

INDIGENOUS FERTILIZER SECTOR: COMPETITIVE DYNAMICS AND DIVERSIFICATION

A Company to Company Analysis (2017-2023)



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Indigenous Fertilizer Sector: Competitive Dynamics and Diversification

A Company to Company Analysis (2017-2023)

Author:

Muhammad Bashir Khan, FCMA

Dedication

This work is dedicated to my beloved life partner, Nasreen Bano, an extraordinary woman who departed this world at the age of 46. Nasreen's beauty, charm, and stoic nature, coupled with her unwavering support for my professional education and career, were truly remarkable. Her sweet, heartfelt voice, caring spirit, boundless kindness, and profound love touched everyone around her, including our children, parents, relatives, and family friends. This sacred soul left us when I was at the peak of my career, and our four children had completed their education and were happily married. She left us when all the goals she might have set in her mind were accomplished. May Allah rest her soul in eternal peace. **Ameen.**

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FOREWORD

I am pleased to acknowledge the significant time and effort that Mr. Muhammad Bashir Khan, FCMA, has dedicated to this challenging endeavor, and his commitment is truly commendable. The comprehensive document he has compiled, featuring various graphs and tables that illustrate the fertilizer industry's growth journey, performance, and detailed company-to-company comparisons, will undoubtedly serve as a valuable resource for anyone seeking to understand the dynamics of this sector.

Mr. Khan's thorough work is primarily based on the financial statements of fertilizer manufacturing companies listed on the Pakistan Stock Exchange for the period from 2017 to 2023. The resulting document provides a complete overview of the various aspects of the fertilizer industry, enabling stakeholders to gain insights in a matter of minutes. In addition to an overview of industry performance presented through diverse graphs, this document includes multiple tables highlighting critical information such as available capacity, expansions, utilization rates, investments, sales, dispatches, workforce statistics, profitability, per-share breakdowns, dividends, and more. It also addresses the diversification efforts undertaken by fertilizer companies and their impact on earnings.

Each table presents annual and company-specific data from 2017 to 2023, allowing for a clear understanding of various facets of the industry. I extend my gratitude to Mr. Muhammad Bashir Khan for presenting such an excellent document, and I hope it proves useful to all concerned stakeholders. Previously, he provided a similar analysis of the Cement Industry titled **"A Report on the Growth Trajectory and Competitive Landscape of the Indigenous Cement Industry – A Company-to-Company Performance Analysis 2017-23,"** which was well received by shareholders and is available on the Institute's website.

<https://rb.gy/r7f3xi>

At the conclusion of the report, Mr. Khan extensively discusses the future of the industry. He rightly advocates for exploring alternative raw materials for urea production, such as the gasification of coal, as demonstrated by a neighboring country. This shift to substitute raw materials could significantly transform the industry dynamics, making it more sustainable and competitive, while serving as a vital pillar for Pakistan's food security.

This book indeed stands as a masterpiece of the Institute's policy to promote research through monetary rewards, a vision introduced in 2012 by the then President, Mr. Zia-ul-Mustafa, and refined in 2018. The Institute remains dedicated to expanding research for the benefit of its members and stakeholders.

Muhammad Yasin, FCMA

Vice President ICMA and
Chairman, Research and Publications Committee



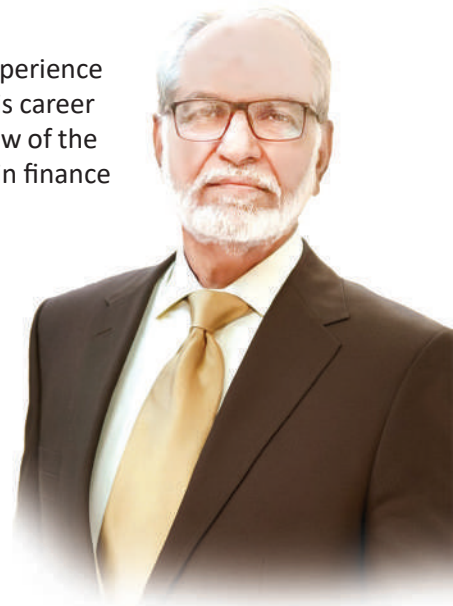
ABOUT THE AUTHOR

Muhammad Bashir Khan is a seasoned professional with over fifty years of experience in finance, accounts, and management across various sectors in Pakistan. Starting his career in 1971, he rose to prominence through dedication and skill, becoming a senior fellow of the Institute of Cost and Management Accountants of Pakistan, reflecting his expertise in finance and cost management.

A law graduate and a fellow of the Institute of Corporate Secretaries of Pakistan, he has extensive experience in corporate governance, having served as a Company Secretary for public listed companies in Pakistan.

Beyond his professional accomplishments, Khan is an active writer on platforms such as Medium and national publications, focusing on morality and motivation. His first publication, a detailed report on Pakistan's cement industry, showcases his analytical skills and is available on the Institute's website.

<https://rb.gy/r7f3xi>



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Acknowledgment

I would like to express my heartfelt gratitude and deep appreciation to Mr. Muhammad Yasin, Vice President ICMA and Chairman, Research and Publications Committee, for his invaluable guidance and insightful contributions. My sincere thanks also go to Mr. Aamir Ejaz Khan, Executive Director of ICMA, for his unwavering support and assistance, as well as to Mr. Shahid Anwar, Director of Research and Publications and his close associate, Ms. Maiyra Ahmed, Assistant Director for their valuable suggestions that greatly enhanced the quality of this work. Lastly, I extend my special thanks to Mr. Muhammad Wajahat Khan, Graphic Designer of the Institute, for his exceptional creativity and dedication in designing, coloring, and formatting this work, making it presentable and impactful.

Together, their efforts, expertise, and encouragement have been instrumental in the successful completion of this work, and I am profoundly grateful to all of them.

PREFACE

The indigenous fertilizer sector plays a pivotal role in ensuring food security and agricultural sustainability. This report provides a comprehensive analysis of the competitive landscape of the sector from 2017 to 2023. Due to limitations in the expansion landscape, players in the fertilizer sector have been exploring other areas for investment to ensure growth in shareholders' wealth. Therefore, this study, in addition to providing a detailed company-to-company performance analysis, offers insights into the diversification strategies of fertilizer companies into other sectors.

Contribution to Economy

The agricultural sector in Pakistan is a critical component of the national economy, contributing 24% to the GDP and employing 37.4% of the workforce. It also significantly supports the fertilizer sector contributing over 4% to this large scale manufacturing segment of the economy. According to the ministry of finance, Agriculture sector is projected to grow by 6.25% in FY24, with the crop sub-sector projecting an increase of 11.03% compared to the previous year. Fertilizers, a crucial input in agriculture, played a vital role in boosting crop production, especially for wheat, rice, and cotton which led to reduced food prices and a lower consumer price index. Bumper crop of cotton has reduced imports of raw cotton for the local textile industry.

Overall domestic production of fertilizers during FY2024 (July-March) increased by 17.3 percent to 3.253 million tons over the same period of FY2023 (2.773 million tons), while import of fertilizer also increased by 23.7 percent (524 thousand tons). Hence, fertilizer availability increased by 18.1 percent (3.776 million tons). Total offtake of fertilizer nutrients also increased by 18.7 percent (3.957 million tons). This growth underscores the importance of agriculture in driving national growth, providing employment, reducing poverty, and mitigating the migration to urban areas.

Direct Employment

The fertilizer sector contributes to the GDP in several ways. First, the sector generates direct employment for almost 100,000 people. Second, the sector generates indirect employment for more than 200,000 people in the transportation, marketing, and retail sectors. The total employment generated by the fertilizer sector in Pakistan is estimated to be about 286,250 jobs. This number includes both direct and indirect employment. In addition to this direct employment, the sector supports a vast network of dealers, creating more employment opportunities and sustaining a substantial workforce across the country. The industry is also known for being a good paymaster, offering competitive salaries and benefits, that increases employee satisfaction and loyalty. As a result, many employees prefer to stay with their companies until retirement, reflecting the sector's strong commitment to workforce stability and well-being.

Government Support and Regulation

The indigenous fertilizer industry is crucial for agriculture and is closely regulated by the government, overseeing its market prices, raw material supplies, subsidies, and other related factors. Over the past 4-5 decades, the industry has received substantial support, including cheap gas, tax holidays, and duty-free machinery imports. However, due to limited gas supplies and its low pressures, the industry sometimes faces shutdowns, necessitating imports to meet demand. For instance, two SNGPL-based plants were shut down for three months from July to March 2023, leading to a production shortfall of 210 thousand tons, which was offset by importing 220 thousand tons (*Pakistan Economic Survey 2023-24*).

Historical Context and Production Trends

The initial introduction of fertilizer in Pakistan began in the 1950s, primarily through imports. Nitrogenous¹ chemical fertilizers were introduced through this channel in 1952, followed by phosphorus in 1959 and potassium in 1967. In 1950s, the use of fertilizers was realized and nitrogenous chemical fertilizers were introduced in 1952 through imports followed by phosphorus in 1959 and potassium in 1967. Fertilizer usage gained momentum after 1970, when farmers realized the role of fertilizer and vigorously sought the use of fertilizer for better output that enhanced their income and standard of living.

In 1958, first fertilizer plant was commissioned by Pak-American Fertilizers Limited (now Agritech Limited), with an annual capacity of 50,000 MTPA of Ammonium Sulphate based on indigenous coal and gypsum as raw material. After the discovery of natural gas, the first urea manufacturing plant in government of Pakistan was established in 1968 by Esso Pakistan (now Engro Fertilizers Limited) with an annual capacity of 173,000 tons. This was followed by Pakarab Fertilizers (Pvt.) Limited in 1973, a joint venture between Pakistan and Abu Dhabi. Fauji Fertilizer Company Ltd. was established in 1978 for the production of urea. Now a substantial part of the fertilizer needs are fulfilled by the indigenous production and the aggregate production capacity of the fertilizer sector stands at 9.1 million tons. Urea contributes about 70% to the total indigenous production from various plants owned and operated by 5 listed companies other fertilizers include DAP (7%), CAN (10%), NP (7%) NPK, SSP (6%) etc.

Product Knowledge, Raw Materials, and their Workability

The report includes fundamental knowledge about various fertilizer products, produced indigenously enumerated supra. It also details their raw materials, ingredients, and other uses, along with how these fertilizers contribute to achieving better agricultural output. Complex chemistry formulae or combination have been avoided to make the reader understand the fundamental roles of these soil nutrients.

Company Performance Analysis

This report examines five fertilizer manufacturing companies listed on the Pakistan Stock Exchange (PSX), with a combined annual production capacity of 8,711K tons – 96% of the total indigenous production capacity. The analysis covers various performance metrics such as available capacity, capacity utilization, human resources, sales, dispatches, profits, profitability analysis, contribution to the national exchequer and human resources directly applied in the sector.

Financial Metrics

The report also provides detailed information including:

- Earnings Per Share (EPS)
- Dividend Per Share (DPS)
- Return on equity and Return on Assets
- Number of Persons employed
- Breakup value of each company's share
- Market share price
- Shareholders' equity
- Market capitalization – the real worth of shares

Diversification

Please rephrase it as “The second part of the report discusses the consolidated results of fertilizer companies that have invested in other businesses, along with their contributions to shareholders’ wealth.”

Recent Developments in Fauji Fertilizer Company Limited (FFC)

1. Acquisition of Agritech Limited by FFC

Please rephrase it as: On September 10, 2024, Fauji Fertilizer Company Limited (FFC) announced its intention to acquire shares and control of Agritech Limited. The Company Secretary of FFC disclosed this potential acquisition to the Pakistan Stock Exchange (PSX). As part of the process, the Integrated Equities Limited (IEL) has been appointed as the Manager to Offer (MTO) for this transaction. This strategic move is likely aimed at expanding FFC’s operational base and securing a foothold in the agribusiness sector.

2. Amalgamation of FFC and Fauji Fertilizer Bin Qasim Limited (FFBL)

On September 20, 2024, the Boards of Directors of both Fauji Fertilizer Company Limited (FFC) and Fauji Fertilizer Bin Qasim Limited (FFBL) approved a scheme of amalgamation. As part of this scheme, one share of FFC will be allocated for every 4.29 shares of FFBL held. This amalgamation was also disclosed to the Pakistan Stock Exchange, signaling further consolidation within the Fauji Fertilizer Group.

These recent developments indeed indicate that Fauji Fertilizer Company Limited (FFC) is strategically positioning itself for significant growth through both acquisition and consolidation. After the completion of the Agritech Limited acquisition and the amalgamation with Fauji Fertilizer Bin Qasim Limited (FFBL), FFC’s total market share in Pakistan’s fertilizer industry is projected to rise to approximately 42%.

This consolidation would result in a more concentrated market, reducing the number of fertilizer-producing companies listed on the Pakistan Stock Exchange (PSX) from five to three. The remaining players would likely face increased competition, while FFC strengthens its dominance in the sector, potentially leading to enhanced operational efficiencies, economies of scale, and a stronger bargaining position within the supply chain.

These moves could also encourage further consolidation within the industry, reshaping the competitive landscape of Pakistan’s fertilizer market.

Conclusion

The preparation of this report has involved substantial effort over several days to ensure it delivers comprehensive information succinctly. Despite the hard work, any omissions are unintentional and should be forgiven but pointed out for correction in the next edition.

Muhammad Bashir Khan, FCMA

CHAPTER 1

Seven Years of the Fertilizer Industry 2017 – 2023

“Agriculture needs to be modernized so as to give work to youth, women, and men from the country.”
Slain Hattian President, Jovenel Moise

“Two out of every five people on Earth today owe their lives to the higher crop outputs that fertilizer has made possible.” **Bill gates**

“We need to give each other the space to grow, to be ourselves, to exercise our diversity. We need to give each other space so that we may both give and receive such beautiful things as ideas, openness, dignity, joy, healing, and inclusion.” **Max De Pree 1924-2017**

This analysis compares five fertilizer manufacturers across various efficiency and operational metrics, showcasing their cumulative performance over the last seven years. Among these players, four operate at 90% of the total indigenous capacity, while the fifth, despite being the oldest, is a smaller player with only 6% of the total capacity of the country. The remainder 4% is contributed by different small players.

The bottom lines of all manufacturers differ significantly due to factors such as raw material prices, human resources, cost of finance, fuel cost, and depreciation. These factors have been thoroughly portrayed and compared.

Due to raw material constraints, particularly for urea, they have either diversified their activities or are considering diversification into other business ventures. Expansion seems unlikely unless significant gas reserves are discovered or gas imports from Tajikistan or Iran become feasible. Despite challenges such as COVID-19, floods, and depressed economic activities, the fertilizer sector performed well, demonstrating excellence and stability due to the essential nature of fertilizers for agriculture.

During this period, four of the five players continued to maximize shareholder wealth through diversification and dividend payouts. Three out of the five consistently paid dividends without interruption over the last seven years.

This report, however does not label any player as efficient or a poor performer; rather, it presents data and graphs for the industry and for each company to enable readers to assess and differentiate their relative standings in the market. The analysis covers both a stand-alone comparison of each player's fertilizer operations and an evaluation of their diversification strategies.

It may be noted and understood that the success of any business venture is heavily influenced by the vision of its Chief Executive Officer. Effective business leadership parallels the famous 2 + 2 dictum, applying equally to both natural and juridical persons, with the latter always led by the former. The intelligence, foresightedness, passion, dedication, and hard work of a CEO are crucial to a business's success. The board of directors, in their fiduciary role representing shareholders, must choose a leader who embodies these essential qualities. Failing to do so could result in significant future setbacks for the company and the main stakeholders – shareholders who have initially invested their savings in the venture. Merely having past affiliations with a department or having held the highest position in other sphere are not sufficient merit for selecting a chief executive officer. In case of government controlled corporations, the same must be applied invariably otherwise there are 100% chances of loss of public money as we have observed in many government controlled corporations.

The CEO must be that person who loves his jobs as Steve Jobs famously stated, "The only way to do great work is to love what you do." Additionally, "Success is no accident. It is hard work, perseverance, learning, studying, sacrifice and most of all, love of what you are doing or learning to do." — Pele

We will observe that the bottom lines of each player differs from the other therefore, instead of any negativity in their minds those who are lagging must fully commit to putting in extra effort to reach the standards set by industry leaders. By embracing dedication, resilience, and passion, individuals and organizations can go forward to greatness and overcome obstacles on the path to success.

Various facets of the fertilizer manufacturing industry, including the kinds of fertilizers produced, introduction and size of the players, metrics used to assess industry-wide performance and individual company achievements, are presented in the following sections.

CHAPTER 2

Types of Fertilizers produced in Pakistan

Pakistan produces various types of fertilizers which ensure availability of different fertilizers to address different soil and crop requirements, promote sustainable agricultural practices and enhance crop yields. The farmers have choice to select the fertilizers best suited to their land needs for the optimization of their crop output.

Urea remains the dominant fertilizer due to its high nitrogen content and its affordable cost, but the production of other fertilizers like DAP, CAN, NPK, NP etc., ensure that a wide range of agricultural needs are fulfilled and the farmers get better returns against the input injected into the farmlands.

Urea

Importance and Characteristics

Urea is the most important nitrogenous fertilizer available on the market, containing the highest nitrogen content of about 46%. It is a white crystalline organic chemical compound, neutral in pH, and adaptable to almost all types of soils. Urea is the most cost-effective source of plant nutrients and is extensively used worldwide.



Global Production Trends

In 2022, global urea production reached approximately 183.82 million tons, up from 147 million metric tons in 2009, marking a 25% increase. India is the largest producer of urea, with production reaching 45.2 million tons in the 2023-24 period, representing a 7% increase from the previous year. India's contribution to global urea production now accounts for more than 40%.

Pakistan annually produces more than 9 million tons of fertilizer, urea possesses 70% of total production capacity. All of the five list fertilizer companies produce urea. Their cumulative annual urea production capacity stands at 6.34 million tons.

Raw Materials and Production Process

Urea is manufactured synthetically by reacting natural gas, atmospheric nitrogen and water together at high temperature and pressure to produce ammonia and carbon dioxide.

It is estimated that for each of ton of urea production 20 MMBTU – 22 MMBTU of gas is required. Thus for a production of 6.4 million tons, we require 130 – 140 million MMBTU gas.

Challenges and Innovations in Production

Due to constraints in the supply of natural gas, no expansion projects are currently envisaged by indigenous urea manufacturers. In future also no further expansion could be possible with the fast diminishing gas resources.

Our neighboring country, India faces similar challenges and has been using a mix of imported liquefied gas and locally available natural gas for urea production.

As an alternative to the expensive imported liquefied gas, India has recently initiated a urea production project, M/s Talcher Fertilizers Limited. This project would have a production capacity of 3,850 tons per day, or 1.2 million tons annually, and is based on coal gasification technology sourced from Shell Eastern Pte Limited, now acquired by Air Products Limited USA. The tentative commissioning date for this project is October 2024.

Potential for Pakistan

Based on India's initiative, Pakistan should explore utilizing coal gasification technology to enhance its indigenous fertilizer production capacity in the coming years. Thar coal, with its substantial potential for gasification, could serve as a more affordable source of urea and other fertilizers for Pakistan. Providing cheaper fertilizer to the agricultural sector will, in turn, lead to more affordable food and raw materials for various industries, particularly the textile sector and furniture industry. Coal reserves in Baluchistan and KPK could also be channelized for the production of urea.

Other Uses of Urea

While approximately 90% of urea production is used as a nutrient in agriculture, the remaining 10% is utilized across various industries:

- **Chemical Industry:** Urea is a vital raw material for the production of plastics, resins, adhesives, melamine, and other organic chemicals. Urea-formaldehyde resins, known for their excellent adhesive properties, are widely used in plywood, wood panels, and particle board production.
- **Animal Feed Additive:** Urea is used as a feed additive for livestock, particularly cattle and sheep. It helps improve digestion and enhances the overall nutritional value of the feed.
- **Automotive Industry:** Car urea solutions can convert nitrogen oxide (NO₂) into harmless nitrogen and water, contributing to energy savings and environmental protection.
- **Textile Industry:** Urea is an essential component in the textile industry, serving as a strong dyeing and finishing agent.
- **Pharmaceutical Industry:** Urea is used in dermatology and skincare products, such as creams, lotions, and ointments. Urea-based products help retain moisture in the skin and are effective in treating dry skin conditions.

Di-Ammonium Phosphate (DAP)

DAP Fertilizer is the second most widely produced and used as a nutrient for agriculture worldwide. As against Urea where ammonia is the basic raw material for its production, DAP is produced by Phosphate rock, sulfur and a small quantity of ammonia. For production of one ton of DAP approximately 1.5 tons to 2 tons of phosphate rock, 0.4 tons of sulfur to dissolve the rock, 0.2 tons of ammonia are required. DAP is a widely used phosphorus fertilizer that also contains nitrogen.



In 2022, 33.49 tons of DAP were produced globally slightly less than 33.69 million tons produced in 2021. In 2020 and 2019, total world wise production stood at 35.56 million tons and 35.11 respectively. As against 2019 and 2020, lesser quantities of DAP were produced in subsequent years – showing a decreasing trend.

The largest global producer is China, almost at 18 million tons per annum, followed by United States over 4 million Tons, India almost 4 million Tons, and Saudi Arabia below 3 million Tons. Smaller producers include Morocco, Russia, the European Union and Pakistan.

Pakistan has an annual capacity of 650K tons which is equal to 7% of its total production capacity of types of fertilizers. Fauji Fertilizer Bin Qasim is only player which produces DAP from the imported phosphate rock.

Additional uses of DAP

- As a fire retardant.
- In various industrial processes, such as metal finishing.
- An addition to wine to sustain yeast fermentation.
- An addition to milk to produce cheese cultures.

Calcium Ammonium Nitrate (CAN)

It is also known as nitro-limestone or nitro chalk. Calcium Ammonium Nitrate (CAN) is created by adding powdered limestone or calcium nitrate to ammonium nitrate.



Calcium ammonium nitrate is used as a fertilizer. Fertilizer grade CAN contains roughly 8% calcium and 21-27% nitrogen. CAN is preferred for use on acid soils, as it acidifies soil less than many common nitrogen fertilizers. It is used to improve soil structure and supply plants with readily available nitrogen.

In 2022, its global production stood at 13.37 million as against 15.48 million tons produced during 2021, showing a decrease by 13.6%.

Pakistan can produce 870K tons of CAN which is equal to roughly 10% of total fertilizer production capacity available in the country. M/s Fatima Fertilizer Company is the sole producer of CAN which produces this fertilizer at their Multan and Rahim Yar Khan plants.

NPK (Nitrogen, Phosphorous, and Potassium)

NPK fertilizers contains a balanced ratio of nitrogen, phosphorus, and potassium. There are two types of NPK fertilizers: compound and blends. The former contain chemically bound ingredients and the later are physically mixtures of single nutrient components. These are produced to meet specific crop nutrient requirements. NPK fertilizer ensure balanced fertilization promoting healthy plant growth and high yields.



As per the 2019 world statistics, Russia is the biggest producer of NPK with an annual production of 8.7 million tons, India ranks second with 4.5 million tons, Indonesia third with 3.3 million tons.

Pakistan is a very small player of NPK fertilizer segment and only produces 140K of NPK which computes at 2% of total country's production capacity. M/s Engro Fertilizers Limited is the largest producer of this type fertilizers. It could produce 100K Tons. M/s Safi Chemical is the second producer of NPK having an annual

NP (Nitrogen and Phosphorous)

As against NPK which contains nitrogen, phosphorous and potassium, NP contains a mix of nitrogen and phosphorous only. It is applied to address specific soil deficiencies and crop needs.

M/s Fatima Fertilizer Company is the sole manufacturer of this kind of fertilizer. Its annual capacity stands at 664.5K tons which is equal to 7% of the aggregate fertilizer production capacity in Pakistan.

SSP (Single Super Phosphate)

It was the oldest commercial mineral fertilizer which led to the development of the modern plant nutrient industry. This fertilizer was once the most commonly used fertilizer, but other phosphorus fertilizers have largely replaced SSP because of its relatively low phosphorus content.



None of the large manufacturers in Pakistan, produce this type of fertilizer. All manufacturers are small players including Agritech Limited. Its aggregate production capacity stands at 379K tons which is equal to 4% of the total fertilizer production capacity of the country.

SOP (Sulphate of Potash)

Potash is a general term used to describe a variety of K-containing fertilizers used in agriculture. Potassium Sulphate, also called Sulphate of potash (SOP), is an inorganic compound with formula K_2SO_4 . It is a white water-soluble solid. It is commonly used in fertilizers, providing both potassium and sulfur. Indigenous production capacity stands at 20K per ton. M/s Pacific Exim (Private) Limited is its sole producer.



CHAPTER 3

About the Fertilizer Manufacturers in Pakistan

Agritech Limited



Agritech Limited is a prominent public limited company listed on the Pakistan Stock Exchange. It is recognized as the oldest fertilizer manufacturer in Pakistan. The company's key leadership includes:

- **Chairman:** Mr. Shahid Iqbal Choudhri
- **Chief Executive Officer:** Mr. Muhammad Faisal Muzammil

The registered office is located at: 2nd Floor, Asia Centre, 8-Badar Block, New Garden Town, Lahore, Pakistan.

Manufacturing Facilities

Agritech Limited operates two major fertilizer manufacturing plants:

1. Mianwali Plant:

- **Location:** Approximately 50 KM North of Mianwali city.
- **Specialization:** Urea manufacturing.
- **Claim:** The newest and most efficient urea manufacturing plant in Pakistan.
- **Production Distribution:** Major portion sold within a radius of 150-200 KM.

2. Haripur Hazara Plant:

- **Specialization:** Single Super Phosphate (SSP).
- **Claim:** The largest SSP producing plant in Pakistan.

Historical Background

Agritech, formerly known as **Pak-American Fertilizers Limited**, has a rich history as the pioneer in nitrogenous fertilizer production in Pakistan:

- **Commissioned:** 1958
- **Initial Production Capacity:** 50,000 MTPA of Ammonium Sulphate, using indigenous coal & gypsum.
- **Capacity Enhancement:** Increased to 90,000 MTPA in 1968.
- **Process Conversion:** Shifted from coal gasification to Natural Gas process in 1973.

Modernization and Current Capacities

To remain competitive and address the uneconomical operation of the aging Ammonium Sulphate Plant, Agritech undertook a comprehensive Balancing, Modernization, and Replacement (BMR) project:

1. New Technologies

- **Ammonia Plant:** MW Kellogg's Process
- **Urea Plant:** Toyo's ACES Process

2. Designed Capacities

- **Ammonia:** 600 MTPD
- **Urea:** 1050 MTPD

3. Supporting Infrastructure

- **Power House:** Two steam turbo generators, each with an 11.5 MW capacity.
- **Maintenance of old facilities (Phase-I):** Boiler house, powerhouse, demineralized water plant, workshops, etc., to support the new plants (Phase-II).

Brand and Market Presence

Agritech markets its fertilizer products under the brand name **"Tara"**.

Fauji Fertilizer Company (FFC)



Fauji Fertilizer Company (FFC) is a public limited company listed on the Pakistan Stock Exchange. The company is overseen by a board of 13 directors, chaired by Mr. Waqar Ahmad Malik, with Mr. Sarfaraz Ahmad Rehman serving as the Managing Director and Chief Executive Officer.

The registered office is located at: 156 – The Mall, Rawalpindi Cantt. Rawalpindi, Pakistan.

Primary Activities

FFC's main activities encompass the manufacturing, importing, and marketing of fertilizer products. The company has diversified its investments into several sectors including energy production, food processing, financial services, and chemical production.

Historical Background and Production Capacity

FFC was established in 1978 as a joint venture between the Fauji Foundation, holding a 44.35% equity stake, and Haldor Topsoe A/S of Denmark. Initially, FFC set up a urea production facility with a capacity of 570,000 tons per annum. Through reinvestment and expansion, the company now boasts a production capacity exceeding 2 million tons annually across three plants. FFC markets various urea variants and other fertilizer products for both agricultural and industrial use.

Diversification and Investments

To maximize wealth, ensure sustainability, and provide better dividends to shareholders, FFC has diversified through various projects and investments in associated undertakings. This detailed overview encapsulates Fauji Fertilizer Company's extensive operations, historical background, diversified investments, and key ventures.

Joint Ventures

1. Pakistan Maroc Phosphore, S.A. (PMP):

- **Established:** 2004
- **Location:** Morocco
- **Shareholders:** FFC (12.5%), Fauji Foundation (12.5%), FFBL (25%), Office Cherifien Des Phosphates (OCP) of Morocco (50%)
- **Operations Began:** 2008
- **Production:** 375,000 tons of industrial phosphoric acid annually

2. Thar Energy Limited (TEL):

- **Incorporated:** 2016
- **Type:** 330 MW coal-based power project
- **Partnership:** HUB Power Company Limited (HUBCO: 60%), China Machinery Engineering Corporation (CMEC: 10%), FFC (30%)
- **Commercial Operations Began:** October 2022

Subsidiaries

1. FFC Energy Limited – Jhimpir, Thatta:

- **Established:** 2009
- **Ownership:** 100% owned by FFC
- **Type:** Wind power generation
- **Capacity:** 49.5 MW
- **Commercial Production Began:** May 2013

2. Foundation Wind Energy – I Limited & Foundation Wind Energy – II Limited:

- **Acquired:** 2021
- **Ownership:** 100% equity in FWEL - I and 80% equity in FWEL - II
- **Combined Capacity:** 100 MW (50 MW each)

3. Olive Technical Services (Private) Limited:

- **Ownership:** 100% owned by FFC
- **Services:** Plant-related technical services including operations, maintenance, inspection, engineering, and IT/SAP services

4. Fauji Fresh n Freeze Limited:

- **Acquired:** 2013
- **Technology:** Individual Quick Freeze (IQF) food preservation
- **Ownership:** 100% owned by FFC

Associated Undertakings

1. Fauji Fertilizer Bin Qasim Limited (FFBL):

- **Production:** Urea (Sona brand) and DAP
- **Location:** Port Qasim, Karachi
- **Stake:** 48.99% owned by FFC
- **Market Share:** Combined 43% in urea and 60% in DAP with FFC

2. Askari Bank Limited (AKBL):

- **Stake:** 43.15%
- **Network:** 765 branches, including 140 Islamic banking branches, 63 sub-branches, and a wholesale bank branch in Bahrain

3. Fauji Cement Company Limited (FCCL):

- **Incorporated:** November 23, 1992
- **Stake:** 4.29% owned by FFC
- **Status:** Third-largest cement manufacturer in Pakistan post-merger with Askari Cement

4. Fauji Foods Limited (FFL):

- **Founded:** 2015 (after acquiring Noon Pakistan Limited)
- **Stake:** 18.45% held by FFC Energy Limited
- **Legacy:** Over 50 years in Pakistan's dairy industry

The company markets and sells its flagship product, urea, under the brand name "Sona Urea." It has an extensive marketing and sales network that spans across Pakistan.

Engro Fertilizers Limited (EFERT)



Engro Fertilizers Limited is a public limited company listed on the Pakistan Stock Exchange. The company is managed by a Board of Directors chaired by Mr. Ahsan Zafar Syed, with Mr. Ali Rathore serving as the Chief Executive Officer.

The registered office is located at: 7th and 8th floors of The Harbor Front Building, Plot Number HC-3, Block 4, Scheme Number 5, Clifton, Karachi, Pakistan.

Primary Activities

FFC's main activities encompass the manufacturing, importing, and marketing of fertilizer products. The company has diversified its investme

Production Facilities

Engro Fertilizers operates two major production facilities:

1. Engro Daharki Plant:

- **Specialization:** Urea production

2. Engro Zarkhez Plant:

- **Location:** Bin Qasim, Karachi
- **Specialization:** Manufacturing a variety of other fertilizers, including blended NPK fertilizers using advanced steam granulation technology

Historical Background

Engro Fertilizers Limited's origins trace back to 1957 when Pak Stanvac, an Esso/Mobil joint venture, discovered vast natural gas reserves in Mari while searching for oil. This discovery led Esso to propose the construction of a urea plant near the Mari gas fields in Daharki.

Key historical milestones

- **1968:** Commencement of urea production with a capacity of 173,000 tons per year, established with an investment of \$46 million, marking the largest foreign investment in Pakistan at the time.
- **1978:** Esso rebranded as Exxon, and the company was renamed Exxon Chemical Pakistan Limited.
- **1991:** Exxon divested its global fertilizer business, leading to a successful employee-led buyout of the Pakistani operation, which was renamed Engro Chemicals Pakistan Limited. Engro then diversified into sectors like foods, energy, and petrochemicals.

- **2001:** Launch of the Engro Zarkhez Plant in Karachi, becoming Pakistan's largest producer of blended NPK fertilizers.
- **2007:** Undertook a major expansion with the EnVen 3.0 plant, costing \$1.1 billion, enhancing Engro's position as one of Pakistan's largest urea manufacturers.
- **2009:** Restructured into Engro Fertilizers Limited as a subsidiary of Engro Corporation Limited.
- **2013:** Entered the capital markets with an IPO that was significantly oversubscribed, securing funds for further development and optimizing its capital structure.

Major Investments and Achievements

Engro Fertilizers has consistently invested in expanding and upgrading its production capabilities:

- **EnVen 3.0 Plant:** A significant expansion project costing \$1.1 billion, reinforcing Engro's status as a major urea producer in Pakistan.
- **IPO Success:** In 2013, the company's initial public offering was highly successful, indicating strong investor confidence and providing substantial capital for future growth.

Brand and Market Presence

Engro Fertilizers markets its products under the "Engro" brand, a name that has become synonymous with quality and innovation in Pakistan's agricultural sector. The company has a strong legacy of supporting farmers through educational programs and promoting the use of fertilizers to enhance crop yields.

Fauji Fertilizer Bin Qasim Limited (FFBL)



It is a public limited company listed on the Pakistan Stock Exchange. Established in 1993, the company commenced commercial production in 2000. The principal activities of FFBL include the manufacturing and marketing of fertilizers, specifically Urea and Di-Ammonium Phosphate (DAP). The company's production facility is located at Port Qasim, Karachi. Besides its core business, FFBL has diversified investments in power generation, food and dairy processing, financial services, and chemical production.

Joint Ventures

Pakistan Maroc Phosphore S.A. (PMP), Morocco:

- **Shareholders:** FFBL, Fauji Foundation, Fauji Fertilizer Company Limited (FFC), and Office Cherifien Des Phosphates (OCP), Morocco.
- **Primary Business:** Manufacture of phosphoric acid.
- **Production Capacity:** 375,000 tons per year.
- **Project Cost:** USD 250 million.
- **Purpose:** Mainly supplies phosphoric acid to FFBL with additional production marketed externally.

Subsidiary Companies

1. FFBL Power Company Limited (FPCL):

- **Incorporation:** June 27, 2014.
- **Type:** Public limited company under the Companies Ordinance, 1984 (replaced by the Companies Act, 2017).
- **Location:** Port Qasim, Karachi.
- **Operations:** 118 MW (net capacity 103 MW) coal-based power generation facility.
- **Financial Close:** December 2015.
- **Commercial Operations Commenced:** May 19, 2017.
- **Equity Stake:** FFBL holds 75% equity.

2. Fauji Foods Limited (FFL):

- **Incorporation:** September 26, 1966.
- **Type:** Public company listed on the Pakistan Stock Exchange.
- **Business:** Processing and sale of toned milk, milk powder, fruit juices, and allied dairy and food products (milk, cheese, butter, tea whitener, chocolate dip, jams, marmalade, fruit drinks).
- **Brand:** 'Nurpur', one of the oldest and most recognizable brands in Pakistan.
- **Equity Stake:** FFBL owns 47.84% of FFL's equity, with Fauji Fertilizer Company Limited (FFC) being another major stakeholder.

Investments in Associated Undertakings

Askari Bank Limited (AKBL):

- **Type:** Quoted financial company.
- **Network:** 765 branches, including 140 Islamic Banking branches, a wholesale banking branch in Bahrain, and a representative office in Beijing, China.
- **Equity Stake:** FFBL holds a 21.57% stake.
- **Income:** Earns annual dividend income from this investment, demonstrating diversification into the financial sector.

The company markets and sells its primary product, urea, under the brand name “Sona Urea,” and also offers “Sona DAP,” the same brand name used by FFC.

Fatima Fertilizer Company Limited (FFCL)



Fatima Fertilizer Company Limited (FATIMA) is a prominent joint venture between two leading business groups in Pakistan: the Fatima Group and the Arif Habib Group. The company’s head office is located in Lahore and it operates three strategically located production units across Punjab:

- **Sadiqabad Plant:** Mukhtar Garh, Sadiqabad
- **Multan Plant:** Khanewal Road, Multan
- **Sheikhupura Plant:** 28-KM Sheikhupura Road, Chichoki Mallian

Management

The company is managed by a Board of Directors consisting of seven members:

- **Chairman:** Mr. Arif Habib
- **Chief Executive Officer:** Mr. Fawad Ahmad Mukhtar

Core Activities

Fatima Fertilizer’s primary activities include:

- Manufacturing, production, buying, selling, importing, and exporting fertilizers and chemicals.
- Production of intermediary products such as ammonia and nitric acid.
- Production of final products including urea, calcium ammonium nitrate (CAN), and nitro phosphate (NP).

Diversification Portfolio

In line with industry peers, Fatima Fertilizer has diversified into various sectors such as chemicals, cement, packing, financial services, blending of various chemical fertilizers, and real estate.

Wholly Owned Subsidiaries

1. Fatima Cement Limited:

- **Investment:** 140,003,000 shares of Rs. 10 each.
- **Purpose:** Production, marketing, selling, purchasing, importing, and exporting cement.
- **Head Office:** E-110, Khayaban-e-Jinnah, Lahore Cantonment, Lahore, Pakistan.

2. Fatimafert Limited:

- Specific details not provided but included in the diversified portfolio.

3. Pan-Africa Fertilizers Limited:

- Located in Nairobi, Kenya, indicating the company's international presence.

4. Fatima Packaging Limited:

- **Investment:** 16,863,277 fully paid ordinary shares of Rs 10 each.
- **Business:** Manufacturing and sale of polypropylene sacks, cloth, liners, and cement bags.
- **Registered Office:** E-110, Khayaban-e-Jinnah, Lahore Cantonment, Lahore, Pakistan.
- **Manufacturing Facility:** Mukhtargarh – Sadiqabad.

Investment in Associated Undertakings

1. Fatima Agri Sales & Services (Pvt.) Limited:

- Engaged in agricultural sales and services.

2. Multan Real Estate Company (Pvt.) Limited:

- Focused on real estate development and services in Multan.

3. Fatima Electric Company Limited:

- Engaged in power generation and related services.

4. KT Bank Pakistan Limited:

- Involvement in the financial services sector through this banking entity.

5. Singfert PTE. Limited:

- Further details not provided but included in the diversified portfolio, indicating international reach.

The Company markets and sells its core products under the brand "Sarsabz".

Other Small Fertilizer Companies

Barket Fertilizer (Pvt.) Limited (Pacific Exim (Pvt.) Limited)



It is a private limited company founded in 1995. The Company ventures various trading businesses and an edible oil refinery of 50000 MT annually.

In 2018, the company successfully ventured a SOP manufacturing Plant under the umbrella of Barkat Fertilizer (Pvt.) Limited. It is the Pakistan's first Sulphate of Potash (SOP) Plant with a capacity to produce 20,000 MT per annum. Besides the company imports and distribute various types of fertilizer under the brand name of "Barkat".

Its plant and office are located at Karachi.

Office address: Plot C-17, Block 2 Clifton, Karachi, Karachi City, Sindh, Pakistan

Suraj Fertilizer Industries (Private) Limited



The company boasts to operate the Pakistan's most modern and largest manufacturing plant of SSP (Single Super Phosphate) and sulphuric acid. The company, incorporated in 2004, has significantly impacted the fertilizer industry in Pakistan by introducing advanced technology and expanding production capacity. The company can produce 150,000 tons of SSP which is equal to one third of total capacity of SSP in Pakistan.

The Company maintains a nationwide distribution through a network of dealers, retailers, commercial consumers, and farmers. The Company can also manufacture and blend different grades of NPK fertilizer.

The Company's plant is located at Harappa, District Sahiwal and head office at 22-E, Block-L Gulberg III, Lahore.

Safi Chemicals and Fertilizers (Pvt.) Limited



The company started its business in 2007 and was incorporated in 2010. Its plant is located at Habibabad, Muzaffargarh, Pakistan. The Company is recognized as one of the quality manufacturers of SSP (Single Super Phosphate). The makes sure SSP is available both in powder and granular forms. Besides the Company produces Sulfuric Acid (H₂SO₄). The Company has its own 2 MW power generation plant which meets its power requirements.

Its plant capacity is 450 MTPD. The company also offers other fertilizer and chemical products.

Al-Hamd Chemicals (Pvt.) Limited (formerly Lyallpur Chemical and Fertilizers Limited)

Al-Hamd Chemicals (Pvt.) Limited., formerly known as Lyallpur Chemicals and Fertilizers Limited, is a company with a notable history in Pakistan's fertilizer industry. It owns two key plants that were initially operated by Lyallpur Chemicals and Fertilizer Limited, a subsidiary of the Fertilizer Corporation of Pakistan.

Overview of Plants:

1. Faisalabad Plant:

- **Established:** 1957
- **Significance:** It was the first phosphatic fertilizer plant in Pakistan to manufacture Single Super Phosphate (SSP).
- **Current Status:** The plant was closed in 1996 due to obsolescence.

2. Jaranwala Plant:

- **Established:** 1967
- **Rehabilitation:** The plant was rehabilitated and recommissioned in May 1999.

Production Capacity and Products:

- **Single Super Phosphate (SSP) Powdered:** 72,000 metric tons (MT) per annum.
- **Sulphuric Acid:** 30,000 metric tons (MT) per annum.
- **Zinc Sulphate:** 500 metric tons (MT) per annum.

This company plays a crucial role in the production of essential chemicals and fertilizers in Pakistan, contributing to the agricultural sector by providing key nutrients for soil and crop production.

Company Information - Table

Table A provides comprehensive information on various indigenous fertilizer manufacturers in terms of their plant locations, the number of plants operated, their head or registered offices, year of incorporation, and their diversification into other businesses. Here's a summary and key takeaways:

TABLE - A

Fertilizer Companies, Plant Locations and Diversification

S.#	Fertilizer Companies	Year	HEAD OFFICE/ REGISTERED OFFICE	Plants	Plants Location
1	Agritech	1959	Lahore	2	Haripur (KPK), Iskandarabad (Mianwali)
2	Fauji Fertilizer Bin Qasim Ltd.	1993	Islamabad	1	Port Qasim
3	Fauji Fertilizer Company Ltd.	1978	Rawalpindi	3	Machchi Goth (2 Plants), Mirpur Mathelo
4	Engro Fertilizers Ltd.	1981	Karachi	3	Daharki (2 Plants) Port Qasim
5	Fatima Fertilizer Company Ltd.	1983	Lahore	3	Multan, Sheikhpura, Sadiqabad
6	AL-Hamd Chemical (Pvt.) Ltd.	1968	Jaranwala	1	Jaranwala, Faisalabad
7	Suraj Fertilizer Industries Ltd.	2004	Lahore	1	Harappa, Sahiwal
8	Safi Chemical and Fertilizer (Pvt.) Ltd.	2010	Muzaffargarh	1	Muzaffargarh
9	Barkat Fertilizer Private Ltd. (Pacific Exim Chemical (Private) Ltd.	2018	Karachi	1	Port Qasim

Diversification

S.#	Fauji Fertilizer Company Limited	Year	HEAD OFFICE/ REGISTERED OFFICE	Holding	Location
1	FFC Energy Ltd. (FFCEL)	2013	Rawalpindi	100%	Jhimpir, District Thatta, Sindh
2	Foundation Wind Energy- I Ltd. (FWEL - I)	2021	Rawalpindi	100%	Jhimpir, District Thatta, Sindh
3	Foundation Wind Energy- II Ltd. (FWEL-II)	2021	Rawalpindi	80%	Jhimpir, District Thatta, Sindh
4	OLIVE Technical Services (Private) Ltd.	2022	Rawalpindi	100%	Rawalpindi
5	Fauji Fresh n Freeze Ltd. (FFF)	2013	Rawalpindi	100%	Rawalpindi
6	Fauji Cement Company Ltd. (FCCL)	1992	Rawalpindi	4.29%	4 Factories – KPK & Punjab.
7	Fauji Fertilizer Bin Qasim Ltd. (FFBL)	1993	Rawalpindi	49.88%	Port Qasim
8	Askari Bank Ltd. (AKBL)	1991	Islamabad	43.15%	623 Branches across Pakistan
9	Thar Energy Ltd. (HUBCO, China Machinery Corp.	2016	Karachi	30%	Singhara, Thatta. Sindh.
10	Pakistan Maroc Phosphore S.A., Morocco (PMP)	2008	Morocco	12%	Port Jorf Lafsar, Morocco

S.#	Fauji Fertilizer Bin Qasim	Year	HEAD OFFICE/ REGISTERED OFFICE	Holding	Location
1	Investment Property - freehold land	1996		100%	Pindi Bhattian - Punjab
2	FFBL Power Company Ltd. (FPCL)	2014	Islamabad	75%	Port Qasim
3	Fauji Foods Ltd. (FFL) - Formerly Noon Pakistan Ltd.	1966	Lahore	47.84%	63.71% (2022 71.63%)
4	Fauji Meat Ltd. (FML)	2013	Islamabad	95.70%	Discontinued
5	Askari Bank Ltd.	Quoted Banking Company	Islamabad	21.57%	623 Branches across Pakistan.
6	Pakistan Maroc Phosphore S.A. Morocco (PMP)	2008	Morocco	25%	Port Jorf Lafsar, Morocco.

S.#	Engro Fertilizers Limited	Year	HEAD OFFICE/ REGISTERED OFFICE	Holding	Location
1	EFERT Agritrade (Private) Ltd. (EAPL)	2017	Karachi	100%	Karachi

S.#	Fatima Fertilizer Company Limited	Year	HEAD OFFICE/ REGISTERED OFFICE	Holding
1	Fatima Efert Ltd.	2003	Lahore	100%
2	Fatima Cement Ltd.	2016	Lahore	100%
3	Fatima Packaging Ltd.	2013	Lahore	100%
4	Fatima Pan-African Fertilizer Ltd.	2022	Nairobi	100%

In the following analysis, we will focus exclusively on the financial performance of five listed companies, as their financial data is readily available on their websites and the Stock Exchange Data Portal. Consequently, references to the “industry” in this context will pertain solely to these five companies as a collective group. Due to the unavailability of financial data for smaller players in the industry, they are not included in this report.

CHAPTER 4

Analysis of Fertilizer Production Capacity and Industry Dynamics

This chapter discusses production capacities of all the indigenous fertilizer manufacturers as at December 31, 2023 (Table B), their production capacities on year-to-year basis during the period 2017-2023 (Table C), actual production achieved during 2017-2023 (Table D), sales volume against capacities available (Table E) during the period 2017-2023, and Urea Imports (Table F) during the last 11 years.

1. Fertilizer Production Capacity on December 31, 2023

In Pakistan, the fertilizer industry is dominated by five major manufacturers, all of which are listed on the Pakistan Stock Exchange. These key players are **M/s Agritech**, **Fauji Fertilizer Company Limited (FFCL)**, **Engro Fertilizers Limited (EFERT)**, **Fauji Fertilizer Bin Qasim Limited (FFBL)**, and **Fatima Fertilizer Company Limited (FCL)**.

M/s Agritech, established as the oldest entity, is the smallest producer among the major manufacturers. In contrast, **FFCL**, **EFERT**, **FFBL**, and **FCL** collectively command a substantial 96% of the nation's total fertilizer production capacity. The remaining 4% is held by four smaller companies, which contribute minimally to the overall production landscape.

Table B below provides a detailed breakdown of the production capacities of these major fertilizer manufacturers in Pakistan, highlighting each company's individual capacity and their collective contribution to the country's overall fertilizer production capacity. Following the table, a summary will be presented, outlining the production volume of each type of fertilizer and its respective share in the total national production.

This analysis aims to offer a comprehensive understanding of the production dynamics within the industry, emphasizing the concentration of capacity among the top manufacturers and the limited impact of smaller producers on the overall market.

TABLE - B

Fertilizer Production Capacities (Tons) - December 31, 2023

S.NO.	COMPANY WISE PRODUCTION CAPACITY	Tons	%
1	Agritech Ltd.		
	Urea - Daudkhel (Mianwali) Plant	433,124	5%
	SSP (Single Super Phosphate) (Haripur Hazara Plant	81,000	1%
	Total Agritech	514,124	6%
2	Fauji Fertilizer Company Ltd. (FFCL)		
	Urea - Mirpur Mathelo Plant	718,000	8%
	Urea - Machchi Goth Plant - Sadiqabad	1,330,000	15%
	Total	2,048,000	23%
3	Fauji Fertilizer Bin Qasim Ltd. (FFBL)		
	Urea - Port Qasim	551,000	6%
	DAP - Port Qasim	650,000	7%
	Total	1,201,000	13%
4	Engro Fertilizers Ltd. (EFERT)		
	Urea - Daharki District Sukkur	2,275,000	25%
	Nitrogen, Phosphorous and Potassium Fertilizer (NPK)	100,000	1%
	Total	2,375,000	26%
5	Fatima Fertilizer Company Ltd. FFCL		
	Urea (Chichoki Malian)	1,037,900	11%
	Calcium Ammonium Nitrate Fertilizer (CAN)	870,000	10%
	Nitrogen Phosphorous Fertilizer (NP)	664,500	7%
	Total Fatima Fertilizer Company Ltd.	2,572,400	28%
	Other Small Manufacturers		
6	Al-Hamd Chemical (Pvt.) Ltd. (includes 500 tons of Zinc Sulphate)	72,500	1%
7	Suraj Fertilizer Industries (Private) Ltd.	150,000	2%
8	Safi Chemical and Fertilizer (Private) Ltd.	135,000	1.5%
9	Barket Fertilizers Private Ltd. (Pacific Exim Chemical (Private) Ltd.	20,000	0.2%
	Total other small manufacturers	377,500	4%
	Grand Total	9,088,024	100%

S.#	Fertilizer Type- wise Production Capacity	Production Ca- pacity	% Share of Production Capacity
1	Urea	6,345,024	70%
2	DAP	650,000	7%
3	Nitrogen, Phosphorous and Potassium Fertilizer (NPK)	100,000	1%
4	Calcium Ammonium Nitrate Fertilizer (CAN)	870,000	10%
5	Nitrogen Phosphorous Fertilizer (NP)	664,500	7%
6	Super Superphosphate SSP (includes 500 tons of Zinc Sulphate)	438,500	5%
7	SOP	20,000	0.2%
	Grand Total	9,088,024	100%

Agritech Limited:

- **Total Capacity:** 514,124 tons (6% of total capacity)
- **Products:** Urea (5%) and SSP (1%)
- **Observations:** As the oldest and smallest producer, Agritech Limited's capacity is modest, representing a minor portion of the overall capacity.



Fauji Fertilizer Company Limited (FFCL):

- **Total Capacity:** 2,048,000 tons (23% of total capacity)
- **Products:** Urea only
- **Observations:** Significant player, contributing nearly a quarter of the total capacity with two major urea plants.



Fauji Fertilizer Bin Qasim Limited (FFBL):

- **Total Capacity:** 1,201,000 tons (13% of total capacity)
- **Products:** Urea (6%) and DAP (7%)
- **Observations:** Combined with FFCL, the Fauji group holds a dominant position (36% of total capacity), with FFBL diversifying into DAP production.



Engro Fertilizers Limited (EFERT):

- **Total Capacity:** 2,375,000 tons (26% of total capacity)
- **Products:** Urea (25%) and NPK (1%)
- **Observations:** Largest individual producer, with a significant focus on urea production.



Fatima Fertilizer Company Limited (FFCL):

- **Total Capacity:** 2,572,400 tons (28% of total capacity)
- **Products:** Urea (11%), CAN (10%), and NP (7%)
- **Observations:** Largest producer with a diversified product portfolio, leading the industry in total capacity.



Other Small Manufacturers:

- **Total Capacity:** 377,500 tons (4% of total capacity)
- **Products:** Various (SSP, SOP, NPK)
- **Observations:** Minor players with small contributions, mainly in niche products.

Summary of Fertilizer Type-wise Production Capacity

- **Urea:** 6,345,024 tons (70%)
- **DAP:** 650,000 tons (7%)
- **NPK:** 100,000 tons (1%)
- **CAN:** 870,000 tons (10%)
- **NP:** 664,500 tons (7%)
- **SSP:** 438,500 tons (5%)
- **SOP:** 20,000 tons (0.2%)

Key Observations

1. Dominance of Urea Production:

Urea constitutes 70% of the total production capacity, reflecting its critical role in Pakistan's agriculture sector. This dominance is driven by the substantial capacities of major players like Engro, Fauji Fertilizer, and Fatima Fertilizer.

2. Market Leaders:

Fatima Fertilizer Company Limited and Engro Fertilizers Limited are the top producers, together accounting for 54% of the total capacity. Their significant capacities and product diversification provide them a competitive edge.

The Fauji group, with FFCL and FFBL combined, controls 36% of the market, making it a formidable force in the industry.

3. Diverse Product Portfolio:

The production of DAP, CAN, NP, and SSP, although not as high as urea, shows the industry's efforts to meet various agricultural needs. Diversification into these products helps stabilize the market and cater to different soil and crop requirements.

4. Impact of Small Manufacturers:

Small manufacturers, while collectively contributing only 4% to the total capacity, play a role in providing niche products like SSP and SOP, which are important for specific agricultural applications.

5. Capacity Utilization and Growth Potential:

The data indicates significant capacity utilization by the major players, with room for growth, especially in niche fertilizers. Expansion in capacities of products like NPK and CAN could address specific nutrient needs in agriculture, promoting balanced fertilization practices.

Conclusion

The fertilizer industry in Pakistan is characterized by a few dominant players with significant production capacities, particularly in urea. The strategic positioning of companies like Fatima Fertilizer, Engro Fertilizers, and the Fauji group ensures a stable supply to meet national demand. The presence of smaller manufacturers adds diversity to the market, catering to specialized needs. Going forward, the industry could benefit from further diversification and capacity expansion in non-urea fertilizers to enhance agricultural productivity and sustainability.

2. YEAR-to-YEAR CAPACITY INSTALLED (2017-2023)

“Nothing is impossible. World it-self says I am possible.” Audrey Hepburn (1929-1993)

“Great things happen to those who don’t stop believing, trying, learning, and being grateful.” — Roy T. Bennett. (1939-2014)

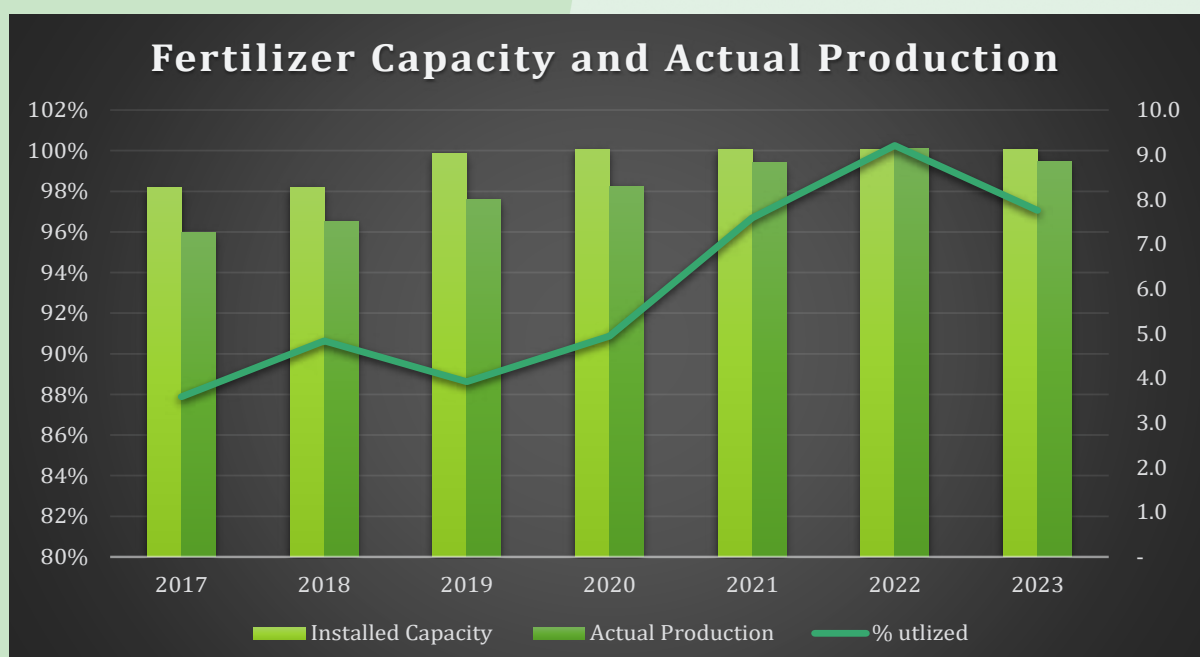
“The greatest glory in living lies not in never failing, but in rising every time we fail.” — Nelson Mandela. (1918-2013)

Under this chapter we will discuss the fertilizer production capabilities over the period 2017-23 on year to year to basis and then capacities achieved during the same period. Both graph and tables will be used to demonstrate both industry and the individual companies’ numbers.

The trend of the capacity utilization by the fertilizer industry has been shown: for the industry as a whole in graphical form, and for the individual manufacturers through tables for the period 2017 to 2023. The data shows the industry’s ability to adapt and maximize its production capabilities, alongside the performance of individual manufacturers.

The graph below illustrates the trend of capacity utilization for the fertilizer industry as a whole:

- **2017:** 88% utilization, producing 7.3 million tons against a capacity of 8.2 million tons.
- **2018:** 92% utilization, producing 7.6 million tons against a capacity 8.2 million Tons.
- **2019:** 89% utilization, with capacity increased to 9.0 million tons, producing 8.0 million tons.
- **2020:** 91% utilization, producing 8.3 million tons.
- **2021:** 97% utilization, producing 8.8 million tons.
- **2022:** 101% utilization, producing 9.1million tons.
- **2023:** 97% utilization, producing 8.9 million tons.



For the comparison between the fertilizer manufacturers, two separate tables presenting the year-wise capacity of each fertilizer manufacturer vide **Table C** and actual production achieved vide **Table D** have been provided hereunder. The later Table additionally provides level of capacity achieved and is accompanied by a summary where by company wise aggregate production of all kinds of fertilizers is provided.

These tables provide comprehensive insights into the capacity, production, and utilization trends in the fertilizer industry from 2017 to 2023.

TABLE C
Fertilizer Production Capacities (Tons) - 2017 - 2023

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
UREA								
1	Agritech Ltd.	433,124	433,124	433,124	433,124	433,124	433,124	433,124
2	Fauji Fertilizer Company Ltd.	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000
3	Fauji Fertilizer Bin Qasim Ltd.	551,000	551,000	551,000	551,000	551,000	551,000	551,000
4	Engro Fertilizers Ltd.	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000
5	Fatima Fertilizer Company Ltd.	1,037,900	1,037,900	1,037,900	1,037,900	945,500	945,500	945,500
	Total Urea	6,345,024	6,345,024	6,345,024	6,345,024	6,252,624	6,252,624	6,252,624
Di-ammonium Phosphate Fertilizer (DAP)								
1	Fauji Fertilizer Bin Qasim Ltd.	650,000	650,000	650,000	650,000	650,000	650,000	650,000
	Total DAP	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Nitrogen, Phosphorous and Potassium Fertilizer (NPK)								
2	Engro Fertilizers Ltd.	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	Total NPK	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Calcium Ammonium Nitrate Fertilizer (CAN)								
3	Fatima Fertilizer Company Ltd.	870,000	870,000	870,000	870,000	870,000	420,000	420,000
	Total CAN	870,000	870,000	870,000	870,000	870,000	420,000	420,000
Nitrogen Phosphorous Fertilizer (NP)								
4	Fatima Fertilizer Company	664,500	664,500	664,500	664,500	664,500	360,000	360,000
	Total NP	664,500	664,500	664,500	664,500	664,500	360,000	360,000

SSP								
1	AgriTech Ltd.	81,000	81,000	81,000	81,000	81,000	81,000	81,000
2	Suraj Fertilizer Industries Private Ltd.	150,000	150,000	150,000	150,000	150,000	150,000	150,000
3	Safi Chemicals & Fertilizer Pvt. Ltd.	135,000	135,000	135,000	135,000	135,000	135,000	135,000
4	Al-Hamd Fertilizer Private Ltd.	72,500	72,500	72,500	72,500	72,500	72,500	72,500
Total SSP		438,500	438,500	438,500	438,500	438,500	438,500	438,500
SOP								
1	Barket Fertilizer Pvt.) Ltd. (Pacific Exim)	20,000	20,000	20,000	20,000	20,000	20,000	-
Total SOP		20,000	20,000	20,000	20,000	20,000	20,000	-
Grand Total		9,088,024	9,088,024	9,088,024	9,088,024	8,995,624	8,241,124	8,221,124

SUMMARY - YEAR WISE AND COMPANY WISE PRODUCTION CAPACITIES								
S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
1	AgriTech Ltd.	514,124	514,124	514,124	514,124	514,124	514,124	514,124
2	Fauji Fertilizer Company Ltd.	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000
3	Fauji Fertilizer Bin Qasim Ltd.	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000
4	Engro Fertilizers Ltd.	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
5	Fatima Fertilizer Company Ltd.	2,572,400	2,572,400	2,572,400	2,572,400	2,480,000	1,725,500	1,725,500
6	Other Small companies	377,500	377,500	377,500	377,500	377,500	377,500	357,500
Total		9,088,024	9,088,024	9,088,024	9,088,024	8,995,624	8,241,124	8,221,124

3. FERTILIZER ACTUAL PRODUCTION (2017-2023)

Table D below throws light on type of fertilizer wise actual production achieved and is followed by a summary showing production of fertilizer produced during the period 2017-23.

TABLE D

Fertilizer Production (Tons) 2017 -2023

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
UREA								
1	AgriTech Ltd.	292,255	353,284	226,768	124,785	338,090	95,934	114,201
2	Fauji Fertilizer Company Ltd.	2,521,000	2,404,000	2,507,000	2,487,000	2,492,000	2,522,000	2,513,000
3	Fauji Fertilizer Bin Qasim Ltd.	336,107	523,581	501,236	558,932	508,404	561,819	543,155
4	Engro Fertilizers Ltd.	2,313,448	1,954,528	2,104,722	2,263,806	2,003,035	1,928,080	1,806,977
5	Fatima Fertilizer Company Ltd.	985,419	1,095,084	800,634	680,889	822,656	607,772	474,094
	Total Urea	6,448,229	6,330,477	6,140,360	6,115,412	6,164,185	5,715,605	5,451,427
Di-ammonium Phosphate Fertilizer (DAP)								
1	Fauji Fertilizer Bin Qasim Ltd.	660,004	847,843	790,415	739,968	830,696	730,136	808,808
	Total DAP	660,004	847,843	790,415	739,968	830,696	730,136	808,808
Nitrogen, Phosphorous and Potassium Fertilizer (NPK)								
2	Engro Fertilizers Ltd.	96,328	137,075	144,564	127,082	134,784	132,790	109,059
3	Safi Chemical & Fertilizer (Pvt.) Ltd.	-	-	-	-	-	-	4,000
	Total NPK	96,328	137,075	144,564	127,082	134,784	132,790	113,059
Calcium Ammonium Nitrate Fertilizer (CAN)								
1	Fatima Fertilizer Company Ltd.	839,721	866,620	792,438	577,975	403,444	474,968	444,876
	Total CAN	839,721	866,620	792,438	577,975	403,444	474,968	444,876
Nitrogen Phosphorous Fertilizer (NP)								
1	Fatima Fertilizer Company	713,038	866,724	829,822	637,418	407,511	429,250	372,876
	Total NP	713,038	866,724	829,822	637,418	407,511	429,250	372,876

Single Super Phosphate								
1	Agritech Ltd.	77,150	63,596	73,244	66,341	41,809	59,059	61,942
2	Suraj Fertilizer (Pvt.) Ltd.	7,000	18,000	36,000	14,000	13,000	14,000	3,000
3	Safi Chemical & Fertilizer (Pvt.) Ltd.	-	500	4,000	1,600	900	-	400
Total SSP		84,150	82,096	113,244	81,941	55,709	73,059	65,342
SOP								
1	Barket Fertilizer Pvt.) Ltd. (Pacific Exim)	14,000	16,000	10,000	10,000	8,000	-	-
Total SOP		14,000	16,000	10,000	10,000	8,000	-	-
Grand Total		8,855,470	9,146,835	8,820,843	8,289,796	8,004,329	7,555,808	7,256,388
Capacity Utilization		97%	101%	97%	91%	89%	92%	88%

SUMMARY								
S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
1	Agritech Ltd.	369,405	416,880	300,012	191,126	379,899	154,993	176,143
2	Fauji Fertilizer Company Ltd.	2,521,000	2,404,000	2,507,000	2,487,000	2,492,000	2,522,000	2,513,000
3	Fauji Fertilizer Bin Qasim Ltd.	996,111	1,371,424	1,291,651	1,298,900	1,339,100	1,291,955	1,351,963
4	Engro Fertilizers Ltd.	2,409,776	2,091,603	2,249,286	2,390,888	2,137,819	2,060,870	1,916,036
5	Fatima Fertilizer Company Ltd.	2,538,178	2,828,428	2,422,894	1,896,282	1,633,611	1,511,990	1,291,846
6	Suraj Fertilizer (Pvt.) Ltd.	7,000	18,000	36,000	14,000	13,000	14,000	3,000
7	Safi Chemical & Fertilizer (Pvt.) Ltd.	-	500	4,000	1,600	900	-	4,400
8	Barket Fertilizer Pvt.) Ltd. (Pacific Exim)	14,000	16,000	10,000	10,000	8,000	-	-
Total		8,855,470	9,146,835	8,820,843	8,289,796	8,004,329	7,555,808	7,256,388

Summary and Insights

- The fertilizer industry's overall capacity utilization has shown a general trend of exceeding 97% utilization in recent years, indicating an efficient use of available resources.
- The capacity expansions in 2019 were effectively absorbed by 2020, as evidenced by the increasing production figures.

- Individual manufacturers show varying performance, with some consistently exceeding their nominal capacities, such as Engro Fertilizers Limited in NPK production.
- Fatima Fertilizer Company Limited has shown significant growth in production capacity and utilization, particularly notable in CAN and NP fertilizers.
- The data highlights both the resilience and efficiency of the Pakistani fertilizer industry, with consistent improvements in capacity utilization and production outputs over the observed period.

This comprehensive analysis underscores the strategic importance of maintaining and optimizing production capacities to meet the growing demands within the agricultural sector.

3. Dispatches – Sales Volume and Imports

To bridge the gap between the demand and supply (production by the manufacturers) the Government of Pakistan frequently imports urea through the Trading Corporation of Pakistan. The provided graph demonstrates that manufacturers have made dispatches exceeding their designed capacities. This indicates two key points:

1. **More Efficient Use of Plant:** Manufacturers are optimizing their production processes to exceed standard output levels.
2. **Sale of Imported Fertilizers:** The excess dispatches include the sale of imported fertilizers to meet local demand.

The hypothesis remains an illusion unless supported by the quantitative analysis. Therefore, to be more accurate and logical, a detailed company-wise analysis has been made and a table provided which shows company-wise and year-wise sales quantities split into the types of fertilizers.

These visual and tabular data illustrate the trends and disparities within the fertilizer sector, providing a comprehensive overview of its performance and the factors influencing its growth.

The Industry Trend

A graph showing industry trend is provided below which also encompasses the production capacities available to the manufacturers. The Industries during the period 2017-2023 consistently sold more than the production made.

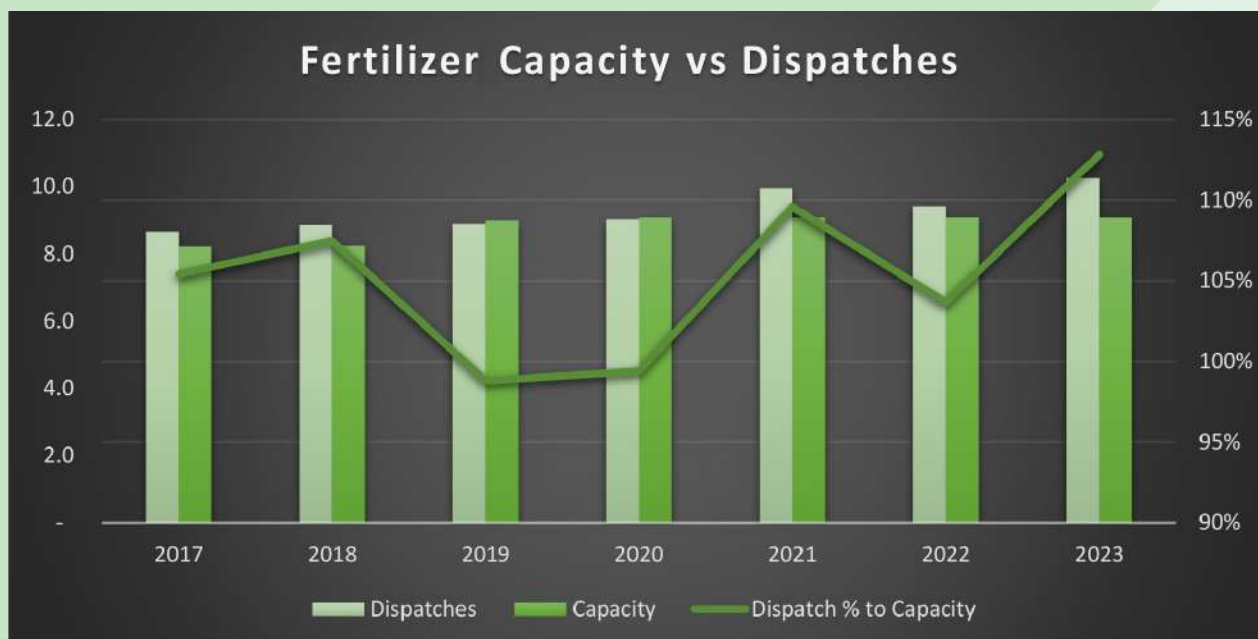


Table E, denotes the company wise dispatches of different types of fertilizer during the period 2017-23. It is followed by a summary which shows total dispatches made by each company. Another **Table F** describes the imports of urea made during the last 13 years.

The data provided vide tables is analyzed hereunder.

Fertilizer Dispatches (Sales Tons) (2017-2023) - Company-wise Dispatches:

1. Agritech Limited

- **Urea:** Significant increase from 2017 (110,000 tons) to 2022 (351,933 tons), slight decrease in 2023 (285,551 tons).
- **Single Super Phosphate:** Fluctuating dispatches with a high of 80,226 tons in 2023.

2. Fauji Fertilizer Company Limited

- Consistently high Urea dispatches, peaking in 2017 (3,223,000 tons) and slightly declining to 2,629,000 tons in 2023.

3. Fauji Fertilizer Bin Qasim Limited

- Urea dispatches peaked in 2018 (562,000 tons), with a decline to 336,785 tons in 2023.
- **DAP:** Dispatches fluctuated, peaking in 2022 (926,273 tons) and decreasing to 660,946 tons in 2023.

4. Engro Fertilizers Limited

- **Urea:** Dispatches peaked in 2023 (2,327,000 tons), showing consistent growth since 2017.
- **NPK:** Dispatches increased significantly to 883,484 tons in 2023.

5. Fatima Fertilizer Company Limited

- **Urea:** Varied dispatches with a peak in 2022 (1,106,000 tons).
- **CAN and NP fertilizers:** Noticeable increase in dispatches over the years.

Total Dispatches:

- **Urea:** Highest in 2021 with 6,567,230 tons.
- **DAP:** Highest in 2020 with 1,105,273 tons.
- **NPK:** Highest in 2023 with 883,484 tons.
- **CAN:** Consistent growth, peaking in 2021 with 894,000 tons.
- **NP:** Peaked in 2023 with 1,000,000 tons.
- **Single Super Phosphate:** Varied dispatches, peaking in 2023 with 80,226 tons.

Urea Imports (2010-2023)

Urea Imports Overview:

2010-11 to 2015-16: Total imports of 5,094,168 tons.

- Peak in 2011-12 with 1,647,450 tons.

2016-17 to 2022-23: Total imports of 501,887 tons.

- Notable imports in 2022-23 with 195,295 tons.
- No imports recorded in 2016-17, 2017-18, and 2021-22.

Summary:

1. Fertilizer Dispatches:

- **Overall Trend:** Increasing trend in the dispatches of Urea, NPK, CAN, and NP fertilizers over the years, with some fluctuations in specific years.
- **Top Performers:** Engro Fertilizers Limited and Fauji Fertilizer Company Limited are leading in terms of Urea dispatches.

2. Urea Imports:

- **Overall Trend:** Significant reduction in Urea imports from 2017-18 to 2022-23 compared to the previous period (2010-11 to 2015-16).
- **Peak Year:** The highest import year was 2011-12.

This analysis indicates a robust domestic production and dispatch of various fertilizers, reducing reliance on imports in recent years, particularly for Urea.

TABLE E
FERTILIZER DISPATCHES (SALES TONS)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
UREA								
1	Agritech Ltd.	285,551	351,933	232,094	139,296	320,323	100,895	110,000
2	Fauji Fertilizer Company Ltd.	2,629,000	2,495,000	2,703,000	2,765,000	2,720,000	3,030,000	3,223,000
3	Fauji Fertilizer Bin Qasim Ltd.	336,785	522,561	501,136	559,332	508,094	562,000	546,000
4	Engro Fertilizers Ltd.	2,327,000	1,935,000	2,295,000	2,020,000	1,958,000	1,988,000	1,739,000
5	Fatima Fertilizer Company Ltd.	970,000	1,106,000	836,000	755,000	777,526	662,034	525,606
	Total Urea	6,548,336	6,410,494	6,567,230	6,238,628	6,283,943	6,342,929	6,143,606
Di-ammonium Phosphate Fertilizer (DAP)								
1	Fauji Fertilizer Bin Qasim Ltd.	845,515	660,946	790,196	926,273	687,918	687,000	831,000
2	Fatima Fertilizer Company Ltd.	96,000	21,000	65,000	179,000	106,702	26,371	14,920
	Total DAP	941,515	681,946	855,196	1,105,273	794,620	713,371	845,920
Nitrogen, Phosphorous and Potassium Fertilizer (NPK) & Other blends								
1	Engro Fertilizers Ltd.	883,484	685,710	680,920	696,000	817,160	858,440	664,000
	Total NPK	883,484	685,710	680,920	696,000	817,160	858,440	664,000
Calcium Ammonium Nitrate Fertilizer (CAN)								
1	Fatima Fertilizer Company Ltd.	800,000	871,000	894,000	489,000	471,828	499,608	538,522
	Total CAN	800,000	871,000	894,000	489,000	471,828	499,608	538,522
Nitrogen Phosphorous Fertilizer (NP)								
1	Fatima Fertilizer Company Ltd.	1,000,000	718,000	882,000	444,000	477,992	377,726	413,046
	Total NP	1,000,000	718,000	882,000	444,000	477,992	377,726	413,046
SINGLE SUPER PHOSPHATE SSP								
1	Agritech Ltd.	80,226	54,137	80,152	59,929	41,916	66,748	61,000
	Total	10,253,561	9,421,287	9,959,498	9,032,830	8,887,459	8,858,822	8,666,094

COMPANY WISE DISPATCHES (SALES TONS)								
S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
1	Agritech Ltd.	365,777	406,070	312,246	199,225	362,239	167,643	171,000
2	Fauji Fertilizer Company Ltd.	2,629,000	2,495,000	2,703,000	2,765,000	2,720,000	3,030,000	3,223,000
3	Fauji Fertilizer Bin Qasim Ltd.	1,182,300	1,183,507	1,291,332	1,485,605	1,196,012	1,249,000	1,377,000
4	Engro Fertilizers Ltd.	3,210,484	2,620,710	2,975,920	2,716,000	2,775,160	2,846,440	2,403,000
5	Fatima Fertilizer Company Ltd.	2,866,000	2,716,000	2,677,000	1,867,000	1,834,048	1,565,739	1,492,094
	TOTAL	10,253,561	9,421,287	9,959,498	9,032,830	8,887,459	8,858,822	8,666,094

TABLE F

UREA IMPORTS

	Year	Tons
1	2010-11	632,694
2	2011-12	1,647,450
3	2012-13	760,077
4	2013-14	1,153,891
5	2014-15	647,399
6	2015-16	252,657
	Sub Total	5,094,168
7	2016-17	-
8	2017-18	-
9	2018-19	105,060
10	2019-20	100,972
11	2020-21	100,560
12	2021-22	-
13	2022-23	195,295
	Sub Total	501,887
	Grand Total	5,596,054

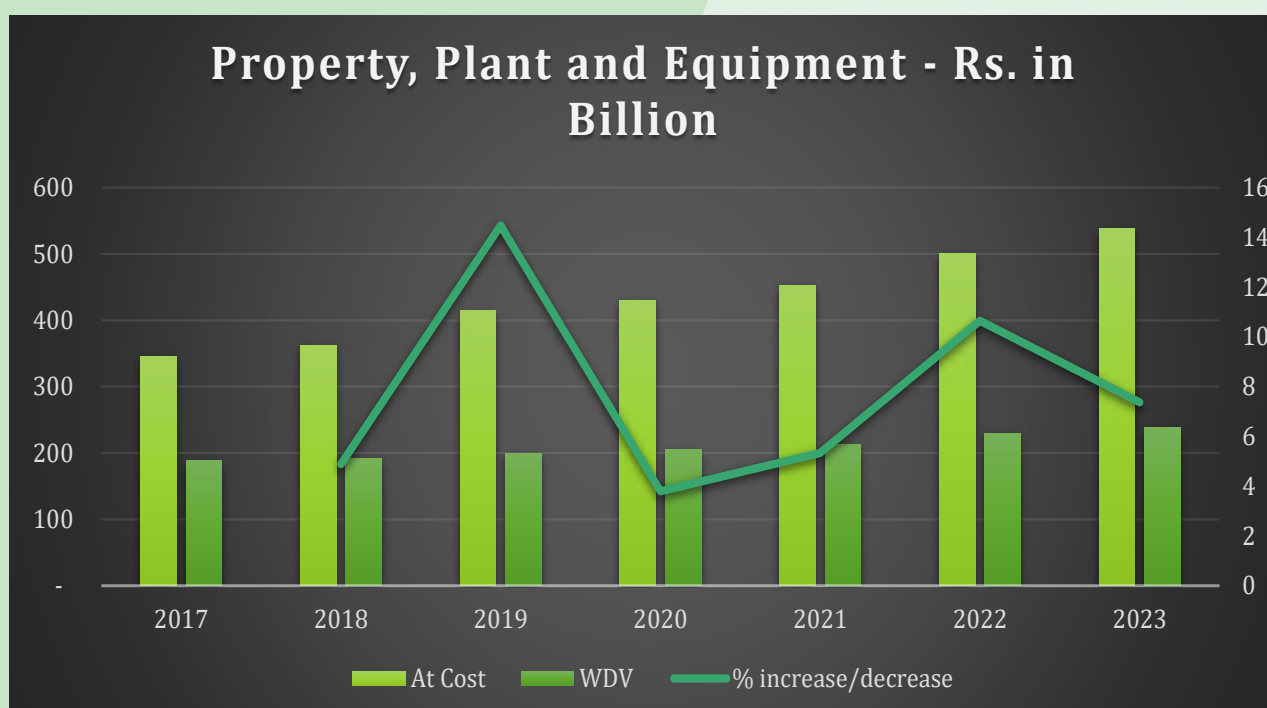
CHAPTER 5

Investment in Property, Plant and Equipment (Fixed Assets) 2017-2023

Under this Chapter investments made by the main fertilizer companies during the years 2017-2023 has been discussed.

The graph depicts gross investment in property, plant, and equipment and the book value of these assets at the end of each year pertaining to the entire industry.

Table G provides information about the investment made by each individual fertilizer manufacturer and **Table H** portrays book value of the property, plant, and equipment pertaining to each manufacturer.



Overview

Between 2018 and 2023, there was a significant increase in investment in Property, Plant, and Equipment (PPE) among major fertilizer companies in Pakistan. The total investment rose from Rs. 345 billion at the end of fiscal year 2017 to Rs. 538 billion by June 30, 2023, marking an increase of Rs. 193 billion. This translates to a 56% rise in investment over the seven-year period.

Breakdown of the Increase

- **Revaluation of Fixed Assets by Agritech Limited:** Rs. 59 billion
- Capacity Additions by Fatima Fertilizer Company Limited
- Other Additions to Support Assets

There were no capacity increases by other players during this period.
Year-wise and Company-wise Investment Details

TABLE G

INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT AT COST

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agritech Ltd.	114.28	114.13	92.52	92.49	92.40	54.95	54.20
2	Fauji Fertilizer Company Ltd.	93.95	69.99	63.77	59.16	54.66	55.91	53.82
3	Fauji Fertilizer Bin Qasim Ltd.	36.21	35.45	35.41	35.26	33.96	31.97	30.95
4	Engro Fertilizers Ltd.	142.52	136.82	130.17	117.73	115.01	112.56	108.16
5	Fatima Fertilizer Company Ltd.	151.42	145.05	131.34	125.60	118.49	106.71	98.13
	Total	538.37	501.45	453.20	430.25	414.52	362.11	345.25

TABLE H

INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT AT WDV

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agritech Ltd. *	68.34	69.93	56.97	58.54	60.04	38.59	39.77
2	Fauji Fertilizer Company Ltd.	40.22	27.63	23.99	22.84	22.21	21.53	22.31
3	Fauji Fertilizer Bin Qasim Ltd.	9.62	9.73	10.57	11.25	10.43	9.75	10.43
4	Engro Fertilizers Ltd.	78.44	77.88	73.03	65.73	65.92	68.20	68.92
5	Fatima Fertilizer Company Ltd.	110.03	114.34	105.42	104.94	100.72	91.72	86.70
	Total	238.30	229.58	213.02	204.76	199.29	191.20	188.37

* Book value of M/s Agritech Limited represent their revalued values.

Analysis

1. Agritech Limited:

- At Cost: The investment increased significantly in 2019 and 2022 due to revaluation, with a stable value of Rs. 114.28 billion by 2023.
- At Book Value: Shows a steady increase reflecting revaluation, reaching Rs. 68.34 billion in 2023.

2. Fauji Fertilizer Company Limited:

- At Cost: Increased gradually from Rs. 53.82 billion in 2017 to Rs. 93.95 billion in 2023.
- At Book Value: Reflects a slower increase, reaching Rs. 40.22 billion in 2023.

3. Fauji Fertilizer Bin Qasim Limited:

- At Cost: Increased from 30.95 in 2017 to Rs. 36.21 billion in 2023.
- At Book Value: Remained relatively stable around Rs. 10 billion.

4. Engro Fertilizers Limited:

- At Cost: Steadily increased from Rs. 108.16 billion in 2017 to Rs. 142.52 billion in 2023.
- At Book Value: Remained stable around Rs. 78 billion during 2022 - 2023.

5. Fatima Fertilizer Company Limited:

- At Cost: Significant increase from Rs. 98.13 billion in 2017 to Rs. 151.42 billion in 2023, indicating substantial capacity additions.
- At Book Value: Increased from Rs. 86.70 billion in 2017 to Rs. 110.03 billion in 2023.

Conclusion

The overall rise in investment in Property, Plant, and Equipment among these fertilizer companies indicates a significant focus on expansion by Fatima Fertilizer Company Limited, revaluation of assets by M/s Agritech Limited and investment in support assets.

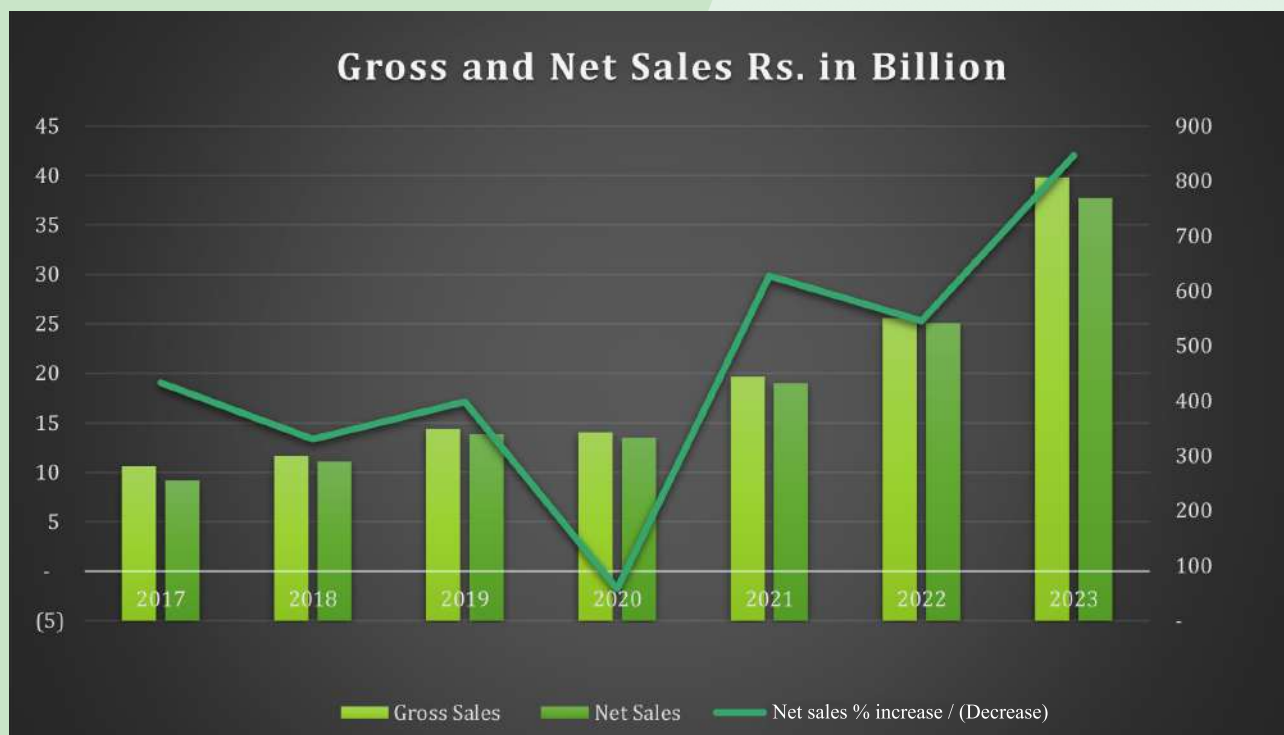
CHAPTER 6

Sales Revenue

Sales are indeed the cornerstone activity of any manufacturing enterprise. All other functions or departments, including manufacturing, finance, accounts, administration, and others, exist to facilitate and support the sales process. Without sales, the plant would stagnate, and labor would be underutilized or laid off. Therefore, sales are paramount for ensuring sustainability and prosperity. The performance of the fertilizer sector is evaluated based on this fundamental principle.

In this Chapter, we will discuss gross sales and net sales followed by (in the next chapter) an analysis of profits earned over the years.

The industry performance has been portrayed through a graph and the individual Companies numbers have been illustrated in the tables I and J below.



The graph portrays that the fertilizer industry has shown a significant upward trend in gross sales over the years, as outlined below:

- In 2017, gross sales stood at Rs. 280.58 billion (net sales Rs. 255.38 billion)
- This figure increased to Rs. 299.89 billion in 2018 (net sales Rs. 289.46) and further to Rs. 348.82 billion in 2019 (net sales Rs. 339 billion)
- However, there was a slight decline in 2020, with gross sales dropping to Rs. 342.30 billion (net sales 332.91), marking a decrease of Rs. 6.52 billion compared to the previous year, i.e., 2%.
- In 2021, there was a notable recovery as gross sales surged to Rs. 443.60 billion (net sales Rs. 432.28).
- This positive trend continued in 2022, with gross sales reaching Rs. 550.01 billion (net sales Rs. 451.63 billion).
- Finally, in 2023, gross sales peaked at Rs. 806.12 billion (net sales Rs. 769.13 billion), indicating a remarkable surge of 47% over the previous period.

The cumulative increase over six years registers at Rs. 526 billion, translating to approximately 200% in percentage terms. This massive increase in gross sales is mainly attributed to price inflation coupled with the devaluation of the PKR against the US Dollar. The increase in imported raw materials resulted in excessive input costs, which then forced higher output prices of final products.

For a more comprehensive analysis, detailed information on year-wise and company-wise gross sales and net sales is provided in the appended **Tables I and J**, respectively.

The trend of actual dispatches of fertilizer and its comparison with the available capacities was provided in the previous chapter. Dispatches exceeding actual capacities highlight the demand vs. local production. The gap in demand and supply was fulfilled through imports. Year-wise imports of urea are also provided in a table.

As noted previously, the notable uptick in sales figures primarily stemmed from a significant surge in pricing, evident from the sales volumes observed during the specified period. Despite a remarkable increase of over 200% in sales revenue from 2017 to 2023, the corresponding increase in sales volumes stood at a modest 18%. This underscores the inherent fragility within the fertilizer sector.

In summary, while the increase in sales values appears significant at first glance, a deeper analysis reveals underlying weaknesses within the fertilizer sector. The modest rise in sales volumes compared to the robust rise in sales revenues highlights this disparity.

Two separate **tables – I and J** depicting company-wise gross and net sales have been provided hereunder to assess their individual performance during the period 2017-2023.

TABLE I

GROSS SALES

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agritech Ltd.	23.03	17.59	10.43	5.92	12.71	4.68	4.22
2	Fauji Fertilizer Company Ltd.	164.65	110.51	110.92	100.02	108.55	109.39	99.19
3	Fauji Fertilizer Bin Qasim Ltd.	205.59	160.68	112.68	85.09	68.81	63.05	57.68
4	Engro Fertilizers Ltd.	167.42	98.57	93.04	77.17	80.81	68.58	67.31
5	Fatima Fertilizer Company Ltd.	245.44	162.66	116.54	74.10	77.94	54.19	52.18
	Total	806.12	550.01	443.60	342.30	348.82	299.89	280.58

TABLE J

NET SALES

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agritech Ltd.	22.17	17.30	10.10	5.70	12.17	4.53	3.55
2	Fauji Fertilizer Company Ltd.	159.47	109.36	108.65	97.65	105.78	105.96	90.71
3	Fauji Fertilizer Bin Qasim Ltd.	193.06	159.23	110.45	83.23	66.84	61.51	52.73
4	Engro Fertilizers Ltd.	161.67	96.94	90.58	75.06	79.24	66.14	63.01
5	Fatima Fertilizer Company Ltd.	232.75	158.80	112.49	71.27	74.96	51.31	45.37
	Total	769.13	541.63	432.28	332.91	339.00	289.46	255.38

- M/s Agritech Limited experienced a turnaround, with sales surging from Rs. 4.22 billion to Rs. 23.03 billion, an increase of more than five times. Net sales surged from Rs. 3.55 billion to Rs. 22.17 billion.
- M/s Fauji Fertilizer increased its sales by Rs. 65.46 billion, from Rs. 99.19 billion to Rs. 164.65 billion. Net sales increased to Rs. 159.47 from 90.71 billion.

- M/s Fauji Fertilizer Bin Qasim enhanced its sales from Rs. 57.68 billion to Rs. 205.59 billion. The main factor underlying this increase is the devaluation of the PKR against the US Dollar and other currencies. Since the company uses imported raw materials for the production of DAP, the increased cost of raw materials pushed the selling price to an unprecedented peak. Net sales peaked to Rs. 193.06 billion from Rs. 52.73 billion.
- M/s Engro Fertilizers Limited saw its sales rise from Rs. 67.31 billion to Rs. 167.42 billion. Net sales to Rs. 161.67 billion from 63.01 billion.
- M/s Fatima Fertilizer Company Limited increased its sales from Rs. 52.18 billion to Rs. 245.44 billion. The increase in production capacity, along with inflation, contributed to the surge in gross revenue. Net sales surged to Rs. 232.75 billion from 45.37 billion.

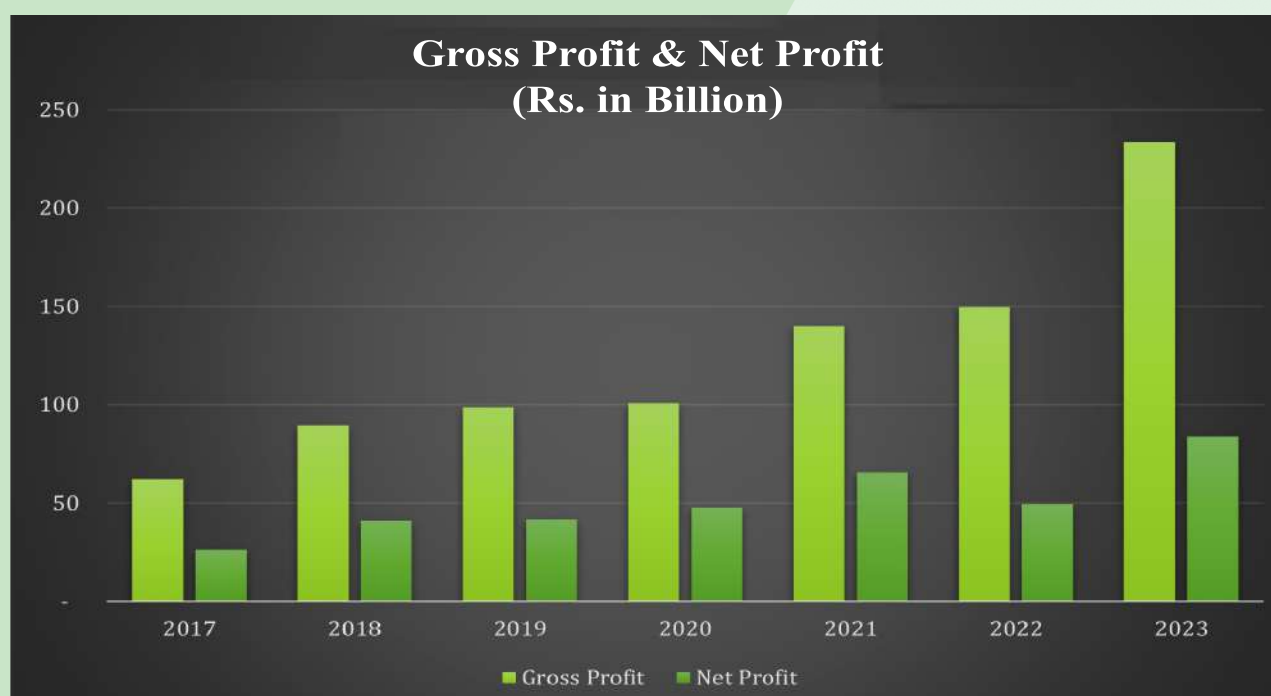
The analysis reveals that while sales revenues have surged, the relatively modest increase in sales volumes indicates that the rise in revenues is primarily due to price inflation and currency devaluation rather than a substantial increase in production or market demand. This situation calls for a closer examination of the sector's long-term sustainability and the factors driving its growth.

CHAPTER 7

Gross and Net Profits Analysis

The fertilizer industry has demonstrated a significant upward trend in both gross profit (GP) and net profit (NP) over the years, albeit with some volatility in NP. Below, we provide a detailed analysis of the industry's financial performance, followed by a company-wise breakdown of profitability.

The Industry's profitability is depicted through a graph and individual companies GP and the bottom lines have been revealed in tables provided after the graph.



Industry-wide Profit Trends

Gross Profit (GP):

- **2017:** Rs. 62.05 billion (24% of net sales)
- **2019:** Rs. 98.76 billion (29% of net sales)
- **2021:** Rs. 140.02 billion (32% of net sales)
- **2023:** Rs. 233.59 billion (30% of net sales)
- **2018:** Rs. 89.40 billion (31% of net sales)
- **2020:** Rs. 100.85 billion (30% of net sales)
- **2022:** Rs. 149.61 billion (28% of net sales)

Observation

The industry's GP has shown a significant upward trend, increasing from Rs. 62.05 billion in 2017 to Rs. 233.59 billion in 2023. This growth reflects better sales, improved cost management, and efficient pricing strategies.

Net Profit (NP)

Net Profit (NP):

- **2017:** Rs. 26.81 billion (10% of net sales)
- **2019:** Rs. 41.17 billion (12% of net sales)
- **2021:** Rs. 65.15 billion (15% of net sales)
- **2023:** Rs. 83.24 billion (11% of net sales)
- **2018:** Rs. 41.11 billion (14% of net sales)
- **2020:** Rs. 47.72 billion (14% of net sales)
- **2022:** Rs. 49.27 billion (9% of net sales)

Observation

NP has increased from Rs. 26.81 billion in 2017 to Rs. 83.24 billion in 2023, although with some volatility, particularly in 2022. The NP percentage of sales has varied between 9% and 15%, indicating stable, albeit fluctuating, profitability.

Company-Wise Profitability

Below are two tables K and L showing the company-wise Gross Profit (GP) and Net Profit (NP) respectively, along with their respective ratios to Net Sales. A company-wise analysis follows the tables.

TABLE K

GROSS PROFIT

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in Billion						
1	Agritech Ltd.	4.40	2.12	0.41	(1.17)	1.53	(0.34)	(1.23)
	% of sales	20%	12%	4%	-21%	13%	-8%	-35%
2	Fauji Fertilizer Company Ltd.	64.25	40.05	38.88	31.58	30.74	27.98	18.09
	% of sales	40%	37%	36%	32%	29%	26%	20%
3	Fauji Fertilizer Bin Qasim Ltd.	33.11	25.59	22.15	12.58	5.88	8.18	6.03
	% of sales	17%	16%	20%	15%	9%	13%	11%
4	Engro Fertilizers Ltd.	59.42	29.40	35.50	29.06	32.71	27.91	20.47
	% of sales	37%	30%	39%	39%	41%	42%	32%
5	Fatima Fertilizer Company Ltd.	72.41	52.46	43.08	28.79	27.90	25.67	18.69
	% of sales	31%	33%	38%	40%	37%	50%	41%
	Total Industry	233.59	149.61	140.02	100.85	98.76	89.40	62.05
	Total Industry % of sales	30%	28%	32%	30%	29%	31%	24%

TABLE L

NET PROFIT (LOSS)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	AgriTech Ltd.	1.09	(2.95)	(2.68)	(4.30)	(0.65)	(3.34)	(4.31)
	% of sales	5%	-17%	-27%	-75%	-5%	-74%	-121%
2	Fauji Fertilizer Company Ltd.	29.67	20.05	21.90	20.82	17.11	14.44	10.71
	% of sales	15%	13%	20%	25%	26%	23%	20%
3	Fauji Fertilizer Bin Qasim Ltd.	4.40	2.33	6.39	2.19	(5.92)	1.44	1.00
	% of sales	2%	1%	6%	3%	-8%	3%	2%
4	Engro Fertilizers Ltd.	25.68	15.41	21.07	16.82	18.56	16.67	10.14
	% of sales	16%	16%	23%	22%	23%	25%	16%
5	Fatima Fertilizer Company Ltd.	22.40	14.44	18.47	12.19	12.07	11.91	9.27
	% of sales	10%	9%	16%	17%	16%	23%	20%
	Total	83.24	49.27	65.15	47.72	41.17	41.11	26.81
	% of sales	11%	9%	15%	14%	12%	14%	10%

Company-Wise Profitability Analysis

1. AgriTech Limited:

- **GP Trends:** AgriTech's GP showed significant improvement, with Rs. 4.40 billion in 2023 compared to negative figures in earlier years. This marks a substantial recovery.
- **NP Trends:** AgriTech's NP followed a similar trend, reaching Rs. 1.09 billion in 2023 after years of losses. The key driver was a Rs. 4 billion gain from the rescheduling of finances.

2. Fauji Fertilizer Company Limited:

- **GP Trends:** Fauji Fertilizer experienced steady GP growth, peaking at Rs. 64.25 billion in 2023. The GP ratio improved from 20% in 2017 to 40% in 2023, reflecting enhanced operational efficiency.
- **NP Trends:** NP also grew significantly to Rs. 29.67 billion in 2023. However, the NP ratio decreased slightly from 20% to 15%, indicating controlled growth and increased operational costs.

3. Fauji Fertilizer Bin Qasim Limited:

- **GP Trends:** This Company saw consistent improvement, with GP reaching Rs. 33.11 billion in 2023, up from Rs. 6.03 billion in 2017. The GP-to-sales ratio increased slightly from 11% to 17%.
- **NP Trends:** NP was more volatile but showed recovery, ending at Rs. 4.40 billion in 2023, with a stable NP ratio of 2%.

4. Engro Fertilizers Limited:

- **GP Trends:** Engro demonstrated substantial GP growth, especially in 2023 with Rs. 59.42 billion. The GP-to-sales ratio increased from 32% to 37%, highlighting consistent profitability.
- **NP Trends:** Engro's NP also saw a rise to Rs. 25.68 billion in 2023. Despite some fluctuations, the NP ratio remained strong at 16%.

5. Fatima Fertilizer Company Limited:

- **GP Trends:** Fatima Fertilizer showed strong growth in GP, reaching Rs. 72.41 billion in 2023. The GP ratio improved from 41% to 31% over the years.
- **NP Trends:** Fatima's NP followed a steady upward trajectory, ending at Rs. 22.40 billion in 2023. The NP ratio showed improvement from 20% to 10%, indicating better cost control and profitability.

CHAPTER 8

Average Selling Price and the Cost of Sales

The progression of Gross and Net Profits over the past seven years reveals diverse trajectories across different companies in the fertilizer industry. Each company's financial performance has been shaped by a variety of factors, leading to unique outcomes in their bottom lines.

In Chapter 6, we explored the gross and net profits for both the industry as a whole and for individual players. This chapter, along with the subsequent sections, delves deeper into the analysis of key cost elements, illustrated through graphs and tables to provide a clear picture of company-specific and industry-wide trends.

Two fundamental components that directly impact a company's Gross Profit are the Average Selling Price (ASP) and the Cost of Sales (COS). These metrics are examined in detail through visual representations to shed light on their influence on profitability.



The graph supra, denotes that average selling price per ton of fertilizer that stood at Rs. 30K surged to Rs. 74K per ton translating in 155%. On the other hand cost of sales which stood at Rs. 21K per ton, jumped to Rs. 53K per ton showing an increase of 152%. The gap between price and cost of sales in 2017 was Rs. 11K widened to Rs. 32K, a very healthy sign from the shareholders' perspective.

The selling price of the whole flock have been provided in the following tables - separately showing gross selling rates which are inclusive of sales tax/excise duty and discounts offered to the customers and net selling rates which goes directly in the companies kitties.

TABLE M

GROSS SELLING PRICE PER TON

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Thousand								
1	Agritech Ltd.	62.96	43.31	33.39	29.70	35.09	27.93	24.66
2	Fauji Fertilizer Company Ltd.	62.63	44.29	41.03	36.18	39.91	36.10	30.78
3	Fauji Fertilizer Bin Qasim Ltd.	173.89	135.77	87.26	57.27	57.53	50.48	41.88
4	Engro Fertilizers Ltd.	52.15	37.61	31.26	28.41	29.12	24.09	28.01
5	Fatima Fertilizer Company Ltd.	85.64	59.89	43.53	39.69	42.50	34.61	34.97
	Industry average (weighted)	78.62	58.38	44.54	37.89	39.25	33.85	32.38

TABLE N

NET SELLING PRICE PER TON

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Thousand								
1	Agritech Ltd.	60.62	42.59	32.35	28.61	33.61	27.04	20.77
2	Fauji Fertilizer Company Ltd.	60.66	43.83	40.20	35.32	38.89	34.97	28.15
3	Fauji Fertilizer Bin Qasim Ltd.	163.30	134.54	85.53	56.03	55.89	49.25	38.30
4	Engro Fertilizers Ltd.	50.36	36.99	30.44	27.63	28.55	23.24	26.22
5	Fatima Fertilizer Company Ltd.	81.21	58.47	42.02	38.17	40.87	32.77	30.41
	Industry average (weighted)	75.01	57.49	43.40	36.86	38.14	32.67	29.47

The detailed analysis of the Average Selling Price (ASP) and the Cost of Sales (COS) for the fertilizer industry provides significant insights into the industry's profitability trends over the past seven years. Below is a breakdown based on the data from tables and trend analysis:

Average Selling Price (ASP) vs. Cost of Sales (COS)

- **ASP (2017-2023):** The industry saw an ASP increase from Rs. 29.47K per ton in 2017 to Rs. 75.01K per ton in 2023, which is a significant 155% surge.
- **COS (2017-2023):** Similarly, the COS also jumped from Rs. 22.31K per ton to Rs. 52.53K per ton, a 134% increase.
- **Gap between ASP and COS:** In 2017, the gap between selling price and cost was Rs. 7.16 per ton, growing to Rs. 22.78K per ton by 2023. This widening gap indicates improved gross profitability from a shareholder perspective.

Gross Selling Prices (Table M Analysis)

- **Industry-wide increase:** The total weighted industry average gross selling price increased from Rs. 32.78K per ton in 2017 to Rs. 78.62K per ton in 2023, reflecting a 143% increase.

Company-specific trends:

- **Agritech Limited:** 155% increase, Rs. 24.66K in 2017 to Rs. 62.96K in 2023.
- **Fauji Fertilizer Company Limited:** 103% increase, Rs. 30.78K to Rs. 62.63K.
- **Fauji Fertilizer Bin Qasim Limited:** 315% increase, Rs. 41.88K to Rs. 173.89K, reflecting the most significant increase among peers.
- **Engro Fertilizers Limited:** 86% increase, Rs. 28.01K to Rs. 52.15K, marking a more modest rise compared to others.
- **Fatima Fertilizer Company Limited:** 145% increase, Rs. 34.97K to Rs. 85.64K.

Net Selling Prices (Table N Analysis)

- **Industry-wide increase:** The total weighted average net selling price rose from Rs. 29.47K in 2017 to Rs. 75.01K in 2023, an impressive 155% increase.

Company-specific trends:

- o **Agritech Limited:** 192% increase, Rs. 20.77K to Rs. 60.62K.
- o **Fauji Fertilizer Company Limited:** 116% increase, Rs. 28.15K to Rs. 60.66K.
- o **Fauji Fertilizer Bin Qasim Limited:** 326% increase, Rs. 38.30K to Rs. 163.3K, the most significant rise in net selling price.
- o **Engro Fertilizers Limited:** 92% increase, Rs. 26.22K to Rs. 50.36K.
- o **Fatima Fertilizer Company Limited:** 167% increase.

Summary of Profitability Trends

The industry has seen a substantial increase in both gross and net selling prices across the board, with the gap between ASP and COS widening. The rise in net selling prices, especially in companies like Fauji Fertilizer Bin Qasim Limited, suggests they have managed to control costs effectively or pass higher input costs onto consumers. These increases in selling prices have had a positive impact on gross and net profitability, making the fertilizer sector an attractive prospect from an investment standpoint.

Cost of Sales

The cost of sales is the total of all components of the expenses incurred to produce a product sold in the market. It plays a crucial role in determining a company's profitability; a higher cost of sales typically leads to lower profitability. Gross Profit (GP) is calculated as Sales minus Cost of Sales, and businesses with strong GPs tend to have greater longevity.

The cost of sales for the industry as a whole, as well as for individual companies, has been analyzed and discussed below. An industry trend graph covering the period from 2017 to 2023 is provided, along with **Table O** showing the results of individual companies and **Table P** showing the cost of sales per ton of the individual fertilizer companies.



TABLE O

COST OF SALES

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agritech Ltd.	17.77	15.17	9.69	6.87	10.64	4.88	4.78
2	Fauji Fertilizer Company Ltd.	95.22	69.32	69.77	66.07	75.05	77.99	72.62
3	Fauji Fertilizer Bin Qasim Ltd.	159.95	133.64	88.30	70.66	60.95	53.33	46.71
4	Engro Fertilizers Ltd.	102.24	67.54	55.09	45.99	46.52	38.23	42.54
5	Fatima Fertilizer Company Ltd.	160.35	106.34	69.40	42.47	47.07	25.64	26.69
	Total industry	535.54	392.01	292.26	232.07	240.23	200.06	193.33

1. Industry Trend Overview

The total industry cost of sales has shown a steady increase from 2017 to 2023. The increase in the cost of sales is influenced by factors such as inflation, rising fuel costs, and PKR devaluation. The industry saw a significant jump in cost of sales between 2022 and 2023, from Rs. 392.01 billion to Rs. 535.54 billion, an increase of 36.7%. This sharp rise is a reflective of global economic disruptions, particularly in energy and raw materials used in fertilizer production.

- **2017:** Rs. 193.33 billion
- **2023:** Rs. 535.54 billion

2. Company-Specific Trends

The table reveals each company's increasing cost of sales over the years:

- Agritech Limited saw a significant rise, particularly in 2022 and 2023, increasing from Rs. 15.17 billion in 2022 to Rs. 17.77 billion in 2023.
- Fauji Fertilizer Bin Qasim Limited (FFBL) experienced a dramatic jump from Rs. 133.64 billion in 2022 to Rs. 159.95 billion in 2023, making it one of the highest contributors.
- Engro Fertilizers Limited also saw a steep rise in its cost of sales, especially between 2022 and 2023, increasing from Rs. 67.54 billion to Rs. 102.24 billion.
- Fatima Fertilizer Company Limited experienced the most drastic rise in costs over the years, going from Rs. 106.34 billion in 2022 to Rs. 160.35 billion in 2023.

3. Cost of Sales per Ton

TABLE P

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in Thousand Per Ton						
1	Agritech Ltd.	48.59	37.37	31.04	34.50	29.38	29.08	27.96
	% of selling price	80%	88%	96%	121%	87%	108%	135%
2	Fauji Fertilizer Company Ltd.	36.22	21.67	18.49	18.53	22.31	16.99	15.98
	% of selling price	60%	49%	46%	52%	57%	49%	57%
3	Fauji Fertilizer Bin Qasim Ltd.	135.29	112.92	68.38	47.56	50.96	42.70	33.92
	% of selling price	83%	84%	80%	85%	91%	87%	89%
4	Engro Fertilizers Ltd.	31.58	25.77	18.51	16.93	16.76	13.43	17.70
	% of selling price	63%	70%	61%	61%	59%	58%	68%
5	Fatima Fertilizer Company Ltd.	55.95	39.15	25.93	22.75	25.66	16.38	17.88
	% of selling price	69%	67%	62%	60%	63%	50%	59%
	Total weight average	52.23	41.61	29.34	25.68	27.03	22.58	22.31
	% of industry average selling price	70%	72%	68%	70%	71%	69%	76%

The cost of sales per ton provides insights into how efficiently each company is managing production costs relative to their output.

- **Agritech Limited:** Despite a high cost of sales per ton (Rs. 48.59K in 2023) which equals to 80% of the selling price, Agritech shows higher cost of sales during 2017-2021 (except 2019) than its selling prices.
- **Fauji Fertilizer Company Limited (FFC):** Consistently exhibits a lower cost per ton (Rs. 36.22 in 2023), maintaining profitability with a lower percentage of selling price (60% in 2023).

- **Fauji Fertilizer Bin Qasim Limited:** Has the highest cost per ton at Rs. 135.29 in 2023, which reflects a cost-heavy production process that takes up 83% of its selling price.
- **Engro Fertilizers Limited:** Displays efficient cost management with the lowest cost of sales per ton at Rs. 31.58 in 2023 and 63% of the selling price, keeping costs under control relative to revenue.
- **Fatima Fertilizer Company Limited:** Experienced a surge in cost per ton to Rs. 55.95 in 2023, making up 69% of the selling price.

4. Weighted Industry Averages

- The industry's total weighted average cost per ton increased from Rs. 22.31K in 2017 to Rs. 52.23K in 2023, reflecting a significant rise in production costs across the board.
- The industry's cost as a percentage of selling price has fluctuated slightly, staying around 70% from 2019 onwards. This suggests that while costs have risen, companies have been adjusting their selling prices to absorb some of these increases without losing substantial profitability.

Conclusion

The fertilizer industry has faced mounting costs of sales, driven by external factors like inflation and raw material price increases. Despite the increasing costs, most companies have managed to sustain profitability by increasing selling prices. However, companies with higher cost inefficiencies, like Fauji Fertilizer Bin Qasim Limited, might need to implement cost-saving measures to protect their margins in the coming years.

Cost of Sales and Price-Cost Gap

- **Cost of Sales:**
 - o **2017:** Rs. 22.31K per ton
 - o **2023:** Rs. 52.23K per ton
 - o **Increase:** 134%
- **Gap between Price and Cost of Sales:**
 - o **2017:** Rs. 7.16K (29.47K - 22.31K)
 - o **2023:** Rs. 22.78K (75.01K - 52.23K)
 - o **Widening of Gap:** Rs. 15.62K which shows better gross profits per ton in 2023 as compared to 2017.

Key Observations

1. **Significant Increase in Selling Prices:** Both gross and net selling prices have shown a substantial increase over the period, indicating a strong demand or pricing power in the fertilizer market.
2. **Cost of Sales Increase:** The cost of sales has also increased significantly, although at a slightly lower rate compared to the net selling prices.
3. **Widening Margin:** The gap between selling prices and cost of sales has widened, indicating improved profitability from the shareholders' perspective.
4. **Company-Specific Trends:**
 - Fauji Fertilizer Bin Qasim Limited has seen the highest increase in both gross and net selling prices, indicating a strong market position, product differentiation, and devaluation of PKR against the US dollar. For DAP production, the company imports raw material and PKR negatively affected the cost of material and the selling prices.
 - Agritech Limited and Fatima Fertilizer Company Limited also show substantial increases in prices, reflecting potentially strong demand or successful pricing strategies.

Conclusion

The fertilizer industry has experienced a robust increase in both selling prices and cost of sales from 2017 to 2023. The widening gap between prices and costs suggests enhanced profitability, which is favorable for shareholders. Individual companies have shown varied performance, with Fauji Fertilizer Bin Qasim Limited leading in price increases. This trend highlights the overall positive trajectory in the fertilizer market despite the rising costs.

CHAPTER 9

Key Cost of Production Factors

Various tables and graphs provided hereunder give insight into four key cost components of fertilizer production: cost of raw materials and packing, cost of fuel and power, production human resources (HR) cost and cost of depreciation. Here's a detailed analysis of each:

Cost of Raw Materials & Packing

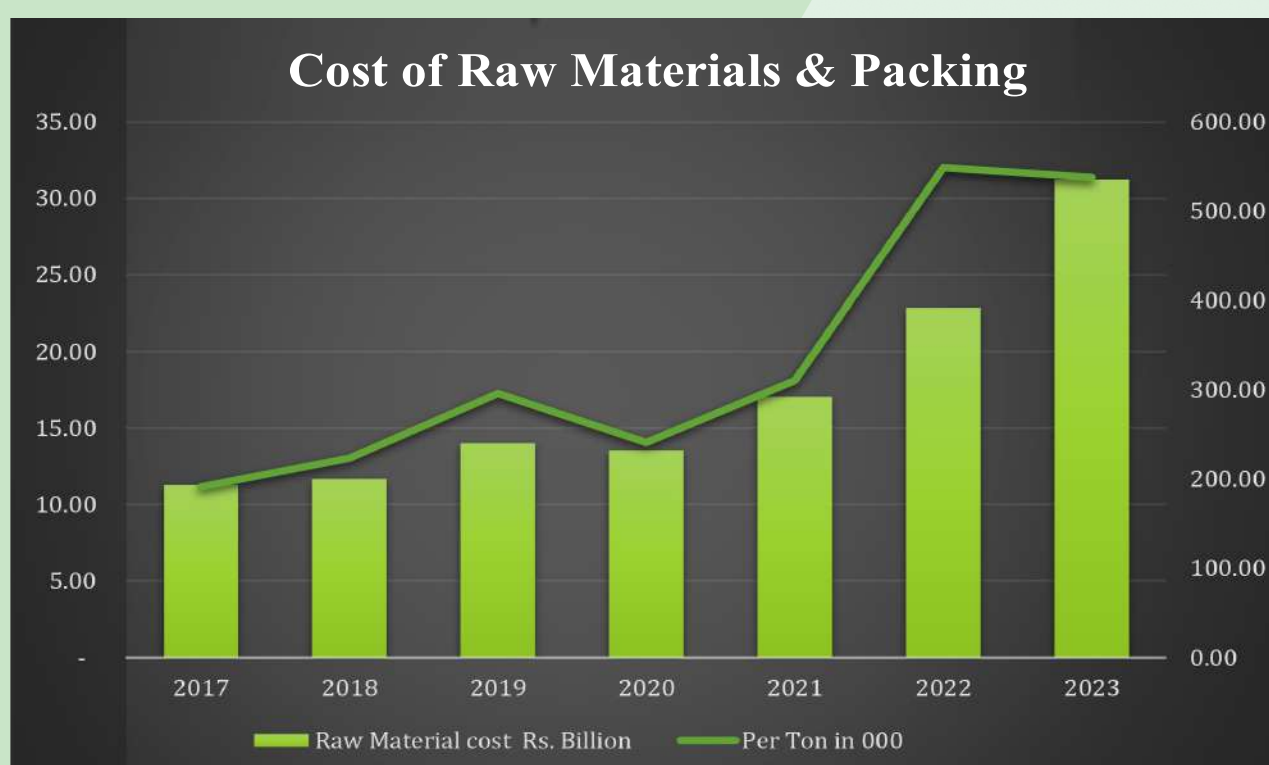


TABLE Q

Cost of Raw Material & Packing Material

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agritech Ltd.	11.71	9.93	5.55	3.15	7.51	2.43	2.09
2	Fauji Fertilizer Company Ltd.	27.77	20.58	20.40	21.70	32.87	26.84	25.16
3	Fauji Fertilizer Bin Qasim Ltd.	99.01	138.40	70.53	43.60	53.25	40.22	32.65
4	Engro Fertilizers Ltd.	57.87	40.42	26.92	23.89	21.59	17.17	12.09
5	Fatima Fertilizer Company Ltd.	81.56	83.61	36.33	24.18	22.98	11.11	8.97
	Total Industry	277.93	292.94	159.72	116.52	138.20	97.77	80.97

TABLE R

Cost of Raw Material & Packing Material Per Ton

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agritech Ltd.	31.7	23.8	18.5	16.5	19.8	24.0	11.9
2	Fauji Fertilizer Company Ltd.	11.0	8.6	8.1	8.7	13.2	10.6	10.0
3	Fauji Fertilizer Bin Qasim Ltd.	99.4	100.9	54.6	33.6	39.8	31.1	24.1
4	Engro Fertilizers Ltd.	24.0	19.3	12.0	10.0	10.1	8.3	6.3
5	Fatima Fertilizer Company Ltd.	32.1	29.6	15.0	12.8	14.1	7.9	6.9
	Industry average (weighted)	31.4	32.0	18.1	14.1	17.3	13.0	11.2

Industry Cost Trend

- **2017:** Rs. 11.2K per ton
- **2023:** Rs. 31.4K per ton
- **Increase:** 180%

Individual Companies:

- **Agritech Limited:** Rs. 11.9K (2017) to Rs. 31.7K (2023) - Increase: 166%
- **Fauji Fertilizer Company Limited:** Rs. 10K (2017) to Rs. 11K (2023) - Increase: 10%
- **Fauji Fertilizer Bin Qasim Limited:** Rs. 24.1K (2017) to Rs. 99.4K (2023) - Increase: 312.4%.
The main reason being the devaluation of PKR against dollar. The Company imports raw materials for DAP production.
- **Engro Fertilizers Limited:** Rs. 6.3K (2017) to Rs. 24K (2023) - Increase: 281%
- **Fatima Fertilizer Company Limited:** Rs. 6.9K (2017) to Rs. 32.1K (2023) - Increase: 365%

Cost of Fuel and Power

The Cost of Fuel and Power is an important factor in the production process. The Fertilizer Industry spends a huge amount on the energy cost to convert raw materials into finished products. Under this head, we have examined the total cost incurred by the industry basis and also incurred by the individual industries. A graph is presented below which shows the total cost incurred by the industry under this head and its impact on the production of fertilizer. The cost per ton is also depicted on the graph.

Two **Tables Q and R** have also been produced after the graph showing the total cost incurred by each manufacturers and the cost per ton of production.

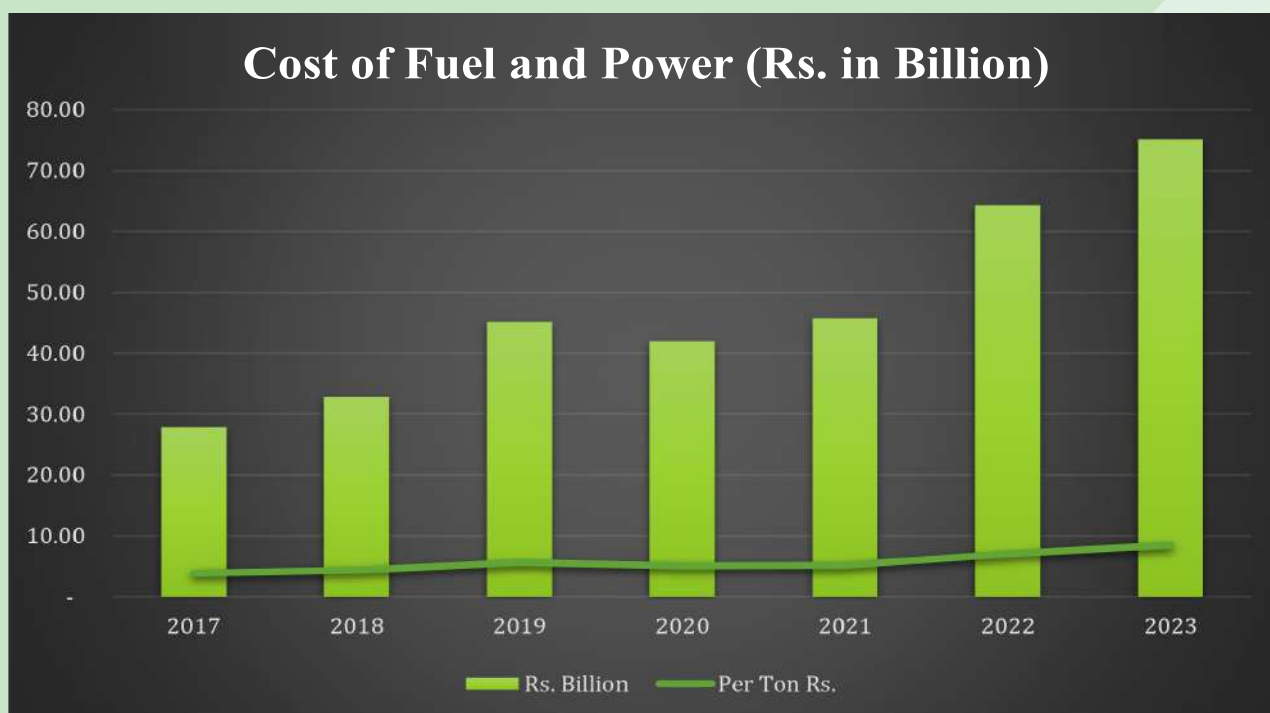


TABLE S

COST OF FUEL AND POWER

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agritech Ltd.	3.04	2.74	1.36	0.83	1.62	0.57	0.84
2	Fauji Fertilizer Company Ltd.	15.96	12.83	12.37	13.03	13.04	9.62	9.50
3	Fauji Fertilizer Bin Qasim Ltd.	21.70	21.96	12.56	10.45	11.52	10.40	7.59
4	Engro Fertilizers Ltd.	22.14	13.72	11.73	11.34	12.33	8.08	6.64
5	Fatima Fertilizer Company Ltd.	12.35	13.05	7.71	6.33	6.63	4.22	3.33
	Total	75.19	64.30	45.72	41.98	45.14	32.88	27.90

1. Total Cost of Fuel and Power - Industry Overview (Rupees in Billion)

Table S shows the total expenditure by various fertilizer companies on fuel and power from 2017 to 2023.

- **Agritech Limited:** Costs increased significantly over the years, from 0.84 billion in 2017 to 3.04 billion in 2023.
- **Fauji Fertilizer Company Limited:** Steadily high costs, peaking at 15.96 billion in 2023.
- **Fauji Fertilizer Bin Qasim Limited:** Fluctuating costs, with a significant rise to 21.96 billion in 2022, and a slight dip to 21.70 billion in 2023. The main reason of the unprecedented increase was due to additional cost charged against electricity used generated by its subsidiary in 2022 and 2023.

- **Engro Fertilizers Limited:** A significant increase from 6.64 billion in 2017 to 22.14 billion in 2023.
- **Fatima Fertilizer Company Limited:** Increased from 3.33 billion in 2017 to 12.35 billion in 2023.

Overall, the total industry cost rose from 27.90 billion in 2017 to 75.19 billion in 2023.

TABLE T

Cost of Fuel and Power Per Ton

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in Thousand						
1	Agritech Ltd.	8.23	6.57	4.54	4.34	4.27	5.66	4.78
2	Fauji Fertilizer Company Ltd.	6.33	5.34	4.93	5.24	5.23	3.81	3.78
3	Fauji Fertilizer Bin Qasim Ltd.	21.78	16.01	9.72	8.04	8.61	8.05	5.61
4	Engro Fertilizers Ltd.	9.19	6.56	5.22	4.74	5.77	3.92	3.47
5	Fatima Fertilizer Company Ltd.	4.87	4.61	3.18	3.34	4.06	2.79	2.58
	Industry average (weighted)	8.49	7.03	5.18	5.06	5.64	4.38	3.85

2. Cost of Fuel and Power Per Ton (Rupees in 000)

Table T presents the cost per ton of production for each company over the same period.

- **Agritech Limited:** Increased cost per ton from 4.78 in 2017 to 8.23 in 2023.
- **Fauji Fertilizer Company Limited:** Costs rose from 3.78 in 2017 to 6.33 in 2023.
- **Fauji Fertilizer Bin Qasim Limited:** A sharp increase from 5.61 in 2017 to 21.78 in 2023.
- **Engro Fertilizers Limited:** Increased from 3.47 in 2017 to 9.19 in 2023.
- **Fatima Fertilizer Company Limited:** Saw a rise from 2.58 in 2017 to 4.87 in 2023.

The industry average cost per ton has grown from 3.85 in 2017 to 8.49 in 2023.

Key Observations:

- **Rising Costs:** There's a clear upward trend in both the total cost of fuel and power and the cost per ton across the industry, indicating increasing energy expenses.
- **Impact on Production:** The cost per ton increase suggests that the rise in energy costs has a direct impact on the cost structure of producing fertilizer, potentially affecting profitability.
- **Company Variations:** While all companies have experienced increases, the extent varies significantly, with Fauji Fertilizer Bin Qasim Limited showing the highest cost per ton in recent years.

This information is crucial for understanding the cost pressures within the fertilizer industry, which could influence pricing, production strategies, and overall competitiveness.

3. Production HR Cost

The expenditure on salaries, wages, and benefits for production employees—including both direct and indirect labor, as well as production staff—has been illustrated through a graph and detailed in accompanying tables.

The graph showcases the trend in these costs for the industry as a whole from 2017 to 2023, highlighting their impact on the cost per ton of production. The tables provide a breakdown of the total costs incurred by each company year-over-year, along with the corresponding cost per ton during the same period, offering a comprehensive view of the financial commitment in this area across the industry.

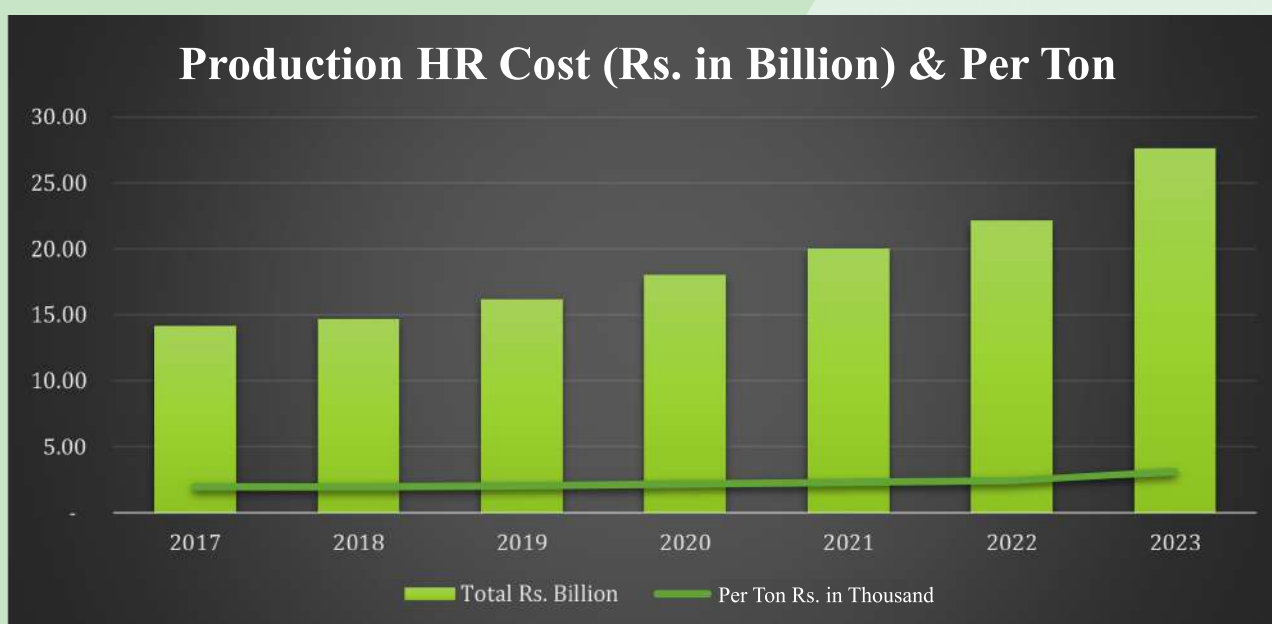


TABLE U

Production HR Cost - Total

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agritech Limited	0.79	0.59	0.54	0.51	0.53	0.40	0.46
2	Fauji Fertilizer Company Ltd.	11.32	8.31	8.07	7.73	7.49	6.85	6.54
3	Fauji Fertilizer Bin Qasim Ltd.	2.50	2.25	2.22	2.30	1.72	1.82	2.26
4	Engro Fertilizers Ltd.	3.18	2.92	3.18	3.06	2.96	2.44	2.02
5	Fatima Fertilizer Company Ltd.	9.85	8.11	6.04	4.43	3.46	3.17	2.88
	Total Industry	27.64	22.18	20.04	18.03	16.17	14.69	14.17

TABLE V

Production HR Cost Per Ton

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Thousand								
1	Agritech Ltd.	2.15	1.42	1.81	2.66	1.40	4.00	2.64
2	Fauji Fertilizer Company Ltd.	4.49	3.46	3.22	3.11	3.01	2.71	2.60
3	Fauji Fertilizer Bin Qasim Ltd.	2.51	1.64	1.72	1.77	1.29	1.41	1.67
4	Engro Fertilizers Ltd.	1.32	1.40	1.41	1.28	1.39	1.19	1.05
5	Fatima Fertilizer Company Ltd.	3.88	2.87	2.49	2.34	2.12	2.10	2.23
	Industry average (weighted)	3.12	2.42	2.27	2.17	2.02	1.96	1.95

- **Total Weighted Average:**

- o **2017:** Rs. 1.95K per ton
- o **2023:** Rs. 3.12K per ton
- o **Increase:** 60%

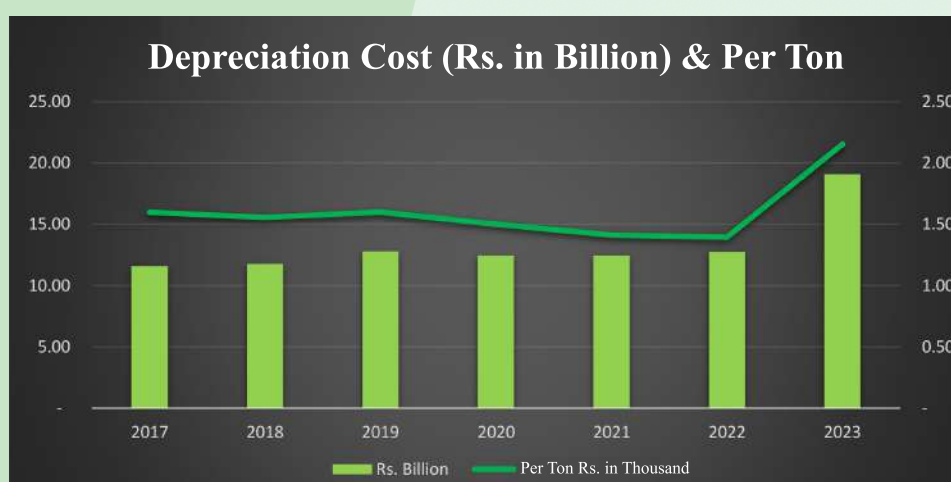
- **Individual Companies:**

- o **Agritech Limited:** Rs. 2.64K (2017) to Rs. 2.15K (2023) - Decrease: 19%
- o **Fauji Fertilizer Company Limited:** Rs. 2.60K (2017) to Rs. 4.49K (2023) - Increase: 73%
- o **Fauji Fertilizer Bin Qasim Limited:** Rs. 1.67K (2017) to Rs. 2.51K (2023) - Increase: 50%
- o **Engro Fertilizers Limited:** Rs. 1.05K (2017) to Rs. 1.32K (2023) - Increase: 26%
- o **Fatima Fertilizer Company Limited:** Rs. 2.23K (2017) to Rs. 3.88K (2023) - Increase: 74%

4. Depreciation Cost Per ton

The depreciation cost per ton is a significant expense for fertilizer companies as it reflects the wear and tear on the fixed assets used in production. Analyzing this cost can provide insights into the efficiency of asset utilization and the impact of asset revaluations on the financials.

The graph below shows trend of the cost of depreciation over the years 2017-2023. The audience would assess the said cost just by seeing at a glance.



The two tables, W & X herein provided show the company to company cost of depreciation absorbed during the production process and impact on the cost per ton.

TABLE W

Cost of Depreciation -Total

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in Billion						
1	Agritech Ltd.	1.82	1.59	1.59	1.59	1.04	1.05	1.05
2	Fauji Fertilizer Company Ltd.	2.43	2.33	2.36	2.24	2.21	2.09	2.09
3	Fauji Fertilizer Bin Qasim Ltd.	0.87	0.83	0.82	0.78	1.49	0.10	1.39
4	Engro Fertilizers Ltd.	3.47	2.93	2.69	5.11	5.48	5.09	5.02
5	Fatima Fertilizer Company Ltd.	10.47	5.08	5.00	2.72	2.58	3.44	2.05
	Total Industry	19.06	12.76	12.46	12.45	12.80	11.77	11.60

TABLE X

Cost of Depreciation Per Ton

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in Thousand						
1	Agritech Ltd.	4.94	3.81	5.31	8.33	2.74	10.36	5.97
2	Fauji Fertilizer Company Ltd.	0.96	0.97	0.94	0.90	0.89	0.83	0.83
3	Fauji Fertilizer Bin Qasim Ltd.	0.88	0.61	0.64	0.60	1.11	0.08	1.02
4	Engro Fertilizers Ltd.	1.44	1.40	1.20	2.14	2.56	2.47	2.62
5	Fatima Fertilizer Company Ltd.	4.13	1.80	2.06	1.43	1.58	2.28	1.58
	Industry average (weighted)	2.15	1.40	1.41	1.50	1.60	1.57	1.60

Key Observations – Cost of Depreciation

1. Agritech Limited:

- Exhibits the highest depreciation cost per ton, peaking at 10.36 in 2018.
- The high cost is attributed to the revaluation of assets, which increases the depreciation charge.

2. Fauji Fertilizer Company Limited:

- Maintains a low and stable depreciation cost, around 0.83 to 0.97 over the years.
- This stability suggests efficient asset management.

3. Fauji Fertilizer Bin Qasim Limited:

- Shows a relatively low depreciation cost, with a notable reduction in 2023 to 0.88.

4. Engro Fertilizers Limited:

- Depreciation cost fluctuates, with a peak in 2017 at 2.62 and a low of 1.20 in 2021.
- The fluctuations may be due to changes in asset base or differing depreciation methods.

5. Fatima Fertilizer Company Limited:

- Displays significant variability, with a high of 4.13 in 2023 and a low of 1.43 in 2020.
- The variability suggests periodic asset acquisitions or revaluations affecting depreciation charges.

Average Depreciation Cost Per Ton

- The weighted average depreciation cost per ton shows a general decreasing trend from 2017 to 2020, followed by an increase in 2023.
- The average cost reflects overall sector trends and provides a benchmark for comparison.

Analysis and Implications

- **Agritech Limited:**
 - o The high and variable depreciation cost highlights the impact of asset revaluations on financials.
 - o This could indicate either an aging asset base or aggressive revaluation policies.
- **Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited:**
 - o Both companies demonstrate efficient asset management with low depreciation costs.
 - o Consistent low costs suggest newer assets or effective maintenance policies.
- **Engro Fertilizers Limited and Fatima Fertilizer Company Limited:**
 - o The fluctuations in depreciation cost per ton suggest varying capital investment strategies and asset management practices.
 - o These companies might have periods of high capital expenditure followed by stable periods.

Conclusion

The depreciation cost per ton provides critical insights into the efficiency of asset utilization and the financial impact of asset revaluations. Companies with stable and low depreciation costs, such as Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited, demonstrate efficient asset management. In contrast, high and variable costs, as seen in Agritech Limited, highlight the financial strain due to asset revaluations. These insights can guide investors and stakeholders in assessing the long-term sustainability and management efficiency of the fertilizer companies.

The analysis of other production cost such as repairs and maintenance, stores and spares consumed though important but have been left.

Key Observations

1. Rising Costs Across All Components:

- Raw Materials & Packing: Significant increases, especially for Fauji Fertilizer Bin Qasim Limited, Engro Fertilizers Limited, and Fatima Fertilizer Company Limited.
- Fuel and Power: Substantial increases, notably for Fauji Fertilizer Bin Qasim Limited and Engro Fertilizers Limited.
- HR Costs: Moderate increases with the highest absolute increase observed in Fauji Fertilizer Company Limited and Fatima Fertilizer Company Limited.

2. Company-Specific Trends:

- Agritech Limited: Experienced a decrease in HR costs, which is an anomaly compared to the overall trend of increasing HR costs, the reason being the increase in production while the HR bill moved slowly because of its fixed nature.
- Fauji Fertilizer Bin Qasim Limited: Has the highest cost increases across raw materials and fuel/power, indicating either higher production costs or more expensive input materials.
- Engro Fertilizers Limited: Significant increases in raw materials and fuel costs but relatively stable HR costs.
- Fatima Fertilizer Company Limited: High increases in raw material and HR costs but moderate in fuel/power costs.

3. Overall Cost Dynamics:

- Raw Materials & Packing: This cost component has seen the most dramatic increase, which could be driven by higher input prices because of imported raw materials which were driven upward due to PKR massive devaluation during the period.
- Fuel and Power: Energy costs have also risen substantially, possibly reflecting global energy price trends coupled with PKR vs US Dollar parity which negatively affected the fuel prices.
- HR Costs: While rising, the increase is relatively moderate compared to other cost components.

Conclusion

The fertilizer industry has seen significant increases in costs across all major components from 2017 to 2023. The highest increase is in the cost of raw materials and packing, followed by fuel and power, and then HR costs. These rising costs have implications for the overall profitability and pricing strategies of fertilizer companies. Despite these cost pressures, the industry has managed to increase average selling prices, which helped in maintaining and enhancing its profitability and positive shareholder value.

CHAPTER 10

Operating Costs (Distribution and Administrative) Analysis

Operating costs, specifically distribution (selling) and administrative costs, are typically considered fixed costs. These costs do not vary directly with the volume of sales or production, making them crucial for financial management as they directly impact net margins. Monitoring these costs is essential to ensure profitability and efficiency within the company.

These costs are measured as a percentage of net sales, which allows for a clear understanding of their relative impact on the company's financial performance. **Table Y** provides the distribution and administrative costs for several fertilizer companies over the past seven years, both in absolute terms (Rs. in Billion) and as a percentage of net sales.

The industry trend of operating costs is illustrated in the graph below. A subsequent **Table Y** details the costs incurred by each manufacturer and the total for the industry for each year. While the graph shows an increasing trend in operating costs, rising from Rs. 29 billion in 2017 to Rs. 60 billion in 2023, there is an improvement when these costs are considered relative to net sales, as discussed below.



Industry-Wide Trend Analysis

The total industry operating costs and their percentage of net sales over the past seven years are as follows:

Total Industry Costs (Rs. in Billion):

- **2023:** 59.55
- **2022:** 44.34
- **2021:** 34.97
- **2020:** 31.37
- **2019:** 30.38
- **2018:** 29.11
- **2017:** 28.81

Percentage of Sales:

- **2023:** 8%
- **2022:** 8%
- **2021:** 8%
- **2020:** 9%
- **2019:** 9%
- **2018:** 10%
- **2017:** 11%

The industry shows a general trend of decreasing operating costs as a percentage of sales from 11% in 2017 to 8% in 2023, indicating improved efficiency in managing fixed costs relative to sales growth.

Company-Wise Analysis

TABLE Y

Operating Costs (Selling and Administration)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in Billion						
1	Agritech Limited	1.32	1.12	0.72	0.55	0.78	0.39	0.53
	% of sales	6%	6%	7%	10%	6%	9%	15%
2	Fauji Fertilizer Company Ltd.	12.68	10.11	8.41	7.85	8.29	8.83	8.57
	% of sales	8%	9%	8%	8%	8%	8%	9%
3	Fauji Fertilizer Bin Qasim Ltd.	11.21	8.19	7.24	6.54	6.77	6.07	6.60
	% of sales	6%	5%	7%	8%	10%	10%	13%
4	Engro Fertilizers Ltd.	15.71	10.95	9.65	9.18	7.97	7.81	7.76
	% of sales	10%	11%	11%	12%	10%	12%	12%
5	Fatima Fertilizer Company Ltd.	18.63	13.97	8.95	7.26	6.58	6.00	5.35
	% of sales	8%	9%	8%	10%	9%	12%	12%
	Total Industry	59.55	44.34	34.97	31.37	30.38	29.11	28.81
	% of sales	8%	8%	8%	9%	9%	10%	11%

Company wise Analysis

Agritech Limited



Operating Costs (Rs. in Billion):

- Consistently around 1 billion with a dip to 0.39 billion in 2018

Percentage of Sales:

- 2023: 6%
- 2022: 6%
- 2021: 7%
- 2020: 10%
- 2019: 6%
- 2018: 9%
- 2017: 15%

Analysis: Agritech Limited has shown significant fluctuations, particularly in 2017 and 2020 where the percentage of sales spiked to 15% and 10% respectively. Recent years indicate stabilization around 6-7%.

Fauji Fertilizer Company Limited



Operating Costs (Rs. in Billion):

- Ranging from 7.85 to 12.68 billion over the years.

Percentage of Sales:

- Consistently around 8-9%.

Analysis: Fauji Fertilizer Company Limited maintains stable operating costs as a percentage of sales, indicating consistent cost management relative to sales.

Fauji Fertilizer Bin Qasim Limited



Operating Costs (Rs. in Billion):

- Ranging from 6.07 to 11.21 billion.

Percentage of Sales:

- Decreasing from 13% in 2017 to 5% in 2022.

Analysis: This Company shows a significant improvement in managing its operating costs relative to sales, as evidenced by the steady decrease in the percentage over the years.

Engro Fertilizers Limited



Operating Costs (Rs. in Billion):

- Increasing from 7.76 to 15.71 billion.

Percentage of Sales:

- Consistently around 10-12%.

Analysis: Engro Fertilizers Limited maintains high operating costs as a percentage of sales. Despite increases in absolute terms, the percentage remains stable, indicating proportional growth in sales and costs.

Fatima Fertilizer Company Limited



Operating Costs (Rs. in Billion):

- Rising from 5.35 to 18.63 billion.

Percentage of Sales:

- Fluctuating between 8% and 12% with a firm declining trend.

Analysis: Fatima Fertilizer Company Limited has seen a significant increase in absolute costs but declining in terms of percentage, reflecting varying degrees of cost management efficiency.

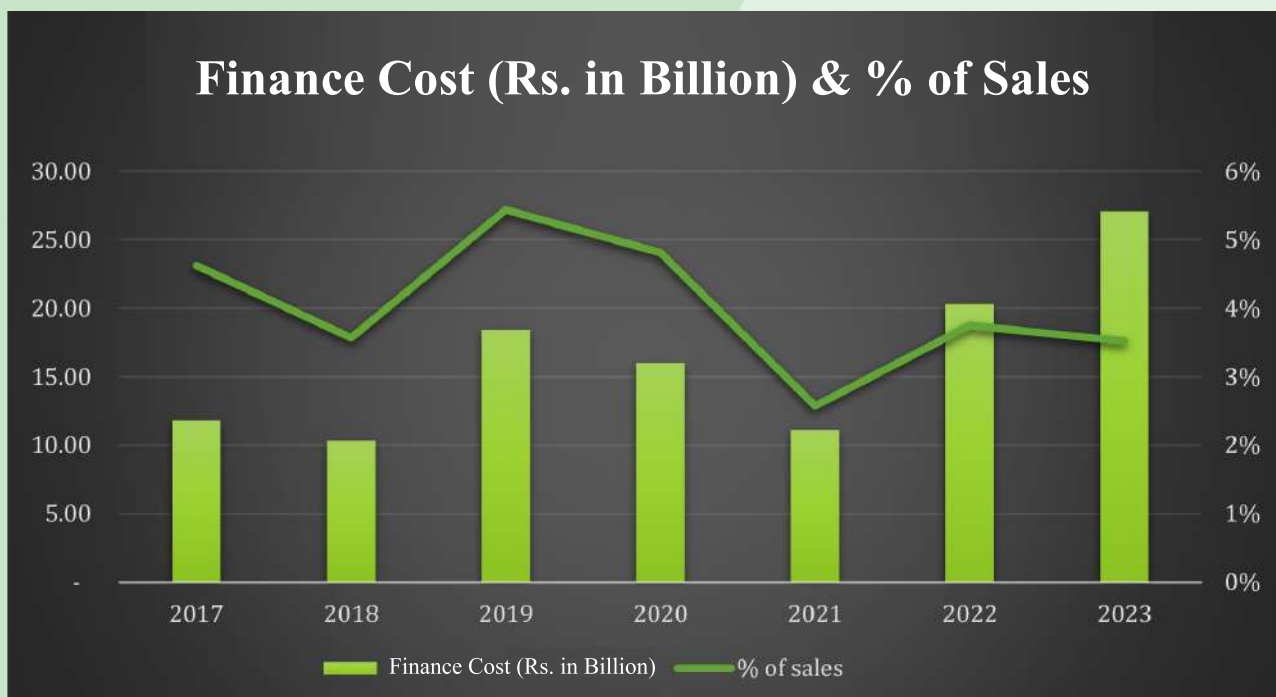
In summary, while the overall industry trend shows improved efficiency in managing fixed costs relative to sales, individual companies display varying degrees of success. Companies like Fauji Fertilizer Bin Qasim Limited and Agritech Limited show significant improvements, whereas companies like Engro Fertilizers Limited maintain higher costs but with consistent sales growth.

CHAPTER 11

Analysis of Finance Cost

The finance cost represents expenses incurred on both long-term and short-term financing. This section analyzes the finance costs borne by the fertilizer industry as a whole, as well as by individual companies.

The industry's overall trend is illustrated through a graph, while the tables provide a detailed breakdown of interest costs by company, along with their percentage of net sales. This analysis offers insight into how finance costs impact the financial performance of each company and the industry overall.



The table provided details about the finance cost incurred by several fertilizer companies from 2017 to 2023, along with the percentage of net sales these costs represent. The following companies are included in the table:

1. Agritech Limited
2. Fauji Fertilizer Company Limited
3. Fauji Fertilizer Bin Qasim Limited
4. Engro Fertilizers Limited
5. Fatima Fertilizer Company Limited

TABLE Z

Finance Cost

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in Billion						
1	Agritech Ltd.	6.10	4.28	2.81	2.95	3.30	2.58	2.13
	% of Sales	28%	25%	28%	52%	27%	57%	60%
2	Fauji Fertilizer Company Ltd.	5.62	4.87	2.29	1.87	2.48	1.64	2.47
	% of Sales	4%	4%	2%	2%	2%	2%	3%
3	Fauji Fertilizer Bin Qasim Ltd.	8.83	5.14	2.34	4.44	5.20	2.22	1.94
	% of Sales	5%	3%	2%	5%	8%	4%	4%
4	Engro Fertilizers Ltd.	1.88	2.70	1.68	3.28	3.69	2.06	2.56
	% of Sales	1%	3%	2%	4%	5%	3%	4%
5	Fatima Fertilizer Company Ltd.	4.64	3.30	2.01	3.47	3.76	1.82	2.71
	% of Sales	2%	2%	2%	5%	5%	4%	6%
	Total	27.07	20.30	11.12	16.01	18.42	10.32	11.80
	% of sales	4%	4%	3%	5%	5%	4%	5%

Key Observations:

1. Agritech Limited:

- Finance costs have increased from Rs. 2.13 billion in 2017 to Rs. 6.10 billion in 2023.
- The percentage of finance costs to sales has varied significantly, peaking at 60% in 2017 and 52% in 2020. In 2023, it stands at 28%.

2. Fauji Fertilizer Company Limited:

- Finance costs show a general increasing trend, starting at Rs. 2.47 billion in 2017 and reaching Rs. 5.62 billion in 2023.
- The percentage of finance costs to sales is relatively low and stable, staying at around 2-4% throughout the years.

3. Fauji Fertilizer Bin Qasim Limited:

- Finance costs have fluctuated, with significant peaks such as Rs. 8.83 billion in 2023 and Rs. 5.20 billion in 2019.
- The percentage of finance costs to sales varies, with notable peaks at 8% in 2019 and 5% in both 2023 and 2020.

4. Engro Fertilizers Limited:

- Finance costs have decreased overall from Rs. 2.56 billion in 2017 to Rs. 1.88 billion in 2023, with some fluctuations.
- The percentage of finance costs to sales is generally low, peaking at 5% in 2019 and being at its lowest 1% in 2023.

5. Fatima Fertilizer Company Limited:

- Finance costs have risen from Rs. 2.71 billion in 2017 to Rs. 4.64 billion in 2023.
- The percentage of finance costs to sales has remained relatively stable, generally fluctuating between 2% and 6%.

Overall Trends:

- Total finance costs for these companies have increased from Rs. 11.80 billion in 2017 to Rs. 27.07 billion in 2023.
- The overall percentage of finance costs to sales has remained fairly stable, hovering around 4-5% across the years.

Insights:

- Agritech Limited and Fauji Fertilizer Bin Qasim Limited have the highest finance cost to sales percentages, indicating that a larger portion of their revenue is consumed by finance costs.
- Fauji Fertilizer Company Limited consistently has the lowest finance cost to sales percentage, suggesting better management or lower reliance on borrowed capital relative to its revenue.
- The general upward trend in finance costs may reflect increased borrowing or rising interest rates over the period.
- Companies with higher finance costs relative to sales may face more significant impacts on profitability and financial stability, especially in times of fluctuating sales or rising interest rates.

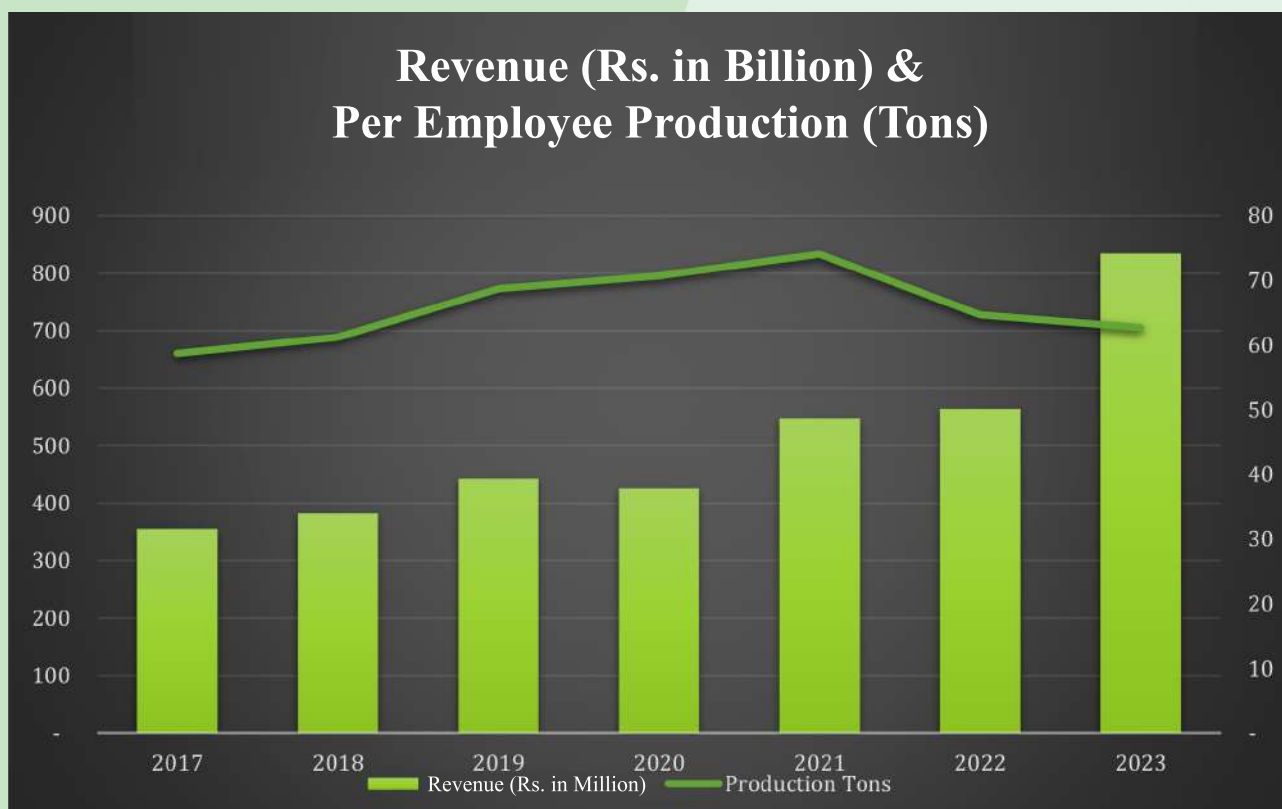
CHAPTER 12

Measurement of Human Resource Efficiency

The analysis of manpower efficiency and profitability in the fertilizer industry offers insights into how effectively companies manage their human resources relative to production output and revenue generation. The metrics provided, such as fertilizer production per employee and revenue per employee, allow for an evaluation of the efficiency of different companies over the years 2017 to 2023.

The graph and the two tables provided below, focus on the two metrics related to manpower efficiency. The metrics include fertilizer production per employee and revenue per employee. Additionally a table has been provided that shows average number of persons employed by the individual companies during 2017-2023.

The graph shows overall picture of the Fertilizer Industry while the tables demonstrates picture related to the individual players of the pack.



Number of Persons employed by the Companies

Listed companies are required to disclose the average number of employees during the financial year, as well as the total number at the end of the year. In addition, they must provide details regarding the remuneration of the chief executive, directors, and executives. This information is valuable as it allows for the evaluation of labor efficiency and facilitates comparisons between companies. Tables AA and AB provide insights into the workforce size at each fertilizer company, offering a basis for analyzing how effectively companies are utilizing their human resources and enabling inter-company comparisons.

1. Average Number of Employees (2017-2023)

TABLE AA

Average Number of Employees

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		In Numbers						
1	Agritech Ltd.	956	968	916	934	870	900	925
2	Fauji Fertilizer Company Ltd.	3,221	3,244	3,275	3,403	3,379	3,369	3,384
3	Fauji Fertilizer Bin Qasim Ltd.	822	839	795	900	972	1,018	1,132
4	Engro Fertilizers Ltd.	1,242	1,373	1,384	1,310	1,267	1,226	1,185
5	Fatima Fertilizer Company Ltd.	4,626	4,559	2,750	2,502	2,389	2,321	2,264
	Total	10,867	10,983	9,120	9,049	8,877	8,834	8,890

Table AA: Average Number of Employees (2017–2023)

- The table lists the average number of employees in each company for every year from 2017 to 2023.
- Fatima Fertilizer Company Limited shows a dramatic increase in average employees, especially from 2020 onwards, doubling from 2,502 in 2020 to 4,626 in 2023.
- Fauji Fertilizer Bin Qasim Limited and Agritech Limited exhibit a downward trend, with Fauji Fertilizer Bin Qasim Limited seeing a notable reduction in staff since 2017 (1,132) to 2023 (822).
- Engro Fertilizers Limited and Fauji Fertilizer Company Limited maintain relatively stable employment numbers over this period.

Total Employees (Average across the industry):

- The total average number of employees in these fertilizer companies fluctuates slightly, but the industry average consistently remains around 8,800–10,000 employees, except for the 2021-2023 period where significant growth occurred (from 9,120 in 2021 to 10,867 in 2023).

TABLE AB

Number Of Employees at Year End

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		In Numbers						
1	Agritech Ltd.	979	959	971	921	856	883	917
2	Fauji Fertilizer Company Ltd.	3,209	3,216	3,272	3,512	3,457	3,357	3,364
3	Fauji Fertilizer Bin Qasim Ltd.	820	809	797	787	950	1,009	1,017
4	Engro Fertilizers Ltd.	1,214	1,352	1,379	1,356	1,256	1,247	1,201
5	Fatima Fertilizer Company Ltd.	4,593	3,727	2,829	2,604	2,400	2,378	2,392
	Total	10,815	10,063	9,248	9,180	8,919	8,874	8,891

The provided tables, Table AA and Table AB, outline the employment trends in the fertilizer industry for five major companies in Pakistan over the years 2017–2023. Here’s an overview of the data:

Table AB: Number of Employees at Year-End (2017–2023)

- Fatima Fertilizer Company Limited again stands out with the largest increase in staff by year-end, from 2,392 in 2017 to 4,593 in 2023, indicating significant expansion or operational growth.
- Fauji Fertilizer Company Limited maintains a steady workforce, with minimal fluctuation over the years.
- Agritech Limited shows small variations, but its workforce remained stable around the 900–970 range.
- The total number of employees across all companies at year-end has consistently increased from 8,891 in 2017 to 10,815 in 2023, indicating overall industry growth.

Key Trends:

- **Fatima Fertilizer Company Limited:** A notable outlier, it has significantly ramped up hiring from 2019 onwards.
- **Fauji Fertilizer Bin Qasim Limited:** Consistent decrease in workforce, reflecting potential downsizing or efficiency improvements.
- **Agritech Limited:** Stable employment figures, suggesting no major expansions or contractions in its operations.
- **Industry Growth:** The total number of employees, both average and at year-end, has increased, especially from 2021 onwards, reflecting a growing fertilizer industry.

This employment data provides insight into the operational scaling, workforce management, and potential growth trajectories of each company, aiding in comparative analysis across the industry.

Measuring Efficiency of the Human Resource

Two tables are provided to measure the efficiency of the manpower employed by the manufacturers. **Table AB-1** measures the revenue generated per employee for each fertilizer company, with higher values indicating greater manpower efficiency in generating revenue. On the other hand, **Table AC** highlights the production output per employee, where higher production signifies more efficient use of manpower. While higher revenue per employee reflects financial efficiency, variations in product types or niche offerings among companies may influence these comparisons.

TABLE AB-1

Fertilizer Production Per Employee

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		MT/Employee						
1	Agritech	386	431	328	205	437	112	190
2	Fauji Fertilizer Company Ltd.	783	741	765	731	737	749	743
3	Fauji Fertilizer Bin Qasim Ltd.	1,212	1,635	1,625	1,443	1,378	1,269	1,194
4	Engro Fertilizers Limited	1,940	1,523	1,625	1,825	1,687	1,681	1,617
5	Fatima Fertilizer Company Ltd.	549	620	881	758	684	693	674
	Average (weighted)	705	728	833	796	773	689	660

i) Fertilizer Production Per Employee (2017-2023)

This metric reflects the efficiency of each company in terms of output per worker:

- **Engro Fertilizers Limited:** Exhibited the highest production efficiency, particularly in 2023, where production per employee reached 1,940 tons.
- **Fauji Fertilizer Bin Qasim Limited:** Maintained high production efficiency, with figures exceeding 1,200 tons per employee in several years.
- **Agritech Limited:** Displayed significant fluctuations, with production per employee varying widely, reaching as low as 112 tons in 2018.
- **Fatima Fertilizer Company Limited:** Showed a downward trend from 881 tons per employee in 2021 to 549 tons in 2023.

ii) Revenue Per Employee (2017-2023)

Revenue per employee is a key profitability indicator.

TABLE AC

Gross Revenue Per Employee

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Million								
1	Agritech Ltd.	24.09	18.17	11.38	6.34	14.61	5.20	4.56
2	Fauji Fertilizer Company Ltd.	51.12	34.07	33.87	29.39	32.12	32.47	29.31
3	Fauji Fertilizer Bin Qasim Ltd.	250.11	191.52	141.74	94.54	70.79	61.94	50.95
4	Engro Fertilizers Ltd.	134.80	71.79	67.23	58.90	63.78	55.94	56.80
5	Fatima Fertilizer Company Ltd.	53.06	35.68	42.38	29.62	32.62	23.35	23.05
	Industry average (Weighted)	74.18	50.08	48.64	37.83	39.29	33.95	31.56

Revenue per employee is a key profitability indicator:

- **Fauji Fertilizer Bin Qasim Limited:** Demonstrated substantial improvement, with revenue per employee skyrocketing from Rs. 50.95 million in 2017 to Rs. 250.11 million in 2023.
- **Engro Fertilizers Limited:** Also saw significant growth in revenue per employee, particularly notable in 2023 at Rs. 134.80 million.
- **Agritech Limited:** Experienced moderate growth, with revenue per employee peaking at Rs. 24.09 million in 2023.
- **Fatima Fertilizer Company Limited:** Revenue per employee showed variability, peaking in 2023 at Rs. 53.06 million.

Key Observations

1. Production Per Employee:

- There is an overall increase in production per employee, indicating improved efficiency. However, Fatima Fertilizer Company Limited saw a decline, which may suggest operational inefficiencies or other issues.

2. Revenue Per Employee:

- A significant increase in revenue per employee across all companies, with Agritech Limited and Fauji Fertilizer Bin Qasim Limited showing the most dramatic improvements. This suggests better utilization of manpower and possibly higher product prices or sales volume.

Manpower Efficiency and Profitability Correlation

1. Improved Efficiency:

The increase in production per employee and revenue per employee indicates better efficiency and productivity, which is essential for profitability. Higher production per employee typically reduces the per-unit cost, contributing to higher margins.

2. Revenue and Profitability:

The significant increase in revenue per employee is a positive sign, indicating that the companies are generating more revenue with the same or fewer employees. This directly correlates with higher earnings per share, reflecting improved profitability.

3. Variability Among Companies:

There is variability among companies in terms of efficiency gains. For instance, Agritech Limited and Fauji Fertilizer Bin Qasim Limited show remarkable improvements, while Fatima Fertilizer Company Limited has mixed results. This suggests that company-specific strategies and operational practices play a crucial role.

Conclusion

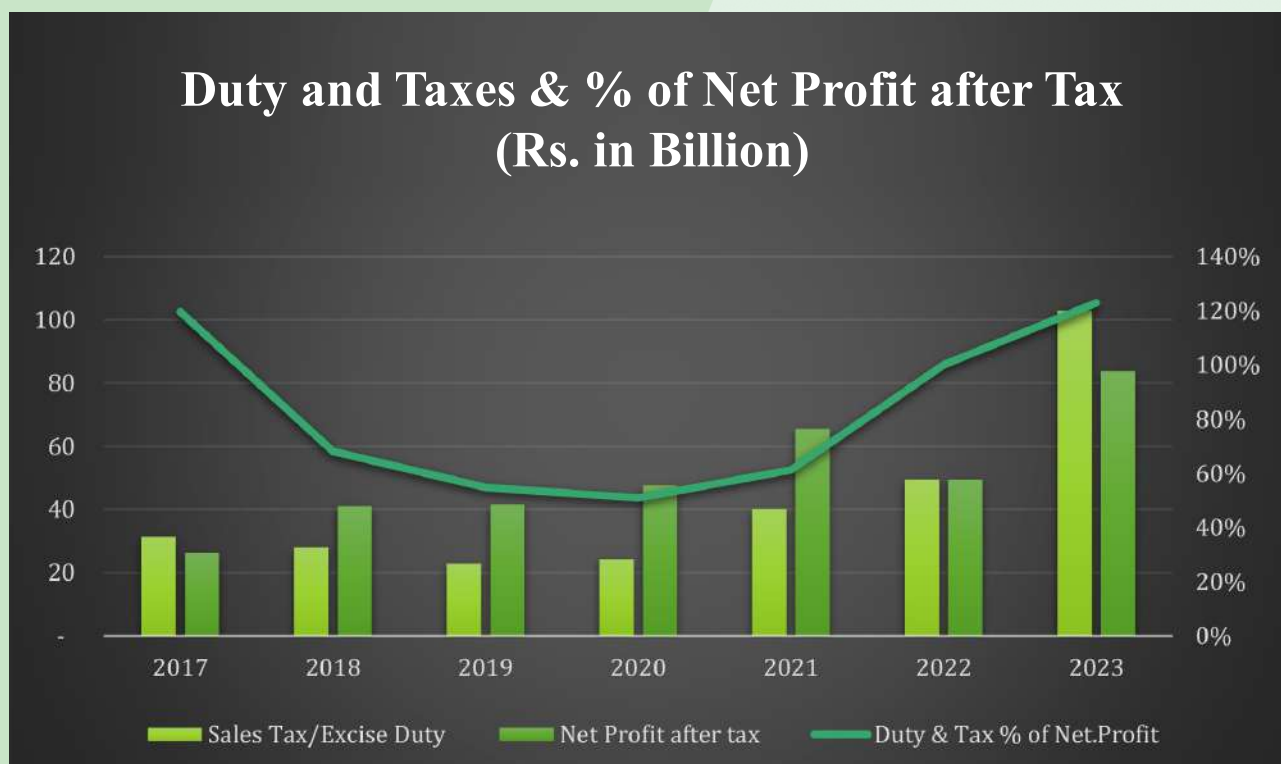
The analysis highlights a direct correlation between manpower efficiency and profitability in the fertilizer industry. Companies like Engro Fertilizers and Fauji Fertilizer Bin Qasim have demonstrated high efficiency, both in terms of production per employee and revenue per employee, suggesting effective utilization of manpower. On the other hand, the variability in Agritech Limited's figures indicates potential challenges in maintaining consistent efficiency. The industry-wide data reveals trends of workforce optimization and varying degrees of efficiency and profitability across different players in the market.

CHAPTER 13

Contribution to the National Exchequer

The fertilizer industry in Pakistan is a major contributor to the national exchequer, significantly impacting the economy through various forms of taxation. This includes direct taxes such as income tax and indirect taxes like federal excise duty and sales tax. Over the years, the financial contributions of the industry have fluctuated, with recent years showing marked increases due to changes in tax rates and economic conditions.

A graph illustrating the direct and indirect taxes paid by the industry from 2017 to 2023, alongside the Net Profit After Tax, would effectively demonstrate the financial outcomes for both shareholders/sponsors and the government. This visual comparison highlights the industry's dual role in generating shareholder earnings while supporting government revenue.



Two **Tables AD and AE** are provided, each detailing the direct and indirect taxes paid by the fertilizer sector. These tables offer insights into the contributions of individual fertilizer companies under each tax category, along with year-wise totals for these taxes. The data covers the period from 2017 to 2023, showing the total taxes paid by the industry during these years.

TABLE AD

Excise Duty and Sales Tax

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017	Total (2017-23)
		Rs. In Billion							
1	Agritech Ltd.	0.03	0.16	0.24	0.14	0.27	0.12	0.26	1.21
2	Fauji Fertilizer Company Ltd.	5.18	1.15	2.26	2.03	2.17	3.38	5.10	21.28
3	Fauji Fertilizer Bin Qasim Ltd.	12.50	1.43	2.20	1.71	1.34	1.50	4.18	24.86
4	Engro Fertilizers Ltd.	5.24	1.15	1.83	1.49	1.58	2.44	4.30	18.02
5	Fatima Fertilizer Company Ltd.	7.85	1.50	2.49	1.56	1.63	2.27	4.60	21.89
	Total	30.80	5.39	9.02	6.92	6.99	9.71	18.44	87.27

TABLE AE

Income Tax (Excluding Deferred Tax)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017	Total (2017-23)
		Rs. In Billion							
1	Agritech Ltd.	0.31	0.22	0.13	0.09	0.18	0.06	0.05	1.03
2	Fauji Fertilizer Company Ltd.	23.35	14.20	9.64	7.83	6.23	7.17	4.92	73.34
3	Fauji Fertilizer Bin Qasim Ltd.	8.89	6.44	5.89	1.82	1.42	(1.34)	2.72	25.84
4	Engro Fertilizers Ltd.	17.08	10.88	6.56	2.61	3.59	7.02	2.95	50.69
5	Fatima Fertilizer Company Ltd.	22.50	12.39	8.95	5.00	4.41	5.41	2.25	60.92
	Total	72.13	44.12	31.16	17.35	15.84	18.32	12.90	211.82

Overview of Tax Contributions

Excise Duty and Sales Tax

In the Finance Bill 2023, a Federal Excise Duty (FED) of 5% was imposed on all locally produced fertilizers. Additionally, a 5% Sales Tax was levied on both local and imported Di-Ammonium Phosphate (DAP), significantly affecting companies like Fauji Fertilizer Bin Qasim, a major DAP producer. These taxes have placed a heavy burden on the fertilizer sector, which later on were passed on to the growers.

The trend of excise duty and sales tax payments by the fertilizer industry from 2017 to 2023 is shown in Table below. The payments have varied, with a significant jump observed in 2023 due to the new tax impositions.

Income Tax

Income tax on the net profits of fertilizer companies has shown an upward trend over the years. **Table AE** illustrates the income tax paid by various fertilizer companies from 2017 to 2023.

Analysis and Impact

- **Excise Duty and Sales Tax:** There was a sharp increase in the total excise duty and sales tax collected from the fertilizer industry in 2023, amounting to Rs. 30.80 billion compared to Rs. 5.39 billion in 2022. This increase is primarily due to the new tax rates imposed in the Finance Bill 2023.
- **Income Tax:** The income tax contributions from the fertilizer industry have shown a significant upward trend. In 2023, the total income tax paid by the industry surged to Rs. 72.13 billion, a substantial increase from Rs. 44 billion in 2022.

Conclusion

The fertilizer industry significantly contributes to Pakistan's national economy through various forms of taxation. The recent tax impositions have notably increased the financial burden on the sector, which has been passed on to the growers. Despite these challenges, the industry's tax contributions have seen a substantial increase, reflecting its critical role in the national exchequer.

Total Excise duty and sales tax paid during the period 2017-23 amounts to Rs. 87.27 billion while the income tax paid during the same period amounts to Rs. 209.72 billion. Thus the total of these two taxes computes at Rs. 296.99 billion.

CHAPTER 14

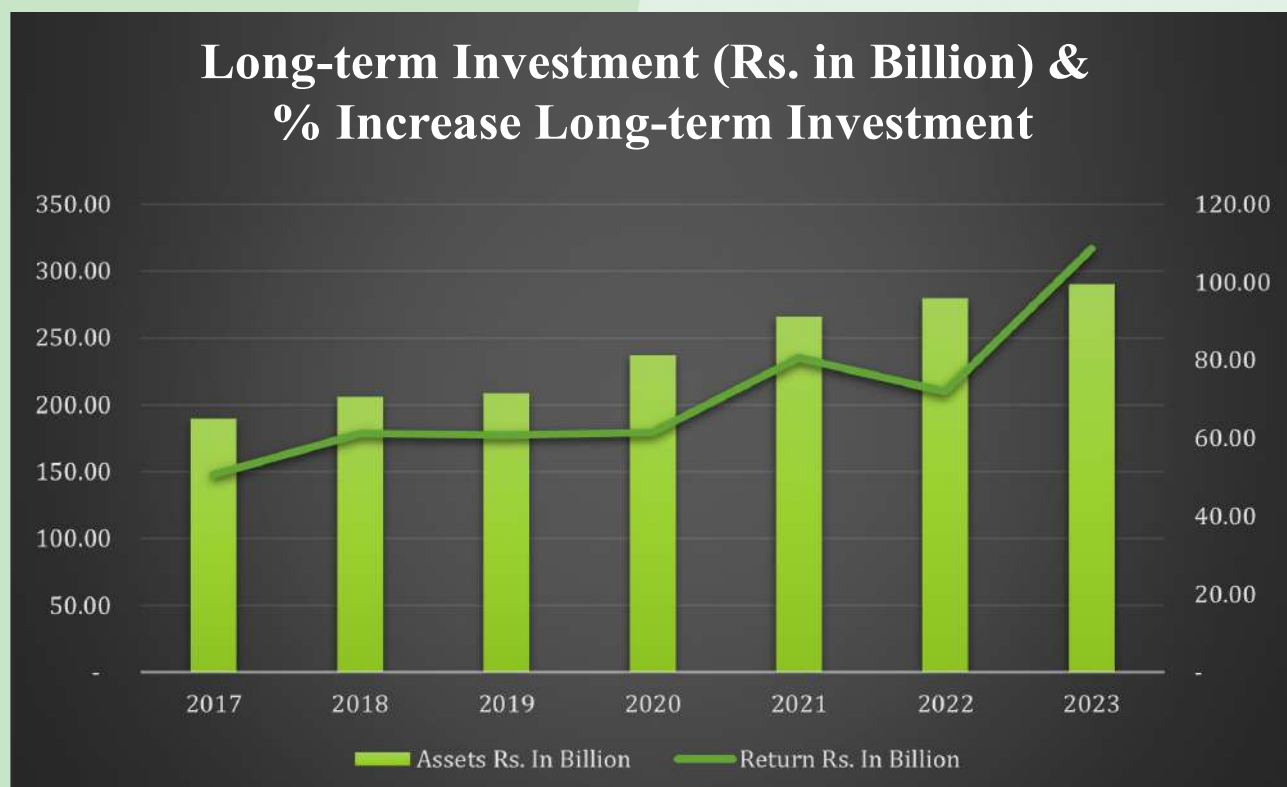
Long Term Investment

The Long-Term Investment section serves as a critical indicator of a company's ambition to diversify its business and generate additional income streams for its stakeholders. The data provided hereunder offers a comprehensive look into the long-term investment activities of key fertilizer manufacturers, showcasing how these companies allocate resources towards sustaining and growing their businesses over time.

Long-term investments are essential for companies seeking to expand beyond their core operations. These investments made by the fertilizer companies include ventures into other businesses or the acquisition of long-term financial assets. Such strategic moves can lead to enhanced financial stability and profitability, benefiting stakeholders through diversified income streams.

Reductions in long-term investments can indicate a strategic liquidation of financial assets, realization of gains, and impairments in the value of these investments, reflecting a shift in the company's approach to managing its portfolio.

The graph presented below shows the year-end balances of long-term investments made by the manufacturers and provided afterwards depicts the net balance of the investments made or liquidated by the manufacturers.



Year-End Long-Term Investment Overview:

Total Investment Trends:

The data shows a general upward trend in total long-term investments by the companies, reaching a peak in 2022 before a slight decline in 2023. This trend suggests a growing focus on diversification and financial stability, although the recent dip could imply a reassessment of investment strategies.

TABLE AF

Long Term Investment at Year End

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in Billion								
1	Agriotech Ltd.	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	48.72	50.53	46.11	34.67	31.09	26.90	27.87
3	Fauji Fertilizer Bin Qasim Ltd.							
	Long term investment	25.14	29.17	25.61	24.55	26.18	24.56	23.06
	Investment in Property	0.27	0.27	0.27	-	-	-	-
	Total	25.41	29.44	25.88	24.55	26.18	24.56	23.06
4	Engro Fertilizers Ltd.	0.10	2.10	0.00	0.00	0.00	0.56	0.56
5	Fatima Fertilizer Company Ltd.	7.91	2.45	0.80	0.20	0.17	-	0.09
	Total	82.14	84.53	72.79	59.42	57.44	52.02	51.58

Company-Specific Investment Patterns:

- **Agriotech Limited:** Shows no reported long-term investments across the years because of its continued losses and apparently with no surplus funds for diversification.
- **Fauji Fertilizer Company Limited:** Demonstrates strong and consistent investment in long-term assets, with a peak investment in 2022. This suggests a robust strategy aimed at long-term growth and stability. There is a reduction in Long term in 2023 mainly because of reclassification of Pakistan Investment Bonds amounting to Rs. 1.9 billion under current assets.
- **Fauji Fertilizer Bin Qasim Limited:** Exhibits a dynamic investment approach, with a peak in 2022 followed by a reduction in 2023 mainly because of liquidation of stakes in Fauji Meat Limited (FML) amounting to Rs. 4 billion.
- **Engro Fertilizers Limited:** Shows no significant investment in diversified business.
- **Fatima Fertilizer Company Limited:** Highlights a sharp increase in long-term investments from 2021 onwards, suggesting a strategic focus on diversification and long-term asset growth.

Implications and Strategic Outlook:

- **Diversification as a Growth Strategy:** The overall increase in long-term investments over the years reflects a sector-wide trend towards diversification, aiming to secure additional revenue streams and mitigate risks associated with core business operations.
- **Fluctuations Reflecting Strategic Adjustments:** Variations in investment levels, particularly the slight decline from 2022 to 2023, indicate reclassification of long-term investment into current assets because of their maturity within the next year and liquidation of non performing investment.
- **Future Monitoring:** Observing future trends in long-term investments will be crucial in understanding how these companies continue to navigate market challenges and opportunities, ensuring sustained growth and value creation for their stakeholders.

This analysis provides a snapshot of the strategic importance of long-term investments in the fertilizer sector, highlighting how these companies manage their resources to foster growth and secure financial stability in a competitive market environment.

CHAPTER 15

Return on Investment & its share in Total PBT

Our analysis would not be complete unless we discuss the Return on Investments made by the Fertilizer companies as these companies earn a handsome amount on their investment besides income from their core business. Therefore, a graph and **Table F** have been provided below to outline the return on investment and dividend income for various fertilizer companies over seven years, highlighting the proportion of these earnings relative to their profits before tax. The income on investment/dividend income is net of any impairment of investment booked by the fertilizer companies. The Graph portrays the Industry's picture and the table shows such income earned by the individual player in the pack and its shares in the total profits before tax.

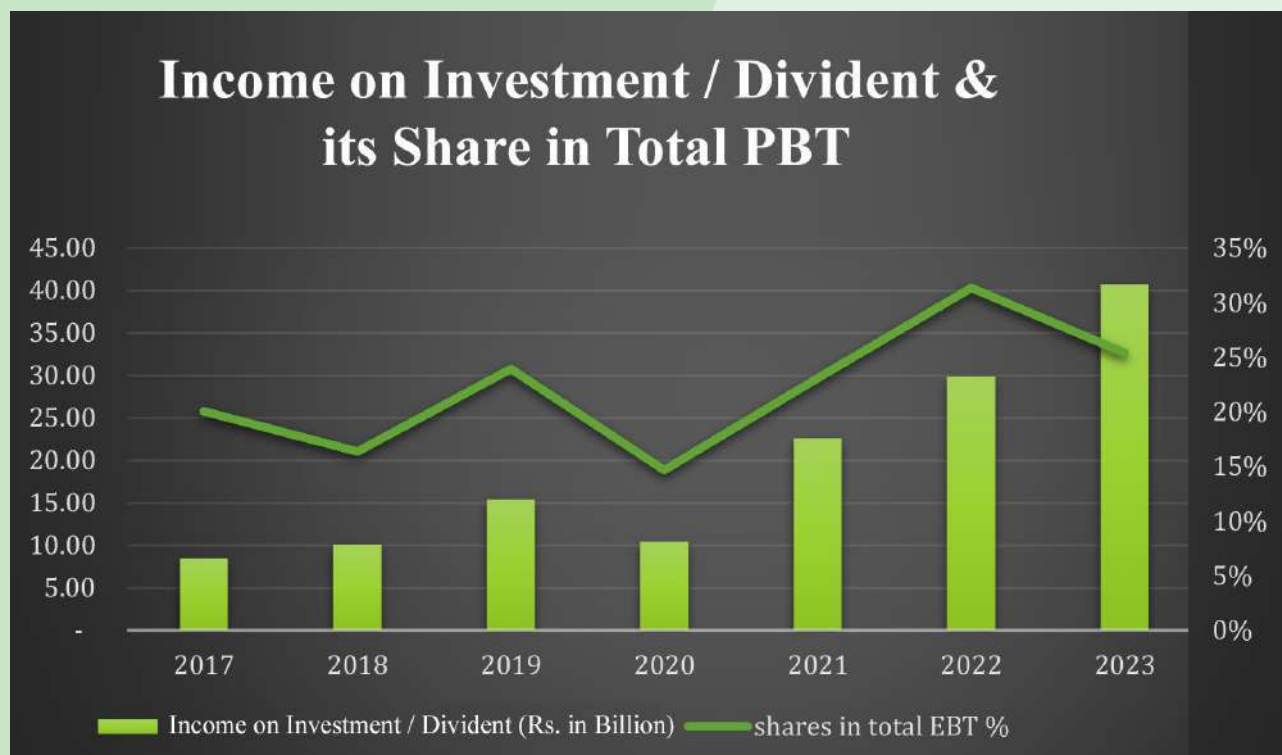


TABLE AG

Other Income/Dividend Income on Investment

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	Agritech Ltd.							
	Profit/(loss) before tax	0.85	-3.22	-3.02	-4.49	-0.97	-3.64	-3.88
	Income on Investment/Dividend	-	-	-	-	-	-	-
	% of Profit before tax	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.							
	Profit before tax	53.55	33.69	30.34	29.59	23.75	21.68	15.74
	Income on Investment/Dividend	16.68	14.12	7.54	5.00	5.47	3.65	3.57
	% of Profit before tax	31%	42%	25%	17%	23%	17%	23%
3	Fauji Fertilizer Bin Qasim Ltd.							
	Profit before tax	14.15	8.51	11.52	4.89	-3.87	1.81	1.44
	Income on Investment/Dividend	9.43	5.16	7.01	1.10	2.57	3.06	4.38
	% of Profit before tax	67%	61%	61%	23%	-67%	169%	304%
4	Engro Fertilizers Ltd.							
	Income on Investment/Dividend	8.91	8.81	6.89	2.62	6.33	2.83	0.16
	Profit before tax	44.98	22.50	27.91	18.92	27.24	21.40	15.00
	% of Profit before tax	20%	39%	25%	14%	23%	13%	1%
5	Fatima Fertilizer Company Ltd.							
	Profit before tax	47.75	30.51	28.19	17.65	17.19	16.79	10.12
	Income on Investment/Dividend	5.71	1.76	1.18	1.70	1.02	0.57	0.37
	% of Profit before tax	12%	6%	4%	10%	6%	3%	4%
	Total Profit before tax	160.42	95.21	97.96	71.06	64.31	61.68	42.30
	Total Income on Invest./Dividend	40.73	29.86	22.62	10.42	15.40	10.10	8.48
	% of Profit before tax	25%	31%	23%	15%	24%	16%	20%
Note: M/s Agritech is not included in total								

Here's a breakdown of the key findings and trends:

1. Aggregate Performance of the Sector:

- **Total Profit Before Tax:** There is a clear upward trend in the total profit before tax for the sector, increasing from Rs. 42.30 billion in 2017 to Rs. 160.42 billion in 2023 as discussed earlier.
- **Total Income on Investments/Dividends:** Similarly, the total income from investments/dividends has shown growth, rising from Rs. 8.48 billion in 2017 to Rs. 40.73 billion in 2023.
- **Ratio of Investment Income to Profit Before Tax:** This ratio fluctuated over the years, peaking at 31% in 2022 and reaching a low of 15% in 2020. However, it remains significant, reflecting the importance of investment income to the overall profitability of these companies.

2. Company-Wise Analysis:

Fauji Fertilizer Company Limited (FFC):

- FFC consistently generates substantial profits before tax, ranging from Rs. 15.74 billion in 2017 to Rs. 53.55 billion in 2023.
- The income from investments/dividends as a percentage of profit before tax varies but remains significant, with a peak of 42% in 2022, indicating that a substantial portion of their profit comes from investments.

Fauji Fertilizer Bin Qasim Limited (FFBL):

- FFBL shows more volatility in profit before tax, even posting a loss in 2019. Despite this, the income from investments/dividends contributes significantly, especially during years with lower operational profitability.
- Notably, in years like 2018 and 2017, the percentage of income from investments/dividends was exceptionally high (169% and 304%, respectively), highlighting that investment income compensated for low or negative core business profitability.

Engro Fertilizers Limited:

- Engro shows a steady growth in profit before tax, with a strong performance in 2023 at Rs. 44.98 billion.
- The percentage of profit from investments/dividends fluctuates, peaking at 39% in 2022, showing that investment income plays a supporting role in their overall profitability.

Fatima Fertilizer Company Limited:

- Fatima Fertilizer has a relatively stable profit before tax, with significant growth in 2023 to Rs. 47.75 billion.
- However, the income from investments/dividends is comparatively lower as a percentage of profit before tax, generally staying below 12%. This indicates that Fatima Fertilizer relies more on its core business operations for profitability than on investments.

3. Agritech Limited:

- Agritech Limited is not included in the aggregate analysis as it does not report income from investments/dividends. It consistently reports losses before tax, which may indicate financial struggles or operational inefficiencies.

Key Insights:

- **Importance of Investment Income:** For companies like FFC and FFBL, investment income significantly bolsters profitability, especially in years where operational income is low.
- **Variability Across Companies:** While some companies like FFC and Engro generate substantial income from investments, others like Fatima Fertilizer rely more on their operational profits.
- **Strategic Investments:** The data suggests that fertilizer companies have strategically utilized retained earnings for investments, resulting in substantial additional income that supports overall profitability.

Conclusion:

Investment income is a crucial component of the profitability of fertilizer companies in Pakistan, with varying degrees of impact across different companies. Companies like Fauji Fertilizer and Fauji Fertilizer Bin Qasim benefit the most from this strategy, whereas others like Fatima Fertilizer rely more heavily on their core business operations. Agritech Limited's exclusion from this trend highlights its distinct financial challenges.

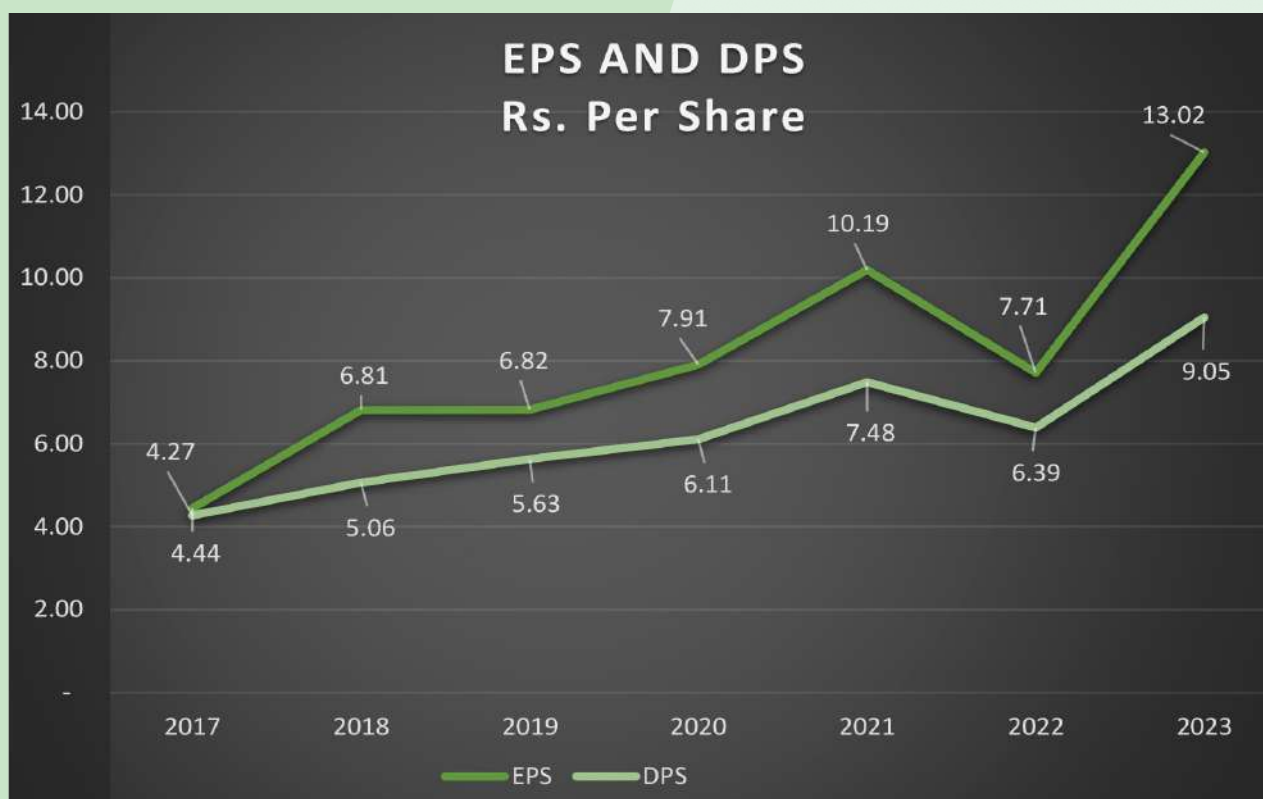
CHAPTER 16

Return on the Shareholders' Investment

In this section, we focus on analyzing the return on investment for shareholders of fertilizer companies, emphasizing the earnings per share (EPS) and dividends per share (DPS) declared over the years. We aim to understand how these financial metrics reflect the value creation for shareholders, considering the profitability and dividend policies of each company.

Industry Overview

Despite economic challenges, including the impact of COVID-19 in 2019, the fertilizer industry has shown resilience and growth in EPS and DPS. Over a period of seven years, the industry's EPS has progressed from 4.34 to 13.10 (an improvement of 202%) and DPS from Rs. 4.27 to Rs. 9.05 (an increase 112 %.) This indicates a robust performance overall, although this upward trend includes the results of both strong and weak performers within the industry.



The average EPS and DPS from 2017 to 2023 were negatively impacted due to the poor performance of M/s Agritech Limited. Had its performance been better, the collective average would have significantly surpassed the current industry average EPS and DPS. Two separate **Tables AG and AH** have provided to illustrate DPS and EPS for each company.

Company-Wise Analysis of EPS and DPS (2017-2023)

TABLE AH

Earnings (Loss) Per Share

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017	Total (2017-23)
		Rs. Per Share							
1	Agritech Ltd.	2.77	(7.53)	(6.83)	(10.95)	(1.66)	(8.52)	(10.98)	(43.70)
2	Fauji Fertilizer Company Ltd.	23.32	15.76	17.21	16.36	13.45	11.35	8.42	105.88
3	Fauji Fertilizer Bin Qasim Ltd.	3.41	1.80	4.95	2.12	(6.34)	1.54	1.08	8.56
4	Engro Fertilizers Ltd.	19.23	11.54	15.78	12.59	13.90	12.48	7.59	93.12
5	Fatima Fertilizer Company Ltd.	10.67	6.88	8.80	5.80	5.75	5.67	4.41	47.98
	Industry average (weighted)	13.02	7.71	10.19	7.91	6.82	6.81	4.44	56.92

TABLE AI

Dividend Per Share

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017	Total (2017-23)
		Rs. Per Share							
1	Agritech Ltd.	-	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	15.49	12.13	14.50	11.20	10.80	8.85	7.00	79.97
3	Fauji Fertilizer Bin Qasim Ltd.	1.00	-	-	-	-	1.00	0.85	2.85
4	Engro Fertilizers Ltd.	20.50	13.50	16.50	13.00	12.00	11.00	8.50	95.00
5	Fatima Fertilizer Company Ltd.	4.50	3.50	3.50	2.50	2.00	1.75	2.25	20.00
	Industry average (weighted)	9.05	6.39	7.48	6.11	5.63	5.06	4.27	43.99

Key Observations

1. Agritech Limited:

- **EPS:** Agritech Limited reported consistent losses from 2017 to 2022, with a turnaround in 2023.
- **DPS:** The Company did not declare any dividends throughout this period.

2. Fauji Fertilizer Company Limited:

- **EPS:** Exhibited strong and consistent profitability, with a total EPS of Rs. 105.88.
- **DPS:** The Company paid substantial dividends, totaling Rs. 79.97 per share, reflecting a commitment to returning value to shareholders.

3. Fauji Fertilizer Bin Qasim Limited:

- **EPS:** Mixed performance with occasional losses, resulting in a modest total EPS of Rs. 8.56.
- **DPS:** Paid minimal dividends, with payouts only in a few years.

4. Engro Fertilizers Limited:

- **EPS:** Demonstrated robust profitability with a total EPS of Rs. 93.12.
- **DPS:** Topped the list with total dividends of Rs. 95 per share, exceeding its EPS, indicating strong shareholder value creation.

5. Fatima Fertilizer Company Limited:

- **EPS:** Maintained a solid performance with a total EPS of Rs. 47.98.
- **DPS:** Distributed Rs. 20 per share in dividends, showing a balanced approach to profitability and dividends.

Conclusion

The comparison of EPS and DPS for fertilizer companies from 2017 to 2023 provides valuable insights into their financial health and shareholder value creation. Companies like Fauji Fertilizer Company Limited and Engro Fertilizers Limited stand out for their strong profitability and substantial dividend payouts, reflecting a robust commitment to shareholder returns. In contrast, Agritech Limited, despite its recent turnaround, has not paid dividends, highlighting areas for potential improvement in shareholder value distribution.

By juxtaposing these financial metrics, stakeholders can better understand each company's strategy in converting profits into dividends and assess the overall effectiveness of their financial management in enhancing shareholder value.

CHAPTER 17

Shareholders' Wealth

Under this chapter we will analyze shareholders' wealth computed on the basis of the equity and market value based on the market price quoted on the stock exchange.

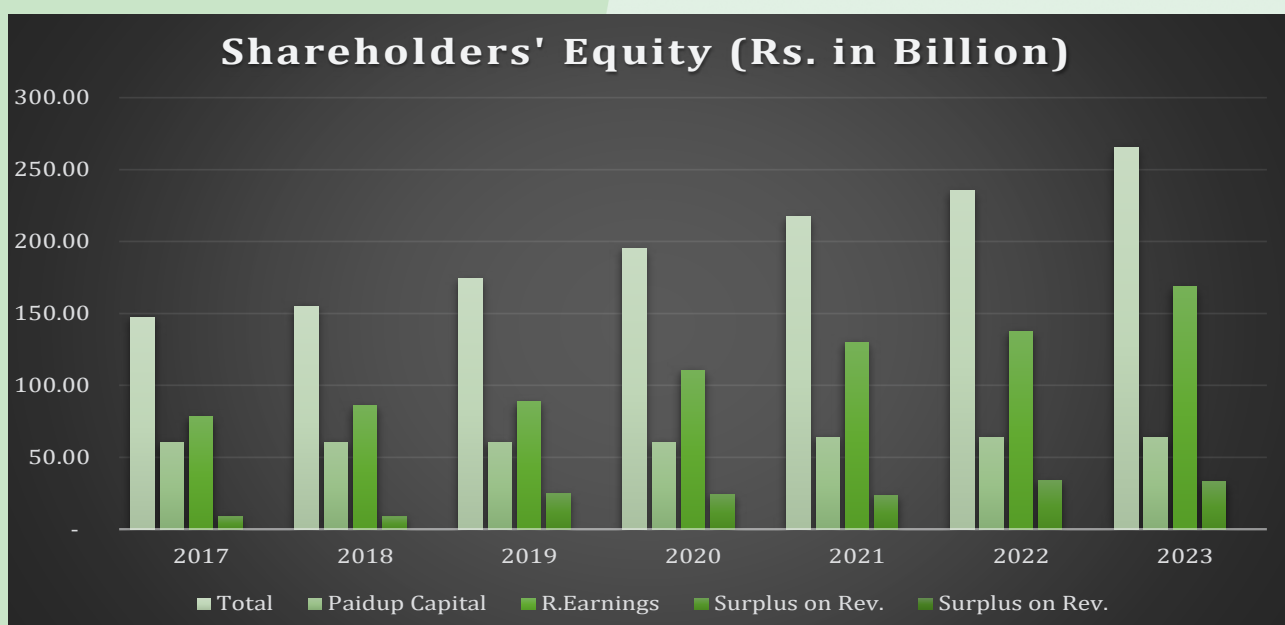
Shareholders' Equity (net worth of investment in shares)

The analysis of Shareholders' Equity (SE) for fertilizer companies from 2017 to 2023 provides a comprehensive view of the financial health and equity components of these firms. SE is a key indicator of a company's net worth that belongs to its shareholders, comprising mainly paid-up capital, retained earnings, reserves and in some cases, revaluation surpluses.

In the following paragraphs, we will be discussing the shareholders' equity of the investors in the fertilizer sector. The equity has been described and portrayed through graphs showing the growth in equity during 2017 - 2023 and tables wherein each company's equity has been portrayed.

Sometimes, the companies facing financial crunch revalue their fixed assets to use the revalued fixed as collateral for additional finances. M/s Agritech Limited had done so. The surplus arising out of the revaluation over cost is deemed as part of shareholders' equity as per the accounting standards. The other four players being financially strong did not opt for the revaluation of their fixed assets. Therefore the shareholders' equity has been portrayed in two different ways, i.e., including the revaluation reserve and without it to provide an apple-to-apple analysis of the equity of all the players.

The following graph depicts shareholders' equity inclusive of the revaluation reserve. It is followed by tables showing separately each of the components of individual company's SE.



Shareholders' Equity Tables

The following tables, **Table AJ** show total equity of each company followed by separate tables showing paid up capital (**Table AJ**), retained earnings (**Table AK**), and surplus on revaluation (**Table AL**) of fixed assets.

TABLE AJ

Shareholders' Equity

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in billion						
1	Agritech Ltd.	13.07	11.98	3.76	6.44	10.74	(4.89)	(1.67)
2	Fauji Fertilizer Company Ltd.	61.85	50.83	47.51	42.54	35.57	33.38	29.35
3	Fauji Fertilizer Bin Qasim Ltd.	27.09	22.72	20.43	13.96	6.83	13.90	13.15
4	Engro Fertilizers Ltd.	45.03	42.69	45.32	44.99	42.85	43.00	41.01
5	Fatima Fertilizer Company Ltd.	118.37	107.09	100.26	87.10	78.01	69.59	65.64
	Total	265.41	235.32	217.28	195.02	174.00	154.98	147.49

Note: Agritech Limited- surplus on revaluation of fixed assets included.

TABLE AK

Paid Up Capital

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in billion						
1	Agritech Ltd.	3.92	3.92	3.92	3.92	3.92	3.92	3.92
2	Fauji Fertilizer Company Ltd.	12.72	12.72	12.72	12.72	12.72	12.72	12.72
3	Fauji Fertilizer Bin Qasim Ltd.	12.91	12.91	12.91	9.34	9.34	9.34	9.34
4	Engro Fertilizers Ltd.	13.35	13.35	13.35	13.35	13.35	13.35	13.35
5	Fatima Fertilizer Company Ltd.	21.00	21.00	21.00	21.00	21.00	21.00	21.00
	Total	63.91	63.91	63.91	60.34	60.34	60.34	60.34

TABLE AL

Retained Earnings & Reserves

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in billion						
1	Agritech Ltd.	(23.85)	(25.84)	(23.60)	(21.62)	(17.93)	(17.51)	(14.44)
2	Fauji Fertilizer Company Ltd.	49.13	38.11	34.79	29.81	22.84	20.66	16.63
3	Fauji Fertilizer Bin Qasim Ltd.	14.18	9.81	7.52	4.62	(2.51)	4.56	3.81
4	Engro Fertilizers Ltd.	31.67	29.34	31.97	31.63	29.50	29.64	27.66
5	Fatima Fertilizer Company Ltd.	97.37	86.09	79.26	66.10	57.01	48.59	44.64
	Total	168.50	137.51	129.93	110.55	88.91	85.95	78.31

TABLE AM

Surplus On Revaluation of Fixed Assets

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rupees in billion								
1	AgriTech Ltd.	33.00	33.90	23.44	24.14	24.75	8.69	8.85
2	Fauji Fertilizer Company Ltd.	-	-	-	-	-	-	-
3	Fauji Fertilizer Bin Qasim Ltd.	-	-	-	-	-	-	-
4	Engro Fertilizers Ltd.	-	-	-	-	-	-	-
5	Fatima Fertilizer Company Ltd.	-	-	-	-	-	-	-
	Total	33.00	33.90	23.44	24.14	24.75	8.69	8.85

Key Observations:

1. Total Shareholders' Equity:

- The total SE across the five companies has shown a consistent upward trend from 2017 to 2023, increasing from Rs. 147.49 billion in 2017 to Rs. 265.41 billion in 2023. This reflects growth in the equity base, indicating a strengthening of financial positions over the years.

2. Paid-Up Capital:

- Paid-up capital remained relatively stable across the years, with Fatima Fertilizer Company Limited maintaining the highest paid-up capital of Rs. 21.00 billion consistently from 2017 to 2023.
- Other companies also maintained consistent figures, with AgriTech Limited having the lowest at Rs. 3.92 billion.

3. Retained Earnings & Reserves:

- Fatima Fertilizer Company Limited stands out with a significant increase in retained earnings, growing from Rs. 44.64 billion in 2017 to Rs. 97.37 billion in 2023, highlighting strong profitability and reserve accumulation.
- Conversely, AgriTech Limited has negative retained earnings, reflecting accumulated losses over the years, although the losses have slightly reduced from (Rs. 25.84 billion) in 2022 to (Rs. 23.85 billion) in 2023.

4. Surplus on Revaluation of Fixed Assets:

- AgriTech Limited is the only company that has utilized the revaluation of fixed assets to bolster its SE, with the surplus reaching Rs. 33.00 billion in 2023. This is indicative of its need to strengthen its financial base for securing additional financing.
- The other companies, being financially stronger, have not opted for revaluation, which gives a more direct comparison of their true retained earnings and equity.

Conclusion:

The data reflects a robust growth in SE across the fertilizer sector, particularly for companies like Fatima Fertilizer Company Limited and Fauji Fertilizer Company Limited, which have shown strong retained earnings and consistent paid-up capital. Agritech Limited, despite its negative retained earnings, has managed to improve its SE primarily through revaluation of assets, highlighting different financial strategies within the sector.

This analysis provides valuable insights into the financial stability and strategies of the key players in the fertilizer industry, with clear implications for potential investors and stakeholders.

Shareholders' Equity computed without Revaluation Reserve

The above computation of shareholders' equity was based on the assumption that the surplus on the revaluation of fixed assets is a part of equity. Out of five fertilizer companies, M/s Agritech Limited is only company that have revalued its fixed assets while the others have not opted for revaluation of fixed assets.

In the following graph and **Table AN** shareholders' equity is shown and computed on the basis of two basic ingredients, i.e. paid-up capital and retained earnings. The reserve for the revaluation of fixed assets has been excluded while computing the shareholders' equity.

The graph provided below shows the Industry trend while individual company's shareholders' equity has been portrayed in the table below.

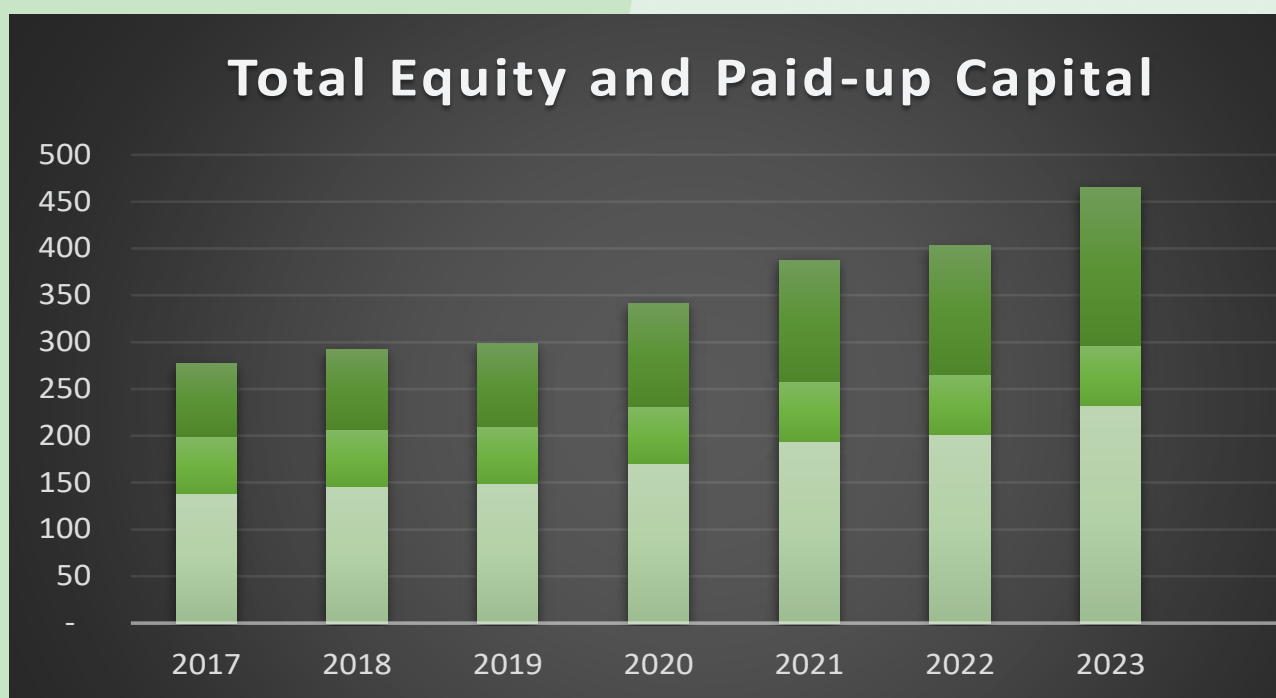


TABLE AN

Shareholders' Equity, Paid up capital and Retained Earnings

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rupees in billion						
1	Agritech Ltd.	(19.93)	(21.92)	(19.68)	(17.70)	(14.01)	(13.58)	(10.51)
2	Fauji Fertilizer Company Ltd.	61.85	50.83	47.51	42.54	35.57	33.38	29.35
3	Fauji Fertilizer Bin Qasim Ltd.	27.09	22.72	20.43	13.96	6.83	13.90	13.15
4	Engro Fertilizers Ltd.	45.03	42.69	45.32	44.99	42.85	43.00	41.01
5	Fatima Fertilizer Company Ltd.	118.37	107.09	100.26	87.10	78.01	69.59	65.64
	Total	232.41	201.42	193.85	170.89	149.25	146.29	138.65

Note: Agritech- reserve for Revaluation of Fixed Assets not included.

Industry Trend Analysis (2023)

Total Shareholders' Equity: The combined equity of all five companies stands at Rs. 232.41 billion in 2023, up from Rs. 138.65 billion in 2017. This marks a handsome increase, reflecting overall positive growth in the sector.

Individual Company Performance

- Agritech Limited:** Continues to report negative equity, which has been worsening over the years, reaching (Rs. 19.93) billion in 2023 without considering the revaluation of fixed assets.
- Fauji Fertilizer Company Limited:** Maintains a strong equity position, with a significant increase to Rs. 61.85 billion in 2023. The company consistently shows healthy growth in its retained earnings and equity.
- Fauji Fertilizer Bin Qasim Limited:** Shows a steady improvement, with equity increasing from Rs. 13.15 billion in 2019 to Rs. 27.09 billion in 2023. This recovery signals a robust turnaround.
- Engro Fertilizers Limited:** Displays relatively stable equity, with slight fluctuations. Equity was Rs. 45.03 billion in 2023, slightly higher than in 2022. The company shows consistency in its financial management.
- Fatima Fertilizer Company Limited:** Leads the sector with the highest equity, growing significantly to Rs. 118.37 billion in 2023. This reflects strong financial performance and management efficiency.

Conclusion:

The exclusion of revaluation reserves and the focus on paid-up capital and retained earnings provide a more accurate and comparable measure of financial health among the fertilizer companies. The industry shows an upward trend in equity, which, coupled with the rising average breakup value, indicates overall improvement in financial stability and shareholder value. However, Agritech Limited remains an outlier with its negative equity, underscoring ongoing challenges.

Share Values

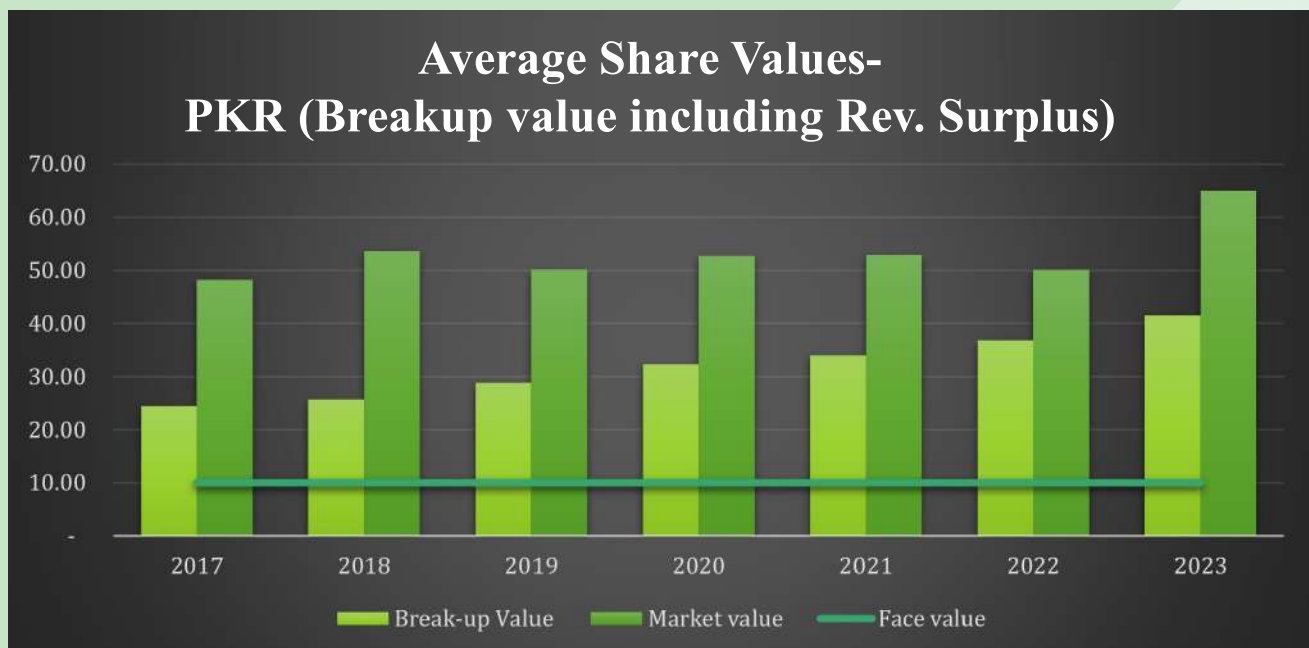
Under this paragraph we will examine the different values of the shares of the fertilizer company; face value, the nominal value of each share assigned by the fertilizer company, as specified in the share certificate. In the Balance Sheet while denoting the sum of paid up capital which is arrived at by multiplying the face value with the share issued and paid.

Breakup value is the real value of the share arrived at by dividing total equity with the number of shares issued and paid up. The breakup value of a company reflects its financial strength and the book value of investments made by shareholders. This metric is crucial for evaluating the real worth of shareholders' investments, especially when revaluation surpluses are excluded from equity. By focusing on paid-up capital and retained earnings/reserves, we obtain a clearer picture of a company's financial health.

In contrast, the market value of shares, as determined by stock exchanges, often reflects investor perception and other external factors rather than the intrinsic financial health of the company. The following analysis provides a detailed comparison of breakup values and market prices for fertilizer companies from 2017 to 2023.

The graph appended depict the industry picture, combined result of all the manufacturers. We observe that both breakup and market value are improving on year to year basis. Key insights are discussed hereunder.

Two graphs have been appended below: the first depicts break up value wherein reserve for revaluation of fixed assets has been included for computation of breakup and second graph portrays wherein paid up and retained earnings have been taken for the computation of breakup values.



Note: Graph (shareholders' equity consists of paid up capital, retained earnings and surplus on revaluation of fixed assets)

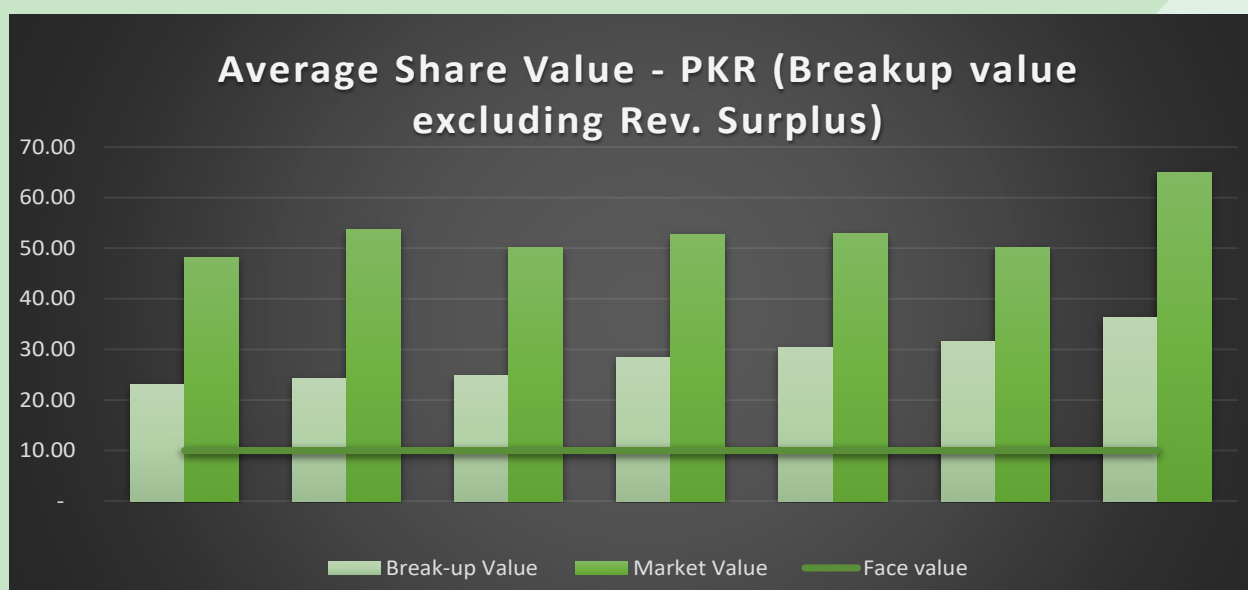
Key Insights

1. Breakup Value Progression:

- The weighted average breakup value has shown significant improvement, rising from Rs. 24.44 in 2017 to Rs. 41.53 in 2023, a 70% increase.
- This growth indicates that fertilizer companies have effectively retained profits, bolstering their financial stability.

2. Market Value Progression:

- The weighted average market value increased from Rs. 48.23 in 2017 to Rs. 65.00 in 2023, a 35% increase.
- This rise demonstrates investor confidence and a positive market sentiment towards these companies.



There is a significant difference in these two graphs. Breakup value improved from Rs. 22.98 in 2017 to Rs. 36.36 in 2023 showing a progression of 58% while as per the first graph it improved by 70%. No company other than M/s Agritech have revalued their fixed assets. The valuation typically indicates that, to address financial difficulties caused by significant losses, the company has secured additional funds by revaluing its assets, which are being used as collateral.

TABLE AO

Break-Up Value Per Share Without Revaluation Surplus

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rs. Per Share								
1	Agritech Ltd.	(50.77)	(55.85)	(50.15)	(45.10)	(35.70)	(34.61)	(26.79)
2	Fauji Fertilizer Company Ltd.	48.62	39.96	37.35	33.43	27.96	26.24	23.07
3	Fauji Fertilizer Bin Qasim Ltd.	20.98	17.60	15.82	13.49	7.32	14.88	14.08
4	Engro Fertilizers Ltd.	33.72	31.97	33.94	33.69	32.40	34.10	31.80
5	Fatima Fertilizer Company Ltd.	56.36	50.99	47.74	41.48	37.15	33.14	31.26
Industry average (weighted)		36.36	31.51	30.33	28.32	24.73	24.24	22.98

TABLE AP

Break-Up Value Per Share with Revaluation Surplus

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rs. Per Share								
1	Agritech Ltd.	33.31	30.54	9.57	16.41	27.36	(12.46)	(4.25)
2	Fauji Fertilizer Company Ltd.	48.62	39.96	37.35	33.43	27.96	26.24	23.07
3	Fauji Fertilizer Bin Qasim Ltd.	20.98	17.60	15.82	13.49	7.32	14.88	14.08
4	Engro Fertilizers Ltd.	33.72	31.97	33.94	33.69	32.40	34.10	31.80
5	Fatima Fertilizer Company Ltd.	56.36	50.99	47.74	41.48	37.15	33.14	31.26
Industry average (weighted)		41.53	36.82	34.00	32.32	28.84	25.68	24.44

TABLE AQ

Share Market Price at Year End

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs.						
1	Agritech Ltd.	13.62	4.39	3.79	5.11	4.23	4.70	4.87
2	Fauji Fertilizer Company Ltd.	113.19	98.71	100.26	108.5	101.47	92.85	79.11
3	Fauji Fertilizer Bin Qasim Ltd.	32.30	15.33	24.78	25.32	19.52	37.27	35.54
4	Engro Fertilizers Ltd.	112.20	76.90	76.10	63.20	73.40	69.10	67.70
5	Fatima Fertilizer Company Ltd.	35.49	33.60	35.99	29.10	26.59	36.47	30.88
	Average share market price	65.00	50.12	52.92	52.74	50.19	53.64	48.23

Source: Companies Financial Statements/Pakistan Stock Exchange

3. Company-Specific Analysis:

Agritech Limited:

- Breakup value remained negative throughout the period as per **Table AO** while breakup value computed including the surplus on revaluation of fixed assets remained positive in 2019 and onwards.
- However, the market value showed an impressive recovery from Rs. 4.87 in 2017 to Rs. 13.62 in 2023.

Fauji Fertilizer Company Limited:

- Consistent improvement in breakup value, from Rs. 23.07 in 2017 to Rs. 48.62 in 2023.
- Corresponding increase in market value, reaching Rs. 113.19 in 2023.

Fauji Fertilizer Bin Qasim Limited:

- Steady growth in breakup value, from Rs. 14.08 in 2017 to Rs. 20.98 in 2023.
- Significant fluctuation in market value, peaking at Rs. 32.30 in 2023.

Engro Fertilizers Limited:

- Stable breakup values around Rs. 33, with minor fluctuations.
- Market value rose to Rs. 112.20 in 2023 from Rs. 67.70 in 2017.

Fatima Fertilizer Company Limited:

- Breakup value increased from Rs. 31.26 in 2017 to Rs. 56.36 in 2023.
- Market value increased from 30.88 in 2017 to Rs. 35.49 in 2023.

Market Capitalization

Market value is the real worth, the shareholders get on the disposal of their shares irrespective of the value of the equity arrived either by adding revaluation surplus or arrived at by excluding it from equity.

Table AR below states the total market value of the shares of each company and **Table AQ** provided earlier illustrates market value of each share.

TABLE AR

Market Capitalisation

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	Agritech Ltd.	5.34	1.72	1.49	2.01	1.66	1.84	1.91
2	Fauji Fertilizer Company Ltd.	144.00	125.58	127.55	138.04	129.09	118.13	100.65
3	Fauji Fertilizer Bin Qasim Ltd.	41.71	19.79	32.00	32.69	18.23	34.81	33.20
4	Engro Fertilizers Ltd.	149.82	102.68	101.62	84.39	98.01	92.27	90.40
5	Fatima Fertilizer Company Ltd.	74.53	70.56	75.58	61.11	55.84	76.59	64.85
	Total	415.41	320.34	338.23	318.24	302.84	323.64	291.00

Conclusion

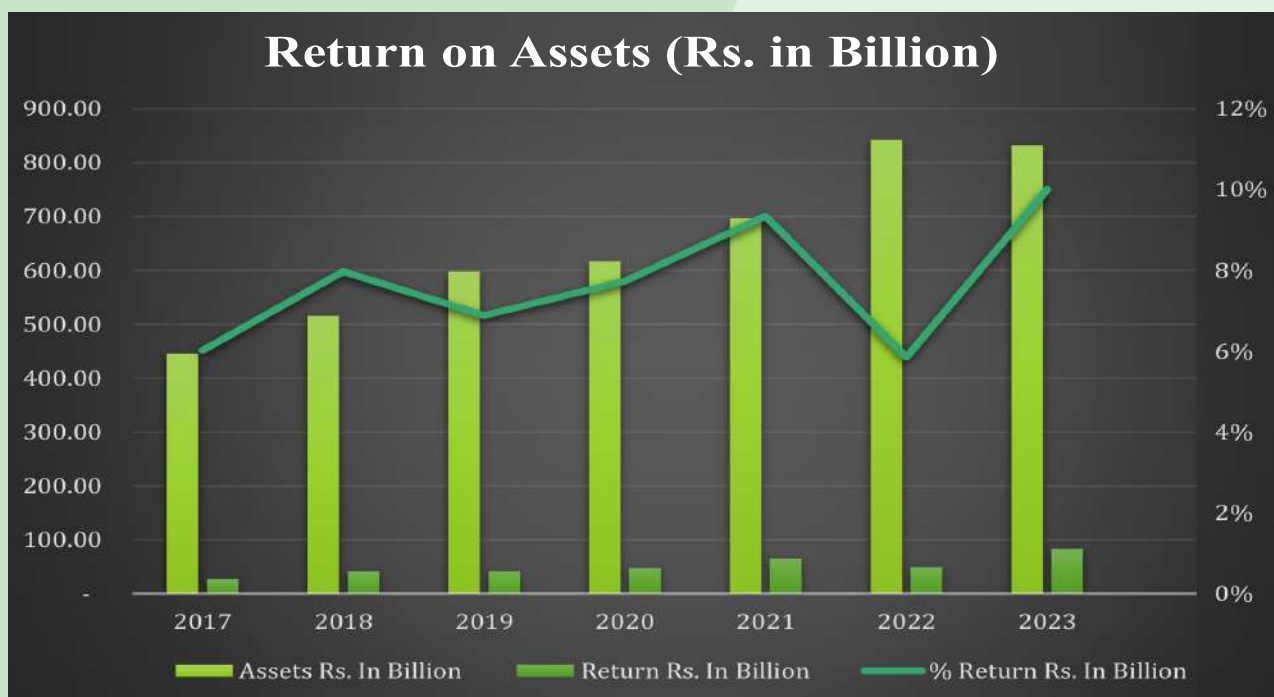
The analysis underscores the importance of both breakup and market values in assessing the financial health and market perception of fertilizer companies. The weighted average figures reveal that while the breakup values indicate robust financial improvements, the market values reflect investor confidence and broader market trends. Agritech Limited, despite its negative breakup value, showed remarkable market value recovery, highlighting the complex interplay between intrinsic financial health and market sentiment.

CHAPTER 18

Return on Assets

The Return on Assets (ROA) ratio serves as a valuable metric for assessing how effectively a company uses its assets to generate profit. By analyzing the data below, which covers various fertilizer companies from 2017 to 2023, we can identify trends, strengths, and weaknesses at both the industry and company levels.

The provided graph highlights the industry-wide trends, while **Table AS** presents company-specific details, including total assets and net profits for each firm. By examining both the visual representation and the table, we can evaluate how efficiently each company has leveraged its assets to generate shareholder wealth.



Company-wise Return on Assets

The table below presents a detailed overview of company-wise assets employed and the corresponding returns. It offers comprehensive insights into the utilization of assets and their respective returns. Additionally, the return ratio is provided, illustrating the returns in percentage terms.

TABLE AS

Return on Assets

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. in Billion						
1	Agritech Ltd.							
	Net Profit after Tax	1.09	(2.95)	(2.68)	(4.30)	(0.65)	(3.34)	(4.31)
	Total Assets	84.73	81.47	67.22	67.18	69.14	46.21	47.09
	Return on assets %	1%	-4%	-4%	-6%	-1%	-7%	-9%
2	Fauji Fertilizer Company Ltd.							
	Net Profit after Tax	29.67	20.05	21.90	20.82	17.11	14.44	10.71
	Total Assets	223.28	240.12	201.01	172.95	153.39	146.49	108.63
	Return on assets %	13%	8%	11%	12%	11%	10%	10%
3	Fauji Fertilizer Bin Qasim Ltd.							
	Net Profit after Tax	4.40	2.33	6.39	2.19	(5.92)	1.44	1.00
	Total Assets	145.87	149.86	115.21	90.97	91.17	80.36	65.65
	Return on assets %	3%	2%	6%	2%	-6%	2%	2%
4	Engro Fertilizers Ltd.							
	Net Profit after Tax	25.68	15.41	21.07	16.82	18.56	16.67	10.14
	Total Assets	147.73	139.76	128.81	128.27	129.11	114.17	106.33
	Return on assets %	17%	11%	16%	13%	14%	15%	10%
5	Fatima Fertilizer Company Ltd.							
	Net Profit after Tax	22.40	14.44	18.47	12.19	12.07	11.91	9.27
	Total Assets	230.77	231.09	184.89	157.56	155.12	128.21	117.66
	Return on assets %	10%	6%	10%	8%	8%	9%	8%
	Industry Total							
	Net Profit after Tax	83.24	49.27	65.15	47.72	41.17	41.11	26.81
	Total Assets	832.37	842.31	697.14	616.92	597.92	515.44	445.36
	Return on assets %	10%	6%	9%	8%	7%	8%	6%

Note: Agritech limited fixed assets stated as their revalued values

Key Observations and Analysis

1. Agritech Limited:

- **ROA Trend:** Agritech Limited had a volatile performance with consistent negative ROA from 2017 to 2022, turning positive only in 2023 with a 1% ROA. This reflects ongoing struggles to efficiently utilize its assets to generate profit.
- **Profit and Assets:** The company's net profit after tax remained negative for most years, with the lowest point in 2018 and 2020, which corresponds with the lowest ROA (-7% and -6%, respectively). However, despite an improvement in 2023, the overall profitability of assets remains weak.

2. Fauji Fertilizer Company Limited:

- **ROA Trend:** Fauji Fertilizer shows a relatively stable and strong ROA over the years, fluctuating between 8% and 13%. This consistency indicates that the company has been efficient in generating profits from its assets.
- **Profit and Assets:** The Company's net profit has been consistently strong, and total assets have grown over time. The highest ROA (13%) in 2023 coincides with a significant increase in net profit after tax, showing a positive correlation between profit and efficient asset utilization.

3. Fauji Fertilizer Bin Qasim Limited:

- **ROA Trend:** This company exhibits a more fluctuating ROA, ranging from -6% in 2019 to 6% in 2021. The negative ROA in 2019 indicates a period where the company's assets were not generating sufficient returns.
- **Profit and Assets:** The fluctuating net profit reflects in the ROA, with significant drops in 2019 and 2022. The improvement in ROA in 2021 and 2023 reflects better profitability and asset management during these years.

4. Engro Fertilizers Limited:

- **ROA Trend:** Engro has a strong ROA, peaking at 17% in 2023. The company has generally maintained ROA above 10%, indicating effective asset utilization.
- **Profit and Assets:** Engro has a strong ROA, throughout 2017-2023 has mostly maintained ROA 13% and above, indicating effective asset utilization.

5. Fatima Fertilizer Company Limited:

- **ROA Trend:** Fatima Fertilizer has shown a consistent ROA, ranging between 8% and 10% despite additions in fixed assets except 2022 wherein the ROA dipped to 6%.
- **Profit and Assets:** The Company's net profit has been increasing consistently, and while the total assets have also grown, the rise in net profit has been more significant, resulting in an increasing ROA.

6. Industry Total:

- **ROA Trend:** The overall industry ROA has been relatively stable, ranging from 6% to 10%. The industry appears to be moderately efficient in generating returns on assets, with an improvement seen in 2023.
- **Profit and Assets:** The industry as a whole has seen growth in both total assets and net profit after tax, leading to an overall positive trend in ROA. The increase in ROA from 6% in 2022 to 10% in 2023 suggests an improvement in industry-wide efficiency in asset utilization.

Conclusion

- **Strong Performer:** Engro Fertilizers stand out as the most efficient in asset utilization, with consistently high ROA.
- **Struggling Companies:** Agritech Limited is a clear underperformer, with a persistently negative ROA until 2023. This indicates ongoing challenges in converting its asset base into profitable outcomes. Fauji Fertilizer Bin Qasim demonstrated lower ROA.
- **Stability and Growth:** Fauji Fertilizer Company Limited and Fatima Fertilizer Company Limited show stable performance with consistently good ROA, highlighting their ability to efficiently use assets over time.

Overall, the industry shows signs of moderate efficiency with room for improvement, especially for companies like Agritech, which need to enhance their profitability and asset utilization strategies.

CHAPTER 19

Return on Equity

The Return on Equity (ROE) ratio evaluates a company's efficiency in generating profit from shareholders' equity. It indicates how effectively the equity invested by shareholders is being used to generate net profits. Let's analyze the ROE data for the fertilizer companies over the years 2017 to 2023.

The data below illustrates the Return on Equity (ROE) for fertilizer companies from 2017 to 2023, both for the industry as a whole and for individual companies. The accompanying graph depicts the industry trend, highlighting a steady improvement in ROE over the years. In 2017, the industry's ROE was Rs. 26.81 billion, which increased to Rs. 83.24 billion by 2023, reflecting a tremendous 210% growth over the period from 2018 to 2023.

ROE Trend: The overall industry ROE has ranged from 14% (in 2017) to 29% in 2023), showing a strong growth over the years. Out of 7 years, the ROE remained 20% or more which demonstrates higher return on the shareholders' equity.

As the industry's total equity has increased, the ability of companies within the industry to generate profit has also improved, though not uniformly across all companies as per the table provided below.



TABLE AT

Return on Equity

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	Agritech Ltd.							
	Net Profit after Tax	1.09	(2.95)	(2.68)	(4.30)	(0.65)	(3.34)	(4.31)
	Total Equity	13.07	11.98	3.76	6.44	10.74	-4.89	-1.67
	Return %	8%	-25%	-71%	-67%	-6%	-68%	-259%
2	Fauji Fertilizer Company Ltd.							
	Net Profit after Tax	29.67	20.05	21.90	20.82	17.11	14.44	10.71
	Total Equity	61.85	50.83	47.51	42.54	35.57	33.38	29.35
	Return %	48%	39%	46%	49%	48%	43%	36%
3	Fauji Fertilizer Bin Qasim Ltd.							
	Net Profit after Tax	4.40	2.33	6.39	2.19	-5.92	1.44	1.00
	Total Equity	27.09	22.72	20.43	13.96	6.83	13.90	13.15
	Return %	16%	10%	31%	16%	-87%	10%	8%
4	Engro Fertilizers Ltd.							
	Net Profit after Tax	25.68	15.41	21.07	16.82	18.56	16.67	10.14
	Total Equity	45.03	42.69	45.32	44.99	42.85	43.00	41.01
	Return %	57%	36%	46%	37%	43%	39%	25%
5	Fatima Fertilizer Company Ltd.							
	Net Profit after Tax	22.40	14.44	18.47	12.19	12.07	11.91	9.27
	Total Equity	118.37	107.09	100.26	87.10	78.01	69.59	65.64
	Return %	19%	13%	18%	14%	15%	17%	14%
	Industry Total							
	Net Profit after Tax	83.24	49.27	65.15	47.72	41.17	41.11	26.81
	Total Equity	265.41	235.32	217.28	195.02	174.00	154.98	147.49
	Return %	31%	21%	30%	24%	24%	27%	18%

Note: Agritech Limited's equity includes reserve on revaluation of fixed assets

Key Observations and Analysis

1. Agritech Limited:

- **ROE Trend:** Agritech Limited has had a persistently negative ROE from 2017 to 2022, the company turned around and showed a positive ROE of 8% only in 2023.
- **Equity and Profit:** The Company's net profit has been negative for most of the period, leading to negative ROE. The modest increase in equity from 2017 to 2022 was not sufficient to offset the losses, contributing to the negative ROE. The improvement in 2023 is driven by a small positive profit but still reflects overall poor performance in generating returns from equity.

2. Fauji Fertilizer Company Limited:

- **ROE Trend:** Fauji Fertilizer has shown consistently strong ROE, ranging between 36% and 49%. This consistent performance reflects the company's ability to generate significant returns on shareholders' equity.
- **Equity and Profit:** Despite an increase in equity over the years, the company's net profit has been strong enough to maintain a high ROE. The peak ROE of 49% in 2020 indicates exceptional efficiency during that period.

3. Fauji Fertilizer Bin Qasim Limited:

- **ROE Trend:** The ROE for Fauji Fertilizer Bin Qasim has been highly volatile, with a significant drop to -87% in 2019, indicating severe inefficiency and losses during that year. However, the company rebounded with positive ROE in subsequent years, peaking at 31% in 2021.
- **Equity and Profit:** The large fluctuations in ROE correspond with significant variations in net profit. The drastic negative ROE in 2019 aligns with a substantial loss that year, while the positive ROE in 2021 and 2023 reflects periods of profitability and more efficient equity use.

4. Engro Fertilizers Limited:

- **ROE Trend:** Engro Fertilizers has consistently had a handsome ROE among the analyzed companies, rising from 25% in 2017 to 57% in 2023. During the period 2017 to 2023, company remained highly efficient in generating returns on equity.
- **Equity and Profit:** The Company's strong profitability relative to its equity base explains the high ROE. The Company has thus shown impressive ROE, stable equity, and growing profits, underscoring its financial strength and efficient management within the fertilizer industry.

5. Fatima Fertilizer Company Limited:

- **ROE Trend:** Fatima Fertilizer has shown consistent growth in ROE i.e. from 14% in 2017 to 19% in 2023. This upward trend indicates increasing efficiency in generating returns from equity.
- **Equity and Profit:** The Company's growing net profit, coupled with a moderate increase in equity, has driven the improvement in ROE. The ROE doubled from 2017 to 2023, highlighting significant efficiency gains.

Conclusion

- **Strong Performers:** Engro Fertilizers Limited and Fauji Fertilizer Company Limited stand out with consistently high ROE, indicating strong efficiency in generating profits relative to their equity bases. Both the companies have maintained an exceptionally high ROE with slight fluctuations during the period.
- **Improving Companies:** Fatima Fertilizer Company Limited shows a notable improvement in ROE over the years, reflecting increasing efficiency and profitability.
- **Volatile Performers:** Fauji Fertilizer Bin Qasim Limited presents a case of volatility, with extreme fluctuations in ROE. While the company has shown recovery and efficiency in recent years, its performance is inconsistent.
- **Underperformer:** Agritech Limited is the clear underperformer, with negative ROE for most years, indicating an inability to generate sufficient returns on equity. The slight positive ROE in 2023 is a minor improvement, but the company still lags significantly behind its peers.

Overall, the industry exhibits moderate to strong efficiency in generating returns on equity, with certain companies like Engro and Fauji Fertilizer leading the pack in terms of performance.

CHAPTER 20

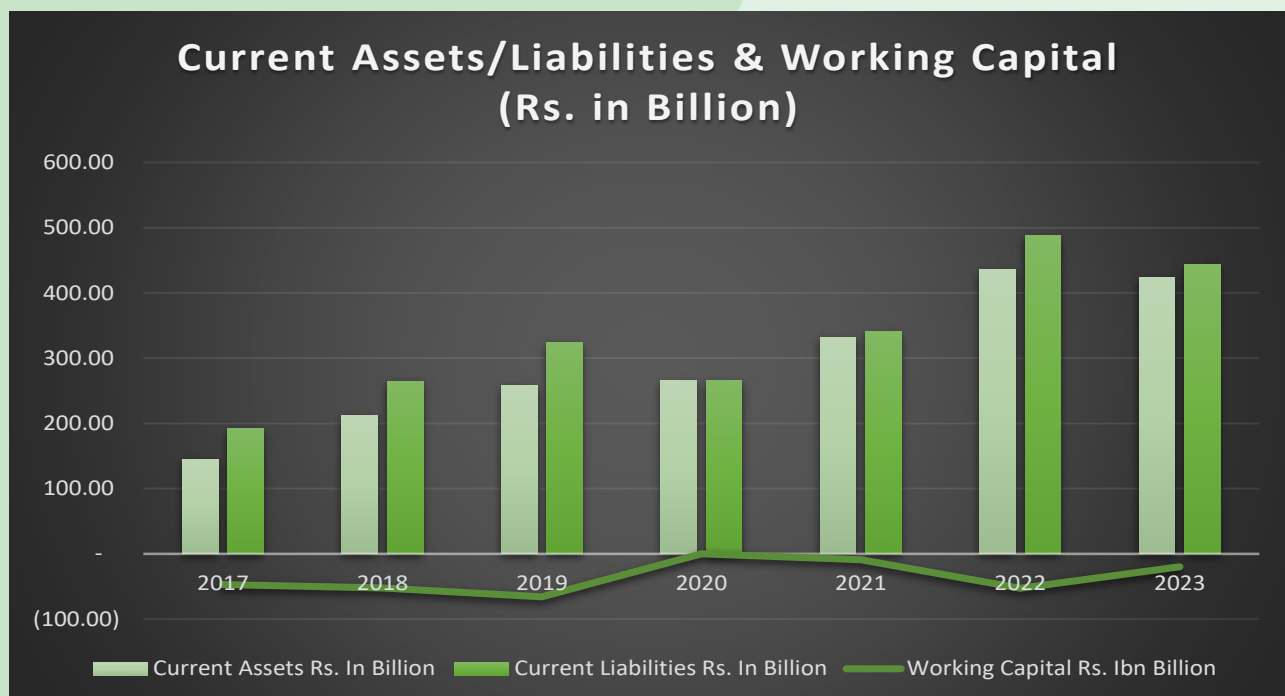
Measurement of Financial Strength

So far we have discussed operating results of the Fertilizer Companies encompassing various factors affecting profit and loss account of the fertilizer companies in Pakistan. Now we shift to the analysis of the Statement of Financial Position to gauge financial health of these companies.

Working Capital and Current Ratio

Analysis of Fertilizer Companies' Financial Health Based on Working Capital and Current Ratio.

1. Working Capital Analysis



Working capital is a measure of a company's short-term financial health and its ability to cover its current liabilities with its current assets. Positive working capital indicates that the company has more current assets than current liabilities, which is a good sign of liquidity. Conversely, negative working capital indicates potential liquidity issues.

The graph shows that the Fertilizer Industry as whole faced a serious working capital problem during the period 2017-2023. The industry during 2017, where necessary and 2020 had negative working capitals while during 2020, 2021, and 2023 the current assets nominally matched the current liabilities.

Since Industry total is an aggregate of 5 fertilizer companies' working capitals, therefore to dig the reason of the negative working capital we have to analyze company to company working capital.

TABLE AU

Working Capital - A Company-Wise Analysis

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	Agritech Ltd.							
	Current Assets	13.74	8.91	7.61	6.00	6.47	4.99	4.68
	Current Liabilities	38.02	56.47	52.27	48.51	45.39	45.99	40.53
	Working Capital	(24.28)	(47.56)	(44.66)	(42.51)	(38.92)	(41.00)	(35.86)
2	Fauji Fertilizer Company Ltd.							
	Current Assets	130.13	155.82	126.27	111.90	97.30	95.35	55.88
	Current Liabilities	139.22	161.76	112.17	81.67	106.88	99.94	59.01
	Working Capital	(9.08)	(5.94)	14.10	30.23	(9.58)	(4.59)	(3.13)
3	Fauji Fertilizer Bin Qasim Ltd.							
	Current Assets	110.70	110.57	75.41	48.10	51.33	43.47	30.76
	Current Liabilities	103.08	104.19	69.08	47.05	68.96	49.43	36.64
	Working Capital	7.62	6.38	6.32	1.04	(17.63)	(5.96)	(5.88)
4	Engro Fertilizers Ltd.							
	Current Assets	62.27	54.28	50.42	57.29	57.95	40.78	32.24
	Current Liabilities	88.08	79.63	52.57	47.31	51.63	38.11	32.91
	Working Capital	(25.81)	(25.35)	(2.16)	9.98	6.32	2.67	(0.67)
5	Fatima Fertilizer Company Ltd.							
	Current Assets	106.69	105.90	71.77	42.56	44.54	28.11	21.82
	Current Liabilities	75.04	86.27	54.32	41.15	50.57	31.57	23.38
	Working Capital	31.66	19.63	17.45	1.41	(6.03)	(3.46)	(1.56)
	Industry Total							
	Current Assets	423.54	435.48	331.48	265.85	257.59	212.70	145.38
	Current Liabilities	443.43	488.31	340.42	265.69	323.42	265.05	192.48
	Working Capital	(19.89)	(52.84)	(8.9)	0.2	(65.8)	(52.3)	(47.1)

- Agritech Limited consistently shows a negative working capital throughout the years, indicating that it has more current liabilities than current assets. The negative working capital has increased substantially from Rs. -24.28 billion in 2023 to Rs. -47.56 billion in 2022. This trend suggests significant liquidity challenges and financial distress.
- Fauji Fertilizer Company Limited (FFC) generally has negative working capital over the years, which shows a weaker financial position. In 2023, its working capital stands at Rs. -9.08 billion, more than Rs. -5.94 billion in 2022. This indicates that FFC has maintained a tactical negative working capital over the years, although it experienced a strong positive working capital in 2020.
- Fauji Fertilizer Bin Qasim Limited has a small but positive working capital, indicating that it is managing its short-term liabilities effectively. The working capital is Rs. 7.62 billion in 2023, which has improved slightly over the years.
- Engro Fertilizers Limited exhibits a fluctuating working capital. It turned negative in 2022 and 2023 (-Rs. 25.35 billion and -Rs. 25.81 billion, respectively), reflecting potential liquidity challenges in the short term. The main reason being the booking of provision for the Sindh Development and Maintenance of Infrastructure Cess levied by the Sindh Government and increase in gas charges by Sui Northern Gas Pipelines Limited. The company had positive working capital in earlier years.

- Fatima Fertilizer Company Limited has the strongest working capital position among the analyzed companies, with Rs. 31.66 billion in 2023. The company's working capital has generally been positive, except for slight negatives in 2019 and earlier, indicating good liquidity management.
- Industry Total shows that the aggregate working capital of the industry is generally negative but fluctuates significantly, with a slight positive of Rs. 0.2 billion in 2020, compared to a negative of Rs. -65.8 billion in 2019. This indicates overall industry volatility in liquidity.

Current Ratio – Current Assets Times Current Liabilities

The current ratio is another key liquidity metric that measures a company's ability to pay off its current liabilities with its current assets. A ratio above 1.0 typically indicates good short-term financial health, while a ratio below 1.0 suggests potential liquidity problems.

Below is a graph illustrating the industry's aggregate current ratio, alongside a table presenting company-specific current ratios for the years 2017 to 2023. This is followed by a detailed commentary on each company's current ratio over this period.

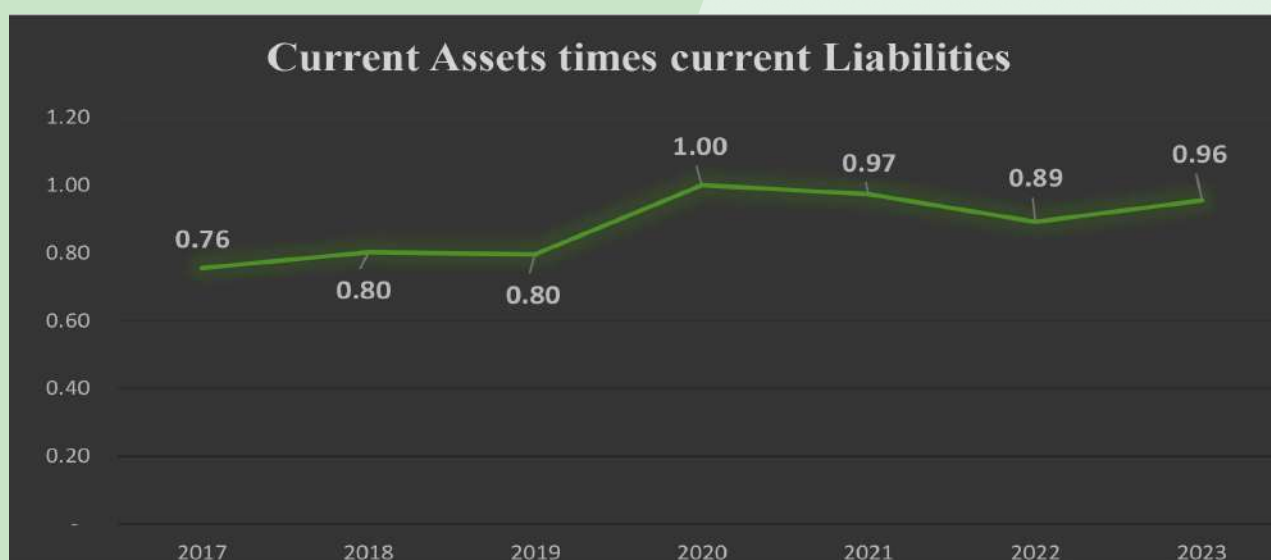


TABLE AV

Current Ratio - Current Assets Times Current Liabilities

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rs. In Billion								
1	AgriTech Ltd.	0.36	0.16	0.15	0.12	0.14	0.11	0.12
2	Fauji Fertilizer Company Ltd.	0.93	0.96	1.13	1.37	0.91	0.95	0.95
3	Fauji Fertilizer Bin Qasim Ltd.	1.07	1.06	1.09	1.02	0.74	0.88	0.84
4	Engro Fertilizers Ltd.	0.71	0.68	0.96	1.21	1.12	1.07	0.98
5	Fatima Fertilizer Company Ltd.	1.42	1.23	1.32	1.03	0.88	0.89	0.93
	Industry average (weighted)	0.96	0.89	0.97	1.00	0.80	0.80	0.76

- Agritech Limited has a very low current ratio, consistently below 0.4, indicating severe liquidity issues. In 2023, it stands at just 0.36, suggesting that the company has only 36% of the assets needed to cover its short-term liabilities.
- Fauji Fertilizer Company Limited current ratio has been relatively stable, mostly close to 1.0. However, its ratio has shown a slight downward trend from 1.37 in 2020 to 0.93 in 2023. As discussed earlier slight drift in current assets was mainly due to year-end provisions for taxation etc.
- Fauji Fertilizer Bin Qasim Limited has a current ratio slightly above 1.0 (1.07 in 2023), indicating adequate liquidity to meet its short-term liabilities. The stability of this ratio over the years is a positive sign.
- Engro Fertilizers Limited shows a declining current ratio, reaching 0.71 in 2023. This decline from a high of 1.21 in 2020. The reason as discussed earlier was due to the provisions made against GIDC in 2022 and 2023 otherwise the company maintains perfect current ratio.
- Fatima Fertilizer Company Limited has a strong current ratio of 1.42 in 2023, the highest among the companies analyzed. This indicates excellent liquidity and the ability to comfortably meet its short-term obligations.
- **Industry Average:** The industry average has generally trended around 0.80-1.00 over the years, showing overall stable liquidity. In 2023, the industry average is at 0.96, marking an improvement from 2022 (0.89). This indicates that, on average, companies within the industry are close to meeting their liabilities with their current assets, although the average remains slightly below the 1.0 benchmark. The improving trend from 2019 onward is a positive sign for the industry's liquidity position.

Conclusion

- Agritech Limited is in a precarious financial situation, with severely negative working capital and a very low current ratio, indicating significant liquidity problems.
- Fauji Fertilizer Company Limited and Fatima Fertilizer Company Limited appear financially healthy (despite negative w.c) with positive working capital and current ratios above 1.0, indicating they are well-positioned to cover their short-term liabilities.
- Fauji Fertilizer Bin Qasim Limited is in a relatively stable position with adequate liquidity, though there is room for improvement.
- Engro Fertilizers Limited shows warning signs with its declining working capital and current ratio, suggesting potential liquidity challenges ahead.
- The overall industry is showing slight improvements in liquidity, but there is significant variation among individual companies, with some showing strong financial health and others indicating distress.

Debt and Equity

The provided **Tables (AW and AX)** present the long-term debt and equity positions of key fertilizer companies in Pakistan from 2017 to 2023. This information is useful in assessing the financial health of these companies, where a higher equity-to-debt ratio is typically seen as a sign of financial stability.

TABLE AW

Debt and Equity

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	Agritech Ltd.							
	Debt	53.40	67.78	49.84	47.81	45.16	42.13	38.44
	Equity	13.07	11.98	3.76	6.44	10.74	-4.89	-1.67
	Total	66.47	79.76	53.60	54.25	55.90	37.24	36.78
2	Fauji Fertilizer Company Ltd.							
	Debt	39.35	81.27	60.99	40.64	33.77	44.65	34.13
	Equity	61.85	50.83	47.51	42.54	35.57	33.38	29.35
	Total	101.21	132.11	108.50	83.18	69.33	78.03	63.49
3	Fauji Fertilizer Bin Qasim Ltd.							
	Debt	18.97	24.98	32.14	38.51	46.59	35.56	28.65
	Equity	27.09	22.72	20.43	13.96	6.83	13.90	13.15
	Total	46.06	47.70	52.57	52.47	53.42	49.46	41.80
4	Engro Fertilizers Ltd.							
	Debt	6.59	22.02	26.79	25.09	33.05	31.87	33.12
	Equity	45.03	42.69	45.32	44.99	42.85	43.00	41.01
	Total	51.61	64.71	72.11	70.07	75.91	74.87	74.13
5	Fatima Fertilizer Company Ltd.							
	Debt	11.85	29.41	15.65	23.19	30.43	18.08	21.30
	Equity	118.37	107.09	100.26	87.10	78.01	69.59	65.64
	Total	130.21	136.50	115.91	110.30	108.44	87.67	86.94
	Industry Total							
	Debt	130.16	225.45	185.41	175.24	189.00	172.29	155.64
	Equity	265.41	235.32	217.28	195.02	174.00	154.98	147.49
	Total	395.57	460.77	402.69	370.26	363.00	327.28	303.14

Note: Debt includes all the short term and the long term borrowings. Agritech equity includes revaluation surplus

TABLE AX

Debt and Equity %

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
1	Agritech Ltd.							
	Debt	80%	85%	93%	88%	81%	113%	105%
	Equity	20%	15%	7%	12%	19%	-13%	-5%
	Total	100%	100%	100%	100%	100%	100%	100%
2	Fauji Fertilizer Company Ltd.							
	Debt	39%	62%	56%	49%	49%	57%	54%
	Equity	61%	38%	44%	51%	51%	43%	46%
	Total	100%	100%	100%	100%	100%	100%	100%
3	Fauji Fertilizer Bin Qasim Ltd.							
	Debt	41%	52%	61%	73%	87%	72%	69%
	Equity	59%	48%	39%	27%	13%	28%	31%
	Total	100%	100%	100%	100%	100%	100%	100%
4	Engro Fertilizers Ltd.							
	Debt	13%	34%	37%	36%	44%	43%	45%
	Equity	87%	66%	63%	64%	56%	57%	55%
	Total	100%	100%	100%	100%	100%	100%	100%
5	Fatima Fertilizer Company Ltd.							
	Debt	9%	22%	14%	21%	28%	21%	24%
	Equity	91%	78%	86%	79%	72%	79%	76%
	Total	100%	100%	100%	100%	100%	100%	100%
	Industry Total							
	Debt	33%	49%	46%	47%	52%	53%	51%
	Equity	67%	51%	54%	53%	48%	47%	49%
	Total	100%	100%	100%	100%	100%	100%	100%

Note: Debt includes all the short term and the long term borrowings. Agritech equity includes revaluation surplus

Key Insights:

1. Agritech Limited:

- **Debt Trends:** Agritech's debt peaked at Rs. 67.78 billion in 2022 before dropping to Rs. 53.40 billion in 2023. The debt level had been rising until 2022 but showed a decline in 2023.
- **Equity Trends:** Equity fluctuated significantly, going from negative equity in earlier years to positive growth, peaking at Rs. 13.07 billion in 2023.
- **Debt-to-Equity Ratio:** Debt consistently outweighed equity, with debt comprising 80% of the capital in 2023. Despite some improvements, Agritech remains heavily debt-dependent.

2. Fauji Fertilizer Company Limited:

- **Debt Trends:** Debt levels have been volatile, with a significant increase in 2022 at Rs. 81.27 billion, before reducing to Rs. 39.35 billion in 2023.
- **Equity Trends:** Equity has grown consistently, from Rs. 29.35 billion in 2017 to Rs. 61.85 billion in 2023, indicating steady financial health.
- **Debt-to-Equity Ratio:** Equity dominated in 2023 with 61% of total capital, a sign of strong financial stability.

3. Fauji Fertilizer Bin Qasim Limited:

- **Debt Trends:** The company carried a high debt load historically, peaking at Rs. 46.59 billion in 2019, but has since reduced it to Rs. 18.97 billion in 2023.
- **Equity Trends:** Equity increased significantly from Rs. 6.83 billion in 2019 to Rs. 27.09 billion in 2023, indicating improved financial health and less dependency on debt.
- **Debt-to-Equity Ratio:** By 2023, equity constituted 59% of capital, marking a shift towards a more favorable balance.

4. Engro Fertilizers Limited:

- **Debt Trends:** Engro reduced its debt considerably from Rs. 33.05 billion in 2019 to Rs. 6.59 billion in 2023, signaling effective debt management.
- **Equity Trends:** Equity has remained stable, increasing marginally to Rs. 45.03 billion in 2023.
- **Debt-to-Equity Ratio:** Engro had a low debt-to-equity ratio with debt at just 13% in 2023, reflecting strong financial stability and a low reliance on debt.

5. Fatima Fertilizer Company Limited:

- **Debt Trends:** Fatima Fertilizer has consistently managed a low level of debt, decreasing from Rs. 21.30 billion in 2017 to Rs. 11.85 billion in 2023.
- **Equity Trends:** Equity has grown significantly, reaching Rs. 118.37 billion in 2023, showing solid financial growth.
- **Debt-to-Equity Ratio:** Debt was only 9% of the capital structure in 2023, highlighting strong financial health and minimal debt reliance.

6. Industry Total:

- **Debt Trends:** The industry's total debt peaked at Rs. 225.45 billion in 2022 before declining to Rs. 130.16 billion in 2023.
- **Equity Trends:** Industry equity has shown a steady increase, reaching Rs. 265.41 billion in 2023.
- **Debt-to-Equity Ratio:** The industry's capital structure was 33% debt and 67% equity in 2023, indicating a shift towards more equity-based financing, which is a positive trend for financial sustainability.

Conclusion:

Companies like Fatima Fertilizer and Engro Fertilizers exhibit strong financial health due to their low debt-to-equity ratios. Conversely, Agritech Limited and Fauji Fertilizer Bin Qasim Limited have higher debt burdens but show signs of improvement in equity. Overall, the industry is moving toward reduced debt dependence, a positive indicator for financial resilience and stability.

CHAPTER 21

Consolidated Results

The analysis above covered the core activities of fertilizer companies, namely the manufacturing and sale of fertilizers, over a seven-year period, using various performance metrics. Among the five companies studied, four have diversified their operations beyond their core business, as detailed in the “About the Manufacturers” chapter.

The results of these diversified businesses have a direct impact on the core operations. Therefore, the income generated from investments in these diversified activities was discussed separately under **Chapter 13 “Return on Investment & its share in Total PBT”**. This chapter includes a detailed analysis of the diversified businesses, evaluating factors such as the quantum of investment in fixed assets, incremental sales, profits, manpower involvement, and contributions to the national exchequer.

Investment in Property, Plant, and Equipment (PPE)

The analysis provides an overview of the investment in Property, Plant, and Equipment (PPE) for five major fertilizer companies from 2017 to 2023. The first table (**Table AT**) shows the total PPE investment based on consolidated accounts, while the second table (**Table AU**) highlights incremental additions to PPE, showcasing how each company’s investment has evolved over the years.

Table AT: Investment in Property, Plant, and Equipment (PPE) - Consolidated

This table displays the total investment in PPE for the fertilizer companies:

TABLE AAA

Investment in Property, Plant and Equipment - Consolidated Cost

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	Agritech Ltd.	114	114	93	92	92	55	54
2	Fauji Fertilizer Company Ltd.	136	110	98	75	73	69	69
3	Fauji Fertilizer Bin Qasim Ltd.	77	81	81	82	81	77	73
4	Engro Fertilizers Ltd.	143	137	130	118	115	113	108
5	Fatima Fertilizer Company Ltd.	154	148	131	126	118	107	98
	Total	624	591	534	493	480	420	403

Note: Agritech Limited’s assets are shown at their revalued values, with significant additions in 2022 (Rs. 21.1 billion) and 2019 (Rs. 37.4 billion).

This table reflects the additions to PPE investments on account of diversification. It is difference of total consolidated business and the core business. The difference is denoted as incremental.

TABLE AAB

Investment in Property, Plant and Equipment - Incremental (Cost)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	Agritech Ltd.	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	42.21	40.32	34.58	15.80	18.68	12.72	15.49
3	Fauji Fertilizer Bin Qasim Ltd.	40.55	45.97	45.80	46.59	46.61	45.42	42.12
4	Engro Fertilizers Ltd.	-	-	-	-	-	-	-
5	Fatima Fertilizer Company Ltd.	2.97	2.92	-	-	-	-	-
	Total	85.73	89.22	80.38	62.39	65.28	58.14	57.61

Analysis Summary:

- 1. Agritech Limited:** No incremental investments were reported, indicating that they have not invested in any diversified business.
- 2. Fauji Fertilizer Company Limited:** The Company exhibited strong and consistent incremental investments, especially in 2023, showing a trend of growth and expansion.
- 3. Fauji Fertilizer Bin Qasim Limited:** This Company demonstrated the highest incremental investments across the years, with steady and significant annual increases.
- 4. Engro Fertilizers Limited:** Similar to Agritech, Engro reported no incremental investments during the period, implying stable PPE investments without new major capital expenditures.
- 5. Fatima Fertilizer Company Limited:** Minor incremental investments were observed in 2023 and 2022, indicating a stable investment strategy with minimal new additions.

Total Incremental Investment

The total incremental investment across these companies grew from 57.61 billion Rupees in 2017 to 85.73 billion Rupees in 2023, showcasing a positive trend in PPE investments within the fertilizer sector. This indicates that while some companies pursued aggressive expansion, others maintained their existing asset base with little to no new investment.

Tables AAD illustrating the book value of the consolidated investment in PPE and **Table AAC** are given herein under with further explanation.

TABLE AAC

Investment in Property, Plant and Equipment – Consolidated Book Value (WDV)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rs. In Billion								
1	Agritech Ltd.	68.34	69.93	56.97	58.54	60.04	38.59	39.77
2	Fauji Fertilizer Company Ltd.	69.29	57.92	50.30	32.60	32.76	32.77	34.35
3	Fauji Fertilizer Bin Qasim Ltd.	40.35	45.89	47.85	50.29	50.96	50.08	50.29
4	Engro Fertilizers Ltd.	78.44	77.88	73.03	65.73	65.92	68.20	68.92
5	Fatima Fertilizer Company Ltd.	112.90	117.22	105.42	104.94	100.72	91.72	86.70
	Total	300.98	298.91	276.60	253.55	250.36	242.77	240.27

Note: Book value of M/s Agritech represent their revalued values.

TABLE AAD

Investment in Property, Plant and Equipment - Incremental (Book Value)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rs. In Billion								
1	Agritech Ltd.	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	29.07	30.29	26.31	9.75	10.55	11.24	12.04
3	Fauji Fertilizer Bin Qasim Ltd.	30.73	36.16	37.27	39.03	40.53	40.33	39.86
4	Engro Fertilizers Ltd.	-	-	-	-	-	-	-
5	Fatima Fertilizer Company Ltd.	2.87	2.88	-	-	-	-	-
	Total	62.68	69.33	63.59	48.79	51.08	51.57	51.90

Consolidated and Incremental Sales

The analysis of the net sales for the consolidated businesses versus the core business in the fertilizer industry reveals significant growth, particularly in the diversified business activities of the companies. Here's a breakdown of the key findings based on the data provided:

TABLE AAE

Net Sales (Consolidated)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	Agritech Ltd.	22.17	17.30	10.10	5.70	12.17	4.53	3.55
2	Fauji Fertilizer Company Ltd.	181.38	125.68	114.35	102.74	109.82	109.43	93.58
3	Fauji Fertilizer Bin Qasim Ltd.	221.61	183.07	128.24	98.06	81.52	77.56	64.39
4	Engro Fertilizers Ltd.	223.70	157.02	132.36	105.85	121.35	109.20	77.13
5	Fatima Fertilizer Company Ltd.	235.42	159.75	112.49	71.27	74.96	51.31	45.37
	Total	884.30	642.81	497.53	383.62	399.83	352.03	284.02

Overall Growth in Consolidated Sales

Total Consolidated Sales:

- In 2017, the combined net sales of the five companies stood at Rs. 284.02 billion.
- By 2023, this figure had surged to Rs. 884.30 billion, reflecting an increase of Rs. 600.28 billion, or more than 200% over the six-year period.

Company-wise Sales from the diversified businesses

TABLE AAF

Incremental Net Sales

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	Agritech Ltd.	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	21.91	16.31	5.69	5.09	4.03	3.47	2.87
3	Fauji Fertilizer Bin Qasim Ltd.	28.55	23.85	17.78	14.83	14.68	16.04	11.66
4	Engro Fertilizers Ltd.	62.04	60.07	41.78	30.79	42.12	43.06	14.12
5	Fatima Fertilizer Company Ltd.	2.67	0.95	-	-	-	-	-
	Total	115.17	101.18	65.26	50.71	60.83	62.57	28.64

1. Fauji Fertilizer Company Limited:

- Incremental sales increased from Rs. 2.87 billion in 2017 to Rs. 21.91 billion in 2023.
- This is an almost Rs.19 billion increase, indicating a successful expansion into diversified business activities.

2. Fauji Fertilizer Bin Qasim Limited:

- The company's incremental sales grew from Rs. 11.66 billion in 2017 to Rs. 28.55 billion in 2023.
- This growth represents a 145% increase, demonstrating steady progress in its diversified ventures.

3. Engro Fertilizers Limited:

- The most significant growth was observed in Engro Fertilizers Limited where incremental sales soared from Rs. 14.12 billion in 2017 to Rs. 62.04 billion in 2023.
- This translates to an impressive 339% increase, showcasing the company's successful diversification strategy.

4. Fatima Fertilizer Company Limited:

- Fatima Fertilizer initiated its diversification only recently in 2022, with sales of Rs. 0.95 billion.
- In 2023, these sales rose to Rs. 2.67 billion, marking a 181% increase in just one year, indicating a strong start in its diversified business efforts.

Summary of Findings

The data suggests that the investment in diversified business activities by these fertilizer companies has been largely successful, contributing significantly to their overall sales growth. While Engro Fertilizers Limited leads in terms of absolute growth, Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited have also demonstrated substantial increases in incremental sales. On the other hand, Fatima Fertilizer Company Limited shows promising growth in its early stages of diversification, whereas Agritech Limited appears not to have diversified, as indicated by the absence of incremental sales.

This growth reflects the broader strategy of these companies to reduce reliance on their core fertilizer business by expanding into other sectors, thereby enhancing their overall financial performance.

Consolidated Gross Profit

The tables provide an overview of the Consolidated Gross Profit (GP) for key fertilizer companies in the industry from 2017 to 2023, as well as their incremental GP, which highlights the additional profit generated from consolidated business activities.

The industry experienced significant growth in consolidated gross profit over the years, culminating in a total GP of Rs. 272 billion in 2023. This represents a substantial increase of Rs. 202.64 billion compared to 2017.

TABLE AAG

Gross Profit (Consolidated)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rs. In Billion								
1	Agritech Ltd.	4.40	2.12	0.41	(1.17)	1.53	(0.34)	(1.23)
2	Fauji Fertilizer Company Ltd.	76.84	49.69	41.36	34.44	32.78	29.15	19.10
3	Fauji Fertilizer Bin Qasim Ltd.	44.29	35.32	29.09	18.90	12.38	14.22	9.58
4	Engro Fertilizers Ltd.	72.30	42.85	44.07	34.25	39.54	35.32	23.22
5	Fatima Fertilizer Company Ltd.	74.18	52.68	43.08	28.79	27.90	25.67	18.69
	Total	272.00	182.65	158.02	115.22	114.13	104.01	69.36

Key Observations:

- **Fauji Fertilizer Company Limited:** Consistently the highest contributor to the consolidated GP, with Rs. 76.84 billion in 2023, up from Rs. 19.10 billion in 2017.
- **Engro Fertilizers Limited:** Showed a significant increase to Rs. 72.30 billion in 2023, up from Rs. 23.22 billion in 2017.
- **Fatima Fertilizer Company Limited:** Also demonstrated strong growth, reaching Rs. 74.18 billion in 2023 from Rs. 18.69 billion in 2017.
- **Agritech Limited:** Despite fluctuations, the company managed to post a positive GP in 2023 after recovering from negative figures in earlier years.

Incremental Gross Profit (2017-2023)

The incremental gross profit represents the additional profit earned due to the companies' consolidated business activities, showcasing the growth achieved year-over-year.

TABLE AAH

Incremental Gross Profit

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
Rs. In Billion								
1	Agritech Ltd.	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	12.58	9.64	2.48	2.86	2.04	1.17	1.01
3	Fauji Fertilizer Bin Qasim Ltd.	11.18	9.73	6.94	6.32	6.50	6.04	3.55
4	Engro Fertilizers Ltd.	12.87	13.45	8.58	5.19	6.83	7.41	2.75
5	Fatima Fertilizer Company Ltd.	1.77	0.22	-	-	-	-	-
	Total	38.41	33.04	18.00	14.37	15.36	14.62	7.31

Key Observations:

- **Fauji Fertilizer Company Limited:** Saw consistent incremental gains, with a peak increase of Rs. 12.58 billion in 2023.
- **Fauji Fertilizer Bin Qasim Limited:** Achieved significant incremental growth, especially notable in 2023 with Rs. 11.18 billion.
- **Engro Fertilizers Limited:** Exhibited strong incremental gains, particularly in 2023 (Rs. 12.87 billion), though slightly lower than 2022.
- **Fatima Fertilizer Company Limited:** Had smaller incremental gains, with a notable increase in 2023 (Rs. 1.77 billion).

Summary

The consolidated gross profit across the fertilizer industry has shown robust growth from 2017 to 2023, with significant contributions from key players like Fauji Fertilizer Company Limited, Engro Fertilizers Limited, and Fatima Fertilizer Company Limited. The incremental gross profit data indicates that the strategic consolidation and business activities have been successful in driving additional revenue and profitability for these companies.

Consolidated Net Profit / Loss after Tax

The tables illustrate the growth and performance of the consolidated Net Profit after Tax (NPAT) for key fertilizer companies from 2017 to 2023, along with the incremental changes in NPAT resulting from diversification and other business activities.

The consolidated Net Profit after Tax across the industry has shown remarkable growth, rising from Rs. 23.56 billion in 2017 to Rs. 101.89 billion in 2023, marking an increase of over 400%.

TABLE AA1

Net Profit/(Loss) after Tax (Consolidated)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Rs. In Billion						
1	AgriTech Ltd.	1.09	(2.95)	(2.68)	(4.30)	(0.65)	(3.34)	(4.31)
2	Fauji Fertilizer Company Ltd.	47.45	34.37	35.69	17.90	17.33	16.44	11.50
3	Fauji Fertilizer Bin Qasim Ltd.	4.16	8.03	9.22	6.03	(8.37)	0.78	0.93
4	Engro Fertilizers Ltd.	26.19	16.00	21.09	18.13	16.87	17.41	6.18
5	Fatima Fertilizer Company Ltd.	23.01	14.71	18.47	12.19	12.07	11.91	9.27
	Total	101.89	70.16	81.80	49.95	37.25	43.20	23.56

Key Observations:

- **Fauji Fertilizer Company Limited:** The most significant contributor, with its NPAT increasing from Rs. 11.50 billion in 2017 to Rs. 47.45 billion in 2023.
- **Engro Fertilizers Limited:** Saw its NPAT grow steadily, reaching Rs. 26.19 billion in 2023 from Rs. 6.18 billion in 2017.
- **Fatima Fertilizer Company Limited:** Demonstrated consistent profitability, with NPAT rising to Rs. 23.01 billion in 2023 from Rs. 9.27 billion in 2017.
- **Agritech Limited:** Struggled with losses in earlier years but managed to post a small profit of Rs. 1.09 billion in 2023.

2. Incremental Net Profit / Loss After Tax

The incremental NPAT reflects the additional profit or loss generated due to diversified and consolidated business activities, highlighting the industry's turnaround from losses in 2017 to significant profits in 2023.

TABLE AAJ

Incremental Net Profit/(Loss) after Tax

S.#	FERTILIZER COMPANIES	Total	2023	2022	2021	2020	2019	2018	2017
Rs. In Billion									
1	Agritech Ltd.	-	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	45.98	17.78	14.32	13.80	(2.92)	0.22	2.00	0.78
3	Fauji Fertilizer Bin Qasim Ltd.	8.94	(0.25)	5.70	2.83	3.84	(2.45)	(0.66)	(0.08)
4	Engro Fertilizers Ltd.	2.52	0.51	0.60	0.02	1.32	(1.69)	0.74	1.02
5	Fatima Fertilizer Company Ltd.	0.88	0.61	0.27	-	-	-	-	-
	Total	58.33	18.65	20.89	16.66	2.24	(3.92)	2.09	1.72

Key Observations:

- **Fauji Fertilizer Company Limited:** Achieved substantial incremental NPAT, particularly in 2023, with Rs. 17.78 billion.
- **Fauji Fertilizer Bin Qasim Limited:** Saw fluctuating incremental NPAT, with Rs. 5.70 billion in 2021 but a slight loss of Rs. 0.25 billion in 2023.
- **Engro Fertilizers Limited:** Experienced some volatility in incremental NPAT, with a profit loss of Rs. 0.51 billion in 2023.
- **Fatima Fertilizer Company Limited:** Maintained steady incremental gains, with Rs. 0.88 billion in 2023.

Summary

The consolidated Net Profit after Tax for the fertilizer industry has shown a significant upward trajectory from 2017 to 2023, with an overall increase of over 1000%. This impressive growth is largely driven by key players like Fauji Fertilizer Company Limited, Engro Fertilizers Limited, and Fatima Fertilizer Company Limited.

The incremental NPAT data reveals that the industry has successfully turned around its losses from diversification activities in 2017 to generating substantial profits by 2023. This reflects the positive impact of strategic consolidations and expansions in the fertilizer industry.

3. Contribution to the Government Exchequer

Below are two tables showcasing the contribution of the fertilizer sector to the national exchequer of Pakistan. The first table presents the aggregate contribution of each fertilizer company, including sales tax, federal excise duty, and income tax. The second table displays the incremental contribution, which highlights the difference between the consolidated amount and the contribution from core fertilizer business activities.

Table 1: Aggregate Contribution of Fertilizer Companies (2017-2023)

TABLE AAK

Excise Duty, Sales Tax and Income Tax (Consolidated)

S.#	FERTILIZER COMPANIES	Total	2023	2022	2021	2020	2019	2018	2017
			Rs. In Billion						
1	Agriotech Ltd.	2.25	0.35	0.37	0.36	0.22	0.46	0.18	0.31
2	Fauji Fertilizer Company Ltd.	102.37	31.76	17.49	12.70	10.17	8.47	11.09	10.69
3	Fauji Fertilizer Bin Qasim Ltd.	75.64	26.83	13.19	11.75	6.46	5.91	3.16	8.34
4	Engro Fertilizers Ltd.	93.45	31.07	16.06	11.26	5.88	7.96	12.76	8.46
5	Fatima Fertilizer Company Ltd.	84.93	31.99	14.37	11.44	6.56	6.04	7.68	6.85
	Total	358.64	122.00	61.47	47.51	29.29	28.85	34.87	34.65

TABLE AAL

Incremental Excise Duty, Sales Tax and Income Tax

S.#	FERTILIZER COMPANIES	Total	2023	2022	2021	2020	2019	2018	2017
			Rs. In Billion						
1	Agriotech Ltd.	-	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	7.76	3.24	2.14	0.80	0.31	0.07	0.54	0.66
3	Fauji Fertilizer Bin Qasim Ltd.	24.94	5.43	5.31	3.66	2.94	3.15	3.01	1.44
4	Engro Fertilizers Ltd.	24.74	8.75	4.02	2.87	1.78	2.80	3.30	1.20
5	Fatima Fertilizer Company Ltd.	2.12	1.64	0.48	-	-	-	-	-
	Total	59.55	19.06	11.96	7.33	5.03	6.02	6.85	3.31

Key Observations:

1. Fauji Fertilizer Company Limited and Engro Fertilizers Limited have consistently been the largest contributors to the national exchequer, showing significant incremental contributions, especially in recent years.
2. Fauji Fertilizer Bin Qasim Limited has seen considerable incremental growth over the years, suggesting diversification or expanded operations beyond core fertilizer manufacturing.
3. Fatima Fertilizer Company Limited shows a significant contribution, but its incremental contributions suggest limited diversification in comparison to the other major players.
4. Agritech Limited consistently contributes to the exchequer, but its contribution is solely from its core business activities.

These tables provide insight into how much the fertilizer sector has supported the government through taxes and duties over the years, highlighting both steady contributions and areas of growth through diversification.

4. Human Resources – Number of Persons Employed

The provided **Tables AAM** and **AAN**, offer a consolidated view of employment numbers across five major fertilizer companies from 2017 to 2023. These figures demonstrate the trends in employment both at the end of each year and the average number of employees throughout each year. This information is useful for analyzing labor dynamics and the impact of diversification in the fertilizer sector.

TABLE AAM

Number of Employees at the End of Year (Consolidated)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Number of Employees						
1	Agritech Ltd.	979	959	971	921	856	883	917
2	Fauji Fertilizer Company Ltd.	3,590	3,559	3,577	3,628	3,581	3,425	3,490
3	Fauji Fertilizer Bin Qasim Ltd.	1,737	1,733	1,758	1,904	2,253	2,954	2,989
4	Engro Fertilizers Ltd.	1,214	1,353	1,382	1,362	1,260	1,252	1,201
5	Fatima Fertilizer Company Ltd.	5,034	4,967	2,895	2,604	2,400	2,378	2,392
	Total	12,554	12,571	10,583	10,419	10,350	10,892	10,989

TABLE AAN

Average Number of Employees (Consolidated)

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Number of Employees						
1	Agritech Ltd.	956	968	916	934	870	900	925
2	Fauji Fertilizer Company Ltd.	3,586	3,575	3,573	3,522	3,506	3,436	3,491
3	Fauji Fertilizer Bin Qasim Ltd.	1,733	1,815	1,841	2,128	2,621	2,964	3,025
4	Engro Fertilizers Ltd.	1,244	1,375	1,332	1,316	1,273	1,231	1,185
5	Fatima Fertilizer Company Ltd.	5,001	3,727	2,750	2,502	2,389	2,321	2,264
	Total	12,520	11,460	10,412	10,402	10,659	10,852	10,890

Key Insights:

The Table AAM shows the total number of employees in each fertilizer company as of December 31 of each year.

- Agritech Limited experienced some fluctuations in employee numbers, ranging from a low of 856 in 2019 to a high of 979 in 2023.
- Fauji Fertilizer Company Limited has been relatively stable, with employee numbers hovering around 3,500 throughout the years, peaking at 3,628 in 2020.
- Fauji Fertilizer Bin Qasim Limited showed a decreasing trend, from 2,989 employees in 2017 down to 1,737 in 2023.
- Engro Fertilizers Limited also remained quite steady, with employee numbers varying slightly between 1,201 in 2017 and 1,214 in 2023.
- Fatima Fertilizer Company Limited showed significant growth, with employee numbers doubling from 2,392 in 2017 to 5,034 in 2023, indicating expansion or diversification in business operations.

The Table AAN provides the average number of employees employed by each company throughout each year.

- The overall trends in Agritech Limited and Fauji Fertilizer Company Limited reflect stable employment, with slight fluctuations year on year.
- Fauji Fertilizer Bin Qasim Limited shows a more pronounced drop in average employees, especially after 2017, which may indicate downsizing or restructuring.
- Fatima Fertilizer Company Limited saw a sharp increase in average employees, particularly from 2021 to 2023, showing the company's expansion.

The data shows how employment in the fertilizer sector has responded to diversification and other internal business factors, with some companies growing their workforce significantly, while others have reduced staff levels over the years.

The **Tables AAO and AAP** provide further insight into the incremental employment created by diversification efforts in the fertilizer industry. These tables highlight the number of jobs generated in non-core (diversified) business ventures compared to core fertilizer business operations.

TABLE AAO

Incremental Number of Employees at the End of Year

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Number of Employees						
1	Agritech Ltd.	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	381	343	305	116	124	68	126
3	Fauji Fertilizer Bin Qasim Ltd.	917	924	961	1,117	1,303	1,945	1,972
4	Engro Fertilizers Ltd.	-	1	3	6	4	5	-
5	Fatima Fertilizer Company Ltd.	441	408	-	-	-	-	-
	Total	1,739	1,676	1,269	1,239	1,431	2,018	2,098

TABLE AAP

Incremental Average Number of Employees

S.#	FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
		Number of Employees						
1	Agritech Ltd.	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	365	331	298	119	127	67	107
3	Fauji Fertilizer Bin Qasim Ltd.	911	976	1,046	1,228	1,649	1,946	1,893
4	Engro Fertilizers Ltd.	2	2	(52)	6	6	5	-
5	Fatima Fertilizer Company Ltd.	375	-	-	-	-	-	-
	Total	1,653	1,309	1,292	1,353	1,782	2,018	2,000

Key Insights from the Incremental Employment Data

Number of Employees at the End of the Year in Diversified Businesses (Table AAO)

- Fauji Fertilizer Company Limited has shown a steady increase in employment from diversified operations, with incremental employees growing from 126 in 2017 to 381 in 2023. This suggests gradual diversification into non-core sectors over time.
- Fauji Fertilizer Bin Qasim Limited had a significant number of employees in diversified businesses, although the figure has fluctuated. In 2017, there were 1,972 employees, which decreased to 917 by 2023, indicating some consolidation or contraction of non-core activities.
- Engro Fertilizers Limited has minimal diversification, with no significant additional employment in non-core sectors except for small numbers in certain years.

- Fatima Fertilizer Company Limited entered diversified sectors more recently, as seen in the increase of 441 incremental employees in 2023.

Average Number of Employees in Diversified Businesses (Table AAP)

- The average number of employees from diversified operations in Fauji Fertilizer Company Limited and Fauji Fertilizer Bin Qasim Limited show similar trends to the end-of-year data, with incremental employment being significant in Fauji Fertilizer Bin Qasim Limited, though declining after a peak in 2019.
- Engro Fertilizers Limited recorded a slight reduction in employment in diversified businesses in 2021, with an unusual figure of (52), possibly due to restructuring or shedding of non-core jobs.
- Fatima Fertilizer Company Limited showed strong growth in average employment in diversification sectors in 2023, with an increase to 375 employees, indicating its recent expansion into diversified ventures.

Overall Analysis:

- Fauji Fertilizer Bin Qasim Limited consistently employed a large number of people in diversified operations, although the numbers have dropped in recent years.
- Fauji Fertilizer Company Limited and Fatima Fertilizer Company Limited are ramping up their diversification efforts, as evidenced by their growing incremental employment figures.
- Engro Fertilizers Limited appears to focus primarily on its core business, with minimal diversification employment.

These tables illustrate the employment impact of diversification across the fertilizer sector, with companies like Fauji Fertilizer Bin Qasim Limited and Fatima Fertilizer Company Limited contributing significantly to job creation beyond their core operations.

CHAPTER 22

The Future of the Fertilizer Industry in Pakistan: Challenges and Opportunities

Introduction

Agriculture is the backbone of Pakistan's economy, contributing approximately 24% to the country's GDP and employing 37.4% of the workforce. Given the critical role of agriculture, the fertilizer industry holds significant importance in ensuring food security and boosting crop yields. As Pakistan navigates its way through economic challenges, the future of the fertilizer industry is both promising and fraught with challenges.

According to the World Bank Group Food and Agriculture website, Pakistan in 2021 consumed 157.3 kg of fertilizer per hectare of arable land, while India consumed 193.2 kg, and China consumed 374.8 kg per hectare. In contrast, Pakistan's consumption in 1961 was just 1.4 kg per hectare of arable land. This remarkable growth in fertilizer consumption over the years underscores the significant advancements in agricultural practices in Pakistan. However, despite this progress, Pakistan still lags behind neighboring countries like India and China in fertilizer usage per hectare, indicating a substantial potential for further growth in fertilizer production and consumption.

Current State of the Fertilizer Industry

Pakistan's fertilizer industry is relatively well-developed, with major players including Fauji Fertilizer Company (FFC), Engro Fertilizer Bin Qasim, Engro Fertilizers, and Fatima Fertilizer. The country is largely self-sufficient in nitrogenous fertilizers, particularly urea, but relies on imports for phosphate and potash fertilizers. The industry faces challenges such as fluctuating natural gas supplies (a key input for urea production) and rising production costs.

Key Factors Influencing the Future

Natural Gas Supply and Energy Costs: Natural gas is a crucial input for nitrogenous fertilizers, particularly urea. The availability and pricing of natural gas significantly impact the cost structure of fertilizer production. Pakistan has faced issues with gas shortages, leading to production slowdowns and increased costs for manufacturers. The future of the fertilizer industry will depend heavily on the government's ability to secure stable and affordable natural gas supplies or on the development of alternative raw material sources for fertilizer industry.

Government Policies and Subsidies: The fertilizer industry in Pakistan has traditionally benefited from government subsidies, particularly on urea. However, recent fiscal pressures have led to the cessation of subsidies and the imposition of sales tax on the indigenous production of DAP and its imports, affecting the affordability of fertilizers for farmers. The future may see a shift towards more targeted subsidies or direct cash transfers to farmers, which could impact fertilizer demand.

Technological Advancements: Innovations in fertilizer production, such as enhanced-efficiency fertilizers and precision agriculture, are likely to shape the future of the industry. These technologies can improve nutrient use efficiency, reduce environmental impacts, and lower production costs. However, adopting such technologies in Pakistan will require investments in research and development, as well as the dissemination of knowledge to farmers.

Climate Change and Environmental Concerns: Climate change poses a significant challenge to agriculture in Pakistan, with implications for the fertilizer industry. Changing weather patterns, water scarcity, and soil degradation could alter the demand for fertilizers and necessitate the development of new formulations tailored to local conditions. Additionally, there is growing awareness of the environmental impact of conventional fertilizers, leading to increased interest in organic and bio-based fertilizers.

Pakistan has the potential to increase its arable land area and the recent climate changes have paved the way to the enhanced cultivation and use of fertilizers in the newly explored arable lands. Recent bumper crops culminated after the devastating floods. The taming of rainy watercourses and dams on the streams and rivers could provide additional land for agricultural and opportunities to the fertilizer production.

Global Market Dynamics: Pakistan is a net importer of phosphate and potash fertilizers, making the industry vulnerable to global market fluctuations. Prices of these fertilizers are influenced by international demand and supply dynamics, trade policies, and geopolitical tensions. The future of the fertilizer industry in Pakistan will be influenced by how well it navigates these global challenges, including securing reliable import channels and managing price volatility.

Digital Transformation: The integration of digital technologies into the fertilizer supply chain can enhance efficiency and reduce costs. Digital platforms can facilitate better forecasting, inventory management, and distribution, leading to more efficient use of fertilizers by farmers. The adoption of digital solutions in Pakistan's fertilizer industry could be a game-changer, improving both profitability for producers and outcomes for farmers.

Opportunities for Growth

Despite the challenges, there are significant opportunities for growth in Pakistan's fertilizer industry:

Expanding Domestic Production: With investments in new production facilities and the modernization of existing plants, Pakistan has the potential to increase its self-sufficiency in fertilizers, particularly phosphate and potash. This would reduce the country's dependence on imports and enhance food security. M/s Talcher Fertilizer Limited, India has recently initiated a urea plant based on the

gasification of coal with an annual production of 3,850 tons of nitrogen per day and 1.2 million tons of urea per annum. Pakistan may also explore a similar opportunity to invest in urea production based on the gasification of coal deposits in Thar, Baluchistan, and KPK.

Export Potential: Pakistan's strategic location offers the potential to export fertilizers to neighboring countries. With competitive pricing and quality assurance, Pakistani fertilizer companies could explore markets in Central Asia, the Middle East, and Africa, capitalizing on the growing demand in these regions. According to the World Bank Group, in 2021, Iran consumed 68.3 kg, Afghanistan 5.2 kg, Tajikistan 90.4 kg, Azerbaijan 105.6 kg, Iraq 55.2 kg, and Somalia 1.1 kg per hectare of arable land. By increasing its fertilizer production, Pakistan could cater to these export markets.

Despite India consuming more fertilizers per hectare than Pakistan, there is a notable gap between the country's domestic fertilizer production and its consumption needs. To bridge this gap, India relies heavily on imports. Over the past three years, India has imported an average of over 17 million tons of fertilizers annually, including key products like urea and other essential fertilizers.

Given the scale of this demand, India represents a significant potential market for fertilizer producers, including those from Pakistan. By leveraging this opportunity, Pakistan could boost its fertilizer exports to India, addressing both India's growing agricultural requirements and fostering economic cooperation in the region.

Sustainable Fertilizers: The global shift towards sustainability presents an opportunity for Pakistan to develop and market organic and bio-based fertilizers. These products could cater to both domestic and international markets, particularly as consumers and farmers become more environmentally conscious.

Public-Private Partnerships: Collaboration between the government and the private sector can drive innovation and efficiency in the fertilizer industry. Public-private partnerships could facilitate research and development, infrastructure improvements, and the adoption of new technologies, ultimately enhancing the competitiveness of the industry. The Government of Pakistan has set up a National Fertilizer Development Centre under the Ministry of Food Security and Research. The center collaborates with international organizations to develop different fertilizers and ensure maximum crop output.

Conclusion

The future of Pakistan's fertilizer industry is intertwined with broader economic, environmental, and technological trends. While there are significant challenges, including gas supply issues, policy shifts, and global market dynamics, there are also considerable opportunities for growth and innovation. By addressing these challenges and leveraging the opportunities, Pakistan can ensure that its fertilizer industry continues to play a pivotal role in supporting the country's agricultural sector and overall economic development.

CHAPTER 23

Condensed Financial and Operating Data of All Companies

Introduction

This chapter provides a detailed overview of the financial and operational performance of indigenous fertilizer manufacturers, derived from their published financial statements. This data forms the foundation for the analyses presented in the preceding chapters through various graphs and tables. The information is structured by company and covers key performance indicators.

Key Components

1. Production and Sales

- Installed production capacities and actual outputs.
- Fertilizer sales volumes.

2. Financial Performance

- Summaries of profit and loss accounts.
- Condensed Balance Sheet (Equity and Liabilities, Assets, Cost of the Assets, Total borrowings).
- Key financial ratios.

3. Contributions and Workforce

- Duties and taxes contributed to the national treasury.
- Total workforce numbers at the year's end.

Where relevant, Consolidated Financial Accounts are also included to provide a broader aggregated perspective with all the information and analysis above mentioned.

AGRITECH LIMITED

	2023	2022	2021	2020	2019	2018	2017
CAPACITY, PRODUCTION AND SALES VOLUME (TONS)							
Production Capacity (Tons)							
Urea	433,124	433,124	433,124	433,124	433,124	433,124	433,124
Phosphate - SSP	81,000	81,000	81,000	81,000	81,000	81,000	81,000
Total	514,124	514,124	514,124	514,124	514,124	514,124	514,124
Actual Production (Tons)							
Urea	292,255	353,284	226,768	124,785	338,090	95,934	114,201
Phosphate - SSP	77,150	63,596	73,244	66,341	41,809	59,059	61,942
Total	369,405	416,880	300,012	191,126	379,899	154,993	176,143
Capacity utilization %							
Urea	67%	82%	52%	29%	78%	22%	26%
Phosphate	95%	79%	90%	82%	52%	73%	76%
Actual Sales (Tons)							
Urea	285,551	351,933	232,094	139,296	320,323	100,895	110,000
Phosphate	80,226	54,137	80,152	59,929	41,916	66,748	61,000
Total Sales	365,777	406,070	312,246	199,225	362,239	167,643	171,000
PROFIT AND LOSS							
							Rs. In 000
Sales - Gross							
- manufactured products	22,838,785	17,422,374	10,234,563	5,800,668	12,581,177	4,580,594	3,775,165
- other products	189,580	162,924	191,197	116,612	128,302	101,467	336,786
- services							
Mid Products							
Toll manufacturing							
Export							105,331
Subsidy from Government							
Gross Sales	23,028,365	17,585,298	10,425,760	5,917,280	12,709,479	4,682,061	4,217,282
Trade discounts	419	132,930	86,419	82,165	261,953	30,732	405,520
Sales tax	33,514	156,185	238,417	135,392	273,106	118,012	260,244
Excise Duty	822,270	-					
Sales - Net	22,172,162	17,296,183	10,100,924	5,699,723	12,174,420	4,533,317	3,551,518
Raw Material consumed	11,713,988	9,926,677	5,548,995	3,154,614	7,505,500	2,427,725	2,090,255
Salaries wages and benefits	794,516	593,664	542,731	508,482	531,374	403,603	464,194
Fuel & Power	3,039,730	2,739,333	1,361,023	829,864	1,623,118	571,637	842,594
Repairs and Maintenance	54,381	39,505	85,133	26,125	24,150	15,980	34,278
Depreciation	1,824,401	1,588,535	1,594,020	1,591,994	1,042,674	1,046,144	1,052,183
Subsidy on NLG							
Other overheads	419,563	759,474	411,855	389,406			371,789
Total cost input	17,846,579	15,647,188	9,543,757	6,500,485	11,155,365	4,759,583	4,855,293
Inventory adjustment (WIP)	68,861	(174,941)	(4,579)	6,287	(9,324)	5,563	20,051
Cost of Goods Manufactured	17,915,440	15,472,247	9,539,178	6,506,772	11,146,041	4,765,146	4,875,344
Inventory adjustment (F.G)	(141,777)	(297,626)	152,227	365,669	(502,765)	110,511	(93,462)
Cost of Sales	17,773,663	15,174,621	9,691,405	6,872,441	10,643,276	4,875,657	4,781,882
Cost of sales - Purchased and packaged products							
Total cost of Sales	17,773,663	15,174,621	9,691,405	6,872,441	10,643,276	4,875,657	4,781,882
Gross Profit/(loss)	4,398,499	2,121,562	409,519	(1,172,718)	1,531,144	(342,340)	(1,230,364)
Less:							
Distribution Cost	672,817	639,097	352,479	222,430	524,761	170,130	228,634
Administrative expenses	646,125	480,600	369,803	323,405	254,473	221,085	303,490
	3,079,557	1,001,865	(312,763)	(1,718,553)	751,910	(733,555)	(1,762,488)
Finance cost (less)	6,097,584	4,284,876	2,805,272	2,945,135	3,300,421	2,582,522	2,125,212
	(3,018,027)	(3,283,011)	(3,118,035)	(4,663,688)	(2,548,511)	(3,316,077)	(3,887,700)
Other income	722,100	104,876	100,739	182,605	1,579,059	35,274	11,361
Other operating expenses (less)	(63,749)	(37,750)	(457)	(5,436)	(1,557)	(358,805)	-
Gain on restructuring of loans	3,207,114	-	-	-	-	-	-
Profit/(loss) before Taxation	847,438	(3,215,885)	(3,017,753)	(4,486,519)	(971,009)	(3,639,608)	(3,876,339)
Provision for Taxation / (add)	(238,354)	(262,559)	336,516	189,618	318,234	295,936	432,075
Profit after Taxation	1,085,792	(2,953,326)	(2,681,237)	(4,296,901)	(652,775)	(3,343,672)	(4,308,414)

AGRITECH LIMITED (CONTINUED)

CONDENSED STATEMENT OF FINANCIAL POSITION

Paid up capital	3,924,300	3,924,300	3,924,300	3,924,300	3,924,300	3,924,300	3,924,300
Preference shares							
Unappropriated Profit/Reserves	(23,849,875)	(25,841,797.0)	(23,604,278)	(21,621,116)	(17,934,049)	(17,507,570)	(14,438,678)
	(19,925,575)	(21,917,497)	(19,679,978)	(17,696,816)	(14,009,749)	(13,583,270)	(10,514,378)
Surplus on revaluation of fixed assets	32,998,144	33,901,677	23,435,770	24,137,480	24,745,841	8,694,728	8,848,474
Shareholders' equity	13,072,569	11,984,180	3,755,792	6,440,664	10,736,092	(4,888,542)	(1,665,904)
Long term loans and borrowings	33,634,559	13,020,417	11,187,317	12,225,728	13,012,067	5,109,023	8,220,649
Current liabilities	38,020,409	56,465,902	52,273,464	48,510,161	45,387,759	45,988,960	40,533,936
Total Equity and Liabilities	84,727,537	81,470,499	67,216,573	67,176,553	69,135,918	46,209,441	47,088,681
Borrowings/Finance (short term & long term)	53,398,767	67,779,196	49,843,838	47,806,789	45,164,692	42,132,991	38,444,914
Property, Plant and Equipment at cost	114,276,477	114,133,249	92,518,103	92,493,078	92,404,176	54,953,285	54,198,287
Revaluation		21,191,124			37,425,011		
Property, Plant and Equipment WDV	68,335,595	69,925,059	56,965,406	58,535,893	60,043,381	38,592,232	39,773,629
Intangible assets	2,567,742	2,568,030	2,568,318	2,567,311	2,567,311	2,567,311	2,567,503
Other long term assets	79,541	71,848	71,702	70,826	59,276	60,236	69,241
Current Assets	13,744,659	8,905,562	7,611,147	6,002,523	6,465,950	4,989,662	4,678,308
Total Assets	84,727,537	81,470,499	67,216,573	67,176,553	69,135,918	46,209,441	47,088,681

KEY FINANCIAL RATIOS

Gross Profit %	20%	12%	4%	-21%	13%	-8%	-35%
Net Profit after tax to sales	5%	-17%	-27%	-75%	-5%	-74%	-109%
Dividend Payout							
Liquidity Ratio %							
Current ratio - current assets to current liab.	36%	16%	0%	0%	0%	0%	0%
Shares and earning							
Earning per share - Basic	2.77	(7.53)	(6.83)	(10.95)	(1.66)	(8.52)	(10.98)
Selling price per ton	60,617	42,594	32,349	28,609	33,609	27,041	20,769
Cash dividend per share	-	-	-	-	-	-	-
Breakup value without surplus on revaluation of Fixed Assets	(50.77)	(55.85)	(50.15)	(45.10)	(35.70)	(34.61)	(26.79)
Breakup value with surplus on revaluation of Fixed Assets	33.31	30.54	9.57	16.41	27.36	(12.46)	(4.25)
Market price per share at year end	13.62	4.39	3.79	5.11	4.23	4.70	4.87

Exports	-	-	-	-	-	-	105,331
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FED, SALES TAX AND INCOME TAX PAID

Rs. In 000

Sales tax	33,514	156,185	238,417	135,392	273,106	118,012	260,244
Income Tax excluding deferred tax	313,891	216,202	126,262	85,496	182,616	57,051	49,200
Total Duty and Taxes	347,405	372,387	364,679	220,888	455,722	175,063	309,444

NUMBER OF EMPLOYEES

Number of employees at Dec. 31	979	959	971	921	856	883	917
Av. Number of employees during the year	956	968	916	934	870	900	925

For the purposes of comparison in this analysis, the paid-up preference shares amounting to Rs. 1,593,342,000, which were presented as part of Equity in the 2017 Financial Statements and subsequently classified as Long-Term Debt in later years, are shown as a Long-Term Loan for 2017.

Data source: Financial Statement of the company.

FAUJI FERTILIZER COMPANY LIMITED - UNCONSOLIDATED

	2023	2022	2021	2020	2019	2018	2017
CAPACITY, PRODUCTION AND SALES VOLUME (TONS)							
Production Capacity in Tons							
Production Capacity (Tons)							
Urea	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000
Actual Production (Tons)							
Urea	2,521,000	2,404,000	2,507,000	2,487,000	2,492,000	2,522,000	2,513,000
Capacity utilization %							
Urea	123%	117%	122%	121%	122%	123%	123%
Actual Sales Urea (Tons)							
Sales (Qty) Urea - from own production	2,505,000	2,423,000	2,477,000	2,512,000	2,467,000	2,527,000	2,697,000
Sales (Qty) Urea - imported urea	124,000	72,000	226,000	253,000	253,000	503,000	526,000
Total Sales	2,629,000	2,495,000	2,703,000	2,765,000	2,720,000	3,030,000	3,223,000
PROFIT AND LOSS							Rs. In 000
Sales - Gross							
Manufactured products	136,637,495	95,176,797	83,474,865	81,497,037	90,223,760	76,462,673	72,161,882
Purchased and packaged products	28,013,216	15,336,115	27,440,545	18,527,643	18,325,228	32,930,082	27,031,569
Gross Sales	164,650,711	110,512,912	110,915,410	100,024,680	108,548,988	109,392,755	99,193,451
Less: Trade discounts	-	-	-	342,502	591,640	47,023	3,378,316
Less: Sales tax & Excise Duty	5,178,760	1,149,095	2,264,520	2,027,425	2,173,935	3,381,261	5,101,021
Sales - Net	159,471,951	109,363,817	108,650,890	97,654,753	105,783,413	105,964,471	90,714,114
Raw Material consumed	27,773,339	20,583,861	20,398,648	21,696,817	32,874,568	26,841,717	25,163,932
Salaries wages and benefits	11,318,140	8,306,496	8,066,551	7,729,032	7,493,214	6,846,803	6,544,846
Fuel & Power	15,958,056	12,830,196	12,369,177	13,033,357	13,035,177	9,615,648	9,499,798
Repairs and Maintenance	2,679,362	2,677,088	1,810,106	1,287,283	1,224,110	1,066,086	910,052
Depreciation	2,426,562	2,328,141	2,355,726	2,243,501	2,212,357	2,093,326	2,093,416
Consumable stores	939,389	822,222	848,310	597,266	580,358	464,297	512,961
Other overheads	10,233,973	23,117,547	4,764,908	3,987,088	3,848,049	4,464,016	3,297,325
Total cost input	71,328,821	70,665,551	50,613,426	50,574,344	61,267,833	51,391,893	48,022,330
Inventory adjustment (Process Inventory)	(53,638)	(16,977,960)	(25,023)	38,960	16,781	709	(42,507)
Cost of Goods Manufactured	71,275,183	53,687,591	50,588,403	50,613,304	61,284,614	51,392,602	47,979,823
Inventory adjustment (Finished Goods)	(513,124)	(16,605,694)	(608,331)	625,481	(611,343)	80,629	3,489,458
Cost of Sales	70,815,697	54,059,857	49,980,072	51,238,785	60,673,271	51,473,231	51,511,788
Cost of sales - Purchased and packaged products	24,404,044	15,257,614	19,791,741	14,832,676	14,372,791	26,512,655	21,109,123
Total cost of Sales	95,219,741	69,317,471	69,771,813	66,071,461	75,046,062	77,985,886	72,620,911
Gross Profit	64,252,210	40,046,346	38,879,077	31,583,292	30,737,351	27,978,585	18,093,203
Less:							
Distribution expenses	12,683,864	10,107,758	8,409,132	7,848,004	8,288,413	8,833,490	8,574,081
Administrative expenses	-	-	-	-	-	-	-
Finance cost	5,623,775	4,868,390	2,292,115	1,873,508	2,477,110	1,636,976	2,470,672
Government subsidy	16,681,338	14,122,904	7,538,934	6,002,147	6,570,109	3,645,121	3,569,396
Other income - Financial assets	415,612	318,945	380,232	427,197	620,980	237,572	152,322
Other income - sales of scrap, etc.	(5,433,935)	(3,037,024)	(2,946,366)	(2,639,202)	(2,309,427)	(2,108,585)	(1,630,750)
Other operating expenses	(1,160,336)	(2,118,513)	(2,441,489)	5,926,537	(1,100,000)	-	-
Unwinding of GIDC liability/Gain on extinguishment of GIDC	(2,900,000)	(670,000)	(370,000)	(987,000)	-	-	-
Impairment - Fauji Fresh n Freeze Limited	-	-	-	-	-	-	-
Loss on subsidy receivable from GoP	-	-	-	-	-	-	-
Profit before Taxation	53,547,250	33,686,510	30,339,141	29,591,459	23,753,490	21,682,585	15,741,315
Provision for Taxation	23,873,902	13,637,000	8,443,000	8,772,000	6,643,000	7,244,000	5,030,000
Profit after Taxation	29,673,348	20,049,510	21,896,141	20,819,459	17,110,490	14,438,585	10,711,315

FAUJI FERTILIZER COMPANY LIMITED - UNCONSOLIDATED (CONTINUED)

CONDENSED STATEMENT OF FINANCIAL POSITION

Paid up capital	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382
Unappropriated Profit/Reserves	49,130,128	38,112,579	34,741,858	29,621,383	22,857,960	20,682,513	16,336,474
Surplus/(deficit) on re-measurement of Investment			50,054	191,906	(13,641)	(21,950)	293,523
Shareholders' equity	61,852,510	50,834,961	47,514,294	42,535,671	35,566,701	33,382,945	29,352,379
Long term loans and borrowings	22,211,674	27,525,379	41,323,479	48,742,194	10,947,305	13,161,897	20,268,680
Current liabilities	139,216,504	161,761,667	112,168,992	81,670,893	106,875,854	99,944,692	59,009,809
Total Equity and Liabilities	223,280,688	240,122,007	201,006,765	172,948,758	153,389,860	146,489,534	108,630,868
Borrowings/Finance (short term & long term)	39,354,445	81,273,537	60,986,463	40,641,833	33,767,105	44,648,549	34,133,085
Property, Plant and Equipment at cost	93,950,385	69,994,848	63,768,916	59,155,094	54,657,227	55,906,690	53,815,828
Property, Plant and Equipment WDV	40,223,171	27,631,051	23,987,286	22,840,989	22,212,099	21,533,696	22,312,363
Intangible assets	1,571,908	1,573,143	1,576,441	1,571,935	1,576,796	1,575,624	1,585,018
Long term investment	48,720,461	50,525,124	46,114,698	34,674,616	31,087,989	26,898,152	27,868,846
Other long term assets	2,633,016	4,567,958	3,058,815	1,959,621	1,212,415	1,127,458	979,855
Current Assets	130,132,132	155,824,731	126,269,525	111,901,597	97,300,561	95,354,604	55,884,786
Assets held for sale							
Total Assets	223,280,688	240,122,007	201,006,765	172,948,758	153,389,860	146,489,534	108,630,868

KEY FINANCIAL RATIOS

Gross Profit %	40%	37%	36%	32%	29%	26%	20%
Provision for Taxation to Sales %	15%	12%	8%	9%	6%	7%	6%
Net Profit after tax to sales	19%	18%	20%	21%	16%	14%	12%
Return on Equity	48%	39%	46%	49%	48%	43%	36%
Return on assets	13%	8%	11%	12%	11%	10%	10%
Dividend Payout	60%	77%	84%	68%	80%	78%	83%
Liquidity Ratio %							
Current ratio - current assets % to current liab.	93%	96%	113%	137%	91%	95%	95%
Shares and earning							
Selling Price Per ton Rs.	62,629	44,294	41,034	36,175	39,908	36,103	30,777
Earning per share Rs.	23.32	15.76	17.21	16.36	13.45	11.35	8.42
Cash dividend per share Rs.	15.49	12.13	14.50	11.20	10.80	8.85	7.00
Breakup per share Rs.	48.62	39.96	37.35	33.43	27.96	26.24	23.07
Market price per share at year end Rs.	113.19	98.71	100.26	108.50	101.47	92.85	79.11
Capital Structure Ratio	0.39	0.62	0.56	0.49	0.49	0.57	0.54
Debt:Equity ratio	39:61	62:38	56:44	49:51	49:51	57:43	54:46

Exports

FED, SALES TAX AND INCOME TAX PAID

							Rs. In 000
Sales tax	5,178,760	1,149,095	2,264,520	2,027,425	2,173,935	3,381,261	5,101,021
Income Tax excluding deferred tax	23,345,080	14,200,000	9,635,000	7,831,000	6,232,000	7,170,000	4,924,000
Total Duty and Taxes	28,523,840	15,349,095	11,899,520	9,858,425	8,405,935	10,551,261	10,025,021

NUMBER OF EMPLOYEES

Number of employees at Dec. 31	3,209	3,216	3,272	3,512	3,457	3,357	3,364
Av. Number of employees during the year	3,221	3,244	3,275	3,403	3,379	3,369	3,384

Data source: Financial Statement of the company.

FAUJI FERTILIZER COMPANY LIMITED -CONSOLIDATED

	2023	2022	2021	2020	2019	2018	2017
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity							
Urea (Tons)	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000
Energy Plants (MWh)	431,859	431,859	166,659	143,559	143,559	143,559	143,559
Urea Production (Tons)	17,000	17,000	6,500	6,500	-	-	-
Actual Production							
Urea (Tons)	2,521,000	2,404,000	2,507,000	2,487,000	2,492,000	2,522,000	2,049,000
Energy Plants (MWh)	324,758	310,234	144,303	101,606	114,125	122,654	132,865
Urea Production (Tons)	15,750	10,167	5,912	4,060	-	-	-
Capacity utilization %							
Urea	123%	117%	122%	121%	122%	123%	100%
Energy Plant	75%	72%	87%	71%	79%	85%	93%
Urea Production	93%	60%	91%	62%			
Actual Sales Urea (Tons)							
Sales (Qty) Urea - from own production	2,505,000	2,423,000	2,477,000	2,512,000	2,467,000	2,527,000	2,697,000
Sales (Qty) Urea - imported urea	124,000	72,000	226,000	253,000	253,000	503,000	526,000
ROFIT AND LOSS							
Rs. In 000							
Sales - Gross							
Manufactured Urea	136,603,572	95,176,797	83,474,865	81,497,037	94,870,077	80,128,316	70,211,916
Purchased and packaged Fertilizers	28,013,216	15,336,115	27,440,545	18,527,643	18,325,228	32,930,082	27,031,569
Cost of Electricity	18,156,151	14,274,608	4,315,872	4,088,776	-	-	-
Food Products	6,950,625	4,077,381	-	-	-	-	-
Others	317,357	82,086	2,225,289	1,587,430	-	-	-
Export					69,588	362,345	5,280,624
Gross Sales	190,040,921	128,946,987	117,456,571	105,700,886	113,264,893	113,420,743	102,524,109
Less: Trade discounts	630,787	240,488	125,108	422,171	761,098	118,365	3,404,320
Less: Sales tax & Excise Duty	8,027,897	3,028,114	2,986,313	2,534,492	2,686,406	3,868,790	5,536,342
Sales - Net	181,382,237	125,678,385	114,345,150	102,744,223	109,817,389	109,433,588	93,583,447
Raw Material consumed	30,414,141	20,583,861	21,220,289	22,234,232	33,207,143	27,268,343	25,317,857
Salaries wages and benefits	12,316,382	8,306,496	8,486,348	8,062,363	7,777,859	7,108,549	6,774,365
Fuel & Power	18,096,318	12,830,196	12,703,671	13,131,896	13,117,694	9,710,555	9,562,840
Repairs and Maintenance	4,030,639	2,902,457	1,960,823	1,391,961	1,321,510	1,283,984	1,179,318
Depreciation	2,426,562	2,328,141	3,600,869	3,066,038	3,039,140	2,965,875	2,959,722
Consumable stores	939,389	822,222	848,310	597,226	580,358	464,927	512,961
Other overheads	13,667,521	12,831,303	5,124,424	4,251,373	4,067,846	4,718,640	3,421,847
Total cost input	81,890,952	60,604,676	53,944,734	52,735,089	63,111,550	53,520,873	49,728,910
Inventory adjustment (Process Inventory)	(10,615,769)	(6,917,085)	(6,332)	40,869	22,941	(161)	(42,507)
Cost of Goods Manufactured	71,275,183	53,687,591	53,938,402	52,775,958	63,134,491	53,520,712	49,686,403
Inventory adjustment (Finished Goods)	8,866,526	7,044,200	(768,494)	695,272	(479,639)	191	3,376,562
Cost of Sales	80,141,709	60,731,791	53,169,908	53,471,230	62,654,852	53,520,903	53,062,965
Cost of sales - Purchased and packaged products	24,404,044	15,257,614	19,815,569	14,832,676	14,384,376	26,761,612	21,415,860
Total cost of Sales	104,545,753	75,989,405	72,985,477	68,303,906	77,039,228	80,282,515	74,478,825
Gross Profit	76,836,484	49,688,980	41,359,673	34,440,317	32,778,161	29,151,073	19,104,622
Less:							
Administrative and Distribution expenses	13,812,200	11,232,215	9,046,904	8,265,375	8,867,378	9,508,770	9,093,469
	63,024,284	38,456,765	32,312,769	26,174,942	23,910,783	19,642,303	10,011,153
Finance cost (less)	6,587,191	5,926,201	2,736,351	2,413,248	3,311,837	2,244,609	3,228,723
	56,437,093	32,530,564	29,576,418	23,761,694	20,598,946	17,397,694	6,782,430
Subsidy on sales - from GoP add						2,400,358	6,601,897
Other income excluding subs. above (add)	16,357,989	11,498,166	6,302,125	5,216,677	5,751,571	2,690,136	1,494,602
Other operating expenses (less)	(5,444,696)	(3,046,517)	(2,962,135)	(2,647,528)	(2,380,931)	(2,111,115)	(1,632,375)
Other losses (less)							
Gain on extinguishment of original GIDC liability				(5,926,537)			
Gain on bargain purchases			5,478,477				
Remeasurement loss on provision for GIDC	-1,160,336	(2,118,513)	(2,441,489)		-	-	-
Loss allowance on subsidy receivable from GoP	-2,900,000	(670,000)	(370,000)	(987,000)	-	-	-
Total							
Share of Profit of associates and Joint venture	11,236,942	12,440,254	10,154,761	8,296,691	(379,319)	3,356,746	3,535,333
Profit before Taxation	74,526,992	50,633,954	45,738,157	27,713,997	23,590,267	23,733,819	16,781,887
Provision for Taxation	27,074,722	16,263,067	10,044,662	9,816,265	6,256,488	7,295,615	5,285,987
Profit after Taxation	47,452,270	34,370,887	35,693,495	17,897,732	17,333,779	16,438,204	11,495,900

FAUJI FERTILIZER COMPANY LIMITED - UNS OLIDATED (CONTINUED)

CONDENSED STATEMENT OF FINANCIAL POSITION

Paid up capital	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382
Unappropriated Profit/Reserves	135,898,221	107,393,135	85,699,012	65,017,113	45,487,127	44,576,013	38,395,922
Surplus/(deficit) on re-measurement of Investment					1,256,521	(634,072)	
Shareholders' equity	148,620,603	120,115,517	98,421,394	77,739,495	59,466,030	56,664,323	51,118,304
Share in Revaluation reserve of associates	1,462,850	1,430,348	1,342,486	1,392,593	1,198,826	753,521	759,892
Long term loans and borrowings	33,660,265	36,374,209	51,629,168	53,618,182	15,439,207	18,898,723	27,143,967
Current liabilities	143,178,196	169,998,548	119,148,210	83,460,082	109,284,121	102,708,070	61,748,097
Total Equity and Liabilities	326,921,914	327,918,622	270,541,258	216,210,352	185,388,184	179,024,637	140,770,260
Borrowings/Finance (short term & long term)	42,732,663	84,824,237	71,552,935	43,641,363	38,784,124	51,151,469	41,961,883
Property, Plant and Equipment at cost	136,161,840	110,319,464	98,349,045	74,959,989	73,332,478	68,629,308	69,305,428
Property, Plant and Equipment WDV	69,293,945	57,922,335	50,301,559	32,595,937	32,758,158	32,774,970	34,351,610
Intangible assets	1,935,235	1,936,471	1,940,793	1,937,957	1,945,305	1,941,784	1,951,383
Long term investment	97,800,805	83,787,839	70,385,095	62,512,198	49,258,736	45,035,025	45,665,306
Other long term assets	2,660,276	4,586,218	3,075,386	1,972,853	1,228,386	1,144,949	997,132
Current Assets	155,231,653	179,685,759	144,796,014	117,191,407	100,197,599	98,127,909	57,804,829
Assets held for sale	-	-	42,411	-	-	-	-
Total Assets	326,921,914	327,918,622	270,541,258	216,210,352	185,388,184	179,024,637	140,770,260

Key Financial Ratios

Gross Profit %	42%	40%	36%	34%	30%	27%	20%
Taxation % to sales	15%	13%	9%	10%	6%	7%	6%
Net Profit after tax to sales	26%	27%	31%	17%	16%	15%	12%
Return on Equity	32%	29%	36%	23%	29%	29%	22%
Return on assets	15%	10%	13%	8%	9%	9%	8%

Liquidity Ratio %

Current ratio - current assets times to current liab.	1.08	1.06	1.22	1.40	0.92	0.96	0.94
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Shares and earning

Earning per share - Rs.	37.30	27.02	28.06	14.07	13.62	12.92	9.04
Breakup per share - Rs.	116.82	94.41	77.36	61.10	46.74	44.54	40.18
Market price per share December 31. - Rs.	113.19	98.71	100.26	108.50	101.47	92.85	79.11

Capital Structure Ratio

Debt:Equity ratio	22:78	41:59	42:58	36:64	39:61	47:53	45:55
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Exports

FED, Sales Tax and Income Tax

Sales tax	8,027,897	3,028,114	2,986,313	2,534,492	2,686,406	3,868,790	5,536,342
Income Tax excluding deferred tax	23,736,665	14,462,419	9,713,449	7,630,761	5,788,590	7,221,615	5,151,903
Total Duty and Taxes	31,764,562	17,490,533	12,699,762	10,165,253	8,474,996	11,090,405	10,688,245

Number of employees at Dec. 31

Av. Number of employees during the year	3,590	3,559	3,577	3,628	3,581	3,425	3,490
	3,586	3,575	3,573	3,522	3,506	3,436	3,491

Data source: Financial Statement of the company.

FAUJI FERTILIZER BIN QASIM COMPANY LIMITED - UNCONSOLIDATED

	2023	2022	2021	2020	2019	2018	2017
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity (Tons)							
Urea	551,000	551,000	551,000	551,000	551,000	551,000	551,000
DAP	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total Fertilizer	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000
Actual Production in Tons							
Urea	336,107	523,581	501,236	558,932	508,404	561,819	543,155
DAP	660,004	847,843	790,415	739,968	830,696	730,136	808,808
Total Fertilizer	996,111	1,371,424	1,291,651	1,298,900	1,339,100	1,291,955	1,351,963
Capacity utilization %							
Urea	61%	95%	91%	101%	92%	102%	99%
DAP	102%	130%	122%	114%	128%	112%	124%
Total Fertilizer	83%	114%	108%	108%	111%	108%	113%
Actual Sales (Tons)							
Urea	336,785	522,561	501,136	559,332	508,094	562,000	546,000
DAP	845,515	660,946	790,196	926,273	687,918	687,000	831,000
	1,182,300	1,183,507	1,291,332	1,485,605	1,196,012	1,249,000	1,377,000
PROFIT AND LOSS							
Rs. In 000							
Sales - Gross							
Manufactured goods	205,590,476	160,684,465	112,679,845	85,085,743	68,805,808	63,050,647	57,675,519
	205,590,476	160,684,465	112,679,845	85,085,743	68,805,808	63,050,647	57,675,519
Less: Commission to FFC & Trade Discount	24,369,00	23,670,00	25,831	144,362	629,535	37,158	765,570
Less: Sales tax & Excise Duty	12,502,198	1,434,832	2,201,840	1,707,021	1,336,987	1,502,961	4,176,995
Sales - Net	193,063,909	159,225,963	110,452,174	83,234,360	66,839,286	61,510,528	52,732,954
Raw Material consumed	99,013,446	138,399,667	70,528,908	43,599,833	53,254,276	40,223,257	32,645,332
Salaries wages and benefits	2,495,602	2,248,487	2,216,130	2,297,123	1,721,380	1,818,259	2,261,517
Fuel & Power	21,696,844	21,961,341	12,555,462	10,449,294	11,523,707	10,396,856	7,589,827
Repairs and Maintenance	2,006,046	1,339,549	1,084,188	1,021,556	1,209,245	1,383,815	1,209,139
Depreciation	874,380	834,495	820,337	776,940	1,485,966	103,813	1,385,641
Consumable stores							
Other overheads	1,896,750	1,241,713	941,319	925,039	755,236	2,026,232	681,917
Total cost input	127,983,068	166,025,252	88,146,344	59,069,785	69,949,810	55,952,232	45,773,373
Inventory adjustment (Process Inventory)	(285,954)	(98,322)	58,244	94,369	(98,973)	8,053	(22,947)
Cost of Goods Manufactured	127,697,114	165,926,930	88,204,588	59,164,154	69,850,837	55,960,285	45,750,426
Inventory adjustment (WIP & FG)	32,257,202	(32,285,997)	95,947	11,491,231	(8,896,188)	(2,633,173)	954,925
Cost of Sales	159,954,316	133,640,933	88,300,535	70,655,385	60,954,649	53,327,112	46,705,351
Cost of sales - Purchased and packaged products	-	-	-	-	-	-	-
Total cost of Sales	159,954,316	133,640,933	88,300,535	70,655,385	60,954,649	53,327,112	46,705,351
Gross Profit	33,109,593	25,585,030	22,151,639	12,578,975	5,884,637	8,183,416	6,027,603
Less:							
Distribution expenses	10,072,674	7,120,753	5,640,407	5,285,769	5,345,447	4,525,306	4,871,699
Administrative expenses	1,135,654	1,068,556	1,600,638	1,255,126	1,421,843	1,548,730	1,727,381
	21,901,265	17,395,721	14,910,594	6,038,080	(882,653)	2,109,380	(571,477)
Finance cost	8,827,521	5,143,968	2,338,107	4,444,122	5,198,681	2,222,874	1,941,020
	13,073,744	12,251,753	12,572,487	1,593,958	(6,081,334)	(113,494)	(2,512,497)
Other income -financial assets/dividend etc	9,434,881	6,341,920	9,110,971	5,183,896	4,093,436	3,059,380	4,377,262
Other income - scrap, disposal of assets etc					276,809	122,254	
Other operating expenses	(7,865,130)	(7,776,274)	(2,547,724)	(311,681)	(637,818)	(1,259,030)	(423,422)
(Unwinding) Provision for GIDC	(498,183)	(891,198)	(1,253,839)	2,740,855			-
Allowance for expected credit loss		(241,940)	(4,254,304)	(232,000)			
Impairment of equity investment	-	(1,179,000)	(2,102,788)	(4,082,212)	(1,520,000)	-	
Profit before Taxation	14,145,312	8,505,261	11,524,803	4,892,816	(3,868,907)	1,809,110	1,441,343
Provision for Taxation	9,742,375	6,177,327	5,133,842	2,700,371	2,051,838	372,577	437,017
Profit after Taxation	4,402,937	2,327,934	6,390,961	2,192,445	(5,920,745)	1,436,533	1,004,326

FAUJI FERTILIZER BIN QASIM COMPANY LIMITED - UNCONSOLIDATED (CONTINUED)

CONDENSED STATEMENT OF FINANCIAL POSITION

Paid up capital	12,912,529	12,912,529	12,912,529	9,341,100	9,341,100	9,341,100	9,341,100
Unappropriated Profit/Reserves	14,178,790	9,809,836	7,518,217	4,618,305	(2,507,139)	4,556,356	3,809,538
Shareholders' equity	27,091,319	22,722,365	20,430,746	13,959,405	6,833,961	13,897,456	13,150,638
Long term loans and borrowings	15,699,449	22,950,265	25,695,636	29,955,386	15,370,318	17,032,250	15,857,635
Current liabilities	103,081,019	104,190,115	69,083,210	47,053,661	68,962,290	49,434,278	36,643,527
Total Equity and Liabilities	145,871,787	149,862,745	115,209,592	90,968,452	91,166,569	80,363,984	65,651,800
Borrowings/Finance (short term & long term)	18,972,294	24,976,181	32,137,064	38,509,059	46,585,418	35,564,013	28,648,747
Property, Plant and Equipment at Cost	36,205,787	35,446,767	35,406,466	35,263,322	33,959,603	31,972,427	30,949,549
Property, Plant and Equipment WDV	9,616,371	9,731,853	10,574,734	11,252,052	10,427,911	9,747,537	10,426,780
Intangible assets	-	-	-	-	-	-	-
Investment Property	270,242	270,242	270,242	-	-	-	-
Long term investment	25,139,282	29,171,242	25,609,532	24,546,403	26,179,751	24,564,751	23,064,751
Other long term assets	141,041	116,326	3,348,265	7,072,171	3,227,028	2,580,698	1,400,761
Current Assets	110,704,851	110,573,082	75,406,819	48,097,826	51,331,879	43,470,998	30,759,508
Assets held for sale	-	-	-	-	-	-	-
Total Assets	145,871,787	149,862,745	115,209,592	90,968,452	91,166,569	80,363,984	65,651,800

KEY FINANCIAL RATIOS

Gross Profit %	17%	16%	20%	15%	9%	13%	11%
Net Profit after tax to sales	2%	1%	6%	3%	-9%	2%	2%
Net Profit to equity	16%	10%	31%	16%	-87%	10%	8%
Dividend Payout	60%	0%	0%	0%	0%	65%	79%

Liquidity Ratio %

Debt : Equity	0.41	0.52	0.61	0.73	0.87	0.72	0.69
Current ratio - (Times)	41:59	52:48	61:39	73:27	87:13	72:28	69:31
Shares and earning	1.07	1.06	1.09	1.02	0.74	0.88	0.84

Shares and earning

Earning per share	3.41	1.80	4.95	2.12	(6.34)	1.54	1.08
Cash dividend per share	1.00	-	-	-	-	1.00	0.85
Breakup per share	20.98	17.60	15.82	13.49	7.32	14.88	14.08
Market price per share at year end	32.30	15.33	24.78	25.32	19.52	37.27	35.54
Market price to Breakup value %	154%	87%	157%	188%	267%	251%	252%

Exports

FED, SALES TAX AND INCOME TAX PAID

							Rs. In 000
Sales tax	12,502,198	1,434,832	2,201,840	1,707,021	1,336,987	1,502,961	4,176,995
Income Tax excluding deferred tax	8,894,983	6,438,954	5,888,363	1,817,473	1,423,872	(1,343,489)	2,720,590
Total Duty and Taxes	21,397,181	7,873,786	8,090,203	3,524,494	2,760,859	159,472	6,897,585

NUMBER OF EMPLOYEES

Number of employees at Dec. 31	820	809	797	787	950	1,009	1,017
Av. Number of employees during the year	822	839	795	900	972	1,018	1,132

Data source: Financial Statement of the company.

The recognized costs include charges for power and steam provided by FPCL, a subsidiary, amounting to Rs. 7,892 million and Rs. 10,950 million, respectively (2022: Rs. 10,087 million and Rs. 10,630 million). Additionally, an extra charge of Rs. 1,080 million was included for allowable outages (2022: Rs. 386 million for adjustments in prior years' power purchase rates), in accordance with the Power Purchase Agreement.

FAUJI FERTILIZER BIN QASIM COMPANY LIMITED - CONSOLIDATED

	2023	2022	2021	2020	2019	2018	2017
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity							
Fertilizer							
Urea	551,000	551,000	551,000	551,000	551,000	551,000	551,000
DAP	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Total Fertilizer	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000
Power							
Electricity (MWh)	639,480	639,480	639,480	639,480	639,480	639,480	639,480
Steam (Tons)	1,752,000	1,752,000	1,752,000	1,752,000	1,489,200	1,489,200	1,489,200
Food							
Liquid (Itres)	221,312,000	221,300,000	221,920,000	221,920,000	227,760,000	227,600,000	227,600,000
Non Liquid (kg)	6,318,709	6,318,709	6,318,709	6,318,709	8,760,000	6,935,000	48,141,000
Meat (Tons)	-	-	30,000	30,000	30,000	30,000	30,000
Actual Production							
Urea	336,107	523,581	501,236	558,932	508,404	561,819	543,155
DAP	660,004	847,843	790,415	739,968	830,696	730,136	808,808
Total Fertilizer	996,111	1,371,424	1,291,651	1,298,900	1,339,100	1,291,955	1,351,963
Power							
Electricity (Megawatt)	410,235	559,226	579,100	590,189	577,557	560,438	639,480
Steam (Tons)	1,312,031	1,532,467	1,369,156	1,475,226	1,532,131	1,453,282	1,752,000
Food							
Liquid (Itres)	59,041,145	57,077,538	57,077,538	61,144,281	60,873,948	90,295,898	86,699,115
Non Liquid (kg)	2,791,413	2,830,496	3,906,943	1,940,207	1,651,307	1,778,587	673,244
Meat (Tons)	-	-	4,634	3,409	3,764	1,968	4,854
Capacity utilization %							
Urea	61%	95%	91%	101%	92%	102%	99%
DAP	102%	130%	122%	114%	128%	112%	124%
Total Fertilizer	83%	114%	108%	108%	111%	108%	113%
Power							
Electricity	64%	87%	91%	92%	90%	88%	100%
Steam	75%	87%	78%	84%	103%	98%	118%
Food							
Liquid	27%	26%	26%	28%	27%	40%	38%
non liquid	44%	45%	62%	31%	19%	26%	1%
Meat			15%	11%	13%	7%	16%
Actual Sales Fertilizer (Tons)							
Urea	336,785	522,561	501,136	559,332	508,094	562,000	546,000
DAP	845,515	660,946	790,196	926,273	687,918	687,000	831,000
	1,182,300	1,183,507	1,291,332	1,485,605	1,196,012	1,249,000	1,377,000

FAUJI FERTILIZER BIN QASIM COMPANY LIMITED - CONSOLIDATED (CONTINUED)

PROFIT AND LOSS							Rs. In 000
Sales - Gross							
Sales - Gross	240,510,941	191,187,574	134,698,144	103,394,654	87,429,639	82,398,857	70,930,679
Less: Commission to FFC & Trade Discount etc	240,510,941	191,187,574	134,698,144	103,394,654	87,429,639	82,398,857	70,930,679
Less: Sales tax & Excise Duty	1,496,809	1,703,553	834,506	824,915	1,521,508	478,447	963,704
Sales - Net	17,400,445	6,413,005	5,627,789	4,508,777	4,387,464	4,365,346	5,578,269
Raw Material consumed	221,613,687	183,071,016	128,235,849	98,060,962	81,520,667	77,555,064	64,388,706
Salaries wages and benefits	129,258,810	167,643,713	88,671,323	57,023,175	67,667,372	55,484,226	39,844,184
Fuel & Power	3,983,774	3,143,079	3,266,376	3,260,667	2,991,098	3,005,276	3,155,535
Repairs and Maintenance	3,395,478	3,391,743	1,406,964	1,239,916	1,449,256	1,354,490	2,847,829
Depreciation	2,803,879	1,764,829	1,411,177	1,427,650	1,445,587	1,595,730	1,341,899
Consumable stores	2,256,540	2,360,731	2,526,176	2,474,601	3,041,458	2,910,977	2,499,490
Other overheads	3,784,132	2,087,603	1,835,572	2,012,963	1,620,535	1,675,948	4,132,866
Total cost input	145,482,613	180,391,698	99,117,588	67,438,972	78,215,306	66,026,647	53,821,803
Inventory adjustment (Process Inventory)	(213,350)	(137,183)	113,064	67,818	(208,134)	(3,107)	22,870
Cost of Goods Manufactured	145,269,263	180,254,515	99,230,652	67,506,790	78,007,172	66,023,540	53,844,673
Inventory adjustment (WIP & FG)	32,056,127	(32,502,946)	(85,071)	11,652,651	(8,867,652)	(31,079,641)	965,741
Cost of Sales	177,325,390	147,751,569	99,145,581	79,159,441	69,139,520	63,335,899	54,810,414
Cost of sales - Purchased and packaged products	-	-	-	-	-	-	-
Total cost of Sales	177,325,390	147,751,569	99,145,581	79,159,441	69,139,520	63,335,899	54,810,414
Gross Profit	44,288,297	35,319,447	29,090,268	18,901,521	12,381,147	14,219,165	9,578,292
Less:							
Distribution expenses	11,401,302	8,741,503	6,846,633	6,441,218	7,103,557	7,425,513	7,518,851
Administrative expenses	1,927,178	2,114,038	2,476,094	2,005,635	2,412,601	2,285,668	2,320,252
Operating Profit	30,959,817	24,463,906	19,767,541	10,454,668	2,864,989	4,507,984	(260,811)
Finance cost	(12,636,210)	(8,367,484)	(4,811,006)	(8,344,459)	(9,909,862)	(5,213,584)	3,880,318
Add (Less)							
Other income	7,636,720	3,266,657	1,919,141	1,260,906	1,369,318	1,348,654	3,615,120
Other operating expenses	(8,896,482)	(8,604,547)	(5,407,489)	(555,196)	(807,238)	(1,676,638)	633,469
Allowance for credit losses	(101,670)	(57,909)	(751,353)	(505,040)	(391,459)	-	-
Other losses							
Unwinding cost / remeasurement gain on GIDC payable	(498,183)	(891,198)	(1,253,839)	2,740,855			
Share of Profit of Joint Venture and associates	2,290,815	6,980,449	5,526,104	4,454,881	3,082,969	2,402,358	2,343,875
Profit before Taxation	18,754,807	16,789,874	14,989,099	9,506,615	(3,791,283)	1,368,774	1,184,397
Less: Provision for Taxation	12,986,622	7,958,491	5,764,114	3,473,107	4,580,554	590,670	259,159
Profit after Taxation	5,768,185	8,831,383	9,224,985	6,033,508	(8,371,837)	778,104	925,238
Share of loss of discontinued business - net of Tax	(1,611,637)	(803,871)					
Net After Tax - Total	4,156,548	8,027,512	9,224,985	6,033,508	(8,371,837)	778,104	925,238
CONDENSED STATEMENT OF FINANCIAL POSITION							
Paid up capital	12,912,529	12,912,529	12,912,529	12,912,529	9,341,100	9,341,100	9,341,100
Advance against issue of shares				4,885,787			
Unappropriated Profit/Reserves	32,390,445	24,616,325	16,156,306	2,321,315	549,368	7,350,536	5,833,822
Surplus/(deficit) on re-measurement of Investment	(2,265,483)	(1,179,693)	(517,348)	(32,845.0)	(744,310)	(481,495)	33,856
	43,037,491	36,349,161	28,551,487	20,086,786	9,146,158	16,210,141	15,208,778
Non controlling interest	10,301,373	7,167,343	4,380,785	2,361,285	1,582,983	3,826,318	4,765,782
Shareholders' equity	53,338,864	43,516,504	32,932,272	22,448,071	10,729,141	20,036,459	19,974,560
Long term loans and borrowings	32,805,528	42,009,994	46,341,510	52,859,937	36,082,657	40,916,496	41,704,315
Current liabilities	112,509,536	113,117,107	81,428,943	59,814,080	87,217,104	63,687,455	48,661,486
Total Equity and Liabilities	198,653,928	198,643,605	160,702,725	135,122,088	134,028,902	124,640,410	110,340,361
Borrowings/Finance (short term & long term)	50,134,439	78,569,604	60,520,620	68,932,092	82,695,260	70,667,385	63,502,628
Property, Plant and Equipment WDV	76,751,102	81,421,332	81,205,413	81,849,959	80,565,891	77,393,532	73,071,305
Property, Plant and Equipment WDV	40,348,135	45,892,685	47,848,922	50,286,924	50,960,138	50,077,055	50,289,228
Intangible assets	384,788	392,529	410,856	443,202	419,534	382,990	383,689
Investment Property	270,242	270,242	270,242	-	-	-	-
Long term investment	30,465,208	26,173,455	20,468,042	24,287,166	20,238,869	17,508,318	15,699,061
Deferred Tax Assets						1,613,571	1,749,630
Other long term assets	151,360	125,866	124,362	88,459	103,634	181,642	79,587
Current Assets	126,875,627	125,788,828	91,580,301	59,745,615	62,306,727	54,876,834	42,139,166
Assets held for sale	158,568			270,722			
Total Assets	198,653,928	198,643,605	160,702,725	135,122,088	134,028,902	124,640,410	110,340,361

FAUJI FERTILIZER BIN QASIM COMPANY LIMITED - CONSOLIDATED (CONTINUED)

KEY FINANCIAL RATIOS

Gross Profit %	20%	19%	23%	19%	15%	18%	15%
Net Profit after tax to sales	3%	5%	7%	6%	-10%	1%	1%

Liquidity Ratio %

Debt/Equity Ratio	48%	64%	65%	75%	89%	78%	76%
Debt:Equity	48:52	64:36	65:35	75:25	89:11	78:22	76:24
Current ratio Times	1.13	1.11		1.00	0.71	0.86	0.87

Shares and earning

Earning per share for continued business	3.60	6.55	6.95	6.23	(6.82)	1.68	2.03
Earning per share including loss - Total	2.35	5.92					
Breakup per share	33.33	28.15	22.11	15.56	9.79	17.35	16.28

Exports

FED, SALES TAX AND INCOME TAX PAID

	Rs. In 000						
Sales tax	17,400,445	6,413,005	5,627,789	4,508,777	4,387,464	4,365,346	5,578,269
Income Tax excluding deferred tax	9,425,385	6,775,329	6,118,000	1,953,470	1,525,699	(1,200,857)	2,762,504
Total Duty and Taxes	26,825,830	13,188,334	11,745,789	6,462,247	5,913,163	3,164,489	8,340,773

NUMBER OF EMPLOYEES

Number of employees at Dec. 31	1,737	1,733	1,758	1,904	2,253	2,954	2,989
Av. Number of employees during the year	1,733	1,815	1,841	2,128	2,621	2,964	3,025

Data source: Financial Statement of the company.

ENGRO FERTILIZERS LIMITED (UNCONSOLIDATED)

	2023	2022	2021	2020	2019	2018	2017
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity (Tons)							
Urea	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000
NPK	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Actual Production(Tons)							
Urea	2,313,448	1,954,528	2,104,722	2,263,806	2,003,035	1,928,080	1,806,977
NPK	96,328	137,075	144,564	127,082	134,784	132,790	109,059
Total Actual Production	2,409,776	2,091,603	2,249,286	2,390,888	2,137,819	2,060,870	1,916,036
Capacity utilization %							
Urea	102%	86%	93%	100%	88%	85%	79%
NPK	96%	137%	145%	127%	135%	133%	109%
Sales Fertilizer (Tons)							
Urea	2,327,000	1,935,000	2,295,000	2,020,000	1,958,000	1,988,000	1,739,000
Phosphate (DAP/Zoawar/NP)	365,000	333,000	366,000	465,000	569,000	626,000	501,000
Engro Specialty Zareekh, Engro NP, MOP/SOP/AS	462,638	314,720	281,000	201,000	220,000	210,000	144,000
Potash	55,846	37,990	33,920	30,000	28,160	22,440	19,000
Total Sales	3,210,484	2,620,710	2,975,920	2,716,000	2,775,160	2,846,440	2,403,000
PROFIT AND LOSS							
							Rs. In 000
Sales - Gross							
- manufactured products	165,154,292	96,214,160	90,659,715	75,252,581	79,194,233	67,029,060	54,134,282
- purchased and packaged products	1,009,635	1,316,360	1,583,142	1,318,486	1,450,607	1,547,430	13,178,764
- services	1,252,532	1,036,927	797,685	594,463	167,957	-	-
	167,416,459	98,567,447	93,040,542	77,165,530	80,812,797	68,576,490	67,313,046
Less: Trade discounts	512,216	468,035	629,772	620,587	-	-	-
Less: Sales tax	5,238,116	1,154,445	1,825,894	1,489,099	1,575,873	2,435,012	4,302,986
Sales - Net	161,666,127	96,944,967	90,584,876	75,055,844	79,236,924	66,141,478	63,010,060
Raw Material consumed	57,865,977	40,419,382	26,916,053	23,889,519	21,590,127	17,168,622	12,094,227
Salaries wages and benefits	3,184,626	2,918,123	3,175,744	3,064,695	2,961,589	2,444,767	2,021,099
Fuel & Power	22,141,024	13,720,731	11,731,038	11,342,038	12,331,215	8,083,386	6,639,650
Repairs and Maintenance	3,221,193	5,814,393	2,638,536	1,417,475	1,833,880	1,079,238	1,025,019
Depreciation	3,468,521	2,928,488	2,688,429	5,113,619	5,478,693	5,087,585	5,018,363
Consumable stores	2,328,649	1,619,742	1,548,586	1,268,720	1,033,230	862,533	446,686
Other overheads	4,497,155	3,244,693	2,450,944	2,057,936	1,836,182	1,689,487	1,389,467
Total cost input	96,707,145	70,665,552	51,149,330	48,154,002	47,064,916	36,415,618	28,634,511
Inventory adjustment (WIP)	(146,813)	(11,307)	3,112,650	(2,840,931)	(20,652)	(8,991)	11,707
Cost of Goods Manufactured	96,560,332	70,654,245	51,134,809	48,094,838	47,044,264	36,406,627	28,646,218
Inventory adjustment (F.G)	4,840,882	(3,688,538)	3,127,171	(2,781,767)	(1,385,007)	879,555	3,317,571
Cost of Sales	101,401,214	66,965,707	54,261,980	45,313,071	45,659,257	37,286,182	31,963,789
Cost of sales - Purchased and packaged products	842,673	578,325	825,370	681,126	864,897	946,098	10,574,278
Total cost of Sales	102,243,887	67,544,032	55,087,350	45,994,197	46,524,154	38,232,280	42,538,067
Gross Profit	59,422,240	29,400,935	35,497,526	29,061,647	32,712,770	27,909,198	20,471,993
Less:	1,884,506	2,699,069	1,680,490	3,277,761	3,687,828	2,055,153	2,560,453
Selling and distribution expenses	11,706,176	8,766,004	7,784,845	7,308,335	6,772,924	6,367,371	6,493,239
Administrative expenses	4,001,319	2,183,699	1,863,874	1,870,668	1,197,714	1,446,802	1,267,577
	43,714,745	18,451,232	25,848,807	19,882,644	24,742,132	20,095,025	12,711,177
Finance cost	1,884,506	2,699,069	1,680,490	3,277,761	3,687,828	2,055,153	2,560,453
	41,830,239	15,752,163	24,168,317	16,604,883	21,054,304	18,039,872	10,150,724
Government subsidy						1,271,334	4,980,228
Other income - financial assets/dividend etc	8,906,428	8,809,460	6,893,162	2,624,500	6,331,948	2,830,085	156,475
Other income - scrap, disposal of assets etc	1,214,232	1,177,379	788,095	695,511	2,469,648	776,550	937,895
Other operating expenses (less)	(3,988,085)	(1,871,522)	(2,638,564)	(1,889,484)	(2,620,254)	(1,518,014)	(1,230,232)
Remeasurement Profit/(loss) on prov. for GIDC	(537,911)	(839,935)	(742,982)	2,121,389	-	-	-
- Loss allowance on subsidy receivable from GoP	(2,440,151)	(522,936)	(557,700)	(1,238,912)	-	-	-
Profit before Taxation	44,984,752	22,504,609	27,910,328	18,917,887	27,235,646	21,399,827	14,995,090
Provision for Taxation	19,306,334	7,096,474	6,841,310	2,102,575	8,672,732	4,731,143	4,858,541
Profit after Taxation	25,678,418	15,408,135	21,069,018	16,815,312	18,562,914	16,668,684	10,136,549

ENGRO FERTILIZERS LIMITED - UNCONSOLIDATED (CONTINUED)

CONDENSED FINANCIAL POSITION

Paid up capital	13,352,993	13,352,993	13,352,993	13,352,993	13,352,993	13,352,993	13,352,993
Unappropriated Profit/Reserves	31,673,351	29,336,708	31,965,243	31,632,814	29,499,568	29,642,755	27,659,779
Shareholders' equity	45,026,344	42,689,701	45,318,236	44,985,807	42,852,561	42,995,748	41,012,772
Long term loans and borrowings	14,622,601	17,440,410	30,920,167	35,972,538	34,629,062	33,067,117	32,411,381
Current liabilities	88,077,760	79,625,073	52,572,374	47,306,887	51,626,303	38,108,061	32,908,673
Total Equity and Liabilities	147,726,705	139,755,184	128,810,777	128,265,232	129,107,926	114,170,926	106,332,826
Borrowings/Finance (short term & long term)	6,585,077	22,015,748	26,793,157	25,086,254	33,054,119	31,873,127	33,119,179
Property, Plant and Equipment at cost	142,517,914	136,817,272	130,169,224	117,734,904	115,006,166	112,563,281	108,158,687
Property, Plant and Equipment WDV	78,440,081	77,879,522	73,031,490	65,734,124	65,924,426	68,203,956	68,923,195
Intangible assets	5,184,192	5,287,980	5,301,409	5,164,817	5,071,003	4,487,771	4,475,474
Investment in Subsidiary	100	100	100	100	100	560,416	560,416
Long term investment	101,067	2,103,692	-	-	-	-	-
Other long term assets	209,806	206,531	60,577	80,129	162,852	140,784	134,535
Current Assets	62,266,063	54,277,359	50,417,201	57,286,062	57,949,545	40,777,999	32,239,206
Assets held for sale	1,525,396	-	-	-	-	-	-
Total Assets	147,726,705	139,755,184	128,810,777	128,265,232	129,107,926	114,170,926	106,332,826

KEY FINANCIAL RATIOS

Gross Profit %	37%	30%	39%	39%	41%	42%	32%
Distribution and Admn. Expenses to sales	10%	11%	11%	12%	10%	12%	12%
Finance cost to sales	1%	3%	2%	4%	5%	3%	4%
Net Profit after tax to sales	16%	16%	23%	22%	23%	25%	24%
Dividend Payout	60%	117%	105%	103%	86%	88%	112%
Income Tax %age to IBT	12%	7%	8%	3%	11%	7%	8%
Liquidity Ratio %							
Current ratio - current assets times to current liab.	0.71	0.68	0.96	1.21	1.12	1.07	0.98
Shares and earning							
Earnings per share	19.23	11.54	15.78	12.59	13.90	12.48	7.59
Cash dividend per share	20.50	13.50	16.50	13.00	12.00	11.00	8.50
Breakup per share	33.72	31.97	33.94	33.69	32.40	34.10	31.80
Market price per share at year end	112.20	76.90	76.10	63.20	73.40	69.10	67.70

Exports

FEB, SALES TAX AND INCOME TAX PAID

							Rs. In 000
Sales tax	5,238,116	1,154,445	1,825,894	1,489,099	1,575,873	2,435,012	4,302,986
Income Tax excluding deferred tax	17,082,458	10,878,239	6,559,977	2,609,763	3,585,464	7,020,349	2,952,522
Total Duty and Taxes	22,320,574	12,032,684	8,385,871	4,098,862	5,161,337	9,455,361	7,255,508

NUMBER OF EMPLOYEES

Number of employees at Dec. 31	1,214	1,352	1,379	1,356	1,256	1,247	1,201
Av. Number of employees during the year	1,242	1,373	1,384	1,310	1,267	1,226	1,185

Data source: Financial Statement of the company. Sales Volume in both the unconsolidated and consolidated accounts have been taken the same.
Sales quantities shown vide consolidated financial statements have also been shown under unconsolidated financial statements.

ENGRO FERTILIZERS LIMITED (CONSOLIDATED)

	2023	2022	2021	2020	2019	2018	2017
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity (Tons)							
Urea	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000
NPK	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Actual Production (Tons)							
Urea	2,313,448	1,954,528	2,104,722	2,263,806	2,003,035	1,928,080	1,806,977
NPK	96,328	137,075	144,564	127,082	134,784	132,790	109,059
Capacity utilization %							
Urea	102%	86%	93%	100%	88%	85%	79%
NPK	96%	137%	145%	127%	135%	133%	109%
Sales (Tons)							
Urea	2,327,000	1,935,000	2,295,000	2,020,000	1,958,000	1,988,000	1,739,000
Phosphate (DAP/Zoawar/NP)	365,000	333,000	366,000	465,000	569,000	626,000	501,000
Engro Specialty Zarkekh, Engro NP, MOP/SOP/AS	462,638	314,720	281,000	201,000	220,000	210,000	144,000
Potash	55,846	37,990	33,920	30,000	28,160	22,440	19,000
Total Sales	3,210,484	2,620,710	2,975,920	2,716,000	2,775,160	2,846,440	2,403,000
PROFIT AND LOSS							
Sales - Gross							
- manufactured products	165,154,292	96,214,160	90,659,715	75,252,581	79,194,233	67,029,060	54,134,282
- purchased and packaged products	67,909,965	62,178,947	44,638,582	33,080,029	44,593,196	45,766,185	27,848,187
- services	954,355	811,756	438,343	419,870	92,533	-	-
	234,018,612	159,204,863	135,736,640	108,752,480	123,879,962	112,795,245	81,982,469
Less: Trade discounts	513,302	477,561	633,162	695,855	-	-	-
Less: Sales tax	9,800,718	1,710,372	2,740,340	2,210,311	2,525,204	3,598,659	4,853,126
Sales - Net	223,704,592	157,016,930	132,363,138	105,846,314	121,354,758	109,196,586	77,129,343
Raw Material consumed	57,865,977	40,419,382	26,916,053	23,889,519	21,590,127	17,168,622	12,094,227
Salaries wages and benefits	3,184,626	2,918,123	3,175,744	3,064,695	2,961,589	2,444,767	2,021,099
Fuel & Power	22,141,024	13,720,731	11,731,038	11,342,038	12,331,215	8,083,386	6,639,650
Repairs and Maintenance	3,221,193	5,814,393	2,638,536	1,417,475	1,833,880	1,079,238	1,025,019
Depreciation	3,468,521	2,928,488	2,688,429	5,113,619	5,478,693	5,087,585	5,018,363
Consumable stores	2,328,649	1,619,742	1,548,586	1,268,720	1,033,230	862,533	446,686
Other overheads	4,497,155	3,244,692	2,450,944	2,057,936	1,836,182	1,689,487	1,389,467
Total cost input	96,707,145	70,665,551	51,149,330	48,154,002	47,064,916	36,415,618	28,634,511
Inventory adjustment (WIP)	(146,813)	(3,699,844)	3,112,650	(2,840,931)	(1,405,659)	870,564	3,329,278
Cost of Goods Manufactured	96,560,332	70,654,245	51,134,809	48,094,838			
Inventory adjustment (F.G)	4,840,882	(3,688,538)	3,127,171	(2,781,767)			
Cost of Sales	101,401,214	66,965,707	54,261,980	45,313,071	45,659,257	37,286,182	31,963,789
Cost of sales - Purchased and packaged products	50,006,150	47,204,084	34,026,998	26,278,555	36,155,613	36,593,957	21,946,966
Total cost of Sales	151,407,364	114,169,791	88,288,978	71,591,626	81,814,870	73,880,139	53,910,755
Gross Profit	72,297,228	42,847,139	44,074,160	34,254,688	39,539,888	35,316,447	23,218,588
Less:							
Selling and distribution expenses	13,053,158	9,885,983	8,529,610	8,456,799	8,736,345	8,007,915	7,244,739
Administrative expenses	4,006,506	2,216,597	1,900,412	1,918,598	1,248,191	1,485,002	1,292,798
	55,237,564	30,744,559	33,644,138	23,879,291	29,555,352	25,823,530	14,681,051
Finance cost (less)	1,910,830	2,621,808	1,602,197	3,236,285	3,886,870	2,070,933	2,647,774
	53,326,734	28,122,751	32,041,941	20,643,006	25,668,482	23,752,597	12,033,277
Subsidy on sales - from GoP addd						1,271,334	4,980,285
Other income excluding subs. above (add)	3,714,027	2,325,361	1,790,398	1,667,110	4,351,782	790,620	885,575
Other operating expenses (less)	(4,369,431)	(2,523,538)	(2,641,412)	(1,894,116)	(2,622,661)	(1,532,350)	(1,234,367)
- Remeasurement loss on provision for GIDC	(537,911)	(839,935)	(742,982)	2,121,389	-	-	-
- Loss allowance on subsidy receivable from GoP	(2,440,151)	(522,936)	(557,700)	(1,238,912)	-	-	-
Profit before Taxation	49,693,268	26,561,703	29,890,245	21,298,477	27,397,603	24,282,201	16,664,770
Provision for Taxation	23,502,166	10,558,414	8,797,588	3,165,130	10,526,380	6,868,683	5,509,148
Profit after Taxation	26,191,102	16,003,289	21,092,657	18,133,347	16,871,223	17,413,518	11,155,622

ENGRO FERTILIZERS LIMITED - CONSOLIDATED (CONTINUED)

CONDENSED FINANCIAL POSITION

Paid up capital	13,352,993	13,352,993	13,352,993	13,352,993	13,352,993	13,352,993	13,352,993
Unappropriated Profit/Reserves	34,549,762	31,700,435	33,733,815	33,377,747	29,926,467	32,170,162	29,116,718
Shareholders' equity	47,902,755	45,053,428	47,086,808	46,730,740	43,279,460	45,523,155	42,469,711
Long term loans and borrowings	14,627,173	17,437,875	30,924,012	35,975,276	34,631,927	33,069,313	32,412,354
Current liabilities	98,312,742	82,922,029	54,807,563	49,007,359	49,135,424	39,151,563	36,934,184
Total Equity and Liabilities	160,842,670	145,413,332	132,818,383	131,713,375	127,046,811	117,744,031	111,816,249
Borrowings/Finance (short term & long term)	6,585,077	22,015,748	26,795,574	25,263,868	33,526,225	32,246,517	36,763,547
Property, Plant and Equipment at cost	142,517,914	136,817,272	130,169,224	117,734,904	115,006,166	112,563,281	108,158,687
Property, Plant and Equipment WDV	78,440,081	77,879,522	73,031,490	65,734,124	65,924,426	68,203,956	68,923,195
Intangible assets	5,184,192	5,287,980	5,301,409	5,164,817	5,071,003	4,487,771	4,475,474
Long term investment	202,134	2,204,759	-	-	-	-	-
Other long term assets	209,806	206,531	60,798	81,872	163,791	142,644	134,535
Current Assets	75,281,061	59,834,540	54,424,686	60,732,562	55,887,591	44,909,660	38,283,045
Assets held for sale	1,525,396	-	-	-	-	-	-
Total Assets	160,842,670	145,413,332	132,818,383	131,713,375	127,046,811	117,744,031	111,816,249

KEY FINANCIAL RATIOS

Gross Profit %	32%	27%	33%	32%	33%	32%	30%
Distribution and Admn. Expenses to sales	8%	8%	8%	10%	8%	9%	11%
Finance cost to sales	1%	2%	1%	3%	3%	2%	3%
Net Profit after tax to sales	12%	10%	16%	17%	14%	16%	22%
Dividend Payout	60%	113%	104%	96%	95%	84%	102%
Income Tax %age to IBT	43%	54%	28%	17%	20%	38%	22%
Liquidity Ratio %							
Current ratio - current assets to current liab.	77%	72%	99%	124%	114%	115%	104%
Shares and earning							
Earning per share	19.61	11.98	15.80	13.58	12.63	13.04	8.35
Cash dividend per share	20.50	13.50	16.50	13.00	12.00	11.00	8.50
Breakup per share	35.87	33.74	35.26	35.00	32.40	34.10	31.80
Market price per share at year end	112.20	76.90	76.10	63.20	73.40	69.10	67.70

Exports

FED, SALES TAX AND INCOME TAX PAID

							Rs. In 000
Sales tax	9,800,718	1,710,372	2,740,340	2,210,311	2,525,204	3,598,659	4,853,126
Income Tax excluding deferred tax	21,271,690	14,346,779	8,516,255	3,672,318	5,439,112	9,157,889	3,603,129
Total Duty and Taxes	31,072,408	16,057,151	11,256,595	5,882,629	7,964,316	12,756,548	8,456,255

NUMBER OF EMPLOYEES

Number of employees at Dec. 31	1,214	1,353	1,382	1,362	1,260	1,252	1,201
Av. Number of employees during the year	1,244	1,375	1,332	1,316	1,273	1,231	1,185

Data source: Financial Statement of the company. Sales Volume in both the unconsolidated and consolidated accounts have been taken the same.

FATIMA FERTILIZER COMPANY LIMITED

	2023	2022	2021	2020	2019	2018	2017
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity (Tons)							
Urea	1,037,900	1,037,900	1,037,900	1,037,900	945,500	945,500	945,500
CAN	870,000	870,000	870,000	870,000	870,000	420,000	420,000
NP	664,500	664,500	664,500	664,500	664,500	360,000	360,000
Actual Production (Tons)							
Urea	985,419	1,095,084	800,634	680,889	822,656	508,855	474,094
CAN	839,721	866,620	792,438	577,975	403,444	474,968	444,876
NP	713,038	866,724	829,822	637,418	407,511	429,250	372,876
Total Production	2,538,178	2,828,428	2,422,894	1,896,282	1,633,611	1,413,073	1,291,846
Capacity utilization %							
Urea	95%	106%	77%	66%	87%	54%	50%
CAN	97%	100%	91%	66%	46%	113%	106%
NP	107%	130%	125%	96%	61%	119%	104%
Sales (Tons)							
Urea	970,000	1,106,000	836,000	755,000	777,526	662,034	525,606
CAN	800,000	871,000	894,000	489,000	471,828	499,608	538,522
NP	1,000,000	718,000	882,000	444,000	477,992	377,726	413,046
Others DAP etc	96,000	21,000	65,000	179,000	106,702	26,371	14,920
Total Sales	2,866,000	2,716,000	2,677,000	1,867,000	1,834,048	1,565,739	1,492,094
PROFIT AND LOSS							
							Rs. In 000
Sales - Gross							
- manufactured products	221,506,570	136,616,564	90,264,959	62,040,598	69,575,656	50,278,094	44,111,745
- purchased and packaged products	21,635,270	4,039,529	5,402,141	11,049,223	7,440,818	1,697,922	2,269,715
- services	-	-	-	-	-	-	-
Mid Products	2,294,153	1,572,166	1,186,215	863,636	787,283	473,998	279,095
Toll manufacturing	-	20,185,447	19,688,180	-	-	-	-
Export	0	251,061	-	150,087	135,304	1,470,159	2,602,275
Subsidy from Government	-	-	-	-	-	270,417	2,918,351
	245,435,993	162,664,767	116,541,495	74,103,544	77,939,061	54,190,590	52,181,181
Trade discounts	4,829,946	2,370,932	1,564,362	1,279,000	1,348,254	611,594	2,208,506
Sales tax	1,132,302	1,496,733	2,488,713	1,557,228	1,626,593	2,269,002	4,601,520
Excise Duty	6,718,924	-	-	-	-	-	-
Sales - Net	232,754,821	158,797,102	112,488,420	71,267,316	74,964,214	51,309,994	45,371,155
Raw Material consumed	81,561,513	83,606,104	36,330,705	24,178,493	22,977,561	11,113,578	8,973,285
Salaries wages and benefits	9,851,460	8,108,729	6,035,077	4,430,574	3,463,260	3,173,841	2,882,850
Fuel & Power	12,352,009	13,052,813	7,705,650	6,330,031	6,626,496	4,217,109	3,329,107
Repairs and Maintenance	10,376,858	6,153,207	1,724,118	2,131,497	1,166,483	1,078,195	404,333
Depreciation	10,471,051	5,084,022	4,998,414	2,719,658	2,579,760	3,441,065	2,045,803
Subsidy on NLG	(10,426,437)	-	(1,532,564)	(5,741,609)	-	-	-
Other overheads	15,746,927	2,941,352	6,884,370	4,461,288	3,155,766	2,357,404	2,431,672
Total cost input	129,933,381	118,946,227	62,145,770	38,509,932	39,969,326	25,381,192	20,067,050
Inventory adjustment (WIP)	(206,376)	(59,438)	188,489	(107,216)	10,203	(1,197,582)	20,079
Cost of Goods Manufactured	129,727,005	118,886,789	62,334,259	38,402,716	39,979,529	25,247,532	20,087,129
Inventory adjustment (F.G)	13,290,868	(15,549,023)	2,858,888	(5,521,720)	663,451	(1,063,922)	4,757,989
Cost of Sales	143,017,873	103,337,766	65,193,147	32,880,996	40,642,980	24,183,610	24,845,118
Cost of sales - Purchased and packaged products	17,327,581	160,336,773	4,210,829	9,591,534	6,422,351	1,455,765	1,840,465
Total cost of Sales	160,345,454	106,336,766	69,403,976	42,472,530	47,065,331	25,639,375	26,685,583
Gross Profit	72,409,367	52,460,336	43,084,444	28,794,786	27,898,883	25,670,619	18,685,572
Less:							
Distribution Expenses	10,435,036	8,010,485	5,048,813	3,890,808	3,800,064	3,684,686	3,610,140
Administrative expenses	8,194,659	5,964,194	3,899,598	3,368,500	2,778,727	2,316,965	1,736,973
	53,779,672	38,485,657	34,136,033	21,535,478	21,320,092	19,668,968	13,338,459
Finance cost	4,640,423	3,303,226	2,006,559	3,469,303	3,760,909	1,822,902	2,707,253
	49,139,249	35,182,431	32,129,474	18,066,175	17,559,183	17,846,066	10,631,206
Other income on financial assets/dividend	5,706,202	1,694,851	1,184,102	1,722,521	999,497	519,927	371,958
Other income scrap, disposal of assets	1,570,438	394,139	26,087	87,553	90,252	83,174	31,136
Other operating expenses	(7,623,757)	(6,400,908)	(2,316,977)	(1,677,558)	(1,480,466)	(1,708,069)	(914,015)
Impairment of brand	-	-	(2,360,000)	-	-	-	-
Other losses	(1,046,460)	(426,023)	(477,245)	(517,269)	-	-	-
Share of Profit/(loss) from associates	1,404	68,408	348	(26,795)	24,687	49,211	-
Profit before Taxation	47,747,076	30,512,898	28,185,789	17,654,627	17,193,153	16,790,309	10,120,285
Provision for Taxation	25,344,869	16,074,096	9,710,827	5,468,064	5,123,471	4,876,754	852,343
Profit after Taxation	22,402,207	14,438,802	18,474,962	12,186,563	12,069,682	11,913,555	9,267,942

FATIMA FERTILIZER COMPANY LIMITED (CONTINUED)

CONDENSED FINANCIAL POSITION

Paid up capital	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Unappropriated Profit/Reserves	97,365,983	86,089,184	79,263,440	66,102,656	57,008,298	48,594,972	44,644,998
Shareholders' equity	118,365,983	107,089,184	100,263,440	87,102,656	78,008,298	69,594,972	65,644,998
Long term loans and borrowings	37,363,386	37,734,862	30,306,702	29,303,057	26,536,086	27,043,239	28,634,141
Current liabilities	75,037,463	86,270,571	54,323,207	41,151,177	50,571,921	31,570,077	23,381,402
Total Equity and Liabilities	230,766,832	231,094,617	184,893,349	157,556,890	155,116,305	128,208,288	117,660,541
Borrowings/Finance (short term & long term)	11,848,699	29,408,550	15,649,862	23,193,220	30,430,378	18,075,967	21,297,428
Property, Plant and Equipment at cost	151,423,189	145,053,240	131,337,374	125,600,105	118,492,863	106,710,615	98,129,808
Property, Plant and Equipment WDV	110,025,290	114,338,479	105,422,464	104,937,733	100,720,660	91,718,705	86,704,799
Intangible assets	2,007,996	3,786,096	3,608,877	5,991,019	5,973,548	5,978,747	5,938,386
Long term investment	7,912,211	2,454,688	795,511	201,641.00	174,846	-	85,946
Long Term loan to associate	-	-	1,999,333	2,999,000	2,999,000	1,999,333	2,999,000
Other long term assets	4,126,699	4,618,804	1,293,763	869,868	709,336	400,622	114,743
Current Assets	106,694,636	105,896,550	71,773,401	42,557,629	44,538,915	28,110,881	21,817,667
Assets held for sale	-	-	-	-	-	-	-
Total Assets	230,766,832	231,094,617	184,893,349	157,556,890	155,116,305	128,208,288	117,660,541

KEY FINANCIAL RATIOS

Gross Profit %	31%	33%	38%	40%	37%	50%	41%
Net Profit after tax to sales	10%	9%	16%	17.100%	16%	23%	22%
Dividend Payout	60%	51%	40%	43%	35%	31%	51%
Sales Tax %age to Gross Sales	3%	1%	2%	2%	2%	4%	10%
Income Tax %age to IBT	47%	41%	32%	28%	26%	32%	22%
Liquidity Ratio %							
Current ratio - current assets to current liab.	1.42	1.23	1.32	1.03	0.88	0.89	0.93
Shares and earning							
Earning per share	10.67	6.88	8.80	5.80	5.75	5.67	4.41
Cash dividend per share	4.50	3.50	3.50	2.50	2.00	1.75	2.25
Breakup per share	56.36	50.99	47.74	41.48	37.15	33.14	31.26
Market price per share at year end	35.49	33.60	35.99	29.10	26.59	36.47	30.88

Capital Structure Ratio

Debt:Equity ratio	9:91	22:78	14:86	21:79	28:78	21:79	24:76
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Exports	-	251,061
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FED, SALES TAX AND INCOME TAX PAID

	Rs. In 000						
Sales tax and excise duty	7,851,226	1,496,733	2,488,713	1,557,228	1,626,593	2,269,002	4,601,520
Income Tax excluding deferred tax	22,497,405	12,388,684	8,953,687	5,003,864	4,412,140	5,414,392	2,251,713
Total Duty and Taxes	30,348,631	13,885,417	11,442,400	6,561,092	6,038,733	7,683,394	6,853,233

NUMBER OF EMPLOYEES

Number of employees at Dec. 31	4,593	4,559	2,895	2,604	2,400	2,378	2,392
Av. Number of employees during the year	4,626	3,727	2,750	2,502	2,389	2,321	2,264

Control of FatimaFert Limited was transferred to the Fatima Group on July 1, 2015. Located near Chichoki Mallian in Sheikhpura, FatimaFert was formerly known as Dawood Hercules and marketed urea under the brand name "Babbar Sher." From 2015 to 2018, the company operated as a subsidiary of Fatima Fertilizer. In 2019, FatimaFert was merged with Fatima Fertilizer Company Limited. Although the official merger took place in 2019, for the purposes of this study, the operations are considered merged from 2017, as FatimaFert was a wholly-owned subsidiary engaged in the core business of fertilizer manufacturing.

Data source: Financial Statement of the company.

FATIMA FERTILIZER COMPANY LIMITED (CONSOLIDATED)

	2023	2022	2021	2020	2019	2018	2017
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity in Tons							
Urea	1,037,900	1,037,900	1,037,900	1,037,900	945,500	945,500	945,500
CAN	870,000	870,000	870,000	870,000	870,000	420,000	420,000
NP	664,500	664,500	664,500	664,500	664,500	360,000	360,000
Total Fertilizer	2,572,400	2,572,400	2,572,400	2,572,400	2,480,000	1,725,500	1,725,500
Other Products - Capacity							
Tapeline (Kg)	11,629,600	11,629,600					
Liner (Kg)	2,874,375	2,874,375					
Actual Production in Tons							
Urea	985,419	1,095,084	800,634	680,889	822,656	607,772	474,094
CAN	839,721	866,620	792,438	577,975	403,444	474,968	444,876
NP	713,038	866,724	829,822	637,418	407,511	429,250	372,876
Total Fertilizer	2,538,178	2,828,428	2,422,894	1,896,282	1,633,611	1,511,990	1,291,846
Other Products - Actual Production							
Tapeline (Kg)	9,623,081	9,355,858					
Liner (Kg)	2,874,375	2,318,941					
Capacity utilization %							
Urea	95%	106%	77%	66%	87%	64%	50%
CAN	97%	100%	91%	66%	46%	113%	106%
NP	107%	130%	125%	96%	61%	119%	104%
Total Fertilizer	99%	110%	94%	74%	66%	88%	75%
Other Product							
Tapeline (Kg)	83%	80%					
Liner (Kg)	100%	81%					
PROFIT AND LOSS							Rs. In 000
Sales - Gross							
- manufactured products	225,304,977	137,901,545	90,264,959	62,040,598	69,575,656	50,278,094	44,111,745
- purchased and packaged products	21,635,270	4,039,529	5,402,141	11,049,223	7,440,818	1,697,922	2,269,715
- services	-	-	-	-	-	-	-
Mid Products	2,294,153	1,572,166	1,186,215	863,636	787,283	473,998	279,095
Toll manufacturing	-	20,185,447	19,688,180	-	-	-	-
Export	63,348	296,894	-	150,087	135,304	1,470,159	2,602,275
Subsidy from Government	-	-	-	-	-	270,417	2,918,351
	249,297,748	163,995,581	116,541,495	74,103,544	77,939,061	54,190,590	52,181,181
Trade discounts	4,829,946	2,370,932	1,564,362	1,279,000	1,348,254	611,594	2,208,506
Sales tax	2,325,536	1,879,467	2,488,713	1,557,228	1,626,593	2,269,002	4,601,520
Excise Duty	6,718,924	-	-	-	-	-	-
Sales - Net	235,423,342	159,745,182	112,488,420	71,267,316	74,964,214	51,309,994	45,371,155
Raw Material consumed	81,802,847	84,005,407	36,330,705	24,178,493	22,977,561	11,113,578	8,973,285
Salaries wages and benefits	10,111,273	8,217,951	6,035,077	4,430,574	3,463,260	3,173,841	2,882,850
Fuel & Power	12,352,009	13,150,059	7,705,650	6,330,031	6,626,496	4,217,109	3,329,107
Repairs and Maintenance	10,378,183	6,153,968	1,724,118	2,131,497	1,166,483	1,078,195	404,333
Depreciation	10,522,450	5,107,688	4,998,414	2,719,658	2,579,760	3,441,065	2,045,803
Subsidy on NLG	(10,426,437)	-	(1,532,564)	(5,741,609)	-	-	-
Other overheads	16,137,264	2,988,046	6,884,370	4,461,288	3,155,766	2,357,404	2,431,672
Total cost input	130,877,589	119,623,119	62,145,770	38,509,932	39,969,326	25,381,192	20,067,050
Inventory adjustment (WIP)	(264,194)	(52,297)	188,489	(107,216)	10,203	(133,660)	20,079
Cost of Goods Manufactured	130,613,395	119,570,822	62,334,259	38,402,716	39,979,529	25,247,532	20,087,129
Inventory adjustment (F.G)	13,281,471	(15,548,415)	2,858,888	(5,521,720)	663,451	(1,063,922)	4,757,989
Cost of Sales	143,894,866	104,022,407	65,193,147	32,880,996	40,642,980	24,183,610	24,845,118
Cost of sales - Purchased and packaged products	17,345,549	3,044,928	4,210,829	9,591,534	6,422,351	1,455,765	1,840,465
Total cost of Sales	161,240,415	107,067,335	69,403,976	42,472,530	47,065,331	25,639,375	26,685,583
Gross Profit	74,182,927	52,677,847	43,084,444	28,794,786	27,898,883	25,670,619	18,685,572
Less:							
Distribution Cost	10,532,444	8,053,951	5,048,813	3,890,808	3,800,064	3,684,686	3,610,140
Administrative expenses	8,280,416	6,047,224	3,899,598	3,368,500	2,778,727	2,316,965	1,736,973
	55,370,067	38,576,672	34,136,033	21,535,478	21,320,092	19,668,968	13,338,459
Finance cost	4,902,301	3,465,149	2,006,559	3,469,303	3,760,909	1,822,902	2,707,253
	50,467,766	35,111,523	32,129,474	18,066,175	17,559,183	17,846,066	10,631,206
Other income	7,227,556	2,666,808	1,210,189	1,810,074	1,089,749	603,101	403,094
Other operating expenses (less)	(7,751,625)	(6,409,454)	(4,676,977)	(1,677,558)	(1,480,466)	(1,708,069)	(914,015)
Other losses	(1,046,460)	(426,023)	(477,245)	(517,269)	-	-	-
Share of loss from associates (less)	-1,404	(68,408)	348	(26,795)	24,687	49,211	-
Profit before Taxation	48,895,833	30,874,446	28,185,789	17,654,627	17,193,153	16,790,309	10,120,285
Provision for Taxation	25,887,417	16,160,671	9,710,827	5,468,064	5,123,471	4,876,754	852,343
Profit after Taxation	23,008,416	14,713,775	18,474,962	12,186,563	12,069,682	11,913,555	9,267,942

FATIMA FERTILIZER COMPANY LIMITED - CONSOLIDATED (CONTINUED)

CONDENSED FINANCIAL POSITION

Paid up capital	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000	21,000,000
Unappropriated Profit/Reserves	98,385,630	86,500,734	79,263,264	66,102,656	57,008,298	48,594,972	44,644,998
Shareholders' equity	119,385,630	107,500,734	100,263,264	87,102,656	78,008,298	69,594,972	65,644,998
Long term liabilities	37,906,510	38,289,486	30,306,702	29,303,057	26,536,086	27,043,239	28,634,141
Current liabilities	76,586,357	87,865,281	54,323,295	41,151,177	50,571,921	31,570,077	23,381,402
Total Equity and Liabilities	233,878,497	233,655,501	184,893,261	157,556,890	155,116,305	128,208,288	117,660,541
Borrowings/Finance (short term & long term)	11,403,882	31,350,371	15,649,858	23,193,220	30,830,378	8,376,578	13,751,619
Property, Plant and Equipment at cost	154,391,982	147,974,434	131,337,374	125,600,105	118,492,863	106,710,615	98,129,808
Property, Plant and Equipment WDV	112,899,021	117,219,930	105,422,464	104,937,733	100,720,660	91,718,705	86,704,799
Intangible assets	2,007,996	3,786,096	3,608,877	5,991,019	5,973,548	5,978,747	5,938,386
Long term investment	5,826,702	1,469,179	795,311	201,641	174,846	-	85,946
Long Term loan to associate	-	-	1,999,333	2,999,000	2,999,000	1,999,333	2,999,000
Other long term assets	4,138,010	3,681,628	1,293,763	869,868	709,336	400,622	114,743
Current Assets	109,006,768	107,498,668	71,773,513	42,557,629	44,538,915	28,110,881	21,817,667
Assets held for sale	-	-	-	-	-	-	-
Total Assets	233,878,497	233,655,501	184,893,261	157,556,890	155,116,305	128,208,288	117,660,541

KEY FINANCIAL RATIOS

Gross Profit %	32%	33%	38%	40%	37%	50%	41%
Taxation % to sales	11%	10%	9%	8%	7%	10%	2%
Net Profit after tax to sales	10%	9%	16%	17%	16%	23%	22%
Return on Equity	19%	14%	18%	14%	15%	17%	14%
Return on assets	10%	6%	10%	8%	8%	9%	8%
Liquidity Ratio %	-	-	-	-	-	-	-
Current ratio - Times	1.42	1.22	1.32	1.03	0.88	0.89	0.93
Shares and earning	-	-	-	-	-	-	-
Earning per share	10.96	7.01	8.80	5.80	5.75	5.67	4.41
Cash dividend per share	4.50	3.50	3.50	2.50	2.00	1.75	2.25
Dividend Payout	41%	50%	40%	43%	35%	31%	51%
Breakup per share	56.85	51.19	47.74	41.48	37.15	33.14	31.26
Market price per share at year end	35.49	33.60	35.99	29.10	26.59	36.47	30.88

Capital Structure Ratio

Debt:Equity ratio	9:91	23:77	14:86	21:79	28:72	11:89	17:83
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Exports	63,348	296,894
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FED, SALES TAX AND INCOME TAX PAID

							Rs. In 000
Sales tax	9,044,460	1,879,467	2,488,713	1,557,228	1,626,593	2,269,002	4,601,520
Income Tax excluding deferred tax	22,942,515	12,487,067	8,953,687	5,003,864	4,412,140	5,414,392	2,251,713
Total Duty and Taxes	31,986,975	14,366,534	11,442,400	6,561,092	6,038,733	7,683,394	6,853,233

NUMBER OF EMPLOYEES

Number of employees at Dec. 31	5,034	4,967	2,895	2,604	2,400	2,378	2,392
Av. Number of employees during the year	5,001	3,727	2,750	2,502	2,389	2,321	2,264

Control of FatimaFert Limited was transferred to the Fatima Group on July 1, 2015. Located near Chichoki Mallian in Sheikhpura, FatimaFert was formerly known as Dawood Hercules and marketed urea under the brand name "Babber Sher." From 2015 to 2018, the company operated as a subsidiary of Fatima Fertilizer. In 2019, FatimaFert was merged with Fatima Fertilizer Company Limited. Although the official merger took place in 2019, for the purposes of this study, the operations are considered merged from 2017, as FatimaFert was a wholly-owned subsidiary engaged in the core business of fertilizer manufacturing.

Data source: Financial Statement of the company.

ANNEXURES



NUMBER OF SHARES ISSUED AND PAID UP

FERTILIZER COMPANIES	2023	2022	2021	2020	2019	2018	2017
1 Agritech Limited	392,430,000	392,430,000	392,430,000	392,430,000	392,430,000	392,430,000	392,430,000
2 Fauji Fertilizer Company Ltd.	1,272,238,200	1,272,238,200	1,272,238,200	1,272,238,200	1,272,238,200	1,272,238,200	1,272,238,200
3 Fauji Fertilizer Bin Qasim Ltd.	1,291,252,900	1,291,252,900	1,291,252,900	1,291,252,900	934,110,000	934,110,000	934,110,000
4 Engro Fertilizers Ltd.	1,335,299,300	1,335,299,300	1,335,299,300	1,335,299,300	1,335,299,300	1,335,299,300	1,335,299,300
5 Fatima Fertilizer Company Ltd.	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000	2,100,000,000
Total	6,391,220,400	6,391,220,400	6,391,220,400	6,391,220,400	6,034,077,500	6,034,077,500	6,034,077,500

EARNINGS (LOSS) PER SHARE (CONSOLIDATED)

Fertilizer Companies	Total	2023	2022	2021	2020	2019	2018	2017
Rs.								
1 Agritech Limited	(43.70)	2.77	(7.53)	(6.83)	(10.95)	(1.66)	(8.52)	(10.98)
2 Fauji Fertilizer Company Ltd.	142.02	37.30	27.02	28.06	14.07	13.62	12.92	9.04
3 Fauji Fertilizer Bin Qasim Ltd.	20.23	3.60	6.55	6.95	6.23	(6.82)	1.68	2.03
4 Engro Fertilizers Ltd.	95.01	19.61	11.98	15.80	13.58	12.63	13.04	8.35
5 Fatima Fertilizer Company Ltd.	48.40	10.96	7.01	8.80	5.80	5.75	5.67	4.41
Average	52.39	14.85	9.01	10.55	5.75	4.70	4.96	2.57

Production, imports and Sales - India (Tons)

FINANCIAL YEAR 2023-24				FINANCIAL YEAR 2022-23			FINANCIAL YEAR 2022-23		
	PRODUCTION	IMPORTS	SALES	PRODUCTION	IMPORTS	SALES	PRODUCTION	IMPORTS	SALES
Urea	31,470,000	7,000,000	37,000,000	28,500,000	7,600,000	36,400,000	25,100,000	9,100,000	33,400,000
DAP	4,300,000	5,500,000	11,400,000	4,300,000	7,100,000	10,700,000	4,200,000	5,700,000	9,400,000
MOP	-	2,200,000	1,600,000	-	1,400,000	1,600,000	-	1,700,000	2,300,000
NPK COMPLEX	9,500,000	2,200,000	12,000,000	9,300,000	2,800,000	10,700,000	8,600,000	1,300,000	12,100,000
Total	45,270,000	16,900,000	62,000,000	42,100,000	18,900,000	59,400,000	37,900,000	17,800,000	57,200,000

Data Source Indian Fertiliser.com

Indian fiscal year starts On April 01 and ends March 31 next year.

REVENUE PER EMPLOYEE (CONSOLIDATED)

Fertilizer Companies	2023	2022	2021	2020	2019	2018	2017
Rupees in 000							
1 Agritech Limited	24,088	18,167	11,382	6,335	14,609	5,202	4,559
2 Fauji Fertilizer Company Ltd.	52,995	36,069	32,873	30,012	32,306	33,010	29,368
3 Fauji Fertilizer Bin Qasim Ltd.	138,783	105,338	73,166	48,588	33,357	27,800	23,448
4 Engro Fertilizers Ltd.	188,118	115,785	101,904	82,639	97,313	91,629	69,184
5 Fatima Fertilizer Company Ltd.	49,850	44,002	42,379	29,618	32,624	23,348	23,048
Average (weighted)	74,832	57,672	49,449	38,249	38,955	33,864	28,635

GROSS SALES (CONSOLIDATED)

Rupees in Billion							
1 Agritech Limited	23.03	17.59	10.43	5.92	12.71	4.68	4.22
2 Fauji Fertilizer Company Ltd.	190.04	128.95	117.46	105.70	113.26	113.42	102.52
3 Fauji Fertilizer Bin Qasim Ltd.	240.51	191.19	134.70	103.39	87.43	82.40	70.93
4 Engro Fertilizers Ltd.	234.02	159.20	135.74	108.75	123.88	112.80	81.98
5 Fatima Fertilizer Company Ltd.	249.30	164.00	116.54	74.10	77.94	54.19	52.18
TOTAL	936.90	660.92	514.86	397.87	415.22	367.49	311.84

GROSS SALES (UNCONSOLIDATED)

Fertilizer Companies	2023	2022	2021	2020	2019	2018	2017
Rupees in 000							
1 Agritech Limited	23,028,365	17,585,298	10,425,760	5,917,280	12,709,479	4,682,061	4,217,282
2 Fauji Fertilizer Company Ltd.	164,650,711	110,512,912	110,915,410	100,024,680	108,548,988	109,392,755	99,193,451
3 Fauji Fertilizer Bin Qasim Ltd.	205,590,476	160,684,465	112,679,845	85,085,743	68,805,808	63,050,647	57,675,519
4 Engro Fertilizers Ltd.	167,416,459	98,567,447	93,040,542	77,165,530	80,812,797	68,576,490	67,313,046
5 Fatima Fertilizer Company Ltd.	245,435,993	162,664,767	116,541,495	74,103,544	77,939,061	54,190,590	52,181,181
TOTAL	806,122,004	550,014,889	443,603,052	342,296,777	348,816,133	299,892,543	280,580,479

Government of Pakistan
Ministry of National Food Security & Research
(National Fertilizer Development Centre)

Company and Product-wise Installed Capacity and Production

Company Name	Plant Location		Product	Designed Capacity '000' Product	'000' Product Tonnes								
	City/Town	District			2,016	2,017	2,018	2,019	2,020	2,021	2,022	2,023	Avg.
FFC: Pak-Saudi	Mirpur Mathelo	Sukkur	Urea	718	858	820	872	841	799	891	850	811	843
Fauji Fertilizer Co. (FFC)	Goth Machi Sadiqabad	Rahim Yar Khan	Urea	1,330	1,664	1,692	1,650	1,651	1,688	1,617	1,554	1,710	1,653
Fauji Fertilizer Bin Qasim	Port Qasim	Karachi	Urea	551	434	543	562	508	559	501	524	336	496
Fatima Fert.	Chichoki Mallian	Sheikhupura	Urea	445	360	112	107	428	164	286	483	396	292
Fatima Fertilizer Company	Sadiqabad	Rahim Yar Khan	Urea	500	507	474	501	396	494	447	492	507	477
Pak-Arab	Multan	Multan	Urea	99	49	42	-	-	50	68	118	76	50
Engro Fertilizer Ltd.	Dharki	Sukkur	Urea	2,275	1,881	1,854	1,814	2,009	2,265	2,105	1,955	2,313	2,024
Agritech Limited	Daud Khel	Mianwali	Urea	429	248	114	96	338	125	227	353	292	224
Urea Total				6,347	6,001	5,652	5,602	6,170	6,144	6,141	6,329	6,441	6,060
Engro Fertilizer Ltd.	Port Qasim	Karachi	NP	40	50	66	58	64	45	49	68	75	60
Pak-Arab	Multan	Multan	NP	330	177	217	-	-	359	354	374	319	225
Fatima Fertilizer Company	Sadiqabad	Rahim Yar Khan	NP	490	401	368	419	403	505	468	489	383	429
NP Total				860	628	651	477	467	910	871	932	777	714

Company Name	Plant Location		Product	Designed Capacity '000' Product	'000' Product Tonnes								
	City/Town	District			2,016	2,017	2,018	2,019	2,020	2,021	2,022	2,023	Avg.
LCFL (Al-Hamad)	Jaranwala	Faisalabad	SSP	108	1.61	-	-	-	-	-	-	-	0
Agritech Ltd	Haripur Hazara	Abbottabad	SSP	147	58	62	59	42	66	73	63	77	63
Suraj Fertilizer	Harappa	Sahiwal	SSP	150	20	3	14	13	14	36	18	7	16
Safi Chemicals	Multan	Multan	SPP	40	1.4	0.4	-	0.9	1.6	4.0	0.5	0	1
SSP Total				445	81	65	73	56	82	113	82	85	80
Pak-Arab	Multan	Multan	CAN	450	157	178	-	-	282	337	362	339	207
Fatima Fertilizer Company	Sadiqabad	Rahim Yar Khan	CAN	470	469	443	470	403	473	462	502	496	465
CAN Total				920	626	621	470	403	755	798	864	835	671
Fauji Fertilizer Bin Qasim	Port Qasim	Karachi	DAP	675	791	809	728	830	740	790	848	660	774
Pacific Exim	Karachi	Karachi	SOP	20	-	-	-	8	10	10	16	14	7
Engro Fertilizer Ltd.	Port Qasim	Karachi	NPK	120	62	55	69	79	75	88	65	21	64
Safi Chemicals	Multan	Multan	NPK	40	8	4	0	-	-	-	-	-	1
NPK Total				160	70	59	69	79	75	88	65	21	66
Grand Total				9,427	8,197	7,858	7,419	8,014	8,715	8,812	9,134	8,832	8,373



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