Ahmed Mukhtar Mr. Fazal Ahmed Sheikh 	

And

		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 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/directorship 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
- 2) Mr. Muhammad Mukhtar Sheikh
- 3) Mr. Asad Muhammad Sheikh
- 4) Mr. Mohid Muhammad Ahmed

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	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 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	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 audited Financial Statements for the year ended June 30, 2015 PKR in Million Authorized Capital 100 Paid up capital and reserves 9,662 Surplus on revaluation of property, plant and equipment 194 Non-Current Liabilities 1,040 Current Liabilities 1,400 Current Assets 10,750 Non-Current Assets 507 Revenue 3,263 Gross Profit 435 Finance Cost 106 Profit After Tax 2,607
(vi)	Average borrowing cost of the investing company	9.15%
(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	Already given/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	Security for the loan was previously obtained in the form of a charge over present and future current assets. This charge shall be vacated on the repayment of the entirety of the loan
(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. The parties agree to extend the repayment period of the Running Finance Facility to be repaid within 30 days of the notice of demand for further period of one year. 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

And

		<p>KIBOR+2.12 but not less than the borrowing cost of Fatima. Markup is payable on quarterly basis.</p> <p>3. On repayment of the Loan, the charge over the current assets of investee company is to be vacated</p>
(xiv)	<p>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>	<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/directorship 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 2) Mr. Muhammad Mukhtar Sheikh 3) Mr. Asad Muhammad Sheikh 4) Mr. Mohid Muhammad Ahmed
(xv)	<p>Any other important details necessary for the members to understand the transaction</p>	<p>None</p>
(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 	<p>Not applicable</p>