

PAKISTAN'S FERTILIZER MANUFACTURING SECTOR:

Growth, Performance and
Company to Company
Analysis 2018-2024



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PAKISTAN'S FERTILIZER MANUFACTURING SECTOR: Growth, Performance and Company to Company Analysis 2018-2024

Author:

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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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PRESIDENT MESSAGE



Muhammad Bashir Khan's book presents a comprehensive and insightful analysis of Pakistan's fertilizer manufacturers and their performance during the period 2018–2024. It covers a wide spectrum of critical aspects, offering stakeholders a clear and coherent understanding of the industry's trends, challenges, and future prospects. Particularly valuable is the book's in-depth examination of profitability variances among fertilizer companies, providing readers with a nuanced appreciation of the forces driving sectoral performance.

The report's emphasis on cost structures and their influence on financial outcomes adds a highly practical dimension, making it a useful guide for decision-makers, policymakers, and analysts. Equally noteworthy is its forward-looking perspective, which highlights growth potential despite persistent constraints—foremost among them the shortage of natural gas, the essential raw material for urea production, accounting for nearly 70% of Pakistan's indigenous output.

Mr. Khan's meticulous research and dedicated efforts in compiling this detailed and informative work are truly commendable. His contribution significantly enriches our understanding of the dynamics shaping Pakistan's indigenous fertilizer industry and provides a valuable reference for all stakeholders.

I congratulate Mr. Khan for presenting such a valuable document—one that is equally beneficial for all stakeholders, including fertilizer companies, government bodies, regulators, stockbrokers, investors, and other interested parties.

Azeem Hussain Siddiqui, FCMA
President, ICMA

FOREWORD



I am pleased to acknowledge the significant time, effort, and dedication that Mr. Muhammad Bashir Khan, FCMA, has invested in this challenging and impactful endeavor. His unwavering commitment to research and knowledge-sharing is truly commendable.

The comprehensive document he has compiled—featuring numerous well-structured graphs and tables—offers an insightful analysis of the growth trajectory, performance trends, and company-to-company comparisons within Pakistan's fertilizer industry. This publication will undoubtedly serve as a valuable resource for readers seeking a deep and practical understanding of the sector's dynamics.

Mr. Khan's research is primarily based on the audited financial statements of fertilizer manufacturing companies listed on the Pakistan Stock Exchange (PSX) for the period 2018–2024. The document presents a complete industry overview, enabling stakeholders to grasp meaningful insights within minutes. This publication will be made available on the Institute's website. His earlier work on the fertilizer sector titled as Indigenous Fertilizer Sector – Competitive Dynamics and Diversification – A Company to Company Analysis (2017-2023) was published may also be downloaded from the Institute's research and publications portal. The present book is an enriched and updated version of that earlier publication, incorporating extended data coverage and deeper analysis.

In addition to presenting high-level performance trends through well-designed graphical illustrations, the book includes detailed tables covering key indicators such as installed capacity, expansion projects, capacity utilization rates, capital investments, sales and dispatches, workforce statistics, profitability, earnings per share, dividends per share, and other critical metrics. Importantly, the publication also evaluates the diversification strategies adopted by various fertilizer companies and assesses their impact on earnings. Each table provides annual, company-specific data for the period 2018–2024, offering a granular and transparent view of the sector's evolution.

Mr. Khan has also contributed significant research on Pakistan's cement industry for the period 2017–2023, published as A Report on the Growth Trajectory and Competitive Landscape of the Indigenous Cement Industry – A Company-to-Company Performance Analysis (2017–23), followed by its updated and enriched edition titled Pakistan's Cement Industry – Growth, Performance, and Company-to-Company Analysis (2018–2024). Both publications are available on the Institute's website.

This book stands as a testament to the Institute's enduring commitment to promoting applied research through structured monetary incentives—a policy initiated in 2012 under the leadership of then-President Mr. Zia-ul-Mustafa and further strengthened in 2018. The Institute remains steadfast in its mission to foster research that benefits its members, professionals, industry participants, policymakers, and other stakeholders.

Muhammad Yasin, FCMA

Vice President ICMA and
Chairman, Research and Publications Committee

ABOUT THE AUTHOR



Muhammad Bashir Khan is a distinguished professional with a rich and diverse background in finance, accounting, and management. His career began immediately after completing his intermediate examination in 1971, marking the start of a journey that now spans more than five decades across Pakistan's business and industrial landscape.

A fellow member of both the Institute of Cost and Management Accountants of Pakistan and the Institute of Corporate Secretaries of Pakistan, he is also a graduate in commerce and law. His academic and professional achievements were earned while in service, reflecting a life shaped by discipline, resilience, and steadfast commitment. His story is a compelling example of self-made success grounded in integrity, hard work, and perseverance.

Throughout his career, he has also served as Chief Financial Officer and Head of Finance & Accounts for leading manufacturing companies in Pakistan. He has demonstrated exceptional command over cost and management accounting, financial strategy, corporate governance, and regulatory compliance. His hands-on experience as a Company Secretary for publicly listed companies further strengthens his proficiency in corporate legal affairs and governance standards.

Alongside his professional accomplishments, he is a prolific writer. His articles—particularly on ethics, spirituality, and motivation—are widely read on Medium.com, where he encourages thoughtful reflection and purposeful living. His earlier contributions to national newspapers and to the Institute's journal, *Management Accountant*, reflect his long-standing passion for sharing knowledge and nurturing intellectual growth within the professional community.

He is also the author of two research-based books on Pakistan's Cement and Fertilizer sectors. These works provide comprehensive analyses of industry growth, future prospects, and company-to-company performance over seven-year periods. Both books are available through the Institute of Cost and Management Accountants of Pakistan.

Most recently, he has embraced a deeper calling as a guide, mentor, and speaker, sharing his experience and insight with students, professionals, and all who aspire to build a successful and meaningful life—both in this world and the hereafter.

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Acknowledgment

I would like to express my heartfelt gratitude and deep appreciation to Mr. Muhammad Yasin, Vice President, ICMAP, and Chairman, Research and Publications Committee, for his invaluable guidance and insightful contributions throughout the course of this work. My sincere thanks are also extended to Mr. Aamir Ejaz Khan, Executive Director, ICMA, for his unwavering support and continuous encouragement.

I am equally grateful to Mr. Shahid Anwar, Senior Director, Research and Publications, and his close associate, Ms. Maiyra Ahmed, Assistant Director, for their valuable suggestions and constructive input, which greatly enhanced the quality, clarity, and depth of this work.

I also extend my special thanks to Mr. Muhammad Wajahat Khan, Graphic Designer at the Institute, for his exceptional creativity, dedication, and meticulous efforts in designing, coloring, and formatting this work, making it both visually appealing and impactful.

Lastly, I pay a special tribute to Mr. Ziaul Mustafa, the three-time President of the Institute, who has been the prime mover behind research-based articles and books published by ICMAP. His dynamic personality, visionary leadership, and unwavering commitment to intellectual growth continue to inspire members to pursue research and contribute meaningfully to the Institute, its members, professionals, industry, and other stakeholders.

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

PREFACE

The fertilizer sector in Pakistan plays a pivotal role in ensuring food security and agricultural sustainability. It is estimated that fertilizers usage increases crop yield from 30% to 50%. Fertilizers play a primary role in the food security with at least 60% of total the fertilizer volume being used for cereal crops (wheat, rice and maize). Thus fertilizer has direct linkage with the objective of "Food secure Pakistan". Growth in the fertilizer industry and sustained production and availability of fertilizer is also desirable for economic development and prosperity of the farming community,

This book provides a comprehensive analysis of the competitive landscape of the sector from 2018 to 2024. Due to limitations in the expansion landscape of the industry, 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

During FY 2025, consistent with the historical trend, Pakistan's agriculture sector recorded a growth of 0.56 percent. Although it is below the historical average but notable given the challenging climatic conditions. The sector's growth was largely supported by 4.72 percent growth in livestock, 1.42 percent expansion in the Fisheries and 3.03 percent growth in forestry. The crop sub-sector, which historically remained the principal growth driver, faced headwinds during FY 2025. It registered a contraction of 6.82 percent, largely due to the decline in important crops by 13.49 percent and in cotton ginning by 19.03 percent. Other crops, however, registered a positive growth of 4.78 percent, which highlights potential for diversification.

Direct employment

The fertilizer manufacturing sector in Pakistan directly employs over 10,000 individuals and a further more than 2000 persons in their diversified businesses, contributing significantly to the job market. In addition to this direct employment, the sector supports a vast network of dealers, creating further 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, which fosters 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. Market prices, raw material supplies, subsidies, and other aspects are under governmental control. 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.

Historical Context and Production Trends

There was no fertilizer industry when Pakistan came into being in 1947 and the farmers were totally ignorant of using fertilizers as a nutrient for better crop output. 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 use gained momentum after 1970, when farmers realized the role of fertilizer and vigorously sought the use of fertilizer for better output thereby enhancement in their income and standard of living.

In 1958, first fertilizer plant was commissioned by Pak-American Fertilizers Ltd. (now Agritech Limited), with an annual capacity of 50K MT of Ammonium Sulphate based on indigenous coal and gypsum as raw material. After the discovery of natural gas, The first urea manufacturing plant in Pakistan was established in 1968 by Esso Pakistan (now Engro Fertilizers Limited) with an annual capacity of 173K tons. This was followed by Pakarab Fertilizers (Pvt.) Limited in 1973, a joint venture between Pakistan and Abu Dhabi. Fauji Fertilizer Company 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%), SOP, etc.

Product Knowledge, Raw Materials, and Their Workability

This book includes fundamental knowledge about various fertilizer products, produced indigenously enumerated above. 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

Recent Developments in Fauji Fertilizer Company Limited (FFC)

Acquisition of Agritech Limited by FFC

On September 10, 2024, Fauji Fertilizer Company Limited (FFC) announced its intention to acquire shares and assume control of Agritech Limited. This disclosure was made by the Company Secretary of FFC to the Pakistan Stock Exchange (PSX). As part of the process, M/s Integrated Equities Limited was appointed as the Manager to the Offer. The acquisition reflects FFC's strategy to expand its operational base and strengthen its foothold in the agribusiness sector.

As of the finalization of this book (September 2025), FFC, the Fauji Foundation, and Allied Bank Limited collectively hold majority stakes in Agritech Limited.

Merger of Fauji Fertilizer Bin Qasim Limited (FFBL) with Fauji Fertilizer Company Limited (FFC)

On September 20, 2024, the boards of directors of both FFC and Fauji Fertilizer Bin Qasim Limited (FFBL) approved a scheme of merger. Under this scheme, one share of FFC was to be exchanged for every 4.29 shares of FFBL. The announcement, made to the PSX, signaled a significant consolidation within the Fauji Fertilizer Group. By the end of 2024, the merger was completed, and both companies stood merged.

Strategic Impact

These two developments highlight FFC's deliberate strategy of growth through both acquisition and consolidation. With the completion of the Agritech Limited acquisition and the merger with FFBL, FFC's total market share in Pakistan's fertilizer industry is projected to reach approximately 42%.

This consolidation reduces the number of fertilizer-producing companies listed on the PSX from five to four, intensifying competition among the remaining players. FFC, meanwhile, is positioned to enjoy enhanced operational efficiencies, economies of scale, and a stronger bargaining position within the supply chain.

These moves may also pave the way for further mergers and acquisitions, reshaping the competitive dynamics of Pakistan's fertilizer sector and reinforcing FFC's dominance.

Conclusion

The preparation of this report required considerable effort over several days to present comprehensive information in a clear and concise manner. Any inadvertent omissions or mistakes are regretted and may be pointed out for correction in the soft copy that will be uploaded on the ICMAP website.

Impact of FFC's Acquisition and Amalgamation on Industry Structure

The impact is presented in tabular form below.

Industry Structure	Before (Up to Sept 2024)	After (End 2024 onwards)
Number of listed fertilizer producers on PSX	5 (FFC, FFBL, EFERT, FATIMA, AGRITECH)	3 (FFC [merged with FFBL + controlling AGRITECH], EFERT, FATIMA)
FFC's individual market share	~28%	~42%
Largest competitor's share (EFERT)	~24%	~24% (unchanged)
Market concentration (Top 2 players)	~52% (FFC + EFERT)	~66% (FFC + EFERT)
Industry structure	Moderately concentrated	Highly concentrated

1

CHAPTER

Seven Years of the Fertilizer Industry 2018 – 2024

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, and analyzed.

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, three of the four players (reduce from five to four after the merger of FFBL with FFC) continued to maximize shareholder wealth through diversification and dividend payouts. Three out of the four 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.

Summary of 7 year's performance

1. Annual production capacity of all fertilizers increased from 8.2 million tons to 9.1 million tons.
2. Fertilizer production rose from 7.6 million tons to 8.8 million tons.
3. Dispatches increased from 8.7 million tons to 9.0 million tons.
4. Gross investment in property, plant, and equipment reached Rs. 545.8 billion as of December 2024, up from Rs. 362.1 billion, an increase of Rs. 183.7 billion, which includes Rs. 59.5 billion from the revaluation of assets by Agritech Limited.

5. Gross sales grew from Rs. 300 billion to Rs. 887 billion.
6. Net sales expanded from Rs. 290.5 billion to Rs. 830 billion.
7. Gross profit rose from Rs. 89.4 billion (31% of sales) to Rs. 282.5 billion (34% of sales).
8. Net profit improved from Rs. 41.5 billion (14% of sales) to Rs. 128.8 billion (16% of sales).
9. Duties and taxes paid increased from Rs. 9.7 billion to Rs. 50 billion.
10. Income tax contribution surged from Rs. 18.3 billion to Rs. 92 billion.
11. Investments climbed from Rs. 106.6 billion to Rs. 368.5 billion.
12. Earnings per share (EPS) grew from Rs. 6.87 to Rs. 24.38.
13. Dividend per share (DPS) increased from Rs. 5.06 to Rs. 17.61.
14. Share price rose from Rs. 53.64 to Rs. 184.46.
15. Market capitalization expanded from Rs. 323.64 billion to Rs. 974.50 billion.

The comparison of 2018 with 2024 is presented in tabular form, below:

FERTILIZER SECTOR AT A GLANCE 2024 VS 2018

Indicator	Unit	2024	2018	Increase	Growth/Change
Annual Capacity (All Fertilizers)	Million Tons	9.1	8.2	0.9	+0.9 million tons
Production	Million Tons	8.8	7.6	1.2	+1.2 million tons
Dispatches	Million Tons	9	8.7	0.3	+0.3 million tons
Gross Investment in PPE	Rs. Billion	545.8	362.1	183.7	Rs. 59.5 billion revaluation reserve
Gross Sales	Rs. Billion	887	300	587	Nearly 3x
Net Sales	Rs. Billion	830	290.5	539.5	Nearly 3x
Gross Profit	Rs. Billion	282.5	89.4	193.1	3.2x
GP %		34%	31%		
Net Profit	Rs. Billion	128.8	41.5	87.3	3.1x
NP%		16%	14%		
Duties & Taxes	Rs. Billion	50	9.7	40.3	5x
Income Tax	Rs. Billion	92	18.3	73.7	5x
Investments	Rs. Billion	368.5	106.6	261.9	3.5x
EPS	Rs. Billion	24.38	6.87	17.51	3.6x
DPS	Rs. Billion	17.61	5.06	12.55	3.5x
Share Price	Rs.	184.46	53.64	130.82	3.4x
Market Capitalization	Rs. Billion	974.5	323.64	650.86	3x

The fertilizer sector's performance from 2018 to 2024 reflects tremendous growth, particularly in financial terms. While quantitative gains in capacity and production have been modest due to raw material constraints and the absence of significant increases in arable land, the monetary gains are remarkable. Shareholders have enjoyed substantial returns through higher profits, EPS, and DPS, while the government has emerged as a major beneficiary through increased duties, taxes, and income tax revenues.

2

CHAPTER

Types of Fertilizers produced in Pakistan

Pakistan produces various types of fertilizers which ensure availability of different fertilizers to address production of other fertilizers like DAP, CAN, NPK, NP, SSP, SOP etc., ensure that a wide range of agricultural needs are fulfilled and the farmers get better returns against the input injected into the farmlands 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 ensure that a wide range of agricultural are fulfilled and the farmers get better returns against the inputs 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 2024, global urea production is estimated at 199.7 million tons, reflecting a modest 2% increase over 2023. In 2022, output stood at 183.82 million tons, compared with 147 million tons in 2009, representing a growth of nearly 25% over the period.

India remains the world's largest producer of urea, with production reaching 45.2 million tons in 2023–24, up 7% from the previous year. India's share now exceeds 40% of global urea production, underscoring its dominant position in the global fertilizer market.

In comparison, Pakistan produces more than 9 million tons of fertilizer annually, with urea making up about 70% of the country's total capacity. All four listed fertilizer companies in Pakistan are involved in urea production, with their combined annual capacity at 6.4 million tons in 2024, a level consistent with that of 2023.

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 was 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 KP 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 nutrient in global agriculture. Unlike urea, where ammonia is the principal raw material, DAP is produced from phosphate rock, sulfur, and a small quantity of ammonia. To produce one ton of DAP, approximately 1.5–2.0 tons of phosphate rock, 0.4 tons of sulfur, and 0.2 tons of ammonia are required. DAP is an important phosphorus fertilizer that also supplies nitrogen, making it a balanced and widely used input for crop production.



In 2024, global production of DAP stood at 37 million tons, nearly the same as in 2023. This marked an increase compared with 2022 (33.5 million tons) and 2021 (33.7 million tons), and was also higher than the levels recorded in 2020 (35.6 million tons) and 2019 (35.1 million tons).

The largest global producer is China, which accounted for about 13 million tons in 2024. Other major producers include India (4.2 million tons) and Saudi Arabia (3.9 million tons). Smaller but significant contributions come from Morocco, Russia, the European Union, and Pakistan.

In Pakistan, the annual DAP production capacity is about 650,000 tons, representing nearly 7% of the country's total fertilizer production capacity. The FFC Bin Qasim Plant is the sole domestic producer, manufacturing DAP using imported phosphoric acid sourced from Morocco. To ensure steady availability of this critical input, FFC and the Fauji Foundation have invested in the Pakistan Maroc Phosphore (PMP) project in Morocco, securing a long-term supply chain for the Bin Qasim plant.

Additional uses of DAP

While DAP is primarily known as a widely used agricultural fertilizer, its utility extends well beyond the farming sector. Due to its chemical properties, DAP has found diverse applications across industries, ranging from fire safety and metal processing to food and beverage production. These additional uses highlight the compound's versatility and economic importance beyond crop nutrition.

- **Fire Retardant**

DAP is widely applied as a fire retardant in forest firefighting. When mixed with water and sprayed, it reduces the flammability of vegetation by creating a protective chemical barrier.

- **Industrial Processes (Metal Finishing)**

In metal treatment and finishing industries, DAP is used as a flux and surface treatment agent. It helps in cleaning, polishing, and preparing metals for coating or plating.

- **Winemaking (Yeast Nutrient)**

DAP serves as a nutrient in winemaking. It provides nitrogen to sustain yeast activity during fermentation, ensuring consistent sugar conversion and preventing sluggish fermentation.

- **Dairy Industry (Cheese Production)**

In cheese-making, DAP is added to milk as a source of phosphorus and nitrogen. It supports the growth of microbial cultures essential for producing different cheese varieties.

Calcium Ammonium Nitrate (CAN)

Calcium Ammonium Nitrate (CAN), also known as nitro-limestone or nitro-chalk, is produced by adding powdered limestone or calcium nitrate to ammonium nitrate. Fertilizer-grade CAN typically contains about 8% calcium and 21–27% nitrogen. It is particularly suitable for use on acidic soils, as it causes less acidification compared with many other nitrogen fertilizers. In addition to providing readily available nitrogen, CAN also contributes to improving soil structure.



On a global scale, production in 2021 was around 15.5 million tons, but it declined to 13.4 million tons in 2022, reflecting a reduction of nearly 13.6%. In 2023 and 2024, worldwide production is estimated to have ranged between 14 and 18 million tons, indicating a partial recovery but still subject to regional market dynamics and energy cost fluctuations.

In Pakistan, the annual production capacity for CAN stands at approximately 870,000 tons, accounting for nearly 10% of the country's total fertilizer production capacity. Fatima Fertilizer Company Limited is the sole domestic producer, manufacturing CAN at its plants in Multan and Rahim Yar Khan.

NPK (Nitrogen, Phosphorous, and Potassium)

NPK fertilizers contain a balanced ratio of nitrogen, phosphorus, and potassium. They are available in two types: compound NPK, in which nutrients are chemically bound, and blended NPK, which are physical mixtures of single-nutrient components. These formulations are designed to meet specific crop nutrient requirements. NPK fertilizers ensure balanced fertilization, promote healthy plant growth, and contribute to higher yields.



Global production of NPK fertilizers stood at 81 million tons in 2024, nearly the same as 2023 levels (80–81 million tons) and slightly higher than 2022 (78–80 million tons). In 2021, production peaked at 83 million tons, exceeding the volumes recorded in 2020 and 2019.

Pakistan is a very small player in this segment, with an annual production capacity of 140K tons, which accounts for roughly 2% of the country's total fertilizer production capacity. The largest domestic producer is Engro Fertilizers Limited, which alone has the capability to produce 100K tons per annum.

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 is 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.



3

CHAPTER

Fertilizer Manufacturers in Pakistan

Agritech Limited



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 - Replace by Lt. Gen. Anvar Ali Hyder (Retd.) on May 05, 2025.
- 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.

Subsequent events

Fauji Fertilizer Company Limited (FFC) in collaboration with Fauji Foundation (FF) acquired 51,668,158 shares of the Company resulting in a combined total shareholding of 41.2%. After the conversion of preference shares in May 2025, shareholding of FFC was increased to 37.36. Combined with Askari Commercial Bank Limited's shareholding in Agritech, the Fauji Group holds majority shares of the company.

Maple Cement Factory Limited (MLCF) acquired 81,641,635 shares of the company bringing the combined shareholding MLCF and Maple Leaf Capital Limited to 43.51%.

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 Limited (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 Lt. General Anwar Ali Hyder (Retd) with Mr. Jahangir Piracha 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 (37.5%) Fauji Foundation 12.5% and Office Cherifien Des Phosphates (OPS) of Morocco (50%)
- Operations Began: 2008
- Production capacity: 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 2022.

2. Foundation Wind Energy – I and 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

- Established: 2009
- 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

5. 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.

6. 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: The Company owns 66.29% of FFL's equity.

Associated Undertakings

1. Askari Bank Limited (AKBL):

- Stake: 64.72%
- Network: 720 branches, including 198 Islamic banking branches, 63 sub-branches, and a wholesale bank branch in Bahrain

2. Fauji Cement Company Limited (FCCL):

- Stake: 4.29% owned by FFC
- Status: Third-largest cement manufacturer in Pakistan post-merger with Askari Cement

Engro Fertilizer 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.

Production Facilities

Engro Fertilizers operates two major production facilities:

1. Engro Daharki Plant:

- o Specialization: Urea production

2. Engro Zarkhez Plant:

- o Location: Bin Qasim, Karachi
- o 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 include:

- 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.

Fatima Fertilizer Company Limited (FATIMA)



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:

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

2. Fatimafert Limited:

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

3. Pan-Africa Fertilizers Limited:

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

4. Fatima Packaging Limited:

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

Barkat Fertilizer (Pvt.) Ltd (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). It produces SSP in granulated and power form.. Its brand name is "Badshah". 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 boasts recognized as one of the quality manufacturers of SSP (Single Super Phosphate), DA Phos (Direct action Phosphorous), SOP, MOP, AS and MAP. 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



Al-Hamd Chemicals (Pvt.) Ltd., 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:

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

2. Jaranwala Plant:

- o Established: 1967
- o 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.

Agven (Pvt.) Limited



The company has recently set up its plant for the production of SOP at Gwadar. The annual capacity of the plant is 20,000 metric tons. The plant has started production in 2024.

Akbari group



M/s Akbari Group has set up a plant at Sheikhupura with a capacity of 10,000 tons of SOP. The production from the plant started in 2024.

Summary-FFC, Engro, and Fatima's Core Business and Diversification

In order to understand the structural composition of Pakistan's fertilizer sector, it is essential to examine both the core operations and the diversified business interests of the leading manufacturers. Table "A" provides this overview in a consolidated manner. The first section of the table outlines the fundamental attributes of each company, including their year of establishment, registered/head office, and the number and location of their fertilizer manufacturing plants. The second section extends the analysis to their non-core activities by presenting information on diversified business ventures, equity stakes, and the geographical spread of these investments. Collectively, the table offers a comprehensive perspective on the operational base and strategic diversification of the fertilizer industry in Pakistan.

FERTILIZER COMPANIES, PLANTS AND DIVERSIFICATION

TABLE - A

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

Details of Diversification by Fertilizer Companies

S.#	Fauji Fertilizer Company Limited - Diversification			Location	
1	Investment Property - freehold land	1996		100%	Pindi Bhattian - Punjab
1	FFC Energy Limited (FFCEL)	2013	Rawalpindi	100%	Jhimpir, District Thatta, Sindh
2	Foundation Wind Energy- I Limited (FWEL - I)	2021	Rawalpindi	100%	Jhimpir, District Thatta, Sindh
3	Foundation Wind Energy- II Limited (FWEL-II)	2021	Rawalpindi	80%	Jhimpir, District Thatta, Sindh
4	FFBL Power Company Limited (FPCL)	2014	Islamabad	75%	Port Qasim
5	OLIVE Technical Services (Private) Limited (OLIVE)	2022	Rawalpindi	100%	Rawalpindi
6	Fauji Fresh n Freeze Limited (FFF)	2013	Rawalpindi	100%	Rawalpindi
7	Fauji Cement Company Limited (FCCL)	1992	Rawalpindi	4.29%	Rawalpindi
8	Fauji Foods Limited (FFL) - Formerly Noon Pakistan Ltd.	1966	Lahore	82.16%	Bhalwal.
9	Askari Bank Limited (AKBL)	1991	Islamabad	64.73	623 Branches across Pakistan
10	Thar Energy Limited (HUBCO, China Machinery Corp.	2016	Karachi	30%	Singhara, Thatta.
11	Agritech limited		Lahore	31.12%	Daud Khel, Mianwali.
11	Pakistan Maroc Phosphore S.A., Morocco (PMP)	2008	Morocco	37%	Port Jorf Lafsar, Morocco.

Engro Fertilizers Limited - Diversification

1	EFERT Agritrade (Private) Limited (EAPL)	2017	Karachi	100%	Karachi
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Fatima Fertilizer Company Limited - Diversification

1	Fatima Efert Limited	2003	Lahore	100%	
2	Fatima Cement Limited	2016	Lahore	100%	
3	Fatima Packaging Limited	2013	Lahore	100%	
4	Fatima Pan-African Fertilizer Limited	2022	Nairobi	100%	

An examination of Table “A” reveals a clear distinction between fertilizer producers that remain narrowly focused on their core business and those that have actively pursued diversification strategies. Among all players, Fauji Fertilizer Company Limited (FFC) stands out with the most extensive and geographically diverse portfolio, ranging from energy and banking to food, and international joint ventures. Engro Fertilizers Limited has maintained a relatively modest diversification footprint, while Fatima Fertilizer Company Limited has expanded into cement, packaging, and even international fertilizer ventures in Africa, signaling a strong inclination toward regional and global integration.

Conversely, several smaller and relatively newer entrants—including Agritech, Suraj Fertilizer, Safi Chemical, Barkat Fertilizer, and AL-Hamid Chemical—continue to operate almost exclusively within the fertilizer segment, reflecting limited diversification capacity and a stronger reliance on domestic demand.

Taken together, the table underscores the dual structure of Pakistan’s fertilizer sector: a few large, well-capitalized companies that are strategically broadening their industrial and geographic footprint, and a second tier of smaller, niche-focused manufacturers with limited diversification. This divergence not only illustrates differences in financial strength and strategic vision but also has long-term implications for competitiveness, resilience, and the industry’s role in Pakistan’s broader industrial economy.

4

CHAPTER

Fertilizer Production Capacity

This chapter examines the production capacities of all indigenous fertilizer manufacturers as of December 31, 2024 (Table B), their year-by-year capacities from 2018 to 2024 (Table C), actual production achieved during 2018–2024 (Table D), sales volumes relative to available capacities (Table E) for the same period, and urea imports over the past fourteen years (Table F). Collectively, these datasets provide an integrated view of the supply dynamics and structural composition of Pakistan's fertilizer industry.

- 1) Company-wise capacities
- 2) Capacities by types of fertilizer produced.

1. Fertilizer Production Capacity as of December 31, 2024

The fertilizer sector in Pakistan is largely dominated by four major manufacturers, all of which are listed on the Pakistan Stock Exchange: Agritech Limited (AGL), Fauji Fertilizer Company Limited (FFC), Engro Fertilizers Limited (EFERT), and Fatima Fertilizer Company Limited (FATIMA).

Among these, Agritech—the earliest established entity—has evolved into the smallest producer in terms of installed capacity. In contrast, FFC, EFERT, and FATIMA, together with Agritech, account for nearly 96 percent of the nation's total fertilizer production capacity. The remaining 4 percent is distributed among four smaller companies whose contribution to overall supply remains limited.

Table B below provides a detailed breakdown of the installed production capacities of these manufacturers, highlighting both their individual positions and their combined weight in Pakistan's fertilizer landscape. Following the table, a summary will be presented to illustrate the production volumes of different fertilizer types and their respective shares in national output.

This analysis underscores the high degree of concentration within the industry, where a handful of dominant players define capacity utilization, market competition, and responsiveness to agricultural demand, while smaller producers exert only marginal influence on the broader supply structure.

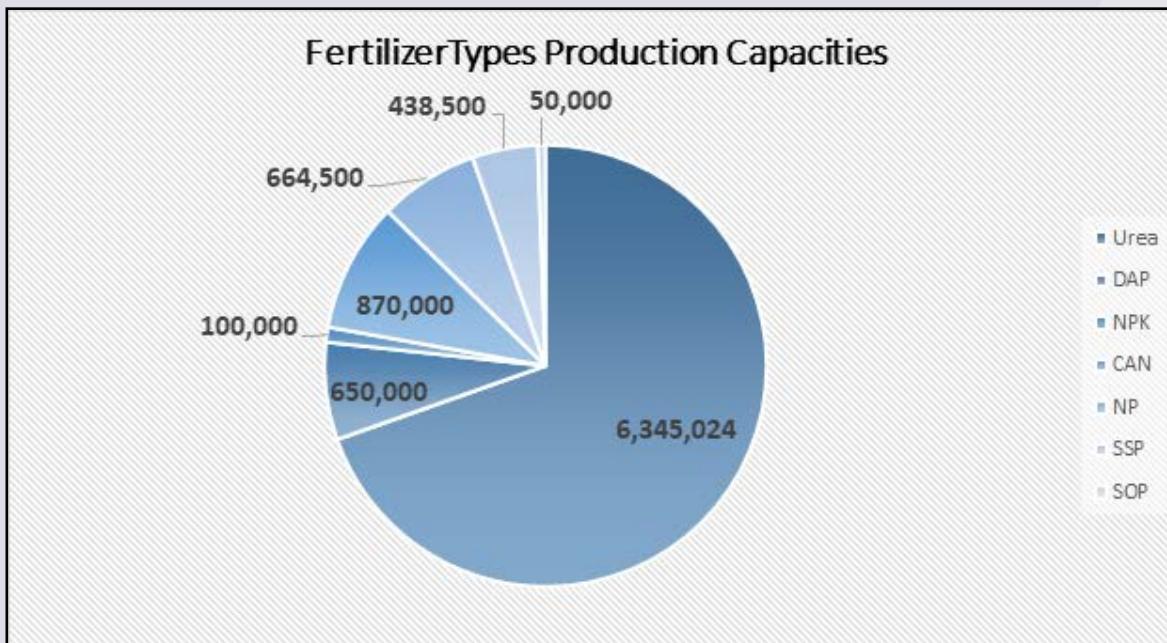


TABLE B

S.NO.	COMPANY WISE PRODUCTION CAPACITY	Tons	%
1	Agritech Limited		
	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%
	Urea - Port Qasim	551,000	6%
	DAP - Port Qasim	650,000	7%
	Total	3,249,000	36%
3	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%
4	Fatima Fertilizer Company Ltd. & FatimaFert		
	Urea	1,037,900	11%
	Calcium Ammonium Nitrate Fertilizer (CAN)	870,000	10%
	Nitrogen Phosphorous Fertilizer (NP)	664,500	7%
	Total Fatima Fertilizer Company Limited	2,572,400	28%
	Other Small Manufacturers		
5	Al-Hamd Chemical (Pvt.) Limited (includes 500 tons of Zinc Sulphate)	72,500	1%
6	Suraj Fertilizer Industries (Private) Limited	150,000	2%
7	Safi Chemical and Fertilizer (Private) Limited	135,000	1.5%
8	Barket Fertilizers Private Limited (Pacific Exim Chemical (Private) Limited	20,000	0.2%
9	Akbari Group SOP	10,000	0.1%
10	Agven Private Limited	20,000	0.2%
	Total other small manufacturers	407,500	4%
	Grand Total	9,118,024	100%

S.#	Fertilizer Type- wise Production Capacity	Production Capacity	% Share
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	50,000	0.5%
Grand Total		9,118,024	100%

Company-wise Capacity Distribution

- The total installed capacity of the fertilizer industry stands at 9.12 million tons.
- Four major manufacturers dominate the landscape, together holding 96% of total capacity, while smaller companies account for only 4%.

Breakdown:

- Fauji Fertilizer Company Limited (FFCL): With 3.25 million tons (36%), FFCL is the largest single contributor. Its diversified product mix includes Urea (2.6 million tons) and DAP (650,000 tons), giving it strong positioning in both nitrogen- and phosphate-based fertilizers.
- Engro Fertilizers Limited (EFERT): Contributes 2.38 million tons (26%), primarily urea (2.28 million tons). Engro's role is heavily concentrated in nitrogen-based fertilizers.
- Fatima Fertilizer Company Limited & FatimaFert: Accounts for 2.57 million tons (28%), with a diversified portfolio of Urea (1.04m tons), CAN (870k tons), and NP (664k tons). Fatima's capacity profile distinguishes it as the most balanced producer across multiple fertilizer types.
- Agritech Limited (AGL): Despite being the oldest, contributes just 514,000 tons (6%), including urea (433k tons) and SSP (81k tons). Its scale is modest compared to other major players.
- Other small manufacturers: Together contribute 407,500 tons (4%), with Suraj Fertilizer (150k tons) as the largest among them. Their role remains marginal in shaping industry supply.

Key Insight: The fertilizer industry in Pakistan is highly concentrated. Following FFC's acquisition of controlling shares in Agritech Limited, FFC now leads the market with 42% of total production capacity. Together, FFC and EFERT account for 66% of industry capacity, underscoring their dominance. Fatima Fertilizer, with its balanced product portfolio, has emerged as a strong challenger, while the other smaller players continue to face capacity constraints.

Fertilizer Type-wise Capacity Distribution

- The dominance of Urea is unmistakable: with 6.35 million tons, it represents 70% of national installed capacity. This reflects Pakistan's crop pattern (urea-intensive wheat, rice, and maize) and government support policies.
- Phosphate-based fertilizers (DAP, NP, SSP, SOP) together account for about 19% of capacity. Notably, DAP (7%) is concentrated in FFCL's Port Qasim operations.
- CAN (10%) and NP (7%)—produced mainly by Fatima Fertilizer—give the company a unique role in diversifying the fertilizer mix beyond urea.
- SSP (5%) and SOP (0.5%) remain niche products, with limited overall contribution.

Key Insight: The fertilizer sector's dependence on urea (70%) underscores vulnerability to gas pricing policies and supply shocks. Phosphate and potash fertilizers remain underrepresented, which may have long-term implications for balanced soil nutrition in Pakistan.

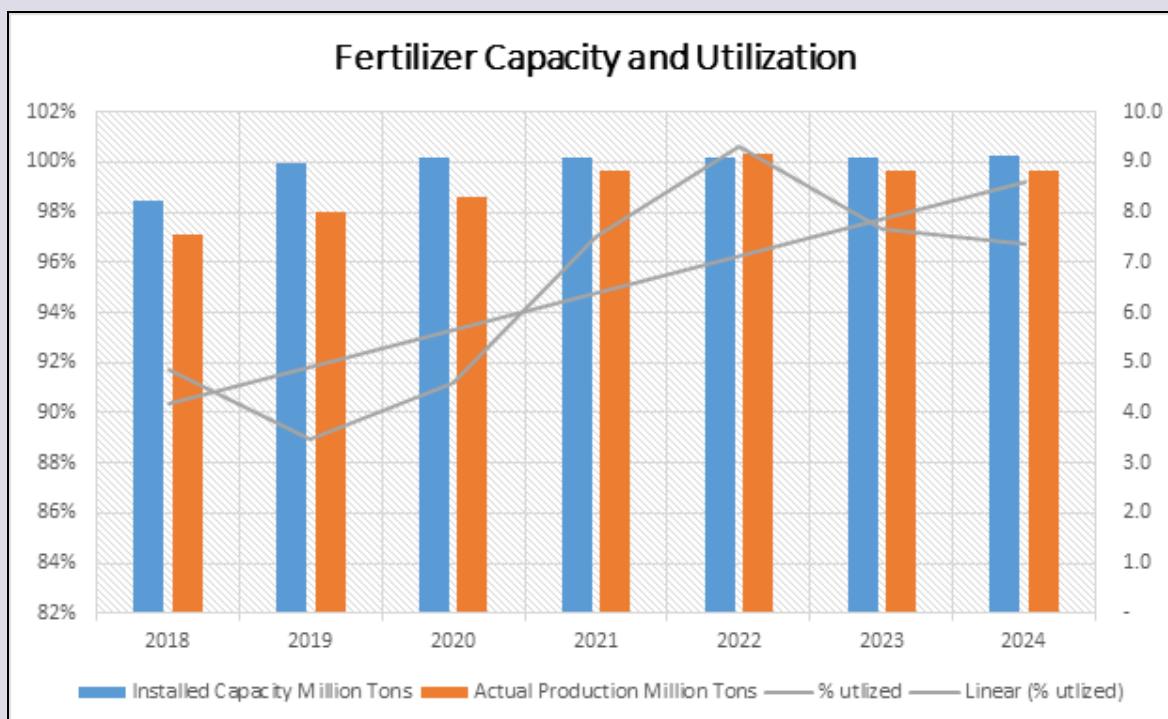
Concluding Observations on Table B

- The fertilizer industry is structurally oligopolistic, with three dominant players (FFCL, EFERT, and FATIMA) holding 90%+ capacity. With FFC major stakes in AGL, the three players now own 96% of the total industry's capacity.
- Product mix is skewed toward nitrogenous fertilizers, particularly urea, which exposes both farmers and manufacturers to risks of imbalance in crop nutrition.
- Fatima Fertilizer's diversified portfolio strengthens industry resilience, while smaller manufacturers' limited role highlights barriers to entry and expansion.

2. Year-to-Year Capacity Installed

This section examines the fertilizer industry's production capacity over the period 2018–2024, analyzing both the year-to-year installed capacity and the actual production achieved. To illustrate these trends, both graphical and tabular presentations are employed—industry-wide performance is depicted through graphs, while company-specific figures are presented in detailed tables.

The analysis highlights the trajectory of capacity utilization across the sector, with overall industry utilization shown graphically, and individual manufacturers' utilization rates captured in tabular form for the years 2018 to 2024. The data not only reflects the industry's capacity to expand and optimize its production capabilities but also underscores the relative efficiency and adaptability of each company in responding to market and operational challenges.



For the purpose of comparing fertilizer manufacturers, two separate tables have been presented. Table C shows the year-wise production capacity of each company, while Table D provides the actual production achieved. Table D further indicates the level of capacity utilization and is supplemented with a summary that presents company-wise aggregate production of all fertilizer types.

Together, these tables offer a comprehensive view of the fertilizer industry's capacity, production performance, and utilization trends over the period 2018–2024.

TABLE C
FERTILIZER PRODUCTION CAPACITIES (TONS) - 2018 - 2024

S.#	FERTILIZER COMPANIES	2024	2,023	2,022	2,021	2,020	2,019	2,018
	UREA (Tons)							
1	Agritech Limited	433,124	433,124	433,124	433,124	433,124	433,124	433,124
1	Fauji Fertilizer Company Ltd.	2,599,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000
2	Fauji Fertilizer Bin Qasim Ltd.	-	551,000	551,000	551,000	551,000	551,000	551,000
3	Engro Fertilizers Ltd.	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000	2,275,000
4	Fatima Fertilizer Company Ltd.	815,150	1,037,900	1,037,900	1,037,900	1,037,900	945,500	945,500
5	FatimaFert (subsidiary of FATIMA)	222,750						
	Total Urea	6,345,024	6,345,024	6,345,024	6,345,024	6,345,024	6,252,624	6,252,624
	Di-ammonium Phosphate Fertilizer (DAP)							
1	Fauji Fertilizer Company Ltd.	650,000	650,000	650,000	650,000	650,000	650,000	650,000
	Total DAP (Tons)	650,000	650,000	650,000	650,000	650,000	650,000	650,000
	Nitrogen, Phosphorous and Potassium Fertilizer (NPK)							
	Engro Fertilizers Ltd.	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	Total NPK (Tons)	100,000	100,000	100,000	100,000	100,000	100,000	100,000
	Calcium Ammonium Nitrate Fertilizer (CAN)							
	Fatima Fertilizer Company Ltd.	870,000	870,000	870,000	870,000	870,000	870,000	420,000
	Total CAN	870,000	870,000	870,000	870,000	870,000	870,000	420,000
	Nitrogen Phosphorous Fertilizer (NP)							
	Fatima Fertilizer Company	664,500	664,500	664,500	664,500	664,500	664,500	360,000
	Total NP (Tons)	664,500	664,500	664,500	664,500	664,500	664,500	360,000
	SSP							
1	Agritech Limited	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. Limited	135,000	135,000	135,000	135,000	135,000	135,000	135,000
4	Al-Hamd Fertilizer Private Limited	72,500	72,500	72,500	72,500	72,500	72,500	72,500
	Total SSP (Tons)	438,500	438,500	438,500	438,500	438,500	438,500	438,500
	SOP							
	Barket Fertilizer Pvt.) Limited (Pacific Exim)	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	Akbari Group	10,000	-	-	-	-	-	-
	Agven Private Limited	20,000	-	-	-	-	-	-
	Total SOP	50,000	20,000	20,000	20,000	20,000	20,000	20,000
	Grand Total Tons	9,118,024	9,088,024	9,088,024	9,088,024	9,088,024	8,995,624	8,241,124

Operations related to Sheikhupura plant have been transferred to Fatimafert Limited with effect July 01, 2024

SUMMARY - YEAR TO YEAR & COMPANY WISE PRODUCTION CAPACITIES								
1	Agritech Limited	514,124	514,124	514,124	514,124	514,124	514,124	514,124
		6%	6%	6%	6%	6%	6%	6%
2	Fauji Fertilizer Company Ltd	3,249,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000
		36%	23%					
3	Fauji Fertilizer Bin Qasim Ltd	-	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000	1,201,000
		0%	13%	13%	13%	13%	13%	15%
4	Engro Fertilizers Limited	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
		26%	26%	26%	26%	26%	26%	29%
5	Fatima Fertilizer Company Ltd.	2,349,650	2,572,400	2,572,400	2,572,400	2,572,400	2,480,000	1,725,500
		26%	28%	28%	28%	28%	28%	21%
6	FatimaFert	222,750	-	-	-	-	-	-
		2%	-	-	-	-	-	-
7	Other Small companies	407,500	377,500	377,500	377,500	377,500	377,500	377,500
		4%	4%	4%	4%	4%	4%	5%
	TOTAL (Tons)	9,118,024	9,088,024	9,088,024	9,088,024	9,088,024	8,995,624	8,241,124
		100%	100%	100%	100%	100%	100%	100%

Analysis of Year-to-Year Installed Capacity (2018–2024)

Overall Industry Trend

- The total installed capacity of the fertilizer industry in Pakistan rose from 8.24 million tons in 2018 to 9.12 million tons in 2024, showing a moderate but steady growth of around 10% over the seven-year period.
- Since 2019, the total capacity has remained stable at 9.09 million tons upto 2023 and slightly increase to 9.12 in 2024.

Company-Level Observations

- Fauji Fertilizer Company (FFC):**

Capacity jumped sharply in 2024, from 2.05 million tons to 3.25 million tons, primarily due to the merger/absorption of FFBL's DAP and Urea units into FFC. This makes FFC the largest player in 2024 with over 36% market share.

- Fauji Fertilizer Bin Qasim (FFBL):**

Operated consistently at 1.2 million tons (2018–2023), but disappears from 2024 onwards, after its merger into FFC.

- Engro Fertilizers (EFERT):**

A consistent player, with 2.375 million tons capacity throughout the entire period (2017–2024). Stability shows a mature, fully optimized setup without new capacity additions.

- **Fatima Fertilizer (FCL + FatimaFert):**

Significant contributor with 2.57 million tons up to 2023, though in 2024 it is slightly lower at 2.35 million tons, reflecting reclassification of capacity between the parent (FCL) and subsidiary (FatimaFert). Notably, the company was the main source of growth between 2017 and 2018 (adding ~755,000 tons).

- **Agritech Limited (AGL):**

Capacity has remained static at ~514,000 tons throughout 2017–2024, indicating no expansion efforts. Its share in total capacity has declined over time (from 6% in 2017 to ~5% in 2024).

- **Other Small Manufacturers:**

Collectively account for 407,500 tons, a modest but consistent 4% share. Their role remains marginal and unchanged.

By Fertilizer Type

- Urea dominates: Installed capacity is 6.34 million tons (70%), and has stayed constant since 2018.
- DAP: Fixed at 650,000 tons (7%), concentrated under FFBL (now merged with FFC).
- CAN & NP (Fatima Fertilizer specialty products): Stable at 870,000 tons (10%) for CAN and 664,500 tons (7%) for NP since 2018, though both nearly doubled compared to 2017, highlighting diversification efforts.
- SSP & SOP: Very small contributors at 5% and less than 1%, mainly from smaller players.

Key Insights

- The industry has matured, with major expansions occurring before 2019, and capacity stabilizing afterward.
- The consolidation of FFBL into FFC in 2024 represents the most significant structural shift in recent years, making FFC the undisputed market leader.
- Fatima Fertilizer remains the second-largest contributor, notable for its diversification into non-urea fertilizers (CAN, NP).
- Engro Fertilizers, while large, has not expanded capacity in years, indicating reliance on operational efficiency rather than growth.
- Agritech and small players have a static and small relative role in the industry.

In short, the data shows that Pakistan's fertilizer industry entered a capacity consolidation phase after 2018, with structural realignments (FFC–FFBL merger) now shaping the competitive landscape rather than new capacity additions.

TABLE D
FERTILIZER PRODUCTION (TONS) 2018 -2024

S.#	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
	UREA							
1	Agritech Limited	372,012	292,255	353,284	226,768	124,785	338,090	95,934
2	Fauji Fertilizer Company Ltd.	2,841,000	2,521,000	2,404,000	2,507,000	2,487,000	2,492,000	2,522,000
3	Fauji Fertilizer Bin Qasim Ltd.	-	336,107	523,581	501,236	558,932	508,404	561,819
4	Engro Fertilizers Ltd.	2,147,025	2,313,448	1,954,528	2,104,722	2,263,806	2,003,035	1,928,080
5	Fatima Fertilizer Company Ltd.	811,771	985,419	1,095,084	800,634	680,889	822,656	607,772
6	Fatimafert	275,849	-	-	-	-	-	-
	Total Urea	6,447,657	6,448,229	6,330,477	6,140,360	6,115,412	6,164,185	5,715,605
	Di-ammonium Phosphate Fertilizer (DAP)							
1	Fauji Fertilizer Company Ltd.	452,000						
2	Fauji Fertilizer Bin Qasim Ltd.	-	660,004	847,843	790,415	739,968	830,696	730,136
	Total DAP	452,000	660,004	847,843	790,415	739,968	830,696	730,136
	Nitrogen, Phosphorous and Potassium Fertilizer (NPK) and NP							
1	Engro Fertilizers Ltd.	105,296	96,328	137,075	144,564	127,082	134,784	132,790
2	Fatima Fertilizer Company Ltd.	852,490	713,038	866,724	829,822	637,418	407,511	429,250
	Total NPK	957,786	809,366	1,003,799	974,386	764,500	542,295	562,040
	Calcium Ammonium Nitrate Fertilizer (CAN)							
1	Fatima Fertilizer Company Ltd.	854,557	839,721	866,620	792,438	577,975	403,444	474,968
	Total CAN	854,557	839,721	866,620	792,438	577,975	403,444	474,968
	Total NP							
	SINGLE SUPER PHOSPHATE							
1	Agritech Limited	80,341	77,150	63,596	73,244	66,341	41,809	59,059
2	Suraj Fertilizer (Pvt.) limited	53	7,000	18,000	36,000	14,000	13,000	14,000
3	Safi Chemical & Fertilizer (Pvt.) Ltd.	120	-	500	4,000	1,600	900	-
		80,514	84,150	82,096	113,244	81,941	55,709	73,059
	SOP							
	Barket Fertilizer Pvt.) Limited (Pacific Exim)	18,456	14,000	16,000	10,000	10,000	8,000	-
	Agven Private Limited	9,184	-	-	-	-	-	
	Total SOP	27,640	14,000	16,000	10,000	10,000	8,000	-
	Grand Total	8,820,154	8,855,470	9,146,835	8,820,843	8,289,796	8,004,329	7,555,808
	Capacity Utilization	97%	97%	101%	97%	91%	89%	92%

Operations related to Sheikhpura plant have been transferred to Fatimafert Limited with effect July 01, 2024.

SUMMARY								
1	Agritech Limited	452,353	369,405	416,880	300,012	191,126	379,899	154,993
2	Fauji Fertilizer Company Ltd.	3,293,000	2,521,000	2,404,000	2,507,000	2,487,000	2,492,000	2,522,000
3	Fauji Fertilizer Bin Qasim	-	996,111	1,371,424	1,291,651	1,298,900	1,339,100	1,291,955
4	Engro Fertilizers Ltd.	2,252,321	2,409,776	2,091,603	2,249,286	2,390,888	2,137,819	2,060,870
5	Fatima Fertilizer Company Ltd.	2,518,818	2,538,178	2,828,428	2,422,894	1,896,282	1,633,611	1,511,990
6	Fatimafert	275,849						
7	Suraj Fertilizer (Pvt.) Limited	53	7,000	18,000	36,000	14,000	13,000	14,000
8	Safi Chemical & Fertilizer (Pvt.) Ltd.	120	-	500	4,000	1,600	900	-
9	Barket Fertilizer Pvt.) Ltd (Pacific Exim)	18,456	14,000	16,000	10,000	10,000	8,000	-
10	Agven Private Limited	9,184						
	TOTAL	8,820,154	8,855,470	9,146,835	8,820,843	8,289,796	8,004,329	7,555,808
Production of the small players is estimated								

1. Overall Fertilizer Production

- **Grand total production stayed within a relatively tight range:**
 - 2018: 7.56 million tons
 - 2024: 8.82 million tons
- Peak production was in 2022 (9.15 million tons), followed by a dip to 8.84 million tons in 2023 and 8.82 million tons in 2024.
- **Capacity utilization remained high:**
 - Range: 89% (2019) – 101% (2022)
 - 2024: 97%, showing the industry is operating near full capacity.

2. Urea Production – The Backbone of the Industry

- Urea consistently dominates: 6.1–6.4 million tons annually since 2019 (≈73–77% of total fertilizer production).
- **Key players:**
 - Fauji Fertilizer Company (FFC): Largest and most stable producer, rising from 2.49m tons (2019) to 2.84m tons (2024).
 - Engro Fertilizers: Fluctuated between 1.93m tons (2018) and 2.31m tons (2023), producing 2.15m tons in 2024.
 - Fatima Fertilizer: Grew from 0.61m tons (2018) to 0.81m tons (2024), despite transferring the Sheikhupura plant to Fatimafert in July 2024.
 - Fatimafert: Entered in 2024 with 276k tons from the transferred plant.
 - Agritech: Volatile, producing 372k tons in 2024, recovering from a low of 96k tons (2018).
- Overall urea output: 6.45m tons in 2024, almost unchanged from 2023 (6.45m tons).

3. DAP (Di-Ammonium Phosphate)

- Highly volatile production.
- Peak: 2022 (848k tons).
- Declined sharply to 660k tons (2023) and 452k tons (2024).
- FFBL, once a major player, shows no DAP production in 2024, leaving FFC as the only active producer because of its merger with FFC.

4. Other Fertilizers

- **NPK/NP (Nitrogen, Phosphorus, Potassium):**
 - Fatima Fertilizer: Dominates, producing 852k tons in 2024, up from 429k tons (2018).
 - Engro: Smaller but steady, producing 105k tons in 2024.
 - Total NPK/NP: 958k tons in 2024, nearly double the 2018 level.
- **CAN (Calcium Ammonium Nitrate):**
 - Exclusively produced by Fatima Fertilizer.
 - Strong growth: 475k tons (2018) → 855k tons (2024).
- **SSP (Single Super Phosphate):**
 - Mainly Agritech, Suraj Fertilizer, and Safi Chemical.
 - Production modest at 81k tons in 2024, down from 113k tons (2021).
- **SOP (Sulphate of Potash):**
 - Produced by Barkat Fertilizer and Agven Pvt. Ltd.
 - Output at 28k tons in 2024, an all-time high, compared with 10k tons (2020).

5. Company-Wise Highlights

- **Fauji Fertilizer Company (FFC):**
 - Top producer with 3.29m tons in 2024, ~37% of industry output.
- **Engro Fertilizers:**
 - Strong second with 2.25m tons (26%).
- **Fatima Group (Fatima Fertilizer + Fatimafert):**
 - Combined output 2.79m tons (32%) in 2024.
- **Agritech:**
 - 452k tons (5%), showing recovery.
- **Smaller players (Suraj, Safi, Barkat, Agven):**
 - Collectively contributed less than 1% of total production.

6. Shifts and Strategic Implications

- FFB's merger with FFC is a major structural change,
- Fatima Fertilizer's rise in CAN and NP has strengthened diversification away from urea.
- Industry is heavily urea-dependent but slowly diversifying (CAN, NP, DAP).

Overall, the fertilizer industry shows stability in urea, volatility in DAP, and growth in diversified fertilizers (CAN/NP). Market power is concentrated in FFC, Engro, and Fatima Group, who together control over 90% of production. In 2025, FFC has successfully acquired majority of the shares of Agritech. The big four now controls 96% of the fertilizer manufacturing in Pakistan.

3. Imports

To bridge the gap between farmers' demand and the local production of fertilizer, the Government of Pakistan arranges imports through the Trading Corporation of Pakistan (TCP).

Table F below presents the record of urea imports over the last fourteen years. The figures highlight periods of heavy reliance on imports—particularly during 2011-12 and 2013-14—followed by years of negligible or no imports when domestic production was relatively sufficient.

TABLE - E

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
14	2023-24*	220,224
	Sub Total	722,111
	Grand Total	5,816,278
14	2023-24 (Detail)	
	Dec-23	47,648
	Jan-24	172,576
	Total	220,224

Commentary on Urea Imports

The data reveals that Pakistan's dependence on imported urea has varied considerably over the last fourteen years. The heaviest reliance occurred between 2010-11 and 2013-14, when annual imports frequently exceeded half a million tons and even crossed 1.6 million tons in 2011-12, reflecting acute domestic shortfalls.

From 2015-16 onwards, imports dropped sharply, with some years (2016-17, 2017-18, and 2021-22) recording zero imports, a sign that local production was broadly able to meet demand during those periods. However, complete self-sufficiency remained elusive.

The reappearance of imports in 2018-19 through 2020-21, though at modest levels (around 100,000 tons annually), highlights the persistent gap between supply and demand. More recently, imports again rose, with 2022-23 and 2023-24 together accounting for more than 415,000 tons, underscoring continued pressure on domestic production and the government's need to intervene through TCP.

Overall, the Grand Total of nearly 5.82 million tons of imported urea during this 14-year period illustrates the significant burden placed on the national exchequer and foreign exchange reserves. This reliance also signals structural challenges within the fertilizer sector, mainly the gas supply constraints faced by the urea manufacturers.

5

CHAPTER

Investment in Property, Plant and Equipment (Fixed Assets)

This chapter discusses the investments made by the leading fertilizer companies of Pakistan during the years 2018–2024.

The accompanying graph illustrates:

- Gross investment in property, plant, and equipment,
- The book value of these assets at the end of each year for the entire industry,
- Year-on-year percentage increase or decrease, and
- The overall investment trend line.

Table F presents detailed information on investments at cost made by each fertilizer manufacturer, while Table G provides the corresponding book value of property, plant, and equipment of each company.

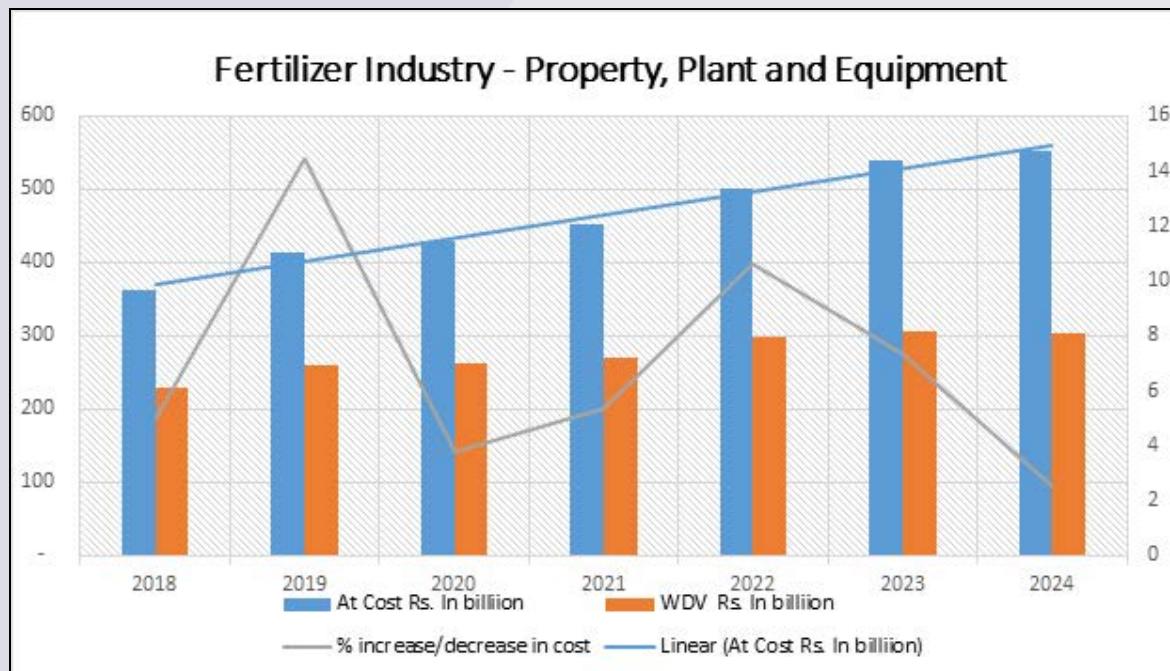


TABLE F
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT AT COST

S.#	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rupees in Billion								
1	Agritech Limited	114.42	114.28	114.13	92.52	92.49	92.40	54.95
2	Fauji Fertilizer Company Ltd.	144.58	93.95	69.99	63.77	59.16	54.66	55.91
3	Fauji Fertilizer Bin Qasim Ltd.	-	36.21	35.45	35.41	325.26	33.96	31.97
4	Engro Fertilizers Ltd.	148.89	142.52	136.82	130.17	117.73	115.01	112.56
5	Fatima Fertilizer Company Ltd.	144.26	151.42	145.05	131.34	125.60	118.49	106.71
Total		552.15	538.37	501.45	453.20	430.25	414.52	362.11

TABLE G
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT AT WDV

S.#	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rupees in Billion								
1	Agritech Limited	66.69	68.34	69.93	56.97	58.54	60.04	38.59
2	Fauji Fertilizer Company Ltd.	58.21	40.22	27.63	23.99	22.84	22.21	21.53
3	Fauji Fertilizer Bin Qasim Ltd.	-	9.62	9.73	10.57	11.25	10.43	9.75
4	Engro Fertilizers Ltd.	83.14	78.44	77.88	73.03	65.73	65.92	68.20
5	Fatima Fertilizer Company Ltd.	96.20	110.03	114.34	105.42	104.94	100.72	91.72
Total		304.24	306.64	299.51	269.98	263.30	259.33	229.80

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

Analysis of Investment in Property, Plant, and Equipment (2018–2024)

1. Industry-Wide Trends

- The fertilizer industry's gross investment in property, plant, and equipment increased steadily from Rs. 362.11 billion in 2018 to Rs. 552.15 billion in 2024, reflecting an overall growth of 52% over seven years.
- The industry added around Rs. 190 billion worth of assets during this period, showing a consistent upward investment trend, though the pace varied across years and companies.
- The largest yearly jump occurred in 2022–2024, when the total investment grew from Rs. 501.45 billion (2022) to Rs. 552.15 billion (2024).

2. Company-Wise Trends

Agritech Limited

- Agritech's investments rose sharply from Rs. 54.95 billion in 2018 to Rs. 114.42 billion in 2024, effectively doubling in seven years.

- Major increases occurred between 2018–2021 (+Rs. 37.5 billion), thanks to revaluation of Property, Plant and equipment.
- Since 2022, investment has stabilized around Rs. 114 billion, showing little incremental spending.

Fauji Fertilizer Company Ltd. (FFC)

- FFC displayed the most dynamic growth in capital investment.
- Its investment almost tripled, rising from Rs. 55.91 billion in 2018 to Rs. 144.58 billion in 2024.
- The steepest jumps were in 2022–2024, suggesting additions in assets other than capacity additions and merger of FFBL in 2024.

Engro Fertilizers Ltd.

- Engro consistently maintained the highest investment base, starting at Rs. 112.56 billion in 2018 and climbing to Rs. 148.89 billion in 2024.
- Growth has been steady and incremental, averaging ~Rs. 5–7 billion per year.
- This reflects Engro's strategy of continuous upgrades and maintenance rather than sudden expansions.

Fatima Fertilizer Company Ltd.

- Fatima Fertilizer recorded the largest proportional increase after FFC.
- Investment grew from Rs. 106.71 billion in 2018 to Rs. 144.26 billion in 2024 (+35%).
- Its peak was in 2023 (Rs. 151.42 billion), after which investment slightly contracted in 2024, due to separation of Sheikhupura operations and conversion into a new identity 'Fatimafert limited'.

3. Comparative Insights

- Top Investors in 2024: Engro (Rs. 148.89b), FFC (Rs. 144.58b), and Fatima (Rs. 144.26b) are clustered closely, each accounting for ~26–27% of the industry's asset base.
- Agritech's Rise: From being the smallest player in 2018, Agritech has leapfrogged FFBL by 2021 and now maintains a large fixed asset base (Rs. 114.42b).

Analysis of Book Value of Property, Plant, and Equipment (Table G)

- The book value trend typically trails the gross investment but reflects the real economic worth of assets after accounting for usage and depreciation.
- Companies like Engro and FFC, with continuous yearly additions, should show steadily rising book values and the merger of FFBL with FFC.
- Fatima Fertilizer's slight decline in 2024 (despite high investment in 2023) is mainly due to separation of the Sheikhupura operations and their conversion to a new identity, Fatimafert Limited.
- Agritech's book value should have risen sharply post-2020, in line with its large capital spending, signaling asset rejuvenation.

Conclusion

The data shows that Engro, FFC, and Fatima dominate the industry's asset base, together holding over 75% of total investments by 2024.

- FFC emerged as the fastest-growing investor, reflecting strong expansion and modernization.
- Agritech made impressive strides in rehabilitating its asset base after years of weakness.
- FFBL, in contrast, remained stagnant, underlining a cautious approach or capacity constraints.

Overall, the industry's continuous rise in investment underscores its commitment to ensuring sustained production, efficiency, and competitiveness.

Having examined the industry's investments in property, plant, and equipment, the next step is to assess how effectively these assets were utilized and what returns they generated.

6

CHAPTER

Sales Revenue

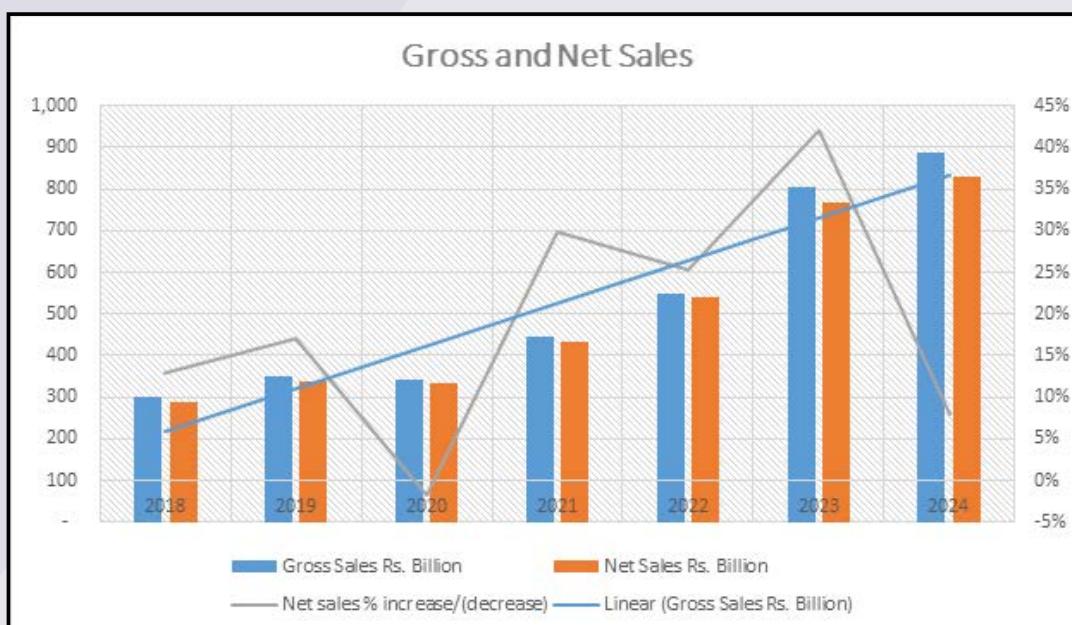
Sales are the cornerstone activity of any manufacturing enterprise. All other functions—manufacturing, finance, accounts, administration, and support departments—exist to facilitate and sustain the sales process. Without sales, production facilities would stagnate, inventories would pile up, and labor would be underutilized or laid off. In short, sales drive the sustainability and prosperity of the enterprise.

The fertilizer sector, like any other industry, is evaluated primarily on this fundamental principle. Sales revenue not only reflects the industry's outreach and demand in the market but also determines its ability to generate profits, reinvest, and contribute to the economy.

In this chapter, we review gross sales and net sales of the industry for the period 2018–2024. Profitability trends, based on these sales figures, will be analyzed in the following chapter.

Industry-wide performance is illustrated through a graph that shows:

- Gross and net sales (dual bars) for each year, and
- A line graph indicating the year-on-year percentage change in net sales.



Company-wise performance is provided in the following tables, provided below.

TABLE H
GROSS SALES

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billion								
1	Agritech Limited	33.24	23.03	17.59	10.43	5.92	12.71	4.68
2	Fauji Fertilizer Company Ltd.	399.60	164.65	110.51	110.92	100.02	108.55	109.39
3	Fauji Fertilizer Bin Qasim Ltd.	-	205.59	160.68	112.68	85.09	68.81	63.05
4	Engro Fertilizers Ltd.	197.91	167.42	98.57	93.04	77.17	80.81	68.58
5	Fatima Fertilizer Company Ltd.	256.12	245.44	162.66	116.54	74.10	77.94	54.19
TOTAL		886.87	806.12	550.01	443.60	342.30	348.82	299.89

TABLE I
NET SALES

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billion								
1	Agritech Limited	31.31	22.17	17.30	10.10	5.70	12.17	4.53
2	Fauji Fertilizer Company Ltd.	373.54	159.47	109.36	108.65	97.65	105.78	105.96
3	Fauji Fertilizer Bin Qasim Ltd.	-	193.06	159.23	110.45	83.23	66.84	61.51
4	Engro Fertilizers Ltd.	186.71	161.67	96.94	90.58	75.06	79.24	66.14
5	Fatima Fertilizer Company Ltd.	238.42	232.75	158.80	112.49	71.27	74.96	51.31
TOTAL		829.97	769.13	541.63	432.28	332.91	339.00	289.46

Commentary and Analysis

1. Industry Sales Growth (2018–2024)

The fertilizer industry has witnessed a remarkable expansion in sales revenue over the seven-year period.

- Gross sales grew from Rs. 299.89 billion in 2018 to Rs. 886.87 billion in 2024, reflecting a three-fold increase (195%).
- Net sales followed a similar trend, rising from Rs. 289.46 billion in 2018 to Rs. 829.97 billion in 2024, showing a growth of 187%.
- The most significant jump occurred after 2021, when industry net sales crossed Rs. 400 billion and nearly doubled within the next two years.

This surge can be attributed to a combination of factors:

1. Increase in fertilizer prices due to inflationary pressures and rising input costs.
2. Strong demand driven by government support programs, higher crop prices, and increased farm activity.
3. Improved production capacity utilization, particularly by major players like Fauji Fertilizer, Engro, and Fatima Fertilizer.

2. Company-Wise Sales Performance

Fauji Fertilizer Company Ltd. (FFC)

- Retained its position as the market leader throughout the period.
- Net sales rose from Rs. 105.96 billion in 2018 to Rs. 373.54 billion in 2024.
- The company contributed nearly 45% of industry net sales in 2024 (after the merger of FFBL), underscoring its dominance.
- The surge in 2023–2024 is particularly notable, as revenues more than doubled within two years

Engro Fertilizers Ltd.

- growth trajectory has been steadier compared to FFC, but Engro remains the third-largest contributor, holding Displayed consistent and sustained growth, with net sales increasing from Rs. 66.14 billion in 2018 to Rs. 186.71 billion in 2024. Its around 22% of industry net sales in 2024.

Fatima Fertilizer Company Ltd

- Emerged as a strong performer, with net sales rising from Rs. 51.31 billion in 2018 to Rs. 238.42 billion in 2024—a more than fourfold increase.
- Its revenue leap in 2022–2024 highlights its expanding market share, driven by diversified product offerings and strong demand for specialty fertilizers.

Fauji Fertilizer Bin Qasim Ltd. (FFBL)

- Recorded healthy growth from Rs. 61.51 billion in 2018 to Rs. 193.06 billion in 2023.
- However, no figure appears for 2024, because of its merger with FFC.

Agritech Limited

- Being the smallest player, its sales are modest but improving, rising from Rs. 4.53 billion in 2018 to Rs. 31.31 billion in 2024.
- Despite financial and operational constraints, the company has managed a nearly seven-fold increase in net sales, showing resilience in the market.

3. Industry Trends and Observations

1. Post-2020 Acceleration: After the COVID-19 downturn in 2020, sales revenue rebounded sharply, reflecting both price adjustments and demand recovery.
2. Pricing Effect: A substantial portion of the sales growth can be attributed to price hikes rather than volume expansion, given constraints in local gas supply for urea manufacturing.
3. Market Concentration: The industry remains highly concentrated, with FFC, Engro, and Fatima Fertilizer collectively contributing over 96% of net sales in 2024.
4. Net-to-Gross Ratio: From 2018 to 2021, net sales consistently represented around 97% of gross sales, indicating minimal deductions for discounts or rebates during this period. In 2022, the ratio improved further to 98%, reflecting even stronger pricing power and demand stability. However, in subsequent years the ratio declined, reaching 95% in 2023 and 94% in 2024, suggesting relatively higher adjustments—possibly due to increased dealer discounts, government interventions, or other market factors.

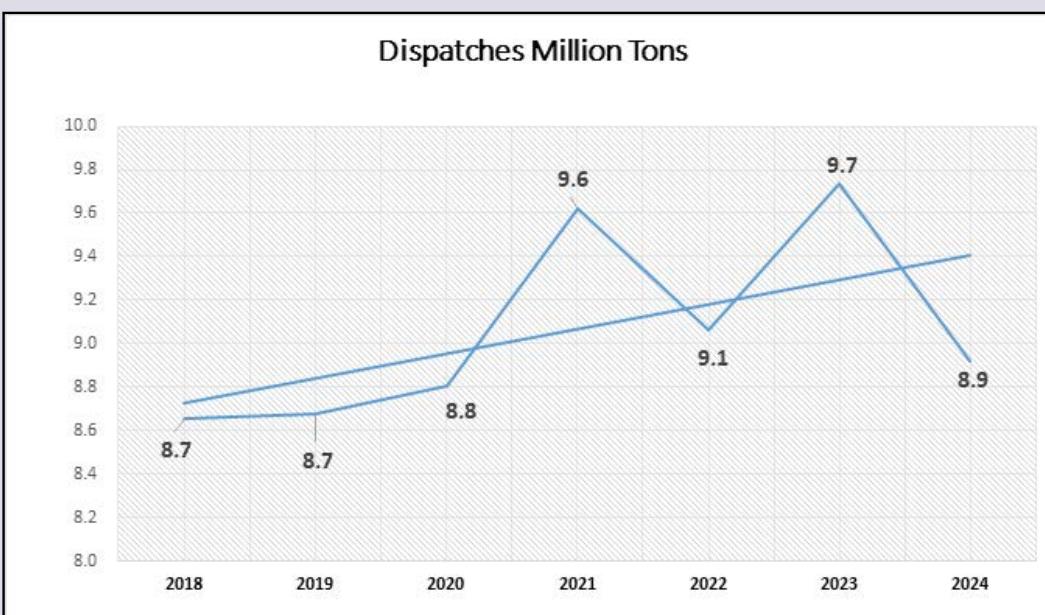
4. Conclusion

The fertilizer sector's sales revenue from 2018–2024 demonstrates a robust upward trajectory, driven mainly by price escalation and sustained demand. Fauji Fertilizer Company (FFC) continues to serve as the backbone of the industry, while Engro and Fatima Fertilizer have expanded their roles significantly. Smaller players such as Agritech, though limited in scale, have also shown resilience.

5. Dispatches

For a more meaningful understanding, sales growth in monetary terms must be assessed alongside the quantities sold. The graph below and Table J below provide insights into dispatches of different kinds of fertilizers by each manufacturer.

A key observation emerges in 2024: while the industry recorded a significant decline in total dispatches (sales volume) compared with the previous year, both gross sales (Table H) and net sales (Table I) registered handsome increases in monetary terms. This underlines the fact that recent revenue growth has been price-driven rather than volume-driven.


TABLE J
FERTILIZER DISPATCHES (SALES TONS)

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
UREA								
1	Agritech Limited	325,000	285,551	351,933	232,094	139,296	320,323	100,895
2	Fauji Fertilizer Company Ltd.	2,942,000	2,629,000	2,495,000	2,703,000	2,765,000	2,720,000	3,030,000
3	Fauji Fertilizer Bin Qasim Ltd.	-	336,785	522,561	501,136	559,332	508,094	562,000
4	Engro Fertilizers Ltd.	2,026,719	2,326,595	1,933,789	2,296,258	2,057,567	1,985,377	1,994,412
5	Fatima Fertilizer Company Ltd.	941,000	970,000	1,106,000	836,000	755,000	777,526	662,034
	Total Urea	6,234,719	6,547,931	6,409,283	6,568,488	6,276,195	6,311,320	6,349,341
Di-AMMONIUM PHOSPHATE (DAP)								
1	Engro Fertilizers Ltd.	306,447	278,805	263,770	296,881	371,791	514,172	602,529
2	Fauji Fertilizer Company Ltd.	523,000						
3	Fauji Fertilizer Bin Qasim Ltd.	-	845,515	660,946	790,196	926,273	687,918	687,000
4	Fatima Fertilizer Company Ltd.	89,000	96,000	21,000	65,000	179,000	106,702	26,371
	Total DAP	918,447	1,220,320	945,716	1,152,077	1,477,064	1,308,792	1,315,900
Nitrogen, Phosphorous and Potassium Fertilizer (NPK) & Other blends								
	Engro Fertilizers Ltd.	59,858	90,200	61,375	45,273	61,708	63,473	45,282
	Total NPK	59,858	90,200	61,375	45,273	61,708	63,473	45,282
Calcium Ammonium Nitrate Fertilizer (CAN)								
	Fatima Fertilizer Company Ltd.	679,000	800,000	871,000	894,000	489,000	471,828	499,608
	Total CAN	679,000	800,000	871,000	894,000	489,000	471,828	499,608
Nitrogen Phosphorous Fertilizer (NP)								
	Fatima Fertilizer Company Ltd.	813,000	1,000,000	718,000	882,000	444,000	477,992	377,726
	Total NP	813,000	1,000,000	718,000	882,000	444,000	477,992	377,726
SINGLE SUPER PHOSPHATE SSP								
1	Agritech Limited	71,000	80,226	54,137	80,152	59,929	41,916	66,748
	Total SSP	71,000	80,226	54,137	80,152	59,929	41,916	66,748
OTHER PRODUCTS IMPORTED								
	Fauji Fertilizer Limited	147,000						
		147,000						
	Total	8,923,024	9,738,677	9,059,511	9,621,990	8,807,896	8,675,321	8,654,605

TABLE ??
COMPANY WISE DISPATCHES (SALES TONS)

1	Agritech Limited	396,000	365,777	406,070	312,246	199,225	362,239	167,643
2	Fauji Fertilizer Company Ltd.	3,612,000	2,629,000	2,495,000	2,703,000	2,765,000	2,720,000	3,030,000
3	Fauji Fertilizer Bin Qasim Ltd.	-	1,182,300	1,183,507	1,291,332	1,485,605	1,196,012	1,249,000
4	Engro Fertilizers Ltd.	2,393,024	2,695,600	2,258,934	2,638,412	2,491,066	2,563,022	2,642,223
5	Fatima Fertilizer Company Ltd.	2,522,000	2,866,000	2,716,000	2,677,000	1,867,000	1,834,048	1,565,739
TOTAL		8,923,024	9,738,677	9,059,511	9,621,990	8,807,896	8,675,321	8,654,605

Quantities sold by Fatimafert are included in the sales of Fatima Fertilizer
Fauji Fertilizer Bin Qasim Ltd. Merged with FFC in 2024

Commentary and Analysis on Fertilizer Dispatches (2018–2024)

1. Overall Industry Dispatches

- Total industry dispatches (all fertilizer types) fluctuated between 8.6 million tons (2018–2019) and a peak of 9.7 million tons in 2023, before falling back to 8.9 million tons in 2024.
- While dispatch volumes in 2024 declined by about 8% compared with 2023, sales revenues (gross and net) recorded a strong increase. This indicates that price escalation, rather than volume growth, was the principal driver of revenue expansion in recent years.

2. Urea Dispatches

- Urea remained the dominant product, representing roughly 70% of total fertilizer sales volume.
- Industry-wide urea dispatches declined slightly from 6.55 million tons in 2023 to 6.23 million tons in 2024.
- Fauji Fertilizer Company Ltd. (FFC) maintained leadership, dispatching nearly 2.94 million tons in 2024, followed by Engro Fertilizers Ltd. with 2.03 million tons.
- Agritech Limited, despite smaller scale, showed gradual improvement, reaching 325,000 tons in 2024.

3. DAP Dispatches

- Dispatches of DAP showed sharp fluctuations: from 1.48 million tons in 2020 to just 0.92 million tons in 2024.
- The decline reflects global price volatility of imported phosphates and reduced affordability for farmers.

- FFBL, once a major player in DAP, reported no dispatches in 2024, because of its merger with FFC. FFC and Engro contributed the bulk of DAP sales.

4. Other Fertilizer Products

- NPK Blends: Dispatches remained small, fluctuating between 45,000–90,000 tons. In 2024, they dropped to 59,858 tons, underscoring niche demand.
- Calcium Ammonium Nitrate (CAN): Fatima Fertilizer remained the sole producer, dispatching 679,000 tons in 2024, down from 800,000 tons in 2023.
- Nitrogen Phosphorous (NP): Fatima Fertilizer recorded a drop from 1.0 million tons in 2023 to 813,000 tons in 2024, though still far higher than earlier years.
- Single Super Phosphate (SSP): Agritech Limited's SSP sales fluctuated, closing at 71,000 tons in 2024, a modest recovery compared with 2020–2021.
- Other Imported Products: FFC introduced additional products in 2024 (147,000 tons), showing attempts at diversification.

5. Company-Wise Performance

- FFC remained the largest player in physical volumes, dispatching 3.61 million tons in 2024 (around 40% of the total industry).
- Engro Fertilizers Ltd. contributed 2.39 million tons, slightly down from 2.69 million tons in 2023.
- Fatima Fertilizer Company Ltd. dispatched 2.52 million tons, a decline from 2.87 million tons in 2023 but still above pre-2020 levels.
- FFBL recorded no dispatches in 2024, because of its merger with FFC.
- Agritech Limited remained the smallest contributor with 396,000 tons, yet this was its highest volume in the period under review.

6. Key Insights

1. Volume vs. Value Gap: Despite a decline in total dispatches in 2024, industry sales revenue rose sharply. This confirms that price increases, not quantity growth, were the key revenue driver.
2. Market Concentration: FFC, Engro, and Fatima together account for nearly 95% of total dispatches, showing the high concentration of market power.
3. DAP Weakness: Phosphate-based fertilizers (DAP, SSP) have consistently lost share due to higher costs and reliance on imports.

4. Diversification Trend: Fatima, has a diversified blends (NPK, NP, CAN), but volumes remain small compared to urea.
5. Farmer Affordability: The fall in dispatches of DAP and other phosphatic fertilizers indicates farmer demand is price-sensitive, raising concerns for balanced nutrient application.

7. Conclusion

The dispatch data highlights the dichotomy between sales revenue and physical quantities sold. While revenues expanded handsomely in 2023–2024, overall fertilizer volumes actually declined. This underscores the extent to which inflation and global commodity prices shaped the industry's financial performance, with serious implications for agricultural productivity if reduced fertilizer use persists.

The sharp rise in sales provides in monetary terms a strong base for profitability, which will be examined in the following chapter on Gross and Net Profits.

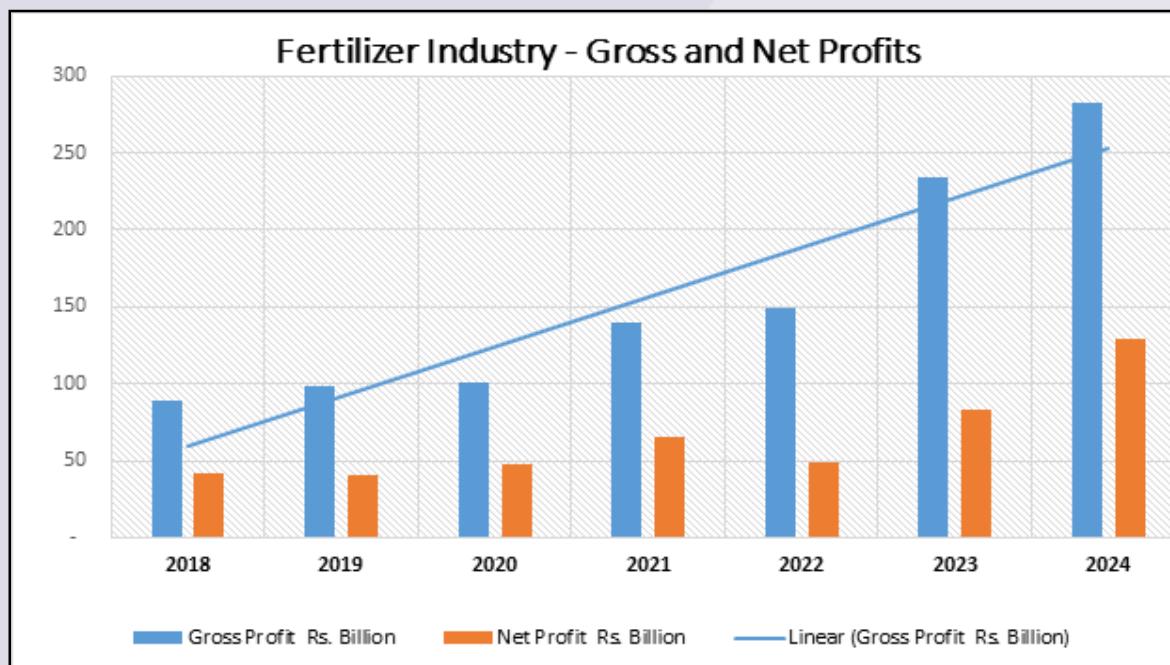
7

CHAPTER

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 with dual bars and individual companies GP and the bottom lines have been revealed in tables (K and L) provided after the graph.



The graph above shows that the average selling price per ton of fertilizer rose sharply from Rs. 34.65K in 2018 to Rs. 99.39K in 2024, an increase of 186.8%. On the other hand, the cost of sales increased from Rs. 23.12K per ton in 2018 to Rs. 61.12K per ton in 2024 (shown afterwards in the tables M and N), reflecting a rise of 164%. Importantly, the margin gap between ASP and COS widened from Rs. 11.54K in 2018 to Rs. 38.37K in 2024 — a very healthy indicator from a shareholder perspective.

The selling prices of individual companies are provided in the following tables. These are presented separately as gross selling prices (inclusive of sales tax, excise duty, and customer discounts) and net selling prices (representing the actual realizations accruing to the companies).

TABLE K
GROSS PROFIT

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited	6.27	4.40	2.12	0.41	(1.17)	1.53	(0.34)
	% of sales	20%	20%	12%	4%	-21%	13%	-8%
2	Fauji Fertilizer Company Ltd.	127.17	64.25	40.05	38.88	31.58	30.74	27.98
	% of sales	34%	40%	37%	36%	32%	29%	26%
3	Fauji Fertilizer Bin Qasim Ltd.	-	33.11	25.59	22.15	12.58	5.88	8.18
	% of sales	-	17%	16%	20%	15%	9%	13%
4	Engro Fertilizers Ltd.	61.54	59.42	29.40	35.50	29.06	32.71	27.91
	% of sales	33%	37%	30%	39%	39%	41%	42%
5	Fatima Fertilizer Company Ltd.	87.50	72.41	52.46	43.08	28.79	27.90	25.67
	% of sales	37%	31%	33%	38%	40%	37%	50%
	Total Industry	282.48	233.59	149.61	140.02	100.85	98.76	89.40
	Total Industry % of sales	34%	30%	28%	32%	30%	29%	31%

TABLE L
NET PROFIT (LOSS)

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited	(1.11)	1.15	(2.92)	(2.68)	(4.29)	(0.65)	(2.98)
	% of sales	-4%	5%	-17%	-27%	-75%	-5%	-66%
1	Fauji Fertilizer Company Ltd.	64.73	29.67	20.05	21.90	20.82	17.11	14.44
	% of sales	17%	19%	18%	20%	21%	16%	14%
2	Fauji Fertilizer Bin Qasim Ltd.	-	4.40	2.33	6.39	2.19	(5.92)	1.44
	% of sales	-	2%	1%	6%	3%	-8%	3%
3	Engro Fertilizers Ltd.	30.21	25.68	15.41	21.07	16.82	18.56	16.67
	% of sales	16%	16%	16%	23%	22%	23%	25%
4	Fatima Fertilizer Company Ltd.	34.98	22.40	14.44	18.47	12.19	12.07	11.91
	% of sales	15%	10%	9%	16%	17%	16%	23%
	Total	128.81	83.31	49.31	65.15	47.72	41.17	41.47
	% of sales	16%	11%	9%	15%	14%	12%	14%

Gross Profit Trend
• Industry Level

- Gross profit expanded substantially from Rs. 89.4 billion in 2018 to a peak of Rs. 282.5 billion in 2024 (over 3x growth).
- GP margin (% of sales) has generally ranged between 28%–34%, reflecting steady profitability despite fluctuations in cost structures.
- The industry's highest GP margin was 34% in 2024, suggesting favorable pricing and efficiency.

• Company Level

- FFC: Maintained leadership with GP rising from Rs. 28 billion (2018) to Rs. 127 bn (2024) after merger of FFBL. GP margin consistently strengthened, hitting 34% in 2024, reflecting robust market positioning.

- Engro Fertilizers: Strong GP, doubling from Rs. 28 billion (2018) to Rs. 62 billion (2024). Margins, however, declined from 42% (2018) to 33% (2024), suggesting pressure on pricing or costs.
- Fatima Fertilizer: GP expanded markedly from Rs. 25.7 billion (2018) to Rs. 87.5 billion (2024). Margins remained healthy, peaking at 50% in 2018, but moderating to 37% in 2024.
- FFBL: Volatile profitability. GP improved up to Rs. 33.1 billion (2023). In 2024 it was merged with FFC.
- Agritech: Struggled with losses until 2020. GP improved modestly to Rs. 6.3 billion (2024) (20% of sales), showing signs of recovery.

2. Net Profit Trends

- **Industry Level**

- NP rose from Rs. 41.5 billion in 2018 to Rs. 128.8 billion in 2024, showing a strong uptrend but with higher volatility compared to GP.
- NP margins fluctuated: low of 9% in 2022, strong rebound to 16% in 2024. This indicates the impact of finance costs, exchange rates, and government policies on net earnings.

- **Company Level**

- FFC: Consistently the most profitable company. NP grew from Rs. 14.4 billion (2018) to Rs. 64.7 billion (2024). NP margin steady at 17–21%, demonstrating resilience.
- Engro Fertilizers: NP grew from Rs. 16.7 billion (2018) to Rs. 30.2 billion (2024). Margins stable around 16–23%, showing balanced profitability.
- Fatima Fertilizer: NP improved steadily from Rs. 11.9 billion (2018) to Rs. 35.0 billion (2024), though margins softened from 23% (2018) to 15% (2024).
- Agritech: Persistently loss-making. NP losses narrowed from –Rs. 4.3 billion (2020) to –Rs. 1.1 billion (2024). Margins remain negative, pointing to structural challenges are required.

3. Key Insight

- Profitability Drivers: Industry growth in GP reflects strong pricing power and steady demand. NP volatility indicates sensitivity to non-operating costs, financial charges, and external shocks (energy, rupee depreciation).
- Market Leaders: FFC, Engro, and Fatima dominate profitability, together contributing ~100% of industry NP in 2024.
- Lagging Players: Agritech remains in distress.
- Margin Stability: Despite ups and downs, the industry maintained respectable margins—GP (28–34%) and NP (9–16%)—which are high compared to many other manufacturing sectors in Pakistan.

8

CHAPTER

Average Selling Price and 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, resulting in distinct outcomes for their bottom lines.

In Chapter 7, we analyzed the gross and net profits of the industry as a whole as well as those of individual players. This chapter, along with the subsequent sections, delves deeper into the key cost elements that drive profitability. These elements are illustrated through graphs (bar charts) and tables, providing a clear view of both company-specific and industry-wide trends.

Two fundamental components that directly influence a company's gross profit are the Average Selling Price (ASP) and the Cost of Sales (COS). In the following analysis, these metrics are examined in detail through visual representations to highlight their impact on profitability.

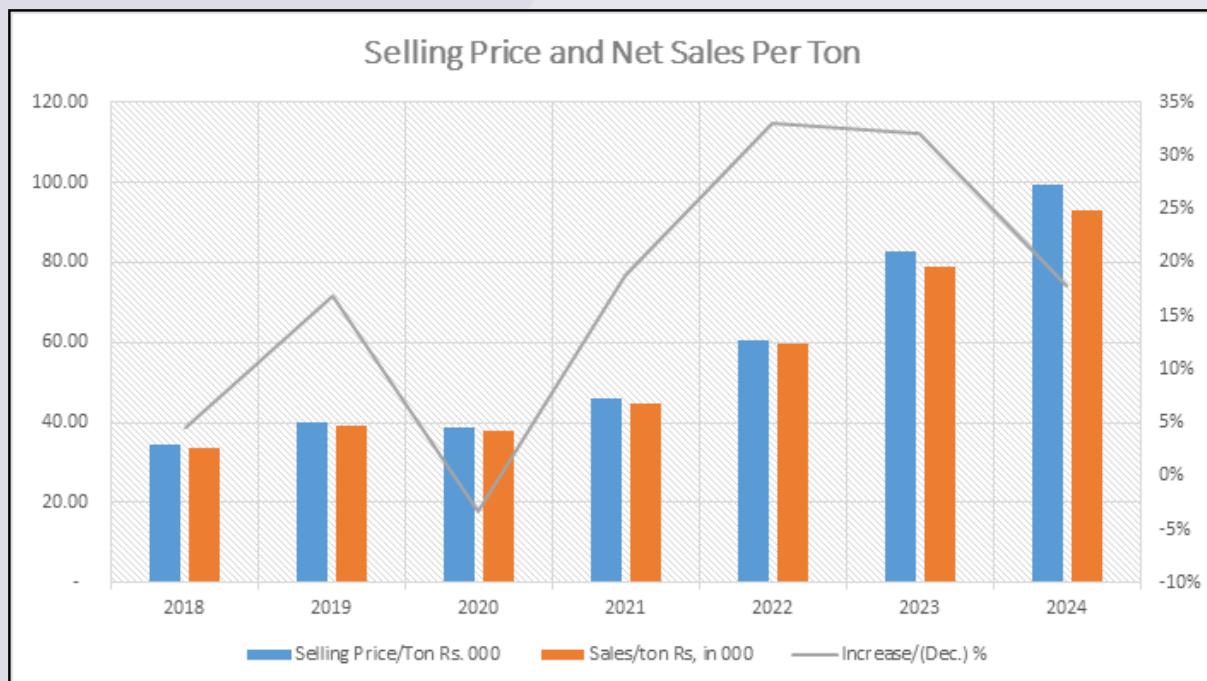


TABLE M
GROSS SELLING PRICE PER TON

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rupees in 000 Per Ton								
1	Agritech Limited	83.93	62.96	43.31	33.39	29.70	35.09	27.93
2	Fauji Fertilizer Company Ltd.	135.83	62.63	44.29	41.03	36.18	39.91	36.10
3	Fauji Fertilizer Bin Qasim Ltd.	-	173.89	135.77	87.26	57.27	57.53	50.48
4	Engro Fertilizers Ltd.	82.70	62.11	43.63	35.26	30.98	31.53	25.95
5	Fatima Fertilizer Company Ltd.	101.56	85.64	59.89	43.53	39.69	42.50	34.61
Industry average (weighted)		99.39	82.78	60.71	46.10	38.86	40.21	34.65

TABLE N
NET SELLING PRICE PER TON

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rupees in 000								
1	Agritech Limited	79.06	60.62	42.59	32.35	28.61	33.61	27.04
2	Fauji Fertilizer Company Ltd.	126.97	60.66	43.83	40.20	35.32	38.89	34.97
3	Fauji Fertilizer Bin Qasim Ltd.	-	163.30	134.54	85.53	56.03	55.89	49.25
4	Engro Fertilizers Ltd.	78.02	59.97	42.92	34.33	30.13	30.92	25.03
5	Fatima Fertilizer Company Ltd.	94.54	81.21	58.47	42.02	38.17	40.87	32.77
Industry average (weighted)		93.01	78.98	59.79	44.93	37.80	39.08	33.45

1. Industry-wide Trend

- **Gross Selling Price (Table M):**
 - Increased from Rs. 34.65K/ton in 2018 to Rs. 99.39K/ton in 2024, a rise of 186.8%.
 - The growth was not smooth—moderate until 2020, then rapid acceleration from 2021 onwards, reflecting strong pricing power, currency depreciation, global commodity trends, and regulatory adjustments.
- **Net Selling Price (Table N):**
 - Rose from Rs. 33.45K/ton in 2018 to Rs. 93.01K/ton in 2024, a 178% increase.
 - The net-to-gross gap (reflecting sales tax, excise duty, and discounts) has remained consistent in magnitude, but in percentage terms the leakage is lower as prices escalated.

2. Company-wise Insights

Agritech Limited

- ASP gross grew from Rs. 27.93K (2018) to Rs. 83.93K (2024).
- Net price stood at Rs. 79.06K in 2024, showing the usual deductions.
- Despite being a smaller player, Agritech kept pace with industry pricing trends.
- Its lower base pricing versus FFC and Fatima reflects its relatively weaker brand strength and higher dependence on government/regulatory pricing support.

Fauji Fertilizer Company Ltd. (FFC)

- Gross ASP surged from Rs. 36.10K (2018) to Rs. 135.83K (2024).
- Net ASP reached Rs. 126.97K in 2024 — the highest in the industry, indicating FFC's strong market leadership, sales mix, and premium pricing power.
- The company benefits from scale, efficiency, and brand loyalty, consistently commanding better realizations compared to peers.

Fauji Fertilizer Bin Qasim Ltd. (FFBL)

- Exhibits very high ASP levels — Rs. 173.89K in 2023 and Rs. 135.77K in 2022.
- By 2024, no figure is reported (perhaps production/sales constraints) as the company was merged with FFC.
- The sharp spike is due to its product mix (DAP and complex fertilizers), which carry much higher prices than urea.
- Net ASP follows the same premium trajectory, showing FFBL's niche product strategy.

Engro Fertilizers Ltd.

- Gross ASP rose from Rs. 25.95K (2018) to Rs. 82.70K (2024).
- Net ASP reached Rs. 78.02K in 2024, nearly identical to Agritech's level.
- Despite being the second-largest urea producer, Engro's pricing is comparable to Agritech rather than FFC — highlighting its strategy of balancing competitiveness with volume maximization.

Fatima Fertilizer Company Ltd.

- Strong pricing growth: Gross ASP Rs. 34.61K (2018) → Rs. 101.56K (2024).
- Net ASP Rs. 94.54K in 2024, comfortably above Agritech and Engro, but below FFC.
- Its diversified portfolio (urea, CAN, NP) and plant efficiency supported this upward trajectory.

3. Gross vs Net Prices

- Across all companies, the difference between gross and net prices per ton narrowed in relative terms, even if absolute deductions rose.
- For instance:
 - 2018 industry average: Gross Rs. 34.65K → Net Rs. 33.45K (3.9% deduction).
 - 2024 industry average: Gross Rs. 99.39K → Net Rs. 93.01K (6.9 % deduction).
- This shows that while statutory levies and discounts grew in absolute numbers, their proportion of total price remained manageable.

4. Implications for Profitability

- Since COS increased at a slower pace (+164%) than ASP (+187%), gross margins expanded significantly.
- The widening gap between price and cost confirms robust shareholder returns, especially for FFC and Fatima, where pricing power translated into strong bottom-line results.
- FFBL remains an outlier because of its premium-priced DAP products, making direct per-ton comparison with urea-heavy players less meaningful.

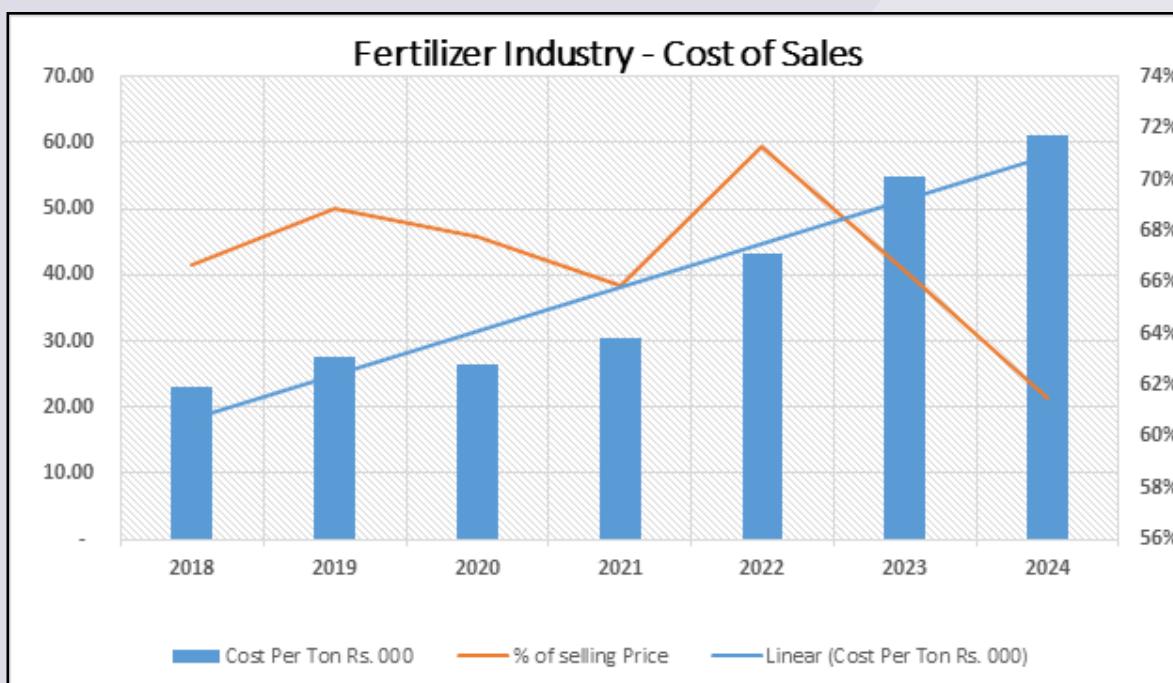
Conclusion:

The analysis of ASP and COS underscores a healthy profitability trend for the fertilizer industry from 2018–2024. Companies with stronger brands and diversified product portfolios (FFC, Fatima, and FFBL) leveraged pricing power more effectively than others (Engro, Agritech). The industry-wide widening margin spread reflects resilience against cost pressures, with shareholders benefitting from expanded returns.

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 2018 to 2024 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.



The trend graph clearly highlights the escalation of costs across the fertilizer industry over the years, with sharp rises during periods of energy price hikes and currency depreciation. While the industry's aggregate numbers provide an overall picture, the real insights emerge from company-wise comparisons. Table O sets out the annual cost of sales for each manufacturer, whereas Table P provides a deeper perspective by showing the cost of sales per ton, alongside its proportion to selling prices. Together, these tables allow us to assess both the absolute burden of costs and the relative efficiency of individual players.

TABLE O
COST OF SALES

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rupees in Billion								
1	Agritech Limited	22.96	17.77	15.17	9.69	6.87	10.64	4.88
2	Fauji Fertilizer Company Ltd.	246.36	95.22	69.32	69.77	66.07	75.05	77.99
3	Fauji Fertilizer Bin Qasim Ltd.	-	159.95	133.64	88.30	70.66	60.95	53.33
4	Engro Fertilizers Ltd.	125.17	102.24	67.54	55.09	45.99	46.52	38.23
5	Fatima Fertilizer Company Ltd.	150.92	160.35	106.34	69.40	42.47	47.07	25.64
Total industry		545.41	535.54	392.01	292.26	232.07	240.23	200.06
% increase 2018 - 2024		173%						

TABLE P
COST OF SALES PER TON

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rupees in 000 Per Ton								
1	Agritech Limited	57.98	48.59	37.37	31.04	34.50	29.38	29.08
	% of selling price	73%	80%	88%	96%	121%	87%	108%
2	Fauji Fertilizer Company Ltd.	68.21	36.22	21.67	18.49	18.53	22.31	16.99
	% of selling price	54%	60%	49%	46%	52%	57%	49%
3	Fauji Fertilizer Bin Qasim Ltd.	-	135.29	112.92	68.38	47.56	50.96	42.70
	% of selling price	-	83%	84%	80%	85%	91%	87%
4	Engro Fertilizers Ltd.	52.31	37.62	29.90	20.88	18.46	18.15	14.47
	% of selling price	67%	63%	70%	61%	61%	59%	58%
5	Fatima Fertilizer Company Ltd.	59.84	55.95	39.15	25.93	22.75	25.66	16.38
	% of selling price	63%	69%	67%	62%	60%	63%	50%
Total weight average		61.12	54.99	43.27	30.37	26.35	27.69	23.12
% increase		164%						

Cost of Sales – Analysis

As we understood, the cost of sales (COS) is the most critical determinant of profitability in the fertilizer sector, as it directly impacts gross profit margins. A lower cost of sales per ton relative to the selling price indicates operational efficiency and better earnings sustainability.

1. Industry Perspective

- The industry's total cost of sales rose steadily from Rs. 200 billion in 2018 to Rs. 545 billion in 2024, more than a 2.7x increase over seven years.
- The steepest year-on-year jump occurred in 2022–2023, driven by inflationary pressures, higher gas/electricity tariffs, and rupee depreciation.
- By 2024, despite stabilization in volumes, cost inflation persisted, keeping COS at the highest-ever levels.

2. Company-Wise Highlights (Table O)

- Fauji Fertilizer Company (FFC): Despite being the industry leader, FFC maintained the most stable COS trajectory. Its COS increased from Rs. 78 billion in 2018 to Rs. 246 billion in 2024, but efficiency in operations helped keep its COS per ton relatively low compared to peers.
- Engro Fertilizers: COS nearly tripled from Rs. 38 billion in 2018 to Rs. 125 billion in 2024, reflecting expanded production and higher input costs, yet Engro has consistently maintained a favorable per-ton cost position.
- Fatima Fertilizer: COS surged six-fold from Rs. 26 billion in 2018 to Rs. 151 billion in 2024, showing aggressive growth in operations and higher exposure to cost escalation.
- Fauji Fertilizer Bin Qasim (FFBL): Volatility was notable, with COS peaking at Rs. 160 billion in 2023 before a halt in 2024 operations due to its merger with FFC in 2024.
- Agritech: Though small in scale, COS rose sharply to Rs. 23 billion in 2024 from just Rs. 5 billion in 2018, showing significant vulnerability mainly due to the raw material prices.

3. Cost of Sales Per Ton (Table P)

- The weighted average industry COS per ton rose from Rs. 23,120 in 2018 to Rs. 61,120 in 2024, reflecting a compound annual growth rate of ~15%.
- Agritech consistently carried the highest COS-to-selling price ratio, often exceeding 90% and even reaching 121% in 2020, meaning sales often could not cover production costs.
- FFC maintained the lowest COS per ton, at Rs. 68,210 in 2024, only 54% of the selling price, underscoring lower gas prices, economies of scale, and cost leadership.
- FFBL showed the most adverse cost structure, with COS per ton consistently above 80% of selling price, reflecting dependency on imported inputs and higher energy costs.
- Engro and Fatima maintained relatively balanced positions, with COS per ton between 60–70% of selling price, suggesting sustainable gross margins.

4. Key Insights

- The industry's profitability is closely tied to government policies on gas pricing and exchange rate volatility, both of which have magnified COS in recent years.
- Cost efficiency remains a strategic differentiator: FFC and Engro outperform peers through scale, integration, and operational efficiency, while Agritech and FFBL (2018-2023) face persistent cost disadvantages.
- Rising COS per ton across the industry highlights the increasing challenge of sustaining gross profit margins without corresponding selling price adjustments.

9

CHAPTER

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 Material and Packing Material

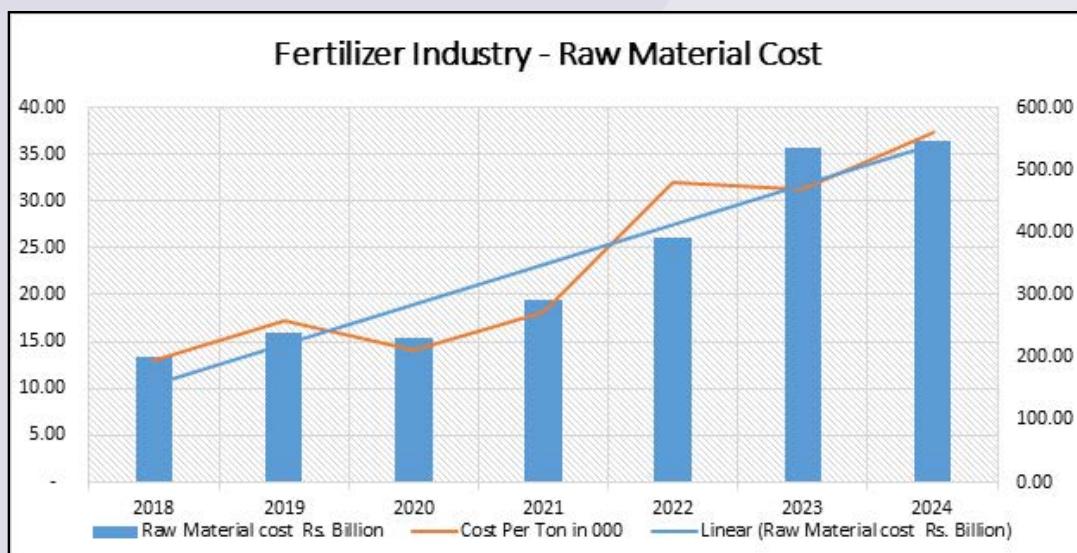


TABLE Q

COST OF RAW MATERIAL & PACKING MATERIAL - TOTAL

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
		Rs. In Billion						
1	Agritech Limited	17.23	11.17	9.93	5.55	3.15	7.51	2.43
2	Fauji Fertilizer Company Ltd.	124.31	27.77	20.58	20.40	21.70	32.87	26.84
3	Fauji Fertilizer Bin Qasim Ltd.	-	99.01	138.40	70.53	43.60	53.25	40.22
4	Engro Fertilizers Ltd.	88.94	57.87	40.42	26.92	23.89	21.59	17.17
5	Fatima Fertilizer Company Ltd.	97.75	81.56	83.61	36.33	24.18	22.98	11.11
	Total Industry	328.23	277.39	292.94	159.72	116.52	138.20	97.77
	Increase over previous year	50.84	(15.55)	133.21	43.20	(21.68)	40.43	16.81

TABLE R
COST OF RAW MATERIAL & PACKING MATERIAL PER TON

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rs. In 000								
1	Agritech Limited	38.1	30.2	23.8	18.5	16.5	19.8	15.7
2	Fauji Fertilizer Company Ltd.	43.8	11.0	8.6	8.1	8.7	13.2	10.6
3	Fauji Fertilizer Bin Qasim Ltd.	-	99.4	100.9	54.6	33.6	39.8	31.1
4	Engro Fertilizers Ltd.	39.5	24.0	19.3	12.0	10.0	10.1	8.3
5	Fatima Fertilizer Company Ltd.	38.8	32.1	29.6	15.0	12.8	14.1	7.9
	Industry average (weighted)	37.2	31.3	32.0	18.1	14.1	17.3	12.9
	Increase over previous year	5.89	(0.70)	13.92	4.05	(3.21)	4.33	1.78
	Total increase 2018 VS 2024	232%						

Industry Trend – Total Cost (Table Q)

- The industry-wide cost of raw materials and packing rose sharply from Rs. 97.8 billion in 2018 to Rs. 328.2 billion in 2024 – more than a 3.4 times increase.
- The cost trajectory shows two major surges:
 - 2021–2022: Jump of Rs. 133.2 billion (+83%), largely due to global commodity price hikes and PKR depreciation.
 - 2023–2024: Another spike of Rs. 50.8 billion (+18%), reflecting persistent input cost inflation.
- Declines occurred in 2020 (-22%) and 2023 (-16%), coinciding with temporary softening in international oil/gas and raw material prices.

Company-wise Cost (Table Q)

- FFC (Fauji Fertilizer Company Ltd.): Extraordinary jump in 2024 (Rs. 124.3 billion) from only Rs. 27.8 billion in 2023, suggesting significant changes in procurement costs or reporting adjustments.
- FFBL (Fauji Fertilizer Bin Qasim Ltd.): Cost peaked in 2022 (Rs. 138.4 billion) but was nil in 2024, due to its merger with FFC.
- Engro Fertilizers Ltd.: Gradual rise from Rs. 17.2 billion (2018) to Rs. 88.9 bn (2024), reflecting both volume growth and higher input prices.
- Fatima Fertilizer: Consistently rising, reaching Rs. 97.8 billion in 2024 from just Rs. 11.1 billion in 2018, a nearly 9-fold increase.
- Agritech: Smaller scale, but still shows an upward trajectory, from Rs. 2.4 billion (2018) to Rs. 17.2 billion (2024).

Cost Per Ton (Table R)

- The industry average raw material & packing cost per ton jumped from Rs. 12.9k in 2018 to Rs. 37.2k in 2024 – an increase of 232%.
- **Key spikes:**
 - 2021–2022: +77% (Rs. 18.1k → Rs. 32.0k).
 - 2023–2024: +19% (Rs. 31.3k → Rs. 37.2k).
- FFC's per ton cost in 2024 (Rs. 43.8k) is significantly higher than industry average, a reversal from its historically lower cost levels (Rs. 8–13k in 2018–2021), mainly because of DAP operations taken after the merger of FFBL with it.
- Engro and Fatima follow a smoother escalation path, both reaching around ~ Rs. 39k per ton in 2024.
- FFBL's per ton cost peaked at Rs. 101k in 2022, the highest in the industry, reflecting its heavy dependence on imported raw materials.

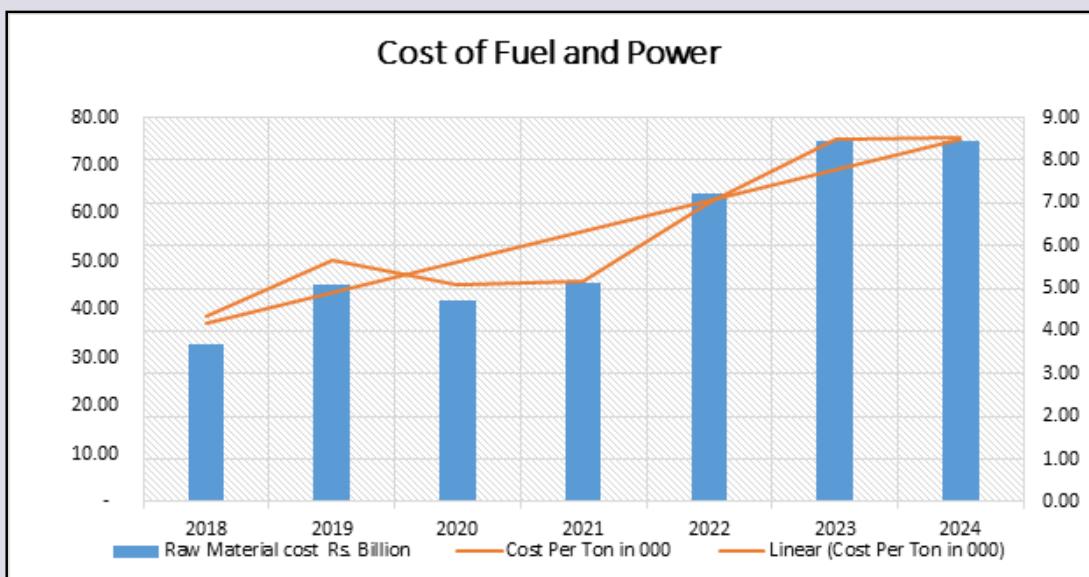
Key Takeaways

- Input sensitivity: Fertilizer production costs are highly sensitive to fluctuations in international commodity markets and PKR exchange rate.
- Company variances:
 - FFC's unusual surge in 2024 stands out because of DAP operations.
 - FFBL remains the most volatile due to import-dependency. It was merged with FFC in 2024.
 - Engro and Fatima display steady yet sharp cost escalation.
- Strategic implications: Rising raw material costs, especially after 2021, have pressured margins, making local sourcing, backward integration, and efficiency measures crucial for sustainability, which were offset by increasing in prices of the fertilizers.

Cost of Fuel and Power

The Cost of Fuel and Power is a major expense in the fertilizer manufacturing process, as energy is indispensable for converting raw materials into finished fertilizer products. This cost category directly influences production efficiency and profitability, making it one of the most critical elements of the overall cost structure.

The analysis has been carried out at both industry level and company level. A graph illustrates the industry's total expenditure on fuel and power along with its cost per ton of production, while Tables S and T provide detailed company-wise figures.


TABLE S
COST OF FUEL AND POWER

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees - Billion								
1	Agritech Limited	4.70	3.04	2.74	1.36	0.83	1.62	0.57
2	Fauji Fertilizer Company Ltd.	34.25	15.96	12.83	12.37	13.03	13.04	9.62
3	Fauji Fertilizer Bin Qasim Ltd.	-	21.70	21.96	12.56	10.45	11.52	10.40
4	Engro Fertilizers Ltd.	21.53	22.14	13.72	11.73	11.34	12.33	8.08
5	Fatima Fertilizer Company Ltd.	14.72	12.35	13.05	7.71	6.33	6.63	4.22
	Total	75.20	75.19	64.30	45.72	41.98	45.14	32.88

Table S: Cost of Fuel and Power (Rupees – Billion)

This table highlights the absolute annual spending on fuel and power by fertilizer companies.

- The industry's total cost rose sharply from Rs. 32.88 billion in 2018 to Rs. 75.20 billion in 2024, reflecting a 129% increase over seven years.
- Fauji Fertilizer Company (FFC) consistently incurred the highest cost, reaching Rs. 34.25 billion in 2024, more than double its 2018 level. The sharp rise in 2024 compared to 2023 is mainly attributed to the merger of FFBL. Engro Fertilizers and Fatima Fertilizer also reported significant increases, with Engro rising from Rs. 8.08 billion in 2018 to Rs. 21.53 billion in 2024, and Fatima from Rs. 4.22 billion to Rs. 14.72 billion.
- Agritech, though relatively small in scale, showed an increasing trend as well, while Fauji Fertilizer Bin Qasim (FFBL) reported no cost in 2024, due to its merger with FFC.

TABLE T
COST OF FUEL AND POWER PER TON

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees - in 000								
1	Agritech Limited	10.40	8.23	6.57	4.54	4.34	4.27	3.69
2	Fauji Fertilizer Company Ltd.	10.40	6.33	5.34	4.93	5.24	5.23	3.81
3	Fauji Fertilizer Bin Qasim Ltd.	-	21.78	16.01	9.72	8.04	8.61	8.05
4	Engro Fertilizers Ltd.	9.56	9.19	6.56	5.22	4.74	5.77	3.92
5	Fatima Fertilizer Company Ltd.	5.84	4.87	4.61	3.18	3.34	4.06	2.79
	Industry average (weighted)	8.53	8.49	7.03	5.18	5.06	5.64	4.35
	Increase in cost 2024 vs 2018	96%						

Table T: Cost of Fuel and Power per Ton (Rupees – '000)

This table captures the efficiency dimension, showing how much each company spends per ton of fertilizer produced.

- The industry's weighted average cost per ton nearly doubled from Rs. 4.35 thousand in 2018 to Rs. 8.53 thousand in 2024 – a 96% increase.
- FFC saw its per ton cost rise from Rs. 3.81 thousand in 2018 to Rs. 10.40 thousand in 2024, indicating the burden of energy price escalation.
- Engro experienced a similar upward trend, reaching Rs. 9.56 thousand per ton in 2024, compared to Rs. 3.92 thousand in 2018.
- Fatima Fertilizer, though also impacted, maintained a lower per ton cost (Rs. 5.84 thousand in 2024) compared to its peers, highlighting better energy efficiency.
- Agritech's per ton cost surged to Rs. 10.40 thousand, nearly three times its 2018 level, reflecting the disproportionate impact of rising energy costs on smaller producers.
- FFBL stood out with exceptionally high costs in 2022–2023, touching Rs. 21.78 thousand per ton in 2023, which was far above the industry average.

Key Insights

- Rising Trend:** The fertilizer industry faced a steep escalation in energy costs, both in total spending and per unit of production, largely due to fuel price volatility.
- Company Variance:** Fatima Fertilizer's relatively lower per ton cost suggests more efficient energy utilization compared to peers. In contrast, Agritech and FFBL show weaker cost efficiency.

3. Impact on Profitability: Since fuel and power constitute a large portion of overall production cost, the surge has significantly squeezed margins, particularly for companies with older or less energy-efficient plants.
4. Strategic Implication: With energy costs almost doubling in seven years, improving energy efficiency and securing cheaper fuel sources (like LNG, renewables, or process optimization) is critical for sustaining competitiveness.

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 examined through detailed tables and an industry-wide graph.

The graph (bar chart) presents two key perspectives:

- Total production HR cost (Rs. billion) on the right axis.
- Cost per ton (Rs. 000) on the left axis.

Both indicators demonstrate rising trends during 2018–2024. The cost per ton surged from Rs. 1.94K in 2018 to Rs. 3.53K in 2024, reflecting an 82% increase over seven years. Meanwhile, the industry's total cost rose from Rs. 14.69 billion in 2018 to Rs. 31.10 billion in 2024.

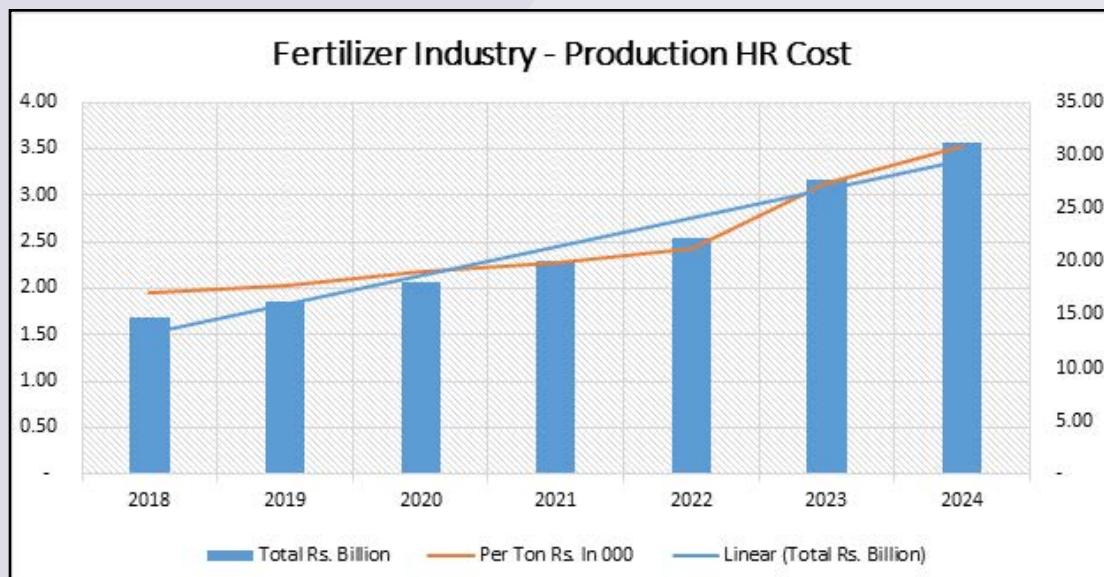


TABLE U
PRODUCTION HR COST - TOTAL

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billion								
1	Agritech Limited	0.97	0.79	0.59	0.54	0.51	0.53	0.40
2	Fauji Fertilizer Company Ltd.	15.06	11.32	8.31	8.07	7.73	7.49	6.85
3	Fauji Fertilizer Bin Qasim Ltd.	-	2.50	2.25	2.22	2.30	1.72	1.82
4	Engro Fertilizers Ltd.	3.60	3.18	2.92	3.18	3.06	2.96	2.44
5	Fatima Fertilizer Company Ltd.	11.47	9.85	8.11	6.04	4.43	3.46	3.17
Total Industry		31.10	27.64	22.18	20.04	18.03	16.17	14.69

Table U: Production HR Cost – Total (Rs. Billion)

- Fauji Fertilizer Company (FFC) remains the largest contributor, with its HR cost climbing steadily from Rs. 6.85B in 2018 to Rs. 15.06B in 2024 mainly because of the merger of FFBL with this company.
- Fatima Fertilizer shows the sharpest rise, more than tripling its HR cost from Rs. 3.17B in 2018 to Rs. 11.47B in 2024, largely due to expansion in capacity and workforce requirements.
- Engro Fertilizers maintained a gradual increase, from Rs. 2.44B in 2018 to Rs. 3.60B in 2024, showing controlled escalation.
- Agritech, though a smaller player, also more than doubled its HR cost from Rs. 0.40B in 2018 to Rs. 0.97B in 2024, reflecting survival efforts amid fluctuating operations.
- FFBL witnessed moderate growth but reported no expense in 2024, because of its merger with FFC in 2024.

TABLE V
PRODUCTION HR COST PER TON

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in 000								
1	Agritech Limited	2.14	2.15	1.42	1.81	2.66	1.40	2.60
2	Fauji Fertilizer Company Ltd.	4.57	4.49	3.46	3.22	3.11	3.01	2.71
3	Fauji Fertilizer Bin Qasim Ltd.	-	2.51	1.64	1.72	1.77	1.29	1.41
4	Engro Fertilizers Ltd.	1.60	1.32	1.40	1.41	1.28	1.39	1.19
5	Fatima Fertilizer Company Ltd.	4.55	3.88	2.87	2.49	2.34	2.12	2.10
Industry average (weighted)		3.53	3.12	2.42	2.27	2.17	2.02	1.94
Increase in cost 2024 vs 2018		81.42%						

Table V: Production HR Cost – Per Ton (Rs. 000)

- Industry average cost per ton rose from Rs. 1.94K in 2018 to Rs. 3.53K in 2024, highlighting significant wage and benefit inflation relative to output.
- FFC shows a consistent increase in per-ton cost (Rs. 2.71K → Rs. 4.57K), aligning with its scale of operations and strong HR practices.
- Fatima Fertilizer displays a sharp rise (Rs. 2.10K → Rs. 4.55K), reflecting both workforce expansion and increased pay scales.
- Engro Fertilizers remains the most cost-efficient, keeping its per-ton cost under Rs. 2.0K even in 2024, showcasing strong productivity and automation.
- Agritech fluctuated, with peaks due to low production volumes rather than high HR outlay.
- FFBL's per-ton cost was contained under Rs. 2.5K before its absence in 2024 reporting.

Key Insights

- Overall Escalation – HR costs have risen sharply in absolute terms and per ton, reflecting inflationary pressures, rising salaries, and workforce expansion.
- Efficiency Differentials – Engro Fertilizers consistently outperformed peers in cost efficiency, while Fatima Fertilizer faced the steepest rise due to aggressive growth.
- Industry Burden – At Rs. 31.1B in 2024, HR cost now forms a sizable component of the cost of production, directly impacting competitiveness.
- Future Outlook – Companies with controlled per-ton HR costs (like Engro) are better positioned to sustain margins, while firms with steep rises (like Fatima and FFC) must balance workforce expansion with productivity gains.

The trend in Production HR Cost highlights the increasing financial commitment of companies toward their workforce. Between 2018 and 2024, the industry's total HR cost more than doubled, rising from Rs. 14.69 billion to Rs. 31.10 billion. This escalation reflects both inflationary pressures in salaries and benefits, as well as the need for skilled manpower to operate expanded production capacities.

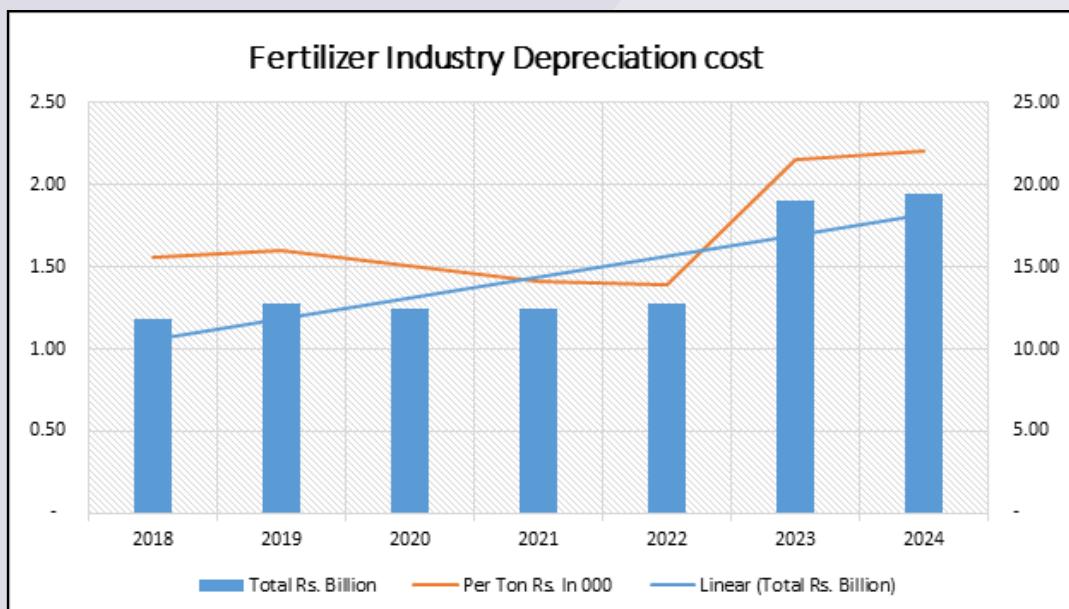
When viewed on a per-ton basis, the cost rose from Rs. 1.94K in 2018 to Rs. 3.53K in 2024—an 81% increase over seven years. This sharp rise signifies that HR expenses have not only grown in absolute terms but also relative to production output. Companies such as FFC and Fatima Fertilizer experienced significant increases, with their per-ton costs rising to Rs. 4.57K and Rs. 4.55K respectively by 2024. By contrast, Engro Fertilizers demonstrated notable efficiency, maintaining its per-ton cost at just Rs. 1.60K in 2024 despite higher total spending, suggesting stronger productivity levels and better workforce optimization.

The company-level variations underscore the role of scale, automation, and efficiency. Fatima Fertilizer's sharp rise in HR cost reflects its aggressive expansion and higher workforce requirements, while Engro's cost efficiency points to sustained productivity improvements. Agritech's fluctuating per-ton figures highlight the vulnerability of smaller players, where modest HR outlays appear disproportionately high when spread over limited production volumes.

Going forward, managing HR cost efficiency will remain critical. As fertilizer companies face mounting pressures from rising fuel, raw material, and other production costs, effective workforce utilization and investment in technology can help maintain competitiveness and profitability. Companies that succeed in balancing fair compensation with productivity gains will enjoy a distinct cost advantage in the industry.

Depreciation Cost Per ton

Depreciation represents the allocation of cost for property, plant, and equipment (PPE) over their useful lives, and thus forms a significant part of production expenses for fertilizer companies. Monitoring this cost highlights how efficiently assets are utilized and whether recent capital expenditures or revaluations are impacting the financials.



The graph illustrates a clear upward trend in depreciation, both in absolute terms and per ton of production. Industry-wide depreciation expense increased from Rs. 11.77 billion in 2018 to Rs. 19.39 billion in 2024, reflecting substantial additions to PPE. Correspondingly, the depreciation cost per ton rose from Rs. 1.56 in 2018 to Rs. 2.20 in 2024, marking a 64% increase over the seven-year period.

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

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billion								
1	Agritech Limited	1.91	1.82	1.59	1.59	1.59	1.04	1.05
2	Fauji Fertilizer Company Ltd.	3.45	2.43	2.33	2.36	2.24	2.21	2.09
3	Fauji Fertilizer Bin Qasim Ltd.	-	0.87	0.83	0.82	0.78	1.49	0.10
4	Engro Fertilizers Ltd.	3.70	3.47	2.93	2.69	5.11	5.48	5.09
5	Fatima Fertilizer Company Ltd.	10.33	10.47	5.08	5.00	2.72	2.58	3.44
	Total Industry	19.39	19.06	12.76	12.46	12.45	12.80	11.77

TABLE X
COST OF DEPRECIATION PER TON

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees IN 000								
1	Agritech Limited	4.22	4.94	3.81	5.31	8.33	2.74	6.75
2	Fauji Fertilizer Company Ltd.	1.05	0.96	0.97	0.94	0.90	0.89	0.83
3	Fauji Fertilizer Bin Qasim Ltd.	-	0.88	0.61	0.64	0.60	1.11	0.08
4	Engro Fertilizers Ltd.	1.64	1.44	1.40	1.20	2.14	2.56	2.47
5	Fatima Fertilizer Company Ltd.	4.10	4.13	1.80	2.06	1.43	1.58	2.28
	Industry average (weighted)	2.20	2.15	1.40	1.41	1.50	1.60	1.56
	increase 2028 to 2024	64%						

Company-Wise Analysis (Table W & X):

1. Agritech Limited – Shows a steady climb in depreciation, with cost per ton fluctuating sharply. Despite relatively smaller absolute depreciation (Rs. 1.91 billion in 2024), its per-ton cost (Rs. 4.22) is among the highest, reflecting low production volumes and under-utilization of assets.
2. Fauji Fertilizer Company (FFC) – Maintains the lowest depreciation per ton in the industry (Rs. 1.05 in 2024). This indicates high capacity utilization and a large production base spreading the depreciation cost efficiently.
3. Fauji Fertilizer Bin Qasim (FFBL) – Shows volatility, with depreciation dipping to nil in 2024 due to its merger with FFC in 2024.
4. Engro Fertilizers – Consistently carries depreciation in the Rs. 3–4 billion range, with a per-ton cost of Rs. 1.64 in 2024. This is higher than FFC but lower than Agritech and Fatima, reflecting balanced asset use.
5. Fatima Fertilizer – Displays the most dramatic rise in depreciation, from Rs. 3.44 billion in 2018 to Rs. 10.33 billion in 2024. Its per-ton cost (Rs. 4.10) is almost four times that of FFC.

Key Insights:

- The industry-wide rise in depreciation per ton reflects both new assets additions and changes in production volumes.
- Efficiency gap: FFC and Engro showcase economies of scale with low per-ton depreciation, while Agritech and Fatima bear high costs due to smaller or less efficient utilization of installed capacity and no of plants located at different locations.
- For stakeholders, depreciation cost per ton directly affects gross margins, especially when coupled with rising fuel, raw material, and HR costs. Companies with higher depreciation per ton need strong pricing power or volume growth to maintain profitability.

10

CHAPTER

Operating Costs (Distribution and Administrative)

Operating costs—specifically distribution (selling) and administrative expenses—are generally regarded as fixed costs. Unlike variable costs, they do not fluctuate directly with production or sales volumes. However, they remain critical for financial management as they have a direct impact on net margins. Careful monitoring of these expenses is therefore essential to ensure profitability and operational efficiency.

To better evaluate their significance, these costs are expressed as a percentage of net sales. This approach provides a clearer picture of their relative weight on a company's financial performance, allowing for meaningful comparisons across time and among competitors.

The industry-wide trend is illustrated in the graph below, while Table Y presents detailed company-wise figures for the past seven years, both in absolute terms (Rs. in billion) and as a percentage of sales. The data reveal that operating costs increased from Rs. 29.11 billion in 2018 to Rs. 75.96 billion in 2024. Despite this sharp rise in absolute terms, the overall cost-to-sales ratio improved from 10% in 2018 to 9% in 2024, highlighting better cost absorption through higher revenues and improved operational leverage.

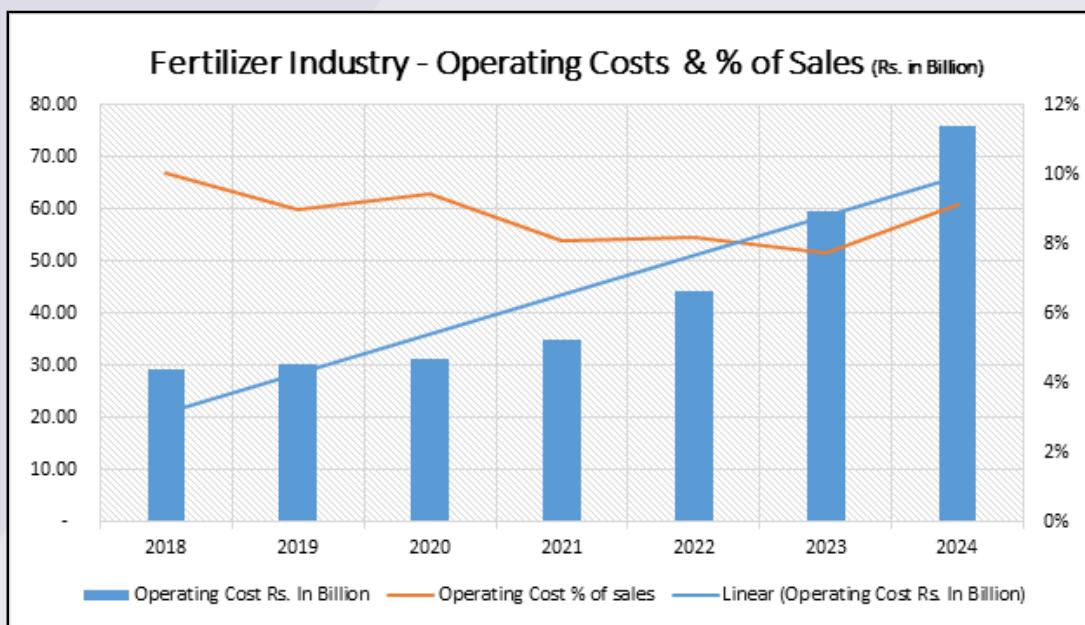


TABLE Y
OPERATING COSTS (SELLING AND ADMINISTRATION)

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited	2.01	1.32	1.12	0.72	0.55	0.78	0.39
	% of sales	6%	6%	6%	7%	10%	6%	9%
Rs. In Billion								
2	Fauji Fertilizer Company Ltd.	29.36	12.68	10.11	8.41	7.85	8.29	8.83
	% of sales	8%	8%	9%	8%	8%	8%	8%
3	Fauji Fertilizer Bin Qasim Ltd.	-	11.21	8.19	7.24	6.54	6.77	6.07
	% of sales	-	6%	5%	7%	8%	10%	10%
4	Engro Fertilizers Ltd.	20.60	15.71	10.95	9.65	9.18	7.97	7.81
	% of sales	11%	10%	11%	11%	12%	10%	12%
5	Fatima Fertilizer Company Ltd.	23.99	18.63	13.97	8.95	7.26	6.58	6.00
	% of sales	10%	8%	9%	8%	10%	9%	12%
	Total Industry	75.96	59.55	44.34	34.97	31.37	30.38	29.11
	% of sales	9%	8%	8%	8%	9%	9%	10%

Company-wise Trends
Agritech Limited

- Costs: Rs. 0.39 billion (2018) → Rs. 2.01 billion (2024) (+415%)
- % of Sales: 9% → 6%
- Though costs rose over fourfold in absolute terms, their burden relative to sales improved from 9% to 6%. This indicates revenue growth has outpaced overhead expansion, suggesting better cost absorption despite limited scale.

Fauji Fertilizer Company Ltd. (FFC)

- Costs: Rs. 8.83 billion → Rs. 29.36 billion (+232%).
- % of Sales: Stable at 8% (2018 and 2024)
- Commentary: FFC has managed costs consistently as a percentage of sales, reflecting strong discipline in overhead control. The company enjoys economies of scale and efficient cost structures, enabling it to hold its position as the industry benchmark.

Fauji Fertilizer Bin Qasim Ltd. (FFBL)

- Costs: Rs. 6.07 billion → Nil in 2024 % of Sales: 10% → Nil due to its merger with FFC

Engro Fertilizers Ltd.

- Costs: Rs. 7.81 billion → Rs. 20.60 billion (+164%)
- % of Sales: 12% → 11%
- Commentary: Engro's operating costs have more than doubled, yet the percentage of sales improved slightly from 12% to 11%. This reflects stronger sales growth compared to overheads, though it still carries the highest operating cost ratio among peers.

Fatima Fertilizer Company Ltd.

- Costs: Rs. 6.00 billion → Rs. 23.99 billion (+300%)
- % of Sales: 12% → 10%
- Commentary: Fatima's costs grew significantly, driven by expansion and higher sales/distribution expenses. However, efficiency improved as its ratio declined from 12% to 10%, suggesting better cost leverage from rising revenues.

Industry-Wide Summary

- Absolute Increase: Rs. 29.11 billion → Rs. 75.96 billion (+161%)
- % of Sales: Improved from 10% (2018) to 9% (2024)
- Efficiency Gaps:
 - Most Efficient: FFC (steady at 8%) – demonstrates strong control and scale economies.
 - High Burden: Engro and Fatima, with double-digit despite improvements.
 - Small Player Strain: Agritech improved, but at 6% still carries higher relative costs compared to FFC.

This comparative view highlights that while costs rose sharply in rupee terms, efficiency in relation to sales has improved for the industry overall, with FFC setting the benchmark and Engro/Fatima continuing to struggle with relatively higher ratios.

11

CHAPTER

Finance Cost

Finance costs represent expenses incurred on both long-term and short-term borrowings. This section analyzes the finance costs borne by the fertilizer industry as a whole as well as by individual companies.

The industry-wide trend is illustrated in the accompanying graph, while Table Z provides a detailed company-wise breakdown of interest expenses, both in absolute terms and as a percentage of net sales. This dual perspective highlights not only the magnitude of financing costs but also their relative burden on revenues.

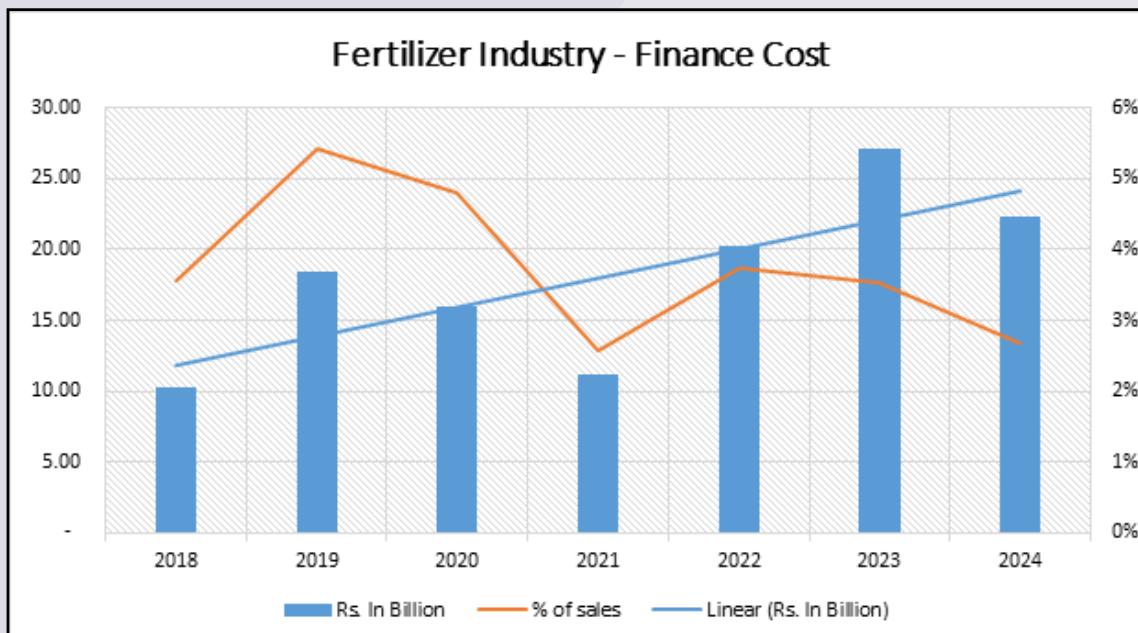


TABLE Z
FINANCE COST

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited	7.01	6.10	4.28	2.81	2.95	3.30	2.58
	% of Sales	22%	28%	25%	28%	52%	27%	57%
Rs. In Billion								
2	Fauji Fertilizer Company Ltd.	6.52	5.62	4.87	2.29	1.87	2.48	1.64
	% of Sales	2%	4%	4%	2%	2%	2%	2%
3	Fauji Fertilizer Bin Qasim Ltd.	-	8.83	5.14	2.34	4.44	5.20	2.22
	% of Sales	-	5%	3%	2%	5%	8%	4%
4	Engro Fertilizers Ltd.	3.98	1.88	2.70	1.68	3.28	3.69	2.06
	% of Sales	2%	1%	3%	2%	4%	5%	3%
5	Fatima Fertilizer Company Ltd.	4.75	4.64	3.30	2.01	3.47	3.76	1.82
	% of Sales	2%	2%	2%	2%	5%	5%	4%
	Total	22.27	27.07	20.30	11.12	16.01	18.42	10.32
	% of sales	3%	4%	4%	3%	5%	5%	4%

Company-wise Trends
Agritech Limited

- Finance cost rose to Rs. 7.01 billion in 2024 from Rs. 2.58 billion in 2018.
- As a % of sales, the burden remained very high: peaking at 57% (2018), 52% (2020), and still 22% in 2024.
- Takeaway: The Company is heavily debt-dependent, with weak revenues unable to absorb interest costs. This structural issue keeps profitability under pressure and highlights vulnerability to interest rate hikes.

Fauji Fertilizer Company Ltd. (FFC)

- Finance costs increased gradually to Rs. 6.52 billion in 2024, but relative to its large sales base, they remain minimal (2–4% of sales across the period).
- Takeaway: FFC demonstrates financial strength, supported by strong equity, internal cash generation, and limited borrowing needs. Its low-cost financing structure provides stability and protects profitability.

Fauji Fertilizer Bin Qasim Ltd. (FFBL)

- Finance costs were volatile: as high as Rs. 8.83 billion in 2023 (5% of sales), but dropped to nil in 2024 because of its merger with FFC.
- Earlier years showed vulnerability (8% of sales in 2019), but debt restructuring and repayment helped eliminate the cost in 2024.

Engro Fertilizers Ltd.

- Finance cost rose to Rs. 3.98 billion in 2024, with historical fluctuations (Rs. 1.88 billion in 2023, Rs. 3.69 billion in 2019).
- As % of sales, costs remain manageable (2–5%), indicating prudent financial management.
- Takeaway: Engro benefits from scale, diversified funding sources, and robust operations that keep finance costs under control despite exposure to cyclical borrowing needs.

Fatima Fertilizer Company Ltd.

- Finance costs increased steadily, reaching Rs. 4.75 billion in 2024.
- As % of sales, the burden was stable at 2–5%, suggesting a balanced debt–equity mix.
- Takeaway: Fatima manages its leverage reasonably well. While borrowing is significant, revenues are strong enough to offset interest costs, keeping the impact on profitability moderate.

Industry-level Commentary & Key Takeaways

- Rising trend, then moderation: Industry finance costs more than doubled from Rs. 10.3 billion (2018) to Rs. 27.1 billion (2023), before moderating to Rs. 22.3 billion in 2024.
- Relative burden stable: As a % of sales, costs remained in the 3–5% range, showing resilience despite fluctuations in interest rates and borrowing needs.
- **Divergence between players:**
 - Highly leveraged Agritech struggled with unsustainably high ratios.
 - FFC consistently showed financial robustness with negligible burden.
 - FFBL improved dramatically by eliminating finance costs in 2024 due to its merger with FFC.
 - Engro and Fatima maintained moderate, stable ratios.

Overall Insight:

The fertilizer industry demonstrates two distinct financing models:

1. Debt-heavy player (Agritech) - face high financial risk, profitability erosion, and sensitivity to monetary tightening.
2. Strong equity-backed companies (FFC, Engro, Fatima) — maintain manageable finance costs, ensuring stable profitability and competitiveness.

Looking ahead, interest rate movements, exchange rate trends, and debt restructuring strategies will continue to shape the industry's financing dynamics. Companies with strong equity buffers will remain resilient, while weaker, debt-reliant players risk being squeezed further.

12

CHAPTER

Measurement of Human Resource Efficiency

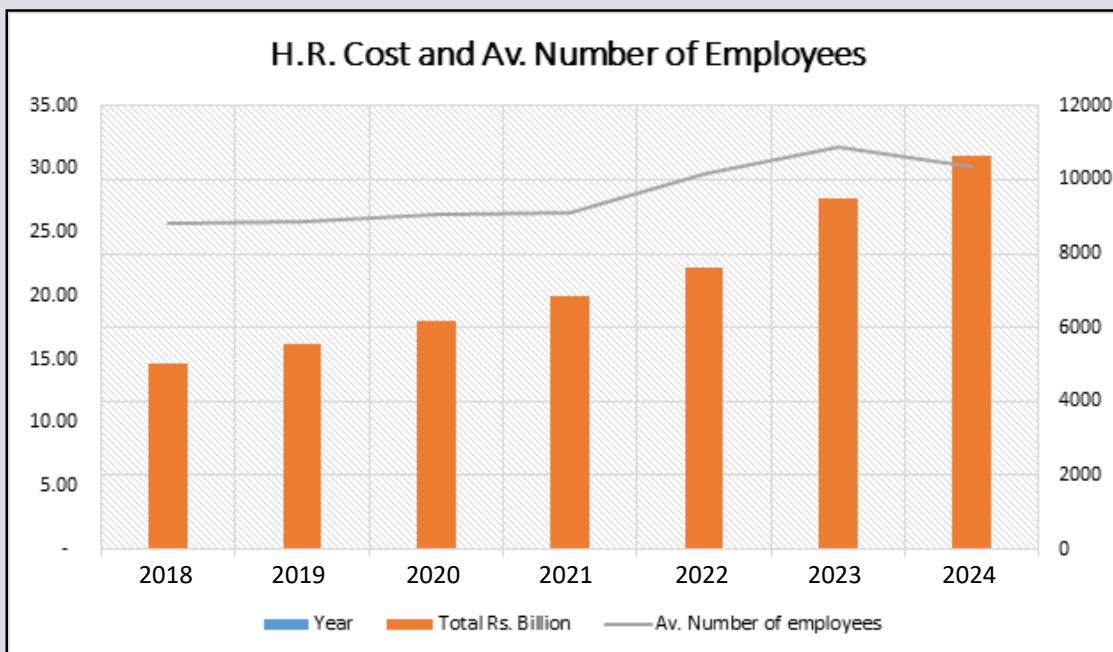
The analysis of manpower efficiency in the fertilizer industry provides valuable insights into how effectively companies utilize their human resources in relation to production output and revenue generation. Key indicators—such as fertilizer production per employee and revenue per employee—offer a basis for evaluating operational efficiency across different companies from 2018 to 2024. Efficient utilization of manpower is a proven driver of productivity and profitability, directly impacting the competitiveness of an enterprise.

This analysis is structured into three parts:

1. Number of employees and total cost – highlighting average employees and year-end employees, alongside cost trends.
2. Production per employee – measuring tons of fertilizer produced against workforce strength.
3. Revenue per employee – assessing sales efficiency per headcount.

1) Number of Employees and Total Cost

Two dimensions are examined under this section: the average number of employees during the year and the number of employees at year-end. The efficiency ratios are based on the average number of employees, which provide a fairer measure of manpower deployment across the production cycle. The following tables present company-wise figures, while a bar chart illustrates the aggregate industry picture by comparing employee strength with the total costs incurred during each year. Together, they provide both macro (industry) and micro (company-specific) perspectives.


TABLE AA
AVERAGE NUMBER OF EMPLOYEES

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
		Nos.						
1	Agritech Limited	1,020	956	968	916	934	870	900
2	Fauji Fertilizer Company Ltd.	3,586	3,221	3,244	3,275	3,403	3,379	3,369
3	Fauji Fertilizer Bin Qasim Ltd.	-	822	839	795	900	972	1,018
4	Engro Fertilizers Ltd.	1,184	1,242	1,373	1,384	1,310	1,267	1,226
5	Fatima Fertilizer Company Ltd.	4,562	4,626	3,727	2,750	2,502	2,389	2,321
	Total	10,352	10,867	10,151	9,120	9,049	8,877	8,834

TABLE AB
NUMBER OF EMPLOYEES AT YEAR END

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
		Nos.						
1	Agritech Limited	998	979	959	971	921	856	883
2	Fauji Fertilizer Company Ltd.	3,590	3,209	3,216	3,272	3,512	3,457	3,357
3	Fauji Fertilizer Bin Qasim Ltd.	-	820	809	797	787	950	1,009
4	Engro Fertilizers Ltd.	1,169	1,214	1,352	1,379	1,356	1,256	1,247
5	Fatima Fertilizer Company Ltd.	4,498	4,593	4,559	2,895	2,604	2,400	2,378
	Total	10,255	10,815	10,895	9,314	9,180	8,919	8,874

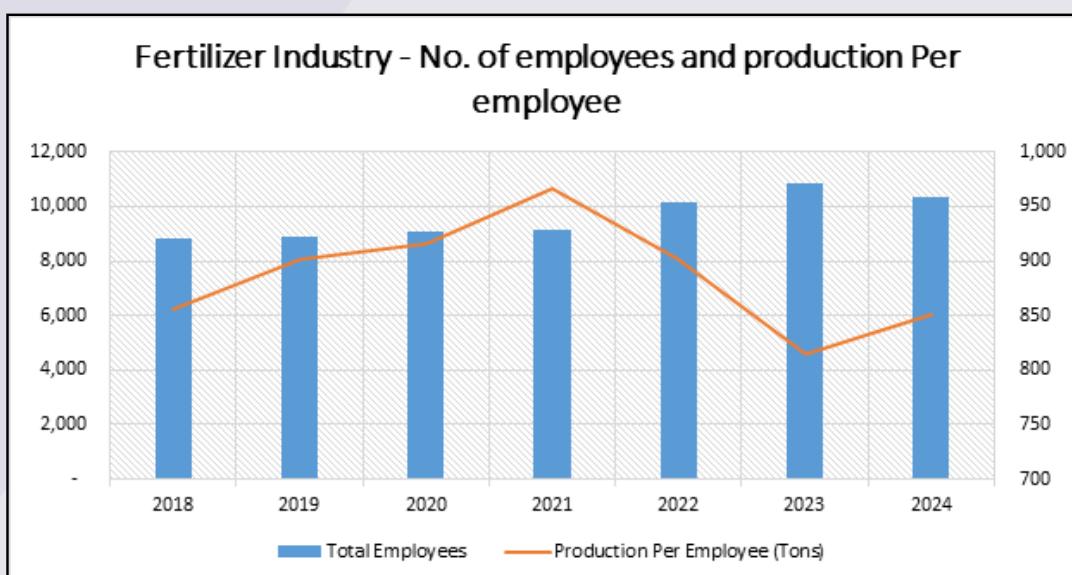
Observations & Insights

- **Industry Scale:** The workforce of the fertilizer industry has remained broadly stable over the seven years, fluctuating between ~8,834 (2018) and ~10,867 (2023), before moderating slightly to ~10,352 in 2024.
- **Fatima Fertilizer's dominance:** Fatima Fertilizer employed the largest workforce, consistently accounting for nearly 44% of total industry employment by 2024, reflecting both expansion in capacity, increased number of plants as compared to FFC and Engro, and may be labor-intensive operations.
- **Fauji Fertilizer Company (FFC):** Maintained a steady workforce of around 3,200–3,600, highlighting operational stability.
- **Engro Fertilizers:** Workforce numbers show moderate decline post-2022, suggesting efficiency initiatives or restructuring.
- **Agritech:** Workforce size remained stable around 900–1,000 despite its financial struggles, suggesting rigid manpower structure relative to its scale.
- **FFBL:** Merged with FFC in 2024.

2) Production (tons) per employee

Human resource efficiency is further reflected in the tons of fertilizer produced per employee, which indicates how effectively the workforce is utilized to generate output. A higher figure suggests better productivity and leaner operations, while a lower figure signals underutilization or operational inefficiencies.

This section is illustrated through both a graph (showing industry averages over time) and a table (providing company-wise details).



Industry Trend

- The industry average productivity per employee stood at 855 tons in 2024, slightly above the 2018 level (851 tons).
- The peak efficiency was observed in 2021, when per-employee production touched 967 tons, reflecting optimal utilization of resources.
- The lowest productivity was recorded in 2023 at 815 tons, indicating challenges faced by the industry, possibly due to demand fluctuations, plant downtime, or labor underutilization.

TABLE AC

FERTILIZER PRODUCTION (TONS) PER EMPLOYEE

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
		Tons						
1	Agritech	443	386	431	328	205	437	172
2	Fauji Fertilizer Company Ltd.	792	783	741	765	731	737	749
3	Fauji Fertilizer Bin Qasim Ltd.	-	1,212	1,635	1,625	1,443	1,378	1,269
4	Engro Fertilizers Limited	1,902	1,940	1,523	1,625	1,825	1,687	1,681
5	Fatima Fertilizer Company Ltd.	552	549	759	881	758	684	609
	Average (weighted)	851	814	901	967	916	902	855

Company-Level Insights

Agritech:

Productivity has remained consistently low, at just 443 tons per employee in 2024, far below the industry average. Its highest performance was in 2019 (437 tons), but overall, inefficiency reflects structural weaknesses and underutilization of workforce.

Fauji Fertilizer Company Ltd. (FFC):

Maintains stable efficiency around 731–792 tons per employee throughout the period. While slightly below the industry average, FFC's scale and consistency highlight reliable manpower deployment.

Fauji Fertilizer Bin Qasim Ltd. (FFBL):

Recorded some of the highest productivity levels in the industry, particularly 1,635 tons in 2022 and 1,625 tons in 2021. Its exit from the dataset in 2024 signals operational shifts (merger with FFC), but its earlier contribution lifted the industry's overall efficiency.

Engro Fertilizers Ltd.:

The clear leader in manpower productivity, consistently achieving over 1,600 tons per employee, with a peak of 1,940 tons in 2023. Engro's high efficiency reflects advanced technology, economies of scale, and effective workforce management.

Fatima Fertilizer Company Ltd.:

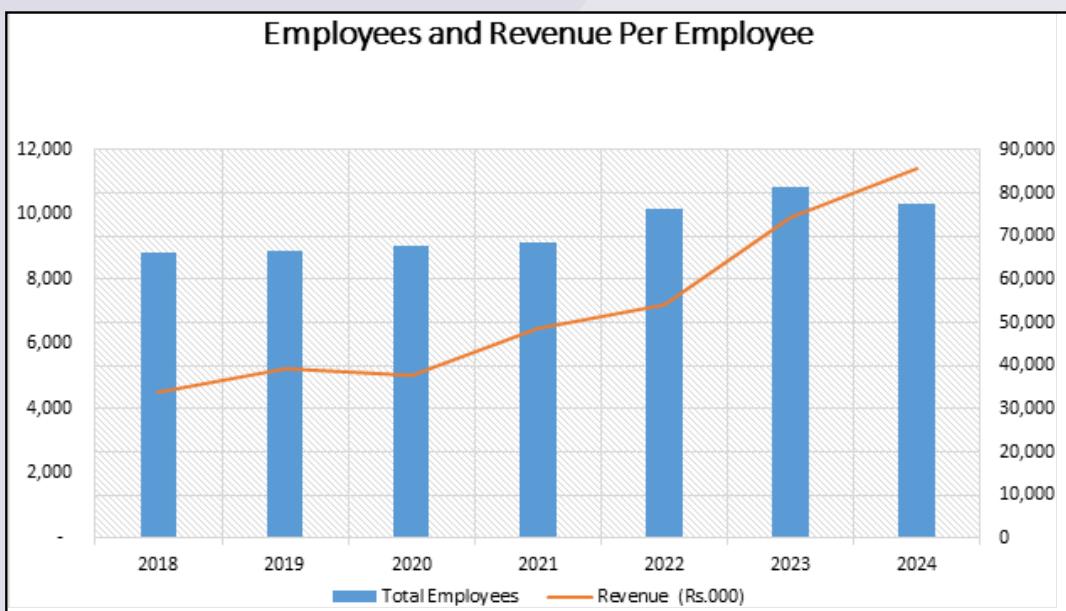
Shows a gradual upward trend, from 609 tons in 2018 to 881 tons in 2021, before settling at 552 tons in 2024. While its sheer workforce size weighs down per-employee averages, the company has achieved meaningful gains over the longer term.

This section establishes how workforce utilization translates into operational efficiency, providing a benchmark for comparison among industry players.

Revenue Per employee

Revenue per employee serves as another important yardstick to assess manpower efficiency. A higher figure reflects better utilization of human resources in generating sales, while a lower figure indicates underutilization or weaker sales contribution per headcount.

However, it must be noted that this measure can be influenced by the sales mix and product value. For instance, FFBL (until 2023) and Fatima Fertilizer deal in higher-value fertilizers, which naturally results in elevated revenue per employee. After FFBL's merger with FFC, the combined entity recorded a boost in revenue per employee. Despite such disparities, this metric remains useful for benchmarking and evaluating overall trends.



The industry's revenue per employee rose sharply from Rs. 33.9 million in 2018 (the lowest in the seven-year period) to Rs. 85.7 million in 2024 (the highest), largely driven by inflation and PKR devaluation against the US dollar.

TABLE AD
REVENUE PER EMPLOYEE

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in 000								
1	Agritech Limited	32,584	24,088	18,167	11,382	6,335	14,609	5,202
2	Fauji Fertilizer Company Ltd.	111,434	51,118	34,067	33,867	29,393	32,125	32,470
3	Fauji Fertilizer Bin Qasim Ltd.		250,110	191,519	141,736	94,540	70,788	61,936
4	Engro Fertilizers Ltd.	167,155	134,796	71,790	67,226	58,905	63,783	55,935
5	Fatima Fertilizer Company Ltd.	56,143	53,056	43,645	42,379	29,618	32,624	23,348
		Industry average (Weighted)	85,672	74,181	54,183	48,641	37,827	39,294
								33,948

Industry Trend

- The industry experienced a consistent upward trajectory, more than doubling from Rs. 33.9 million in 2018 to Rs. 85.7 million in 2024 per employee.
- The peak levels in 2024 highlight the combined effect of inflation, currency depreciation, and stronger price realization in the domestic market.
- The sharp rise between 2021 and 2023 was further accelerated by the merger-driven gains and product mix effects.

Company-Level Insights
Agritech:

Remains the weakest performer with only Rs. 32.6 million per employee in 2024, far below the industry average. This highlights inefficiencies in manpower utilization and limited pricing power.

Fauji Fertilizer Company Ltd. (FFC):

Demonstrated a sharp improvement, rising from Rs. 32.5 million in 2018 to Rs. 111.4 million in 2024, making it one of the most efficient revenue generators. The post-merger benefits with FFBL provided an added boost.

Fauji Fertilizer Bin Qasim Ltd. (FFBL):

Achieved exceptionally high revenue per employee, peaking at Rs. 250.1 million in 2023, driven by its high-value DAP product line. However, its figures are no longer separately reported post-2023 because of its merger with FFC.

Engro Fertilizers Ltd.:

Shows consistent strength, with revenue per employee rising from Rs. 55.9 million in 2018 to Rs. 167.2 million in 2024, reflecting efficient manpower utilization, operational scale, and pricing resilience.

Fatima Fertilizer Company Ltd.:

Increased steadily from Rs. 23.3 million in 2018 to Rs. 56.1 million in 2024, showing a positive trajectory, though its performance remains modest compared to Engro and FFC.

Conclusion – Measurement of Human Resource Efficiency

The analysis of human resource efficiency across the fertilizer industry (2018–2024) reveals important insights into how effectively companies utilized their manpower in relation to production and revenue.

- **Workforce Strength:** The industry's manpower remained broadly stable, averaging between 8,800–10,800 employees over the period. Fatima Fertilizer consistently accounted for the largest workforce, while FFC and Engro maintained steady levels. Agritech showed rigidity in employee numbers despite weak performance, and FFBL exited the dataset after 2023 due to its merger with FFC.
- **Production Efficiency:** Industry-wide productivity fluctuated between 815 and 967 tons per employee, peaking in 2021. Engro Fertilizers consistently led the industry, achieving over 1,600 tons per employee, far above the average. FFBL also demonstrated high efficiency until 2023. In contrast, Agritech remained persistently inefficient, producing only 443 tons per employee in 2024.
- **Revenue Efficiency:** Revenue per employee showed the sharpest gains, rising from Rs. 33.9 million in 2018 to Rs. 85.7 million in 2024, driven by inflation, PKR devaluation, and product pricing. Engro and FFC emerged as the strongest performers in this metric, while FFBL—until 2023—recorded exceptionally high levels due to its high-value product mix. Fatima Fertilizer displayed steady improvement, whereas Agritech lagged far behind the industry benchmark.

Key Takeaways

1. Engro Fertilizers consistently outperformed in both production and revenue efficiency, establishing itself as the industry benchmark for manpower productivity.
2. Fauji Fertilizer Company Ltd. demonstrated strong revenue gains post-2020, further reinforced by the merger with FFBL.
3. FFBL (until 2023) achieved extraordinary revenue per employee, though driven by its product mix rather than manpower efficiency alone.
4. Fatima Fertilizer showed gradual improvements, but its large workforce diluted per-employee metrics.
5. Agritech consistently underperformed, with both low production and revenue efficiency, underscoring structural and operational weaknesses.

Overall, the fertilizer industry has improved its revenue productivity per employee significantly, though gains in production efficiency have been more modest. This suggests that while workforce deployment has remained steady, much of the financial improvement stems from external factors such as price inflation and exchange rate effects, rather than major breakthroughs in manpower efficiency.

13

CHAPTER

Contribution to the National Exchequer

The fertilizer industry in Pakistan is a key contributor to the national exchequer, providing revenue through both direct taxes (income tax) and indirect taxes (federal excise duty and sales tax). This dual contribution underscores the industry's importance not only as a provider of essential agricultural inputs but also as a revenue-generating pillar for the government.

Interestingly, over the years, the total duties and taxes paid by the industry have often exceeded its net profits after tax. In 2018, the sector contributed Rs. 28 billion in duties and taxes against Rs. 41 billion in net earnings, representing 68% of profits. By 2022, this burden had risen to 100% of net profits, meaning the government collected as much as the shareholders earned. The trend intensified further in 2023, when duties and taxes reached 124% of net earnings. In 2024, the industry paid a record Rs. 142 billion in duties and taxes compared to Rs. 129 billion in net profits, equivalent to 110%. Thus, from 2022 onward, the fertilizer sector has consistently contributed more to the national exchequer than its earnings.

A graph comparing Direct Taxes (Income Tax), Indirect Taxes (Excise & Sales Tax), and Net Profit After Tax (NPAT) will make this contrast visually compelling, showing how the government and sponsors/shareholders have shared the financial outcomes of the industry.

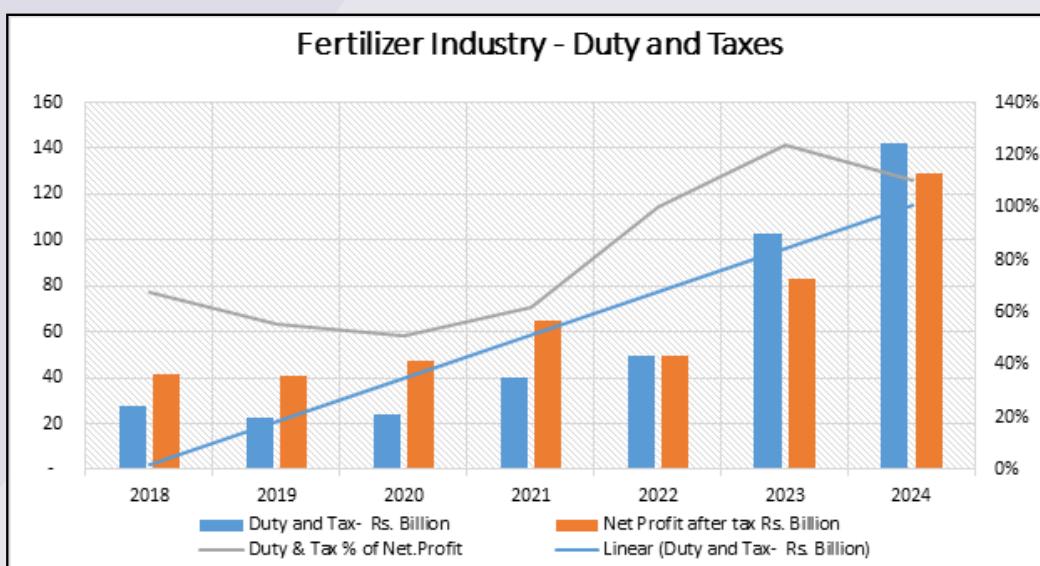


TABLE AE
EXCISE DUTY AND SALES TAX

	FERTILIZER COMPANIES	Total (2018-24)	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion									
1	Agritech Limited	2.55	1.59	0.03	0.16	0.24	0.14	0.27	0.12
2	Fauji Fertilizer Company Ltd.	42.24	26.07	5.18	1.15	2.26	2.03	2.17	3.38
3	Fauji Fertilizer Bin Qasim Ltd.	20.69	-	12.50	1.43	2.20	1.71	1.34	1.50
4	Engro Fertilizers Ltd.	23.38	9.66	5.24	1.15	1.83	1.49	1.58	2.44
5	Fatima Fertilizer Company Ltd.	29.93	12.65	7.85	1.50	2.49	1.56	1.63	2.27
	Total	118.79	49.96	30.80	5.39	9.02	6.92	6.99	9.71

TABLE AF
INCOME TAX (EXCLUDING DEFERRRED TAX)

	FERTILIZER COMPANIES	Total (2018-24)	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion									
1	Agritech Limited	1.59	0.61	0.31	0.22	0.13	0.09	0.18	0.06
2	Fauji Fertilizer Company Ltd.	111.43	43.02	23.35	14.20	9.64	7.83	6.23	7.17
3	Fauji Fertilizer Bin Qasim Ltd.	23.12	-	8.89	6.44	5.89	1.82	1.42	(1.34)
4	Engro Fertilizers Ltd.	70.89	23.15	17.08	10.88	6.56	2.61	3.59	7.02
5	Fatima Fertilizer Company Ltd.	83.97	25.30	22.50	12.39	8.95	5.00	4.41	5.41
	Total	291.00	92.08	72.13	44.12	31.16	17.35	15.84	18.32

1. Excise Duty & Sales Tax (Indirect Tax) – Table AE

- **Total (2018–2024): Rs. 118.8 billion.**
- **Yearly Trend:**
 - Sharp rise in 2024 (Rs. 49.96b), more than 60% of the seven-year total.
 - Relatively modest in earlier years, ranging from Rs. 5.4b (2022) to Rs. 9.7b (2018).
- **Company Contributions:**
 - FFC (Rs. 42.24b) – nearly half of industry total, with Rs. 26.07b in 2024 alone.
 - Fatima Fertilizer (Rs. 29.93b) – strong second, led by Rs. 12.65b in 2024.
 - Engro Fertilizers (Rs. 23.38b) – major contributor, peaking at Rs. 9.66b in 2024.
 - FFBL (Rs. 20.69b) – meaningful role until 2023, but no contribution in 2024 due to its merger with FFC.
 - Agritech (Rs. 2.55b) – minor player overall in seven years period.

Insight: The extraordinary rise in 2024 reflects a surge in fertilizer pricing and volumes, especially urea, bringing massive indirect tax inflows.

2. Income Tax (Direct Tax) – Table AF

- **Total (2018–2024): Rs. 291.00 billion.**
- **Yearly Trend:**
 - Highest ever in 2024: Rs. 92.08b (~32% of 7-year total).
 - Relatively moderate in 2018–2020 (Rs. 15–18b/year).
 - Strong upward momentum since 2021, accelerating sharply in 2023 and 2024.
- **Company Contributions:**
 - FFC (Rs. 111.43b) – dominant taxpayer, ~38% of total, with Rs. 43.02b in 2024.
 - Fatima Fertilizer (Rs. 83.97b) – second-largest, with consistent growth, peaking at Rs. 25.30b in 2024.
 - Engro Fertilizers (Rs. 70.89b) – third, contributing Rs. 23.15b in 2024.
 - FFBL (Rs. 23.12b) – active until 2023, but no contribution in 2024 due to merger with FFC.
 - Agritech (Rs. 1.59b) – small contributor, though showing rising payments from Rs. 0.06b in 2018 to Rs. 0.61b in 2024.

Insight: Income tax contributions show a steep upward trajectory, reflecting record profits in 2023–2024 on the back of high fertilizer demand and pricing.

3. Combined Contribution (Direct + Indirect)

- **Grand Total (2018–2024): Rs. 409.79 billion.**
- **2024 Alone: Rs. 142.05 billion (~38% of the seven-year total).**
- **Top Contributors:**
 - FFC + FFBL: Rs. 197.48b (48% of total).
 - Fatima Fertilizer: Rs. 113.90b (28%).
 - Engro Fertilizers: Rs. 94.27b (23%).
 - Agritech: Rs. 4.14b (1%).

Industry Role: The fertilizer sector has emerged as a vital contributor to Pakistan's exchequer, especially in 2023–2024, when fertilizer pricing, profitability, and utilization surged. The merger of FFBL into FFC consolidates tax contributions under fewer, larger players, reinforcing market concentration and fiscal significance.

Analytical Insight: Duties and Taxes Surpass Industry Profits

A striking trend emerges when comparing the fertilizer industry's net profits with its contributions to the national exchequer.

- 2018 – Duties and taxes of Rs. 28 billion amounted to 68% of net profits (Rs. 41 billion).
- 2022 – The burden equaled 100% of net profits, with government collections matching shareholder earnings.
- 2023 – Taxes surged further, reaching 124% of industry net earnings.
- 2024 – The industry paid a record Rs. 142 billion in duties and taxes against Rs. 129 billion in profits, equal to 110%.

From 2022 onwards, the fertilizer sector has consistently paid more to the government in duties and taxes than it has retained as net earnings—underscoring the sector's critical fiscal role and the heavy tax burden it bears.

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CHAPTER

Long-term and Short-investments

The Long-Term Investment section serves as a critical indicator of a company's ambition to diversify its operations and generate additional income streams for its stakeholders. The data provided herein offers a comprehensive view of the investment activities of key fertilizer manufacturers, highlighting how these companies allocate resources to sustain growth and strengthen financial stability over time.

Long-term investments are essential for companies aiming to expand beyond their core business. In the fertilizer sector, such investments include ventures into allied or unrelated industries, as well as acquisitions of financial assets that generate recurring income. These strategic moves contribute to financial resilience, reduce dependence on cyclical fertilizer earnings, and enhance shareholder value.

Conversely, reductions in long-term investments may reflect strategic liquidation of financial assets, realization of capital gains, or impairments in the value of holdings. Such changes often signal shifts in portfolio management priorities or adjustments to business strategy.

Short-term investment denotes surplus resources parked temporarily for the investments in long term assets or finances withheld for near future business needs.

The accompanying graphs illustrate two key aspects:

- i) The quantum of investments at the end of each year by the industry as a whole, bifurcated into long-term and short-term components.
- ii) Total investments along with year-on-year changes, both in monetary terms and percentage growth.

The following table (AG) provides a company-wise summary of net balances of investments held or liquidated during 2018–2024.

TABLE AG
LONG TERM AND SHORT TERM INVESTMENT

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees - Billion								
1	Agritech Limited		-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.							
	Long Term Investment	76.78	48.72	50.53	46.11	34.67	31.09	26.90
	Short Term Investment	203.98	94.74	100.27	95.20	81.90	48.04	54.59
	Total Investment	280.76	143.46	150.79	141.31	116.58	79.13	81.48
3	Fauji Fertilizer Bin Qasim Ltd.							
	Long term investment	-	25.4	29.4	25.9	24.5	26.2	24.6
	Short Term Investment	-				-	-	-
	Total	-	25.41	29.44	25.88	24.55	26.18	24.56
4	Engro Fertilizers Ltd.							
	Long Term Investment	3.52	0.10	2.10	0.00	0.00	0.00	0.56
	Short term Investment	2.74	-	-	-	-	-	-
	Total Investment	6.26	0.10	2.10	0.00	0.00	0.00	0.56
5	Fatima Fertilizer Company Ltd.							
	Long Term Investment	51.17	7.91	2.45	0.80	0.20	0.17	-
	Short Term Investment	30.29	18.82	4.43	2.24	2.52	-	-
	Total Investment	81.46	26.73	6.88	3.04	2.73	0.17	-
	Total Industry long term investment	131.47	82.14	84.53	72.79	59.42	57.44	52.02
	Total short-term investment	237.01	113.56	104.70	97.44	84.43	48.04	54.59
	Total Investment (Long & Short-term)	368.48	195.70	189.22	170.23	143.85	105.48	106.61

Industry-Wide Commentary

Long-Term Investments

Long-term investments in the fertilizer industry showed a steady buildup over the seven-year period. The aggregate portfolio grew from Rs. 52.0 billion in 2018 to Rs. 131.5 billion in 2024, reflecting a compound growth of about 153%.

- 2018–2020: Growth was gradual, rising from Rs. 52.0 billion in 2018 to Rs. 59.4 billion in 2020. FFC was the key contributor, supported by FFBL's steady stake.
- 2021–2022: The industry reached Rs. 72.8 billion in 2021 and Rs. 84.5 billion in 2022. This rise was again driven by FFC's steady increases and EFERT's re-entry in 2022 with Rs. 2.1 billion. Fatima remained relatively modest at this stage.
- 2023: Total long-term investment dipped slightly to Rs. 82.1 billion, mainly due to FFBL's partial liquidation of its portfolio (falling from Rs. 29.4 billion in 2022 to Rs. 25.4 billion in 2023).

- 2024: A major leap to Rs. 131.5 billion occurred, largely on account of Fatima Fertilizer's aggressive buildup (Rs. 51.2 billion mainly consisting of investment in GOP Ijara Sukuk amounting to Rs. 36.6 billion and separation of Sheikhupura operations into a new subsidiary company FatimaFert amounting to Rs. 7.2 billion), complemented by FFC's continuing growth. This year marked a structural shift, as Fatima joined FFC as a major investor.

Key Takeaway:

The long-term investment profile demonstrates a transition from being dominated by FFC and FFBL to a more balanced distribution, with Fatima emerging as a strong second pillar. FFBL's withdrawal in 2024 contrasts sharply with Fatima's expansion, signaling divergent strategies across companies.

Short-Term Investments

Short-term investments exhibited a far sharper trajectory, rising from Rs. 54.6 billion in 2018 to a staggering Rs. 237.0 billion in 2024 — more than fourfold growth in six years.

- 2018–2020: Investments increased moderately from Rs. 54.6 billion in 2018 to Rs. 84.4 billion in 2020, almost entirely driven by FFC.
- 2021–2022: A steady climb continued, reaching Rs. 97.4 billion in 2021 and Rs. 104.7 billion in 2022. The dominance of FFC persisted, with other players showing little presence.
- 2023: A surge to Rs. 113.6 billion occurred, aided by both FFC (Rs. 94.7 billion) and Fatima (Rs. 18.8 billion). This year marked the first time Fatima entered the short-term investment arena with significant allocations.
- 2024: The industry witnessed a spectacular jump to Rs. 237.0 billion, more than doubling in a single year. FFC accounted for the lion's share with Rs. 204.0 billion, while Fatima added Rs. 30.3 billion. EFERT also participated for the first time (Rs. 2.7 billion).

Key Takeaway:

Short-term investments have become the dominant component of the industry's investment portfolio, making up nearly two-thirds of total investments in 2024. This reflects the industry's preference for liquidity, flexibility, and quick returns, especially in a volatile business environment. FFC remains the central driver, but Fatima's growing role underscores a broader base of financial strength.

Overall Perspective

- The industry's total investments expanded from Rs. 106.6 billion in 2018 to Rs. 368.5 billion in 2024, a more than 3.5x increase.
- Long-term investments rose gradually and then jumped in 2024 due to Fatima's strategic push.
- Short-term investments grew explosively, particularly in 2023–24, showing how fertilizer companies are leveraging surplus liquidity for flexible deployment.
- The strategic split is clear: FFC dominates both segments, Fatima is rapidly ascending, FFBL has merged with FFC, EFERT remains cautious, and Agritech is absent altogether.

Company-Wise Analysis

Long-Term Investments

Agritech Limited

Agritech consistently recorded nil long-term investments during 2018–2024. This reflects the company's weak financial capacity and inability to divert resources beyond core operations, as it remained focused on managing survival and operational continuity.

Fauji Fertilizer Company Limited (FFC)

FFC has maintained a steady and rising long-term portfolio, increasing from Rs. 26.9 billion in 2018 to Rs. 76.8 billion in 2024. The growth reflects FFC's philosophy of balancing stable financial assets alongside its core fertilizer operations. This makes FFC a benchmark in terms of investment-led diversification in the industry.

Fauji Fertilizer Bin Qasim Limited (FFBL)

FFBL had a meaningful long-term portfolio through 2018–2022 (peaking at Rs. 29.4 billion in 2022), but by 2023 it had declined to Rs. 25.4 billion and then dropped to zero in 2024 because of its merger with FFC.

Engro Fertilizers Limited (EFERT)

EFERT's participation in long-term investments has been minimal. Except for a brief holding in 2018 (Rs. 0.6 billion) and Rs. 2.1 billion in 2022, it remained negligible until 2024, when it rose slightly to Rs. 3.5 billion. This conservative posture underlines EFERT's strategy of focusing primarily on operational efficiencies rather than financial asset growth.

Fatima Fertilizer Company Limited

Fatima emerged as the fastest-growing investor in long-term assets. Its long-term investments grew from negligible levels in 2018–2020 (Rs. 0.2 billion) to Rs. 51.2 billion by 2024. The sharp escalation from 2022 onwards highlights Fatima's strategic decision to broaden income sources and stabilize cash flows, making it a new heavyweight alongside FFC.

Short-Term Investments

Agritech Limited

No short-term investments were recorded in the review period, mirroring its constrained financial position and lack of liquidity for temporary deployments.

Fauji Fertilizer Company Limited (FFC)

FFC dominates this segment, with short-term investments rising from Rs. 54.6 billion in 2018 to Rs. 204.0 billion in 2024. Its deployment of surplus cash into short-term liquid instruments underscores its financial strength and capacity to generate consistent cash surpluses. FFC alone accounted for nearly 86% of all industry short-term investments in 2024.

Fauji Fertilizer Bin Qasim Limited (FFBL)

FFBL did not maintain any short-term investments over 2018–2024. This absence reflects limited liquidity and reliance on external funding for operational needs, consistent with its relatively weaker financial health compared to FFC and Fatima.

Engro Fertilizers Limited (EFERT)

EFERT entered short-term investments for the first time in 2024 with Rs. 2.7 billion. Though small, this step suggests an emerging interest in managing surplus liquidity, possibly supported by improved profitability in recent years.

Fatima Fertilizer Company Limited

Fatima significantly expanded its short-term investments in recent years, growing from nil until 2019 to Rs. 18.8 billion in 2023 and Rs. 30.3 billion in 2024. This sharp rise demonstrates its improved cash flows and a strategic preference for balancing liquidity with long-term diversification.

Synthesis

- FFC remains the undisputed leader in both long- and short-term investments, showcasing unmatched financial capacity and prudent diversification.
- Fatima has emerged as a strong competitor, particularly from 2022 onward, with impressive growth in both categories.
- FFBL is the weakest link, having liquidated its long-term investments by 2024 and maintaining no short-term portfolio.
- EFERT stays cautious, with small but growing investments, dipping a toe into both categories only recently.
- Agritech continues to have no presence, highlighting its ongoing financial struggles.

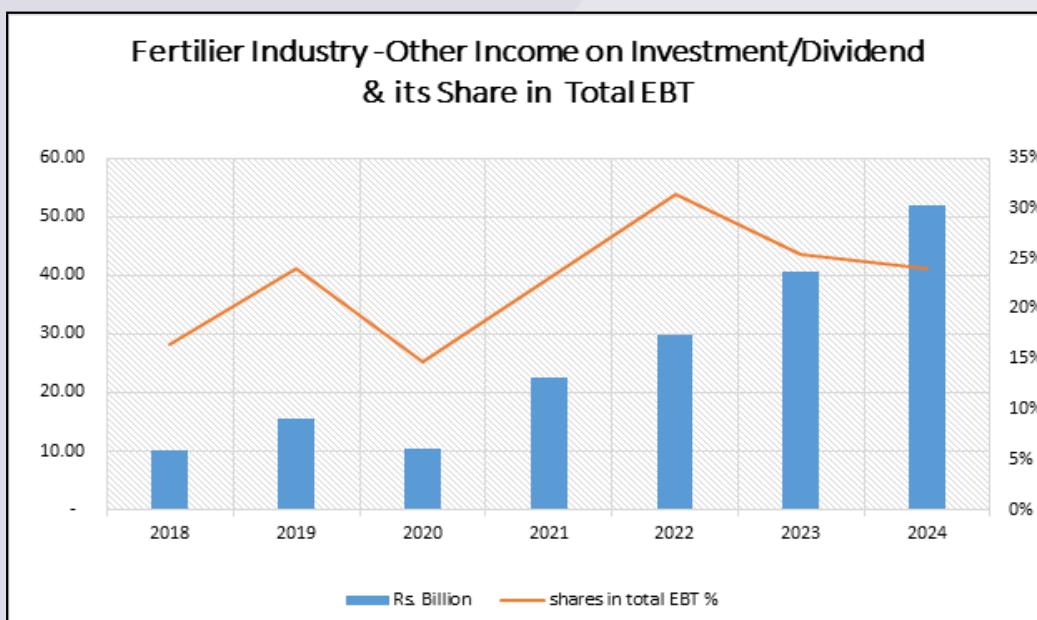
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CHAPTER

Return on Investment & its share in Total PBT

An analysis of the fertilizer industry's profitability would be incomplete without considering the returns earned on investments and dividend income. Besides their core fertilizer operations, most companies in the sector have benefited significantly from earnings generated by their long-term and short-term investment portfolios. These returns, net of any impairment charges, provide stability and diversification to overall profitability.

The industry's return on investment is illustrated in the graph below, followed by Table AH, which provides company-wise details of investments and the corresponding returns earned by each company.



The industry's aggregate profit before tax (PBT) grew from Rs. 61.7 billion in 2018 to Rs. 216.5 billion in 2024. Within this, income from investments surged from Rs. 10.1 billion (16% of PBT) in 2018 to Rs. 51.9 billion (24% of PBT) in 2024. This rising contribution underscores the growing reliance of fertilizer companies on diversified income streams.

Table AH hereinafter provided portrays company-wise income on investment, profits before tax, and its share of income on investment in the total profit before tax.

TABLE AH

INCOME/DIVIDEND - ON INVESTMENT AND ITS SHARE IN TOTAL PROFIT BEFORE TAX BEFORE TAX

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited							
	Profit/(loss) before tax	-1.08	0.91	-3.18	-3.02	-4.48	-0.97	-3.28
	Income on Investment/ Dividend	-	-	-	-	-	-	-
	% of Profit before tax	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.							
	Profit before tax	111.11	53.55	33.69	30.34	29.59	23.75	21.68
	Income on Investment/ Dividend	29.79	16.68	14.12	7.54	5.00	5.47	3.65
	% of Profit before tax	27%	31%	42%	25%	17%	23%	17%
3	Fauji Fertilizer Bin Qasim Ltd.							
	Profit before tax	-	14.15	8.51	11.52	4.89	-3.87	1.81
	Income on Investment/ Dividend	-	9.43	5.16	7.01	1.10	2.57	3.06
	% of Profit before tax	-	67%	61%	61%	23%	-67%	169%
4	Engro Fertilizers Ltd.							
	Income on Investment/ Dividend	9.50	8.91	8.81	6.89	2.62	6.33	2.83
	Profit before tax	44.82	44.98	22.50	27.91	18.92	27.24	21.40
	% of Profit before tax	21%	20%	39%	25%	14%	23%	13%
5	Fatima Fertilizer Company Ltd.							
	Profit before tax	60.56	47.75	30.51	28.19	17.65	17.19	16.79
	Income on Investment/ Dividend	12.55	5.71	1.76	1.18	1.70	1.02	0.57
	% of Profit before tax	21%	12%	6%	4%	10%	6%	3%
	Total Profit before tax	216.49	160.42	95.21	97.96	71.06	64.31	61.68
	Total Income on Invest./ Dividend	51.85	40.73	29.86	22.62	10.42	15.40	10.10
	% of Profit before tax	24%	25%	31%	23%	15%	24%	16%
	M/s Agritech is not included in total							

Company-Wise Insights

1. Agritech Limited

Agritech consistently reported operating losses during 2018–2024 and had no income from investments. Its absence from this category underlines its financial weakness and lack of surplus liquidity, unlike its peers.

2. Fauji Fertilizer Company Limited (FFC)

FFC is the industry leader in generating returns from investments. In 2024, it earned Rs. 29.8 billion in dividend and investment income, accounting for 27% of its PBT. The proportion was even higher in 2022 at 42%. Over the years, FFC has leveraged its large investment base to sustain profitability, making investment income a structural part of its financial performance.

3. Fauji Fertilizer Bin Qasim Limited (FFBL)

FFBL shows the highest proportional dependence on investment income. In years such as 2022 and 2021, investment income contributed over 60% of its PBT. In 2023, this peaked at 67%, highlighting its reliance on returns from associated undertakings rather than core operations. However, with no PBT or investment income in 2024 because of its merger with FFC during the year.

4. Engro Fertilizers Limited (EFERT)

EFERT has consistently reported meaningful investment income, averaging between 13% and 39% of its PBT over the review period. In 2024, it earned Rs. 9.5 billion, forming 21% of its PBT. This contribution has remained stable, showing EFERT's balanced reliance on both core fertilizer operations and investments.

5. Fatima Fertilizer Company Limited

Fatima's investment income has grown markedly in recent years. From negligible levels in 2018 (3% of PBT), it rose to Rs. 12.6 billion in 2024, representing 21% of its PBT. This sharp escalation mirrors Fatima's expansion in long-term and short-term investments, positioning it as a rising force alongside FFC in investment-led earnings.

Industry-Level Takeaways

Rising Importance:

In a volatile market environment, investment returns act as a financial cushion. The industry's share of investment income in total PBT has steadily increased, reaching one-fourth of profits by 2024. This trend reflects the sector's dual-income model: core fertilizer sales supplemented by strong financial returns.

- **Balanced Model:** FFC and EFERT maintain strong, stable contributions, ensuring resilience.
- **Growth Trajectory:** Fatima's rapid rise signals a new era of investment-driven profitability.
- **Weak Position:** Agritech has no presence in this income stream due to persistent losses.

Trend Commentary: Share of Investment Income in Total PBT (2018–2024)

- **2018:**
Industry PBT stood at Rs. 61.7 billion, with investment income contributing Rs. 10.1 billion (16%). At this stage, returns from investments were a supplementary income stream but not yet a major driver of profitability.
- **2019:**
Despite modest growth in PBT to Rs. 64.3 billion, investment income rose to Rs. 15.4 billion, lifting its share to 24%. This was the first signal that the industry was becoming increasingly reliant on non-core income.
- **2020:**
Total PBT dropped to Rs. 71.1 billion, and investment income fell to Rs. 10.4 billion, reducing its share to 15% — the lowest in the review period. The decline was largely due to weaker returns and higher operational stress across the industry.
- **2021:**
PBT improved to Rs. 98.0 billion, with investment income climbing to Rs. 22.6 billion. The share rebounded to 23%, restoring the role of investments as a stabilizing factor in profitability.
- **2022:**
Investment income surged to Rs. 29.9 billion, forming a peak share of 31% of total PBT (Rs. 95.2 billion). This was the highest dependence during the seven years, underscoring the crucial role of financial returns when operational margins were under pressure.
- **2023:**
PBT rose sharply to Rs. 160.4 billion, and investment income also expanded to Rs. 40.7 billion. The share remained strong at 25%, reflecting continued significance of investments even as core business earnings recovered.

- **2024:**

The industry reached its highest PBT level of Rs. 216.5 billion, with investment income of Rs. 51.9 billion contributing 24%. Although the proportion was slightly below the 2022 peak, the absolute quantum of investment returns was at a record high.

Summary of the Trend

- The share of investment income in total PBT ranged between 15% (2020) and 31% (2022).
- Over the long run, the industry has settled into a pattern where around one-fourth of total profits are generated from investments, making it a structural component of earnings.
- Periods of operational weakness (e.g., 2022) saw investment income rise disproportionately, while strong fertilizer profitability (e.g., 2023–24) diluted the percentage share despite record-high income levels.

The above analysis gives readers both a numerical journey and a strategic insight into how important investment income has become for the fertilizer industry.

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CHAPTER

Return on the Shareholders' Investment

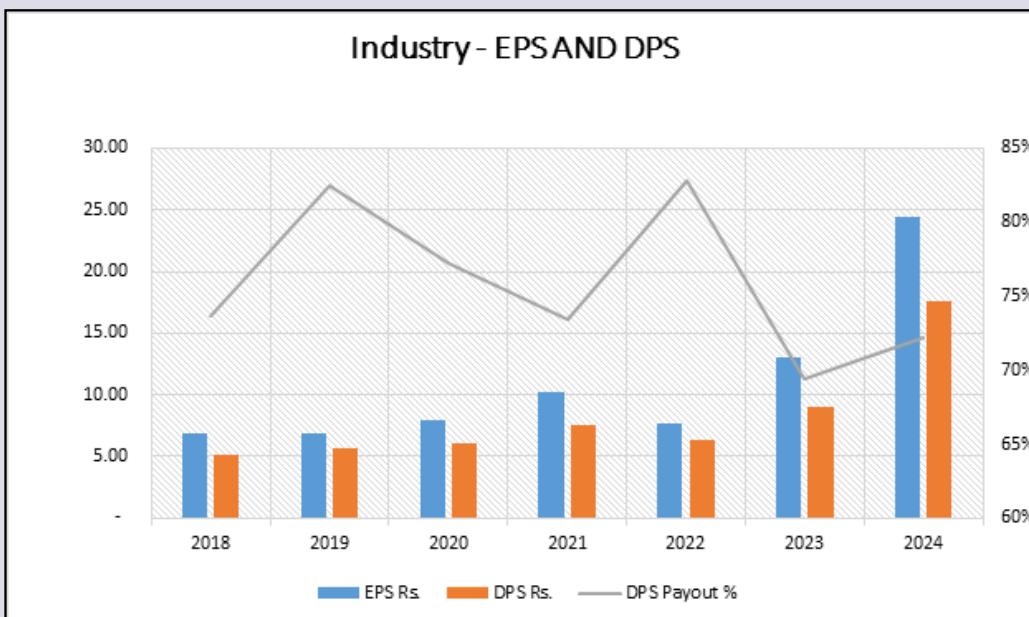
In this section, we examine the return on investment for shareholders of fertilizer companies, focusing on earnings per share (EPS) and dividends per share (DPS) declared over the years. These indicators are crucial in assessing how effectively the industry has created value for its shareholders, reflecting both profitability and dividend distribution policies.

Industry Overview

Despite facing economic headwinds, including the disruptive impact of COVID-19 in 2020, the fertilizer industry has demonstrated notable resilience and sustained growth in shareholder returns. Over the seven-year period under review, the industry's average EPS increased from Rs. 6.87 in 2018 to Rs. 24.38 in 2024, marking an impressive growth of 255%. Similarly, the average DPS rose from Rs. 5.06 to Rs. 17.61, an increase of 248%.

This upward trajectory underscores the industry's robust performance, even though it reflects a blend of both strong and weak performers. While some companies consistently created significant shareholder value through solid earnings and generous dividends, others lagged behind due to persistent operational or financial challenges.

The overall industry performance is illustrated in the graph provided below, while company-wise details are presented in Tables AI and AJ.


TABLE AI
EARNINGS (LOSS) PER SHARE

	Fertilizer Companies	Total	2024	2023	2022	2021	2020	2019	2018
Rs.									
1	Agritech Limited	(42.75)	(2.62)	2.93	(7.43)	(6.83)	(10.94)	(1.66)	(7.61)
2	Fauji Fertilizer Company Ltd.	105.88	45.49	23.32	15.76	17.21	16.36	13.45	11.35
3	Fauji Fertilizer Bin Qasim Ltd.	8.56	-	3.41	1.80	4.95	2.12	(6.34)	1.54
4	Engro Fertilizers Ltd.	93.12	22.62	19.23	11.54	15.78	12.59	13.90	12.48
5	Fatima Fertilizer Company Ltd.	47.98	16.66	10.67	6.88	8.80	5.80	5.75	5.67
	Industry average (weighted)	56.98	24.38	13.03	7.72	10.19	7.91	6.82	6.87
	Increase 2018 vs 2024	17.51	255%						

TABLE AJ
DIVIDEND PER SHARE

	Fertilizer Companies	Total	2024	2023	2022	2021	2020	2019	2018
Rs.									
1	Agritech Limited	-		-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	114.83	34.86	15.49	12.13	14.50	11.20	10.80	8.85
3	Fauji Fertilizer Bin Qasim Ltd.	2.85	-	1.00	-	-	-	-	1.00
4	Engro Fertilizers Ltd.	116.50	21.50	20.50	13.50	16.50	13.00	12.00	11.00
5	Fatima Fertilizer Company Ltd.	27.00	7.00	4.50	3.50	3.50	2.50	2.00	1.75
	Industry average (weighted)	61.60	17.61	9.05	6.39	7.48	6.11	5.63	5.06
	Increase 2018 vs 2024	12.54	248%						

Company-Wise Insights

1. Agritech Limited

- Agritech has consistently posted negative EPS, except in 2023, where it briefly turned profitable (EPS Rs. 2.93).
- Over the seven years, its cumulative EPS remains at a loss of Rs. -42.75 per share.
- No dividends were declared during the entire period, reflecting its weak financial health and inability to create value for shareholders.
- Agritech stands as an outlier, pulling down the industry averages.

2. Fauji Fertilizer Company Limited (FFC)

- FFC has been the strongest performer in terms of both profitability and dividend payouts.
- EPS grew from Rs. 11.35 in 2018 to Rs. 45.49 in 2024 — a four-fold increase.
- The company has maintained a consistent dividend policy, with DPS rising from Rs. 8.85 in 2018 to Rs. 34.86 in 2024.
- Its cumulative DPS of Rs. 114.83 is the highest in the industry, underlining its shareholder-friendly policy and cash-generating ability.

3. Fauji Fertilizer Bin Qasim Limited (FFBL)

- FFBL's performance has been inconsistent and volatile.
- EPS has fluctuated widely, ranging from losses (-6.34 in 2018) to modest profits (3.41 in 2023).
- Dividend payments have been irregular, with DPS declared only in two years (2018 and 2023).
- This reflects its vulnerability to market and operational challenges compared to peers.
- The company has been merged with FFC in 2024.

4. Engro Fertilizers Limited (EFERT)

- Engro has demonstrated steady growth and reliable dividends.
- EPS increased from Rs. 12.48 in 2018 to Rs. 22.62 in 2024, nearly doubling over the period.
- Dividend payouts have been consistent, rising from Rs. 11.00 in 2018 to Rs. 21.50 in 2024, giving it the second-highest cumulative DPS (Rs. 116.50) after FFC.
- Engro's strong dividend record reflects a balanced strategy of growth and shareholder returns.

5. Fatima Fertilizer Company Limited

- Fatima has shown sustained upward momentum in both earnings and dividends.
- EPS increased nearly three times, from Rs. 5.67 in 2018 to Rs. 16.66 in 2024.
- DPS has steadily improved from Rs. 1.75 in 2018 to Rs. 7.00 in 2024.
- While dividend payouts are lower compared to FFC and Engro, Fatima's trajectory signals long-term stability and growth potential.

Key Takeaways

- **Industry Growth:** Over seven years, EPS rose 255% and DPS 248%, highlighting strong value creation for shareholders despite macroeconomic and policy challenges.
- **Top Performers:** FFC and Engro dominate the sector, delivering consistent earnings and robust dividends. Together, they represent the backbone of shareholder wealth creation in the industry.
- **Emerging Growth:** Fatima Fertilizer is gaining ground, gradually improving both profitability and shareholder returns.
- **Volatility & Weakness:** FFBL remains inconsistent and was merged with FFC in 2024, while Agritech has failed to deliver any shareholder value.
- **Resilience:** The sector's ability to maintain dividend growth through difficult years (COVID-19, inflationary pressures, and high interest rates) demonstrates its resilience and strong cash flows.

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CHAPTER

Shareholders' Wealth

In this chapter, we analyze shareholders' wealth in the fertilizer sector by examining two critical measures:

1. Shareholders' Equity (Net Worth) – representing the book value of shareholders' investment in the companies.
2. Market Value of Equity – based on stock prices quoted on the Pakistan Stock Exchange.

Shareholders' Equity (Net Worth of Investment)

Shareholders' equity (SE) reflects the net worth attributable to investors. It includes:

- Paid-up capital
- Retained earnings and reserves
- Surplus on revaluation of fixed assets (where applicable)

This measure offers a comprehensive view of a company's financial strength and the accumulation of value for its owners.

Revaluation Reserve Adjustment

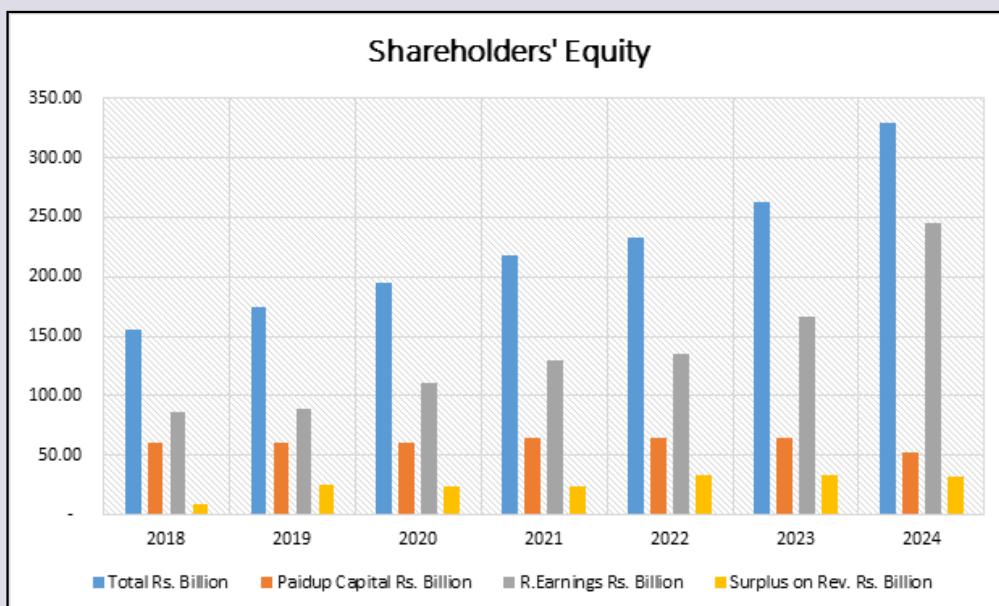
In periods of financial distress, some companies revalue their fixed assets to create additional borrowing capacity by using revalued assets as collateral. Agritech Limited has done so, recording a substantial revaluation surplus.

The other four major players – FFC, FFBL, Engro Fertilizers, and Fatima Fertilizer – being financially stronger, did not opt for revaluations.

To ensure fair comparison, we therefore present shareholders' equity in two ways:

- Inclusive of revaluation surplus (as per accounting standards)
- Exclusive of revaluation surplus (to provide an apples-to-apples comparison across companies)

The graph presents overall picture of the industry.



Shareholders' Equity Tables

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

TABLE AK
SHAREHOLDERS' EQUITY INCLUSIVE OF REVALUATION SURPLUS

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in billion								
1	Agritech Limited	9.73	10.51	9.42	3.76	6.44	10.74	(4.89)
2	Fauji Fertilizer Company Ltd.	131.88	61.85	50.83	47.51	42.54	35.57	33.38
3	Fauji Fertilizer Bin Qasim Ltd.	-	27.09	22.72	20.43	13.96	6.83	13.90
4	Engro Fertilizers Ltd.	46.53	45.03	42.69	45.32	44.99	42.85	43.00
5	Fatima Fertilizer Company Ltd.	141.73	118.37	107.09	100.26	87.10	78.01	69.59
	Total	329.87	262.84	232.75	217.28	195.02	174.00	154.98
	Industry average Breakup value	62.44	41.13	36.42	34.00	32.32	28.84	25.68
	Agritech Limited: Surplus on revaluation of fixed assets included and Preference shares excluded.							

TABLE AL
PAID UP CAPITAL

		2024	2023	2022	2021	2020	2019	2018
Rupees in billion								
1	Agritech Limited	4.25	3.92	3.92	3.92	3.92	3.92	3.92
2	Fauji Fertilizer Company Ltd.	14.23	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
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	52.83	63.91	63.91	63.91	60.34	60.34	60.34
	Industry shares (Billion shares)	5.28	6.39	6.39	6.39	6.03	6.03	6.03

TABLE AM
RETAINED EARNINGS & RESERVES

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in billion								
1	Agritech Limited	(26.53)	(26.42)	(28.41)	(23.60)	(21.62)	(17.93)	(17.51)
2	Fauji Fertilizer Company Ltd.	117.65	49.13	38.11	34.79	29.81	22.84	20.66
3	Fauji Fertilizer Bin Qasim Ltd.	-	14.18	9.81	7.52	4.62	(2.51)	4.56
4	Engro Fertilizers Ltd.	33.18	31.67	29.34	31.97	31.63	29.50	29.64
5	Fatima Fertilizer Company Ltd.	120.73	97.37	86.09	79.26	66.10	57.01	48.59
	Total	245.03	165.93	134.94	129.93	110.55	88.91	85.95

TABLE AN
SURPLUS ON REVALUATION OF FIXED ASSETS

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in billion								
1	Agritech Limited	32.01	33.00	33.90	23.44	24.14	24.75	8.69
2	Fauji Fertilizer Company Ltd.	-	-	-	-	-	-	-
3	Fauji Fertilizer Bin Qasim Ltd.	-	-	-	-	-	-	-
4	Engro Fertilizers Ltd.	-	-	-	-	-	-	-
5	Fatima Fertilizer Company Ltd.	-	-	-	-	-	-	-
	Total	32.01	33.00	33.90	23.44	24.14	24.75	8.69

Industry Trend in Shareholders' Equity

The consolidated shareholders' equity of the fertilizer industry grew significantly during 2018–2024:

- Rising from Rs. 154.98 billion in 2018 to Rs. 329.87 billion in 2024.
- This represents a compound growth of more than 110% over the seven-year period.
- The industry average breakup value per share rose from Rs. 25.68 in 2018 to Rs. 62.44 in 2024.

The growth was driven mainly by robust profitability, higher retained earnings, and consistent capital strength of FFC and Fatima Fertilizer.

Company-wise Highlights

1. Agritech Limited

- Reported equity of Rs. 9.73 billion in 2024, heavily dependent on a revaluation surplus of Rs. 32.01 billion.
- Without this surplus, equity remains negative due to accumulated losses (retained earnings at –Rs. 26.53 billion).
- The company continues to struggle with financial stability despite accounting adjustments.

2. Fauji Fertilizer Company Limited (FFC)

- Equity surged from Rs. 33.38 billion in 2018 to Rs. 131.88 billion in 2024.
- Growth mainly driven by strong retained earnings (Rs. 117.65 billion in 2024).
- Paid-up capital remained stable at Rs. 14.23 billion.

3. Fauji Fertilizer Bin Qasim Limited (FFBL)

- Equity rose from Rs. 13.90 billion in 2018 to Rs. 27.09 billion in 2023 but reported nil equity in 2024 due to its merger with FFC.
- Retained earnings fluctuated widely, at one point negative (–Rs. 2.51 billion in 2019).
- Financial performance remains volatile.

4. Engro Fertilizers Limited (EFERT)

- Maintained steady equity between Rs. 42–46 billion throughout the period.
- Paid-up capital unchanged at Rs. 13.35 billion.
- Retained earnings consistently strong, at Rs. 33.18 billion in 2024.

5. Fatima Fertilizer Company Limited

- Showed the most remarkable growth: equity rose from Rs. 69.59 billion in 2018 to Rs. 141.73 billion in 2024.
- Strong retained earnings (Rs. 120.73 billion in 2024) underline the company's ability to reinvest profits for growth.
- Paid-up capital stable at Rs. 21 billion.

Component-wise Observations

1. Paid-up Capital (Table AL)

- Industry capital base remained largely unchanged at ~Rs. 60–64 billion over the period.
- No major fresh equity injections, growth in equity was almost entirely profit-driven.

2. Retained Earnings & Reserves (Table AM)

- The primary driver of growth in shareholders' equity.
- Industry retained earnings increased nearly 3x, from Rs. 85.95 billion in 2018 to Rs. 245.03 billion in 2024.
- FFC and Fatima Fertilizer together account for 97% of total retained earnings in 2024.

3. Revaluation Surplus (Table AN)

- Entirely attributable to Agritech (Rs. 32.01 billion in 2024).
- Other companies did not revalue assets, underscoring their financial strength.

Key Takeaways

- Industry Strengthening: Overall, the fertilizer industry demonstrated resilience and strong wealth creation for shareholders between 2018 and 2024.
- Profit-driven Equity Growth: With paid-up capital stable, growth in equity came primarily from profits retained in the business.
- Agritech Dependency on Revaluation: Its equity position remains artificial, dependent on asset revaluation rather than operational strength.
- Fatima and FFC as Leaders: These two companies dominate the industry's equity structure, accounting for over 80% of total shareholders' equity in 2024.
- Volatility at FFBL: Continued earnings inconsistency reflects structural challenges until it merged with FFC in 2024.
- Steady Engro Fertilizers: A model of stability, though with relatively slower equity growth compared to peers.

Shareholders' Equity computed without Revaluation Reserve

The earlier computation of shareholders' equity treated the surplus on revaluation of fixed assets as part of equity. However, it is important to note that among the five fertilizer companies, only Agritech Limited has revalued its fixed assets, while the others have not opted for this practice.

To ensure comparability across the industry, shareholders' equity has now been recomputed by excluding the revaluation reserve. In this revised calculation, equity is based solely on two fundamental components:

- Paid-up capital
- Retained earnings

Thus, reserves arising from revaluation of fixed assets have been excluded.

The graph below illustrates the industry-wide trend of shareholders' equity on this adjusted basis, while Table AO presents company-wise figures for the years 2018–2024.

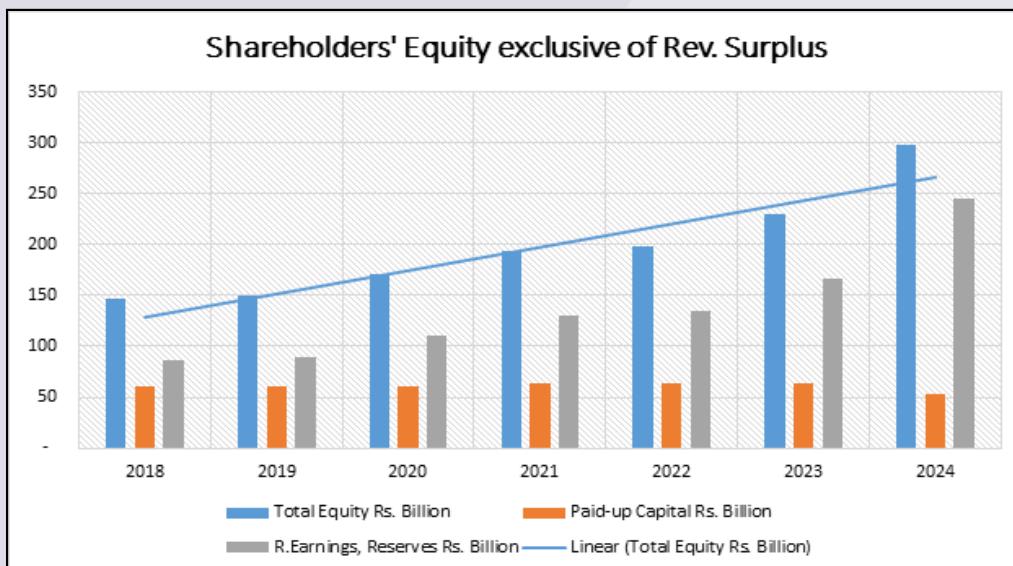


TABLE AO

SHAREHOLDERS' EQUITY PAID UP CAPITAL AND RETAINED EARNINGS

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018	Rupees in billion						
									Rupees in billion						
1	Agritech Limited	(22.28)	(22.49)	(24.48)	(19.68)	(17.70)	(14.01)	(13.58)							
2	Fauji Fertilizer Company Ltd.	131.88	61.85	50.83	47.51	42.54	35.57	33.38							
3	Fauji Fertilizer Bin Qasim Ltd.	-	27.09	22.72	20.43	13.96	6.83	13.90							
4	Engro Fertilizers Ltd.	46.53	45.03	42.69	45.32	44.99	42.85	43.00							
5	Fatima Fertilizer Company Ltd.	141.73	118.37	107.09	100.26	87.10	78.01	69.59							
	Total	297.86	229.84	198.85	193.85	170.89	149.25	146.29							
	Industry average Breakup value	56.38	35.96	31.11	30.33	28.32	24.73	24.24							

Agritech: Reserve for Revaluation of Fixed Assets not included.

Commentary and Analysis

The exclusion of revaluation reserves provides a clearer and more comparable picture of shareholders' equity across the fertilizer industry. Several important observations emerge:

1. Agritech Limited – Persistent Negative Equity

- Agritech Limited continues to show negative equity throughout 2018–2024, reflecting accumulated losses and financial stress.
- Despite occasional operational improvements, the company's capital erosion remains a serious concern, distinguishing it as an outlier within the industry.

2. Fauji Fertilizer Company Ltd. (FFC) – Strong Growth in Equity

- FFC shows a remarkable jump in equity from Rs. 61.85 billion in 2023 to Rs. 131.88 billion in 2024, more than doubling in a year.
- This reflects robust profitability, high dividend payout capacity, and consistent growth in retained earnings.
- FFC remains a pillar of stability in the sector.

3. Fauji Fertilizer Bin Qasim Ltd. (FFBL) – Volatility in Equity

- FFBL's equity fluctuates over the period, peaking in 2023 at Rs. 27.09 billion but dropping to nil in 2024.
- This decline suggests possible erosion of reserves due to losses, impairments, or dividend outflows, highlighting FFBL's vulnerability relative to its peers.

4. Engro Fertilizers Ltd. – Stable Equity Position

- Engro Fertilizers maintains a relatively stable equity base ranging between Rs. 42–46 billion.
- This steadiness reflects balanced profitability and dividend distribution, though its growth pace lags behind Fatima and FFC.

5. Fatima Fertilizer Company Ltd. – Consistent and Strong Expansion

- Fatima Fertilizer shows steady growth in equity, rising from Rs. 69.59 billion in 2018 to Rs. 141.73 billion in 2024.
- The company has emerged as the largest equity holder in the industry, slightly ahead of FFC in 2024, underlining its strong retained earnings and expansion-driven profitability.

6. Industry-Wide Trend – Strengthening Equity Base

- Overall industry equity (excluding revaluation reserves) has increased from Rs. 146.29 billion in 2018 to Rs. 297.86 billion in 2024 — a 103% growth over seven years.
- The average breakup value per share has nearly doubled, from Rs. 24.24 in 2018 to Rs. 56.38 in 2024, indicating improved financial health and shareholder value creation.

Key Takeaway:

The fertilizer industry has demonstrated substantial improvement in its equity position over 2018–2024, led by Fatima Fertilizer and FFC. However, Agritech's persistent negative equity and FFBL's volatility highlight uneven performance across the sector. The overall upward trajectory reflects a stronger capacity to absorb shocks, reward shareholders, and finance future growth.

Share Values

In this section, we examine the different values of shares of fertilizer companies, which provide critical insights into shareholder wealth and company performance.

Face Value:

The face value represents the nominal value of each share assigned by the company, as specified in the share certificate. In the Balance Sheet, the paid-up capital is computed by multiplying the face value by the number of shares issued and paid. While important for statutory and accounting purposes, face value generally has limited relevance in evaluating the current worth of a share.

Break-up Value:

The break-up value reflects the real worth of a share and is derived by dividing total equity by the number of issued and paid-up shares. This value represents the financial strength of a company and indicates the book value of shareholders' investments. It is a crucial metric for assessing the intrinsic worth of a share, especially when calculated after excluding revaluation reserves. By focusing on paid-up capital and retained earnings, a clearer and more reliable picture of financial health emerges.

Market Value:

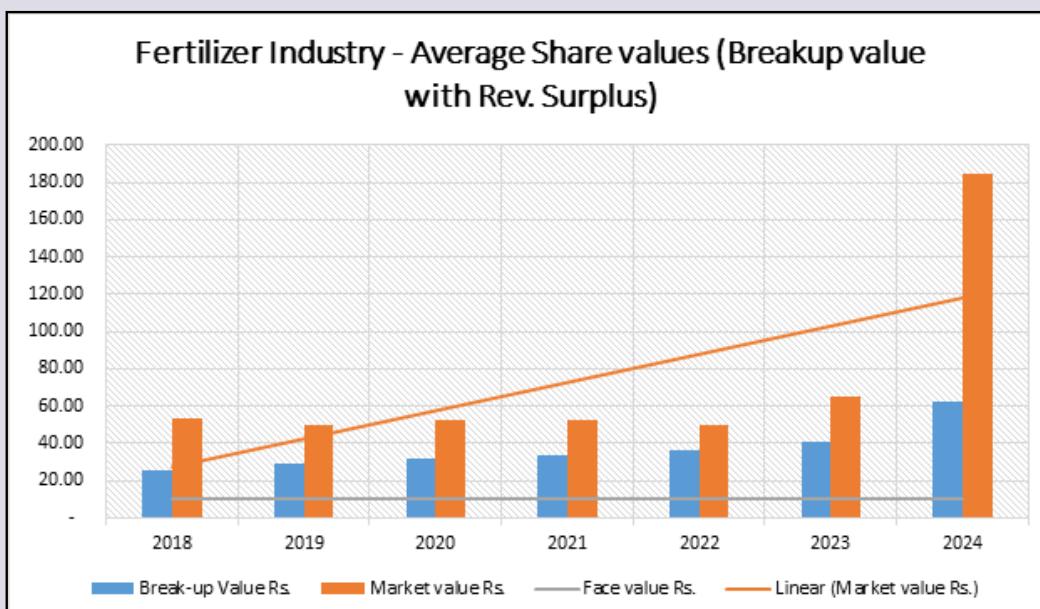
In contrast, the market value of a share is determined by stock exchanges, driven by investor sentiment, economic outlook, and other external factors. Market price does not always reflect the intrinsic financial position of a company but plays an equally important role in gauging investor confidence and industry attractiveness.

Comparative Analysis:

The following analysis provides a comparison of break-up values (with and without revaluation reserves) and market values of fertilizer companies from 2018 to 2024. The graphs appended depict the industry-wide trend. Both break-up and market values have shown year-on-year improvement, highlighting the resilience and growth of the sector despite economic challenges.

Two sets of graphs are presented for clarity:

1. Break-up value computed including revaluation surplus.
2. Break-up value computed excluding revaluation surplus, based solely on paid-up capital and retained earnings.


TABLE AP
BREAK-UP VALUE PER SHARE WITH REVALUATION SURPLUS

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rs.								
1	Agritech Limited	22.92	26.77	24.00	9.57	16.41	27.36	(12.46)
2	Fauji Fertilizer Company Ltd.	92.67	48.62	39.96	37.35	33.43	27.96	26.24
3	Fauji Fertilizer Bin Qasim Ltd.	-	20.98	17.60	15.82	13.49	7.32	14.88
4	Engro Fertilizers Ltd.	34.85	33.72	31.97	33.94	33.69	32.40	34.10
5	Fatima Fertilizer Company Ltd.	67.49	56.36	50.99	47.74	41.48	37.15	33.14
Industry average (weighted)		62.44	41.13	36.42	34.00	32.32	28.84	25.68

Commentary on Break-up Values (Including Revaluation Surplus)

The data presented in Table AO highlights significant variations in the break-up values of fertilizer companies from 2018 to 2023. A few key insights are worth noting:

1. Fauji Fertilizer Company Ltd. (FFC):

FFC consistently demonstrates strong growth in break-up value, rising from Rs. 26.24 in 2018 to Rs. 92.67 in 2023. This steady upward trajectory underscores its robust financial base, supported by sustained profitability, efficient operations, and shareholder-friendly policies. The sharp jump in 2023 reflects strengthened equity and reserves, reinforcing FFC's position as the industry leader.

2. Engro Fertilizers Ltd. (EFL):

Engro Fertilizers exhibits remarkable stability, with break-up values ranging between Rs. 32 and Rs. 35 across the years. This consistency highlights a balanced equity structure, strong retained earnings, and prudent dividend policies. Unlike FFC, however, Engro's growth has been flat, suggesting limited expansion in equity compared to peers.

3. Fatima Fertilizer Company Ltd.:

Fatima Fertilizer shows strong growth momentum, with break-up value rising from Rs. 33.14 in 2018 to Rs. 67.49 in 2023. This near doubling reflects expansion in earnings and reserves. The company's consistent upward movement demonstrates its strengthening equity position and improving financial health, aligning it closer to FFC in performance.

4. Fauji Fertilizer Bin Qasim Ltd. (FFBL):

FFBL's performance is modest compared to its peers, with break-up value increasing from Rs. 14.88 in 2018 to Rs. 20.98 in 2022. Although the company reflects gradual improvement, its figures remain significantly lower than FFC, Engro, and Fatima, highlighting comparatively weaker financial resilience. The absence of data for 2023 further clouds assessment, but historically FFBL has remained an underperformer within the group.

5. Agritech Limited:

Agritech presents a highly volatile picture, with break-up values swinging from a negative Rs. (12.46) in 2018 to positive Rs. 27.36 in the same year, and later dropping again before recovering to Rs. 22.92 in 2023. This inconsistency stems from accumulated losses and weak fundamentals, partly offset by revaluation surpluses. The company's fragile equity base positions it as an outlier in the industry.

Industry Perspective:

The weighted industry average has improved from Rs. 25.68 in 2018 to Rs. 62.44 in 2023, reflecting overall strengthening of the fertilizer sector's equity. The consistent rise illustrates the industry's ability to generate value for shareholders despite challenges such as rising costs, volatile input prices, and macroeconomic pressures. However, the wide gap between leaders (FFC and Fatima) and laggards (Agritech and FFBL) underscores disparities in financial health across the industry.

Average Share Value – Breakup Value excluding Rev. Surplus

A graph showing breakup values of the shares is provided hereunder:

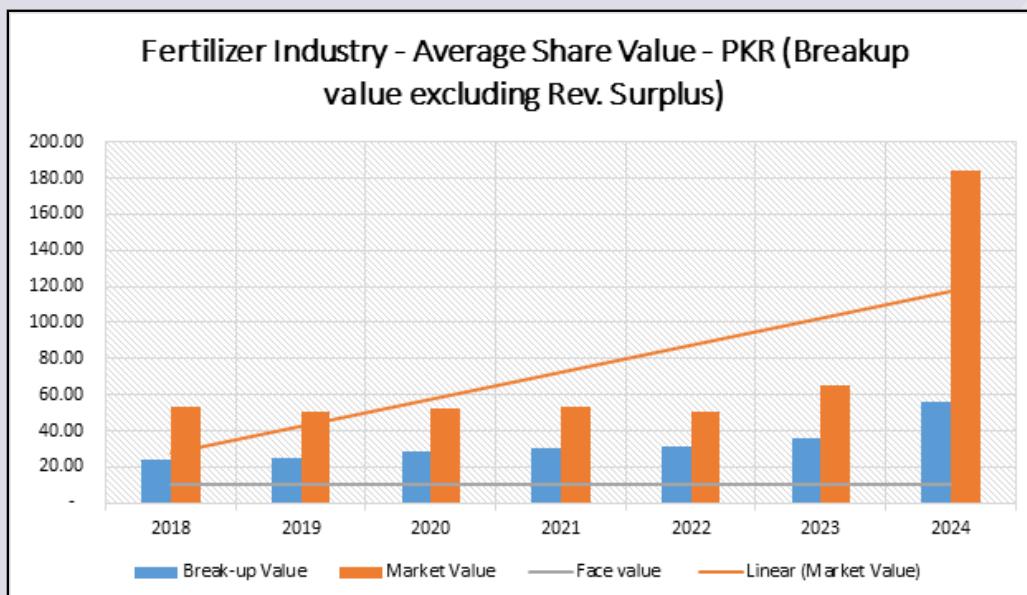


TABLE AQ
BREAK-UP VALUE PER SHARE WITHOUT REVALUATION SURPLUS

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rs.								
1	Agritech Limited	(52.47)	(57.32)	(62.39)	(50.15)	(45.10)	(35.70)	(34.61)
2	Fauji Fertilizer Company Ltd.	92.67	48.62	39.96	37.35	33.43	27.96	26.24
3	Fauji Fertilizer Bin Qasim Ltd.	-	20.98	17.60	15.82	13.49	7.32	14.88
4	Engro Fertilizers Ltd.	34.85	33.72	31.97	33.94	33.69	32.40	34.10
5	Fatima Fertilizer Company Ltd.	67.49	56.36	50.99	47.74	41.48	37.15	33.14
	Industry average (weighted)	56.38	35.96	31.11	30.33	28.32	24.73	24.24

Commentary on Break-up Values (Excluding Revaluation Surplus)

1. Agritech Limited:

Agritech's position becomes even more precarious when revaluation surpluses are excluded. Its break-up value remains consistently negative, deteriorating from Rs. (34.61) in 2018 to Rs. (62.39) in 2022, with slight recovery to Rs. (52.47) in 2023. This persistent negative equity reflects accumulated losses, weak earnings, and eroded capital. The company clearly lacks the financial strength of its peers and continues to be an outlier in the sector.

2. Fauji Fertilizer Ltd. (FFC):

FFC shows remarkable stability and strength, with break-up value rising steadily from Rs. 26.24 in 2018 to Rs. 92.67 in 2023. Importantly, the figures remain the same whether revaluation surplus is included or excluded, underscoring the fact that FFC's financial strength is rooted in its retained earnings and reserves, rather than one-off revaluations. This positions FFC as the benchmark for intrinsic financial health in the fertilizer sector.

3. Fauji Fertilizer Bin Qasim Ltd. (FFBL):

FFBL records gradual improvement from Rs. 14.88 in 2018 to Rs. 20.98 in 2022. While the trend is upward, the values remain modest compared to industry leaders. The company continues to reflect marginal equity growth, highlighting weaker profitability and smaller reserve buildup. Like Agritech, FFBL remains on the lower end of the spectrum, albeit with positive values. The Company was, however merged with FFC in 2024.

4. Engro Fertilizers Ltd. (EFL):

Engro Fertilizers once again demonstrates stability, with break-up values consistently hovering in the Rs. 32–35 range across the period. The absence of significant growth indicates limited expansion of retained earnings, though the steady values highlight a well-managed balance sheet. Engro's conservative financial strategy has preserved shareholder value but not led to major equity growth.

5. Fatima Fertilizer Company Ltd.:

Fatima Fertilizer reflects strong and sustained growth, with its break-up value rising from Rs. 33.14 in 2018 to Rs. 67.49 in 2023. The consistent upward trend, entirely driven by retained earnings and reserves, signals a robust equity base and improving financial resilience. Fatima is emerging as the closest competitor to FFC in terms of strengthening shareholders' intrinsic wealth.

Industry Perspective:

The weighted industry average climbed from Rs. 24.24 in 2018 to Rs. 56.38 in 2023, more than doubling over the period. This steady rise highlights the sector's ability to build intrinsic shareholder value despite economic pressures. However, the polarization within the industry remains evident: while FFC and Fatima drive the averages upward, Agritech's persistent negative equity and FFBL's modest growth highlight uneven financial health across players.

Share Market value at Year-end

TABLE AR
SHARE MARKET PRICE AT YEAR END

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rs.								
1	Agritech Limited	37.98	13.62	4.39	3.79	5.11	4.23	4.70
2	Fauji Fertilizer Company Ltd.	366.32	113.19	98.71	100.26	108.5	101.47	92.85
3	Fauji Fertilizer Bin Qasim Ltd.	-	32.30	15.33	24.78	25.32	19.52	37.27
4	Engro Fertilizers Ltd.	204.20	112.20	76.90	76.10	63.20	73.40	69.10
5	Fatima Fertilizer Company Ltd.	78.28	35.49	33.60	35.99	29.10	26.59	36.47
	Average share market price	184.46	65.00	50.12	52.92	52.74	50.19	53.64

The year-end market prices of fertilizer companies show considerable volatility across the seven-year period, reflecting not only company fundamentals but also broader macroeconomic and market sentiments.

Company-wise Trends

Agritech Limited

- Despite persistent operational and financial challenges, Agritech's share price surged sharply in 2024 to Rs. 37.98 from only Rs. 13.62 in 2023.
- This steep appreciation (nearly 180%) suggests speculative activity and investor interest despite its weak equity base.

Fauji Fertilizer Company Ltd. (FFC)

- FFC has remained the most stable and consistently high-priced stock in the sector.
- Its share price escalated from Rs. 92.85 in 2018 to Rs. 366.32 in 2024, showing a more than quadruple increase over seven years.
- This reflects strong fundamentals, regular dividend payouts, and investor trust.

Engro Fertilizers Ltd.

- Engro's stock shows a strong upward trajectory, rising from Rs. 69.10 in 2018 to Rs. 204.20 in 2024.
- The growth is steady with some flattening in 2020–2021, but momentum resumed thereafter, indicating robust earnings and expansion strategies.

Fatima Fertilizer Company Ltd.

- Share prices have risen consistently from Rs. 26.59 in 2019 to Rs. 78.28 in 2024, nearly a threefold increase.
- This reflects investor confidence in its product portfolio diversification and financial resilience.

Industry Average

- The average share market price of the industry improved from around Rs. 50–53 in 2018–2020 to a record Rs. 184.46 in 2024.
- This more than tripling of average valuation underscores the sector's increasing importance, better earnings, and attractive dividend policies.

However, the exceptional jump in 2024 is largely driven by FFC and Engro, whose high market capitalizations significantly lifted the average.

Key Insights

- 2024 marks a historic peak in market valuations for the fertilizer sector, with FFC and Engro leading the rally.
- Agritech's abnormal spike suggests market speculation rather than improvement in fundamentals.
- FFBL remains the weakest link, with inconsistent pricing and uncertain investor confidence.
- Overall, the fertilizer industry has become a strong wealth creator, with average share prices reflecting both operational performance and investor appetite for defensive, dividend-paying stocks.

Market Capitalization

Market capitalization represents the true wealth available to shareholders if they were to liquidate their holdings at prevailing stock market prices. Unlike book value of equity, which is derived from historical costs and accounting conventions (sometimes including revaluation reserves), market capitalization is entirely market-driven, determined by investor perception of a company's earnings potential, dividend history, financial strength, and growth prospects.

Table AR illustrates the aggregate market value of shares for each fertilizer company at year-end from 2018 to 2024, based on the year-end share prices reported earlier in Table AQ. This provides a more realistic measure of shareholder wealth creation over time.

TABLE AS

MARKET CAPITALISATION

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited	16.13	5.34	1.72	1.49	2.01	1.66	1.84
2	Fauji Fertilizer Company Ltd.	521.31	144.00	125.58	127.55	138.04	129.09	118.13
3	Fauji Fertilizer Bin Qasim Ltd.	-	41.71	19.79	32.00	32.69	18.23	34.81
4	Engro Fertilizers Ltd.	272.67	149.82	102.68	101.62	84.39	98.01	92.27
5	Fatima Fertilizer Company Ltd.	164.39	74.53	70.56	75.58	61.11	55.84	76.59
	Total	974.50	415.41	320.34	338.23	318.24	302.84	323.64

Company-wise Analysis

1. Agritech Limited

- Despite negative equity, Agritech's market capitalization grew from Rs. 1.84 billion in 2018 to a peak of Rs. 16.13 billion in 2024.
- The 2024 surge (threefold from 2023) mirrors its speculative share price rise (Table AQ), rather than improvements in fundamentals.
- Agritech remains the smallest player in terms of shareholder wealth.

2. Fauji Fertilizer Company Ltd. (FFC)

- FFC has consistently dominated the industry, with market capitalization rising from Rs. 118.13 billion in 2018 to a record Rs. 521.31 billion in 2024.
- This is a 4.4x increase over seven years, reinforcing its status as the largest wealth creator in the fertilizer sector.
- Stability in dividends, profitability, and strong investor trust drive this performance.

3. Engro Fertilizers Ltd.

- Market capitalization steadily climbed from Rs. 92.27 billion in 2018 to Rs. 272.67 billion in 2024, showing a nearly 3x increase.
- Engro's growth has been consistent, reflecting strong operations, expansion strategies, and reliable dividend payouts.
- It stands as the second-largest wealth contributor in 2024 after FFC.

4. Fatima Fertilizer Company Ltd.

- Fatima's market capitalization grew from Rs. 76.59 billion in 2018 to Rs. 164.39 billion in 2024, more than doubling over the period.
- This reflects steady operational performance and a loyal investor base.
- It has consistently remained a mid-tier wealth creator in the industry.

Industry-wide Trends

- Total fertilizer sector market capitalization grew from around Rs. 323.64 billion in 2018 to a record Rs. 974.50 billion in 2024, a threefold increase in seven years.
- The sharpest jump came in 2024, when market value more than doubled compared to 2023 (Rs. 974.50 billion vs. Rs. 415.41 billion).
- This leap was primarily driven by:
 - FFC's massive surge (Rs. 521.31 billion in 2024 vs. Rs. 144 bn in 2023).
 - Engro's growth (Rs. 272.67 billion in 2024 vs. Rs. 149.82 bn in 2023).
 - Agritech's speculative rise.

Key Insights

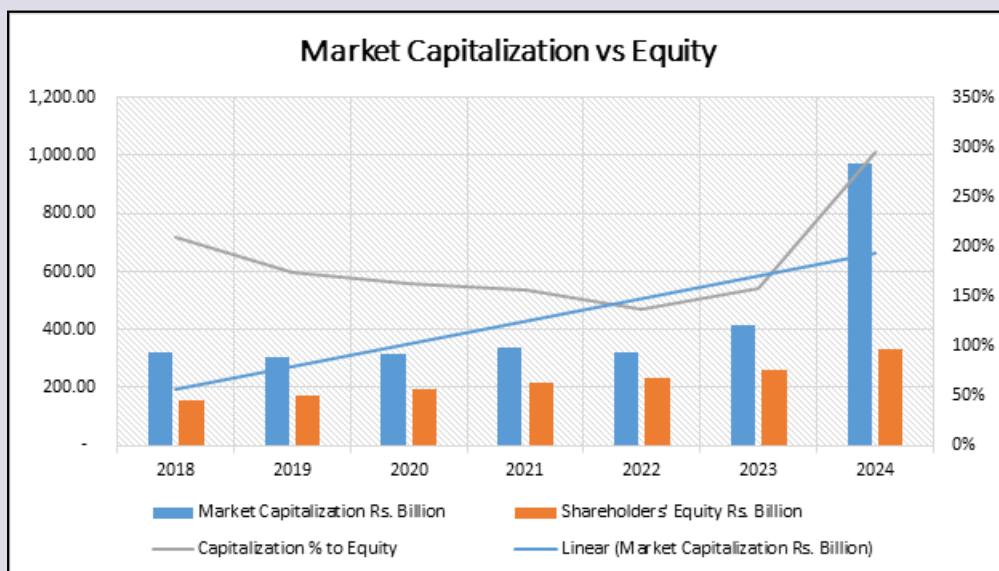
- FFC and Engro together account for ~82% of the industry's total market cap in 2024, underscoring their dominance.
- Agritech and FFBL are marginal players in terms of shareholder wealth, with limited and inconsistent investor confidence.
- Fatima Fertilizer holds a stable middle ground, showing gradual wealth creation.
- The sector as a whole has proven to be a strong generator of shareholder wealth, particularly in 2024, when it touched unprecedented levels.

Market Capitalization vs Shareholders' Equity

Understanding the market worth of an investment is of prime importance for every stakeholder, often carrying greater weight than the dividends received. The comparison of market capitalization with shareholders' equity provides a direct measure of how the stock market perceives the value of a company relative to its book value.

The graph presented here illustrates both the market value and equity, allowing readers to instantly visualize the premium or discount at which companies are trading.

Table AS further reinforces this analysis by providing a yearly, company-wise breakdown, along with the percentage of market value to equity, thereby highlighting differences in investor confidence, market sentiment, and the intrinsic strength of each fertilizer company over the review period.


TABLE AT
MARKET CAPITALISATION VS SHAREHOLDERS' EQUITY

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited							
	Market Capitalization	16.13	5.34	1.72	1.49	2.01	1.66	1.84
	Equity - includes Rev. Reserve	9.73	10.51	9.42	3.76	6.44	10.74	(4.89)
	Market value as % to Equity	166%	51%	18%	40%	31%	15%	-38%
2	Fauji Fertilizer Company Ltd.							
	Market Capitalization	521.31	144.00	125.58	127.55	138.04	129.09	118.13
	Equity	131.88	61.85	50.83	47.51	42.54	35.57	33.38
	Market value as % to Equity	395%	233%	247%	268%	325%	363%	354%
3	Fauji Fertilizer Bin Qasim Ltd.							
	Market Capitalization	-	41.71	19.79	32.00	32.69	18.23	34.81
	Equity	-	27.09	22.72	20.43	13.96	6.83	13.90
	Market value as % to Equity	-	154%	87%	157%	234%	267%	251%
4	Engro Fertilizers Ltd.							
	Market Capitalization	272.67	149.82	102.68	101.62	84.39	98.01	92.27
	Equity	46.53	45.03	42.69	45.32	44.99	42.85	43.00
	Market value as % to Equity	586%	333%	241%	224%	188%	229%	215%
5	Fatima Fertilizer Company Ltd.							
	Market Capitalization	164.39	74.53	70.56	75.58	61.11	55.84	76.59
	Equity	141.73	118.37	107.09	100.26	87.10	78.01	69.59
	Market value as % to Equity	116%	63%	66%	75%	70%	72%	110%
	Total - Market Capitalization	974.50	415.41	320.34	338.23	318.24	302.84	323.64
	Total - Equity	329.87	262.84	232.75	217.28	195.02	174.00	154.98
	Market value as % to Equity	295%	158%	138%	156%	163%	174%	209%

1. Agritech Limited

- Market capitalization has increased significantly from Rs. 1.84 billion (2018) to Rs. 16.13 billion (2024) mainly due to its majority stakes taken by FFC.
- Equity remained volatile, even negative in 2018.
- In 2024, market value stood at 166% of equity, a turnaround from the negative valuation in 2018.
- This suggests renewed investor confidence, even though fundamentals remain weak compared to peers.

2. Fauji Fertilizer Company Ltd. (FFC)

- Always traded at a very high premium over equity, with market value ranging 233%–395% of equity.
- In 2024, market capitalization reached Rs. 521.3 billion, nearly 4x its equity base.
- This underscores strong investor trust, consistent profitability, and robust dividend policy.

3. Engro Fertilizers Ltd.

- Consistently enjoys one of the highest premiums in the industry mainly due to its payout ratios.
- In 2024, market value was 586% of equity (Rs. 272.7b vs Rs. 46.5b).
- This reflects very strong investor expectations of growth, stability, and dividend reliability.

4. Fatima Fertilizer Company Ltd.

- More modest valuations compared to FFC/Engro.
- Market value ranged between 63% and 116% of equity, mostly trading near book value.
- In 2024, market value was 116% of equity, showing marginal investor premium.

Industry-Wide View

- Aggregate market capitalization rose from Rs. 323.6b (2018) to Rs. 974.5b (2024).
- Equity also increased from Rs. 155b to Rs. 330b.
- Market value as a % of equity, however, declined over time:
 - 2018: 209%
 - 2019: 174%
 - 2020: 163%
 - 2021: 156%
 - 2022: 138% (lowest)
 - 2023: 158%
 - 2024: 295% (sharp rebound)

This spike in 2024 shows renewed market optimism, likely due to stronger profitability, improved payout expectations, and favorable sector dynamics.

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CHAPTER

Return on Assets

The Return on Assets (ROA) ratio is a vital measure of how effectively a company employs its asset base to generate profits. By assessing this ratio, investors and analysts can gauge both operational efficiency and management's ability to create value from the resources at hand.

The following graph illustrates industry-wide ROA trends, while Table AT provides company-specific details for the period 2018–2024, including net profit after tax, total assets, and the resulting ROA percentages. This enables a clear comparison across companies and years, revealing strengths and weaknesses in asset utilization.

The provided graph highlights the industry-wide trends, while Table AT 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.

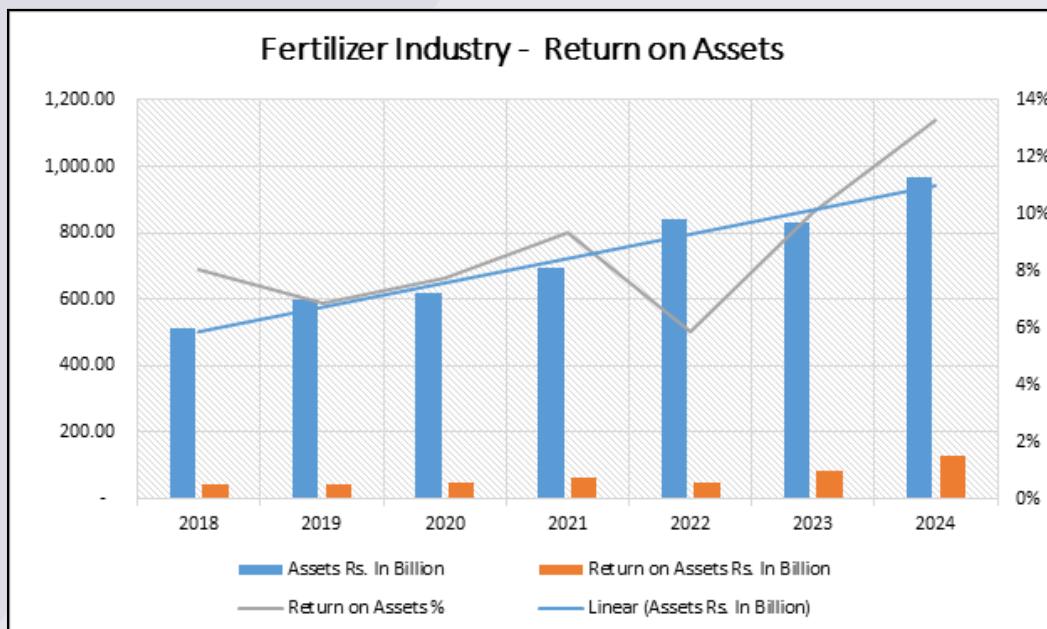


TABLE AU
RETURN ON ASSETS

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rs.								
1	Agritech Limited							
	Net Profit after Tax	(1.11)	1.15	(2.92)	(2.68)	(4.29)	(0.65)	(2.98)
	Total Assets	85.01	82.16	78.90	67.22	67.18	69.14	46.21
	Return on assets %	-1%	1%	-4%	-4%	-6%	-1%	-6%
2	Fauji Fertilizer Company Ltd.							
	Net Profit after Tax	64.73	29.67	20.05	21.90	20.82	17.11	14.44
	Total Assets	416.95	223.28	240.12	201.01	172.95	153.39	146.49
	Return on assets %	16%	13%	8%	11%	12%	11%	10%
3	Fauji Fertilizer Bin Qasim Ltd.							
	Net Profit after Tax	-	4.40	2.33	6.39	2.19	(5.92)	1.44
	Total Assets	-	145.87	149.86	115.21	90.97	91.17	80.36
	Return on assets %	-	3%	2%	6%	2%	-6%	2%
4	Engro Fertilizers Ltd.							
	Net Profit after Tax	30.21	25.68	15.41	21.07	16.82	18.56	16.67
	Total Assets	162.92	147.73	139.76	128.81	128.27	129.11	114.17
	Return on assets %	19%	17%	11%	16%	13%	14%	15%
5	Fatima Fertilizer Company Ltd.							
	Net Profit after Tax	34.98	22.40	14.44	18.47	12.19	12.07	11.91
	Total Assets	302.83	230.77	231.09	184.89	157.56	155.12	128.21
	Return on assets %	12%	10%	6%	10%	8%	8%	9%
	Industry Total							
	Net Profit after Tax	128.81	83.31	49.31	65.15	47.72	41.17	41.47
	Total Assets	967.71	829.81	839.74	697.14	616.92	597.92	515.44
	Return on assets %	13%	10%	6%	9%	8%	7%	8%
	Agritech limited fixed assets stated as their revalued values.							

- Agritech Limited continues to struggle, showing persistent negative or marginal ROA, despite revalued fixed assets inflating its asset base.

At the industry level, ROA strengthened from 8% in 2018 to 13% in 2024, underscoring improved profitability relative to assets employed. This upward trend reflects the sector's resilience, though performance remains uneven among individual companies.

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CHAPTER

Return on Equity

The Return on Equity (ROE) ratio is a critical measure of how efficiently a company generates profit from the equity invested by its shareholders. It directly reflects management's ability to deliver returns relative to shareholders' funds and is one of the most closely monitored performance indicators by investors.

The following graph shows the industry-wide ROE trend, while Table AU provides company-level details for the period 2018–2024. The industry as a whole has demonstrated steady improvement: ROE rose from 27% in 2018 to 39% in 2024, with net profit after tax increasing from Rs. 41.47 billion to Rs. 128.81 billion over the same period — a remarkable 211% growth. Importantly, the ROE remained at 21% or higher in all years, signaling consistently high profitability relative to equity.



TABLE AV
RETURN ON EQUITY

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rs.								
1	Agritech Limited							
	Net Profit after Tax	(1.11)	1.15	(2.92)	(2.68)	(4.29)	(0.65)	(2.98)
	Total Equity	9.73	10.51	9.42	3.76	6.44	10.74	-4.89
	Return %	-11%	11%	-31%	-71%	-67%	-6%	61%
2	Fauji Fertilizer Company Ltd.							
	Net Profit after Tax	64.73	29.67	20.05	21.90	20.82	17.11	14.44
	Total Equity	131.88	61.85	50.83	47.51	42.54	35.57	33.38
	Return %	49%	48%	39%	46%	49%	48%	43%
3	Fauji Fertilizer Bin Qasim Ltd.							
	Net Profit after Tax	-	4.40	2.33	6.39	2.19	-5.92	1.44
	Total Equity	-	27.09	22.72	20.43	13.96	6.83	13.90
	Return %	-	16%	10%	31%	16%	-87%	10%
4	Engro Fertilizers Ltd.							
	Net Profit after Tax	30.21	25.68	15.41	21.07	16.82	18.56	16.67
	Total Equity	46.53	45.03	42.69	45.32	44.99	42.85	43.00
	Return %	65%	57%	36%	46%	37%	43%	39%
5	Fatima Fertilizer Company Ltd.							
	Net Profit after Tax	34.98	22.40	14.44	18.47	12.19	12.07	11.91
	Total Equity	141.73	118.37	107.09	100.26	87.10	78.01	69.59
	Return %	25%	19%	13%	18%	14%	15%	17%
Industry Total								
	Net Profit after Tax	128.81	83.31	49.31	65.15	47.72	41.17	41.47
	Total Equity	329.87	262.84	232.75	217.28	195.02	174.00	154.98
	Return %	39%	32%	21%	30%	24%	24%	27%

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

Company-wise trends, however, reveal significant variation:

- Fauji Fertilizer Company Ltd. (FFC) maintained strong double-digit ROE throughout the period, ranging between 39% and 49%, supported by steady earnings and a robust capital structure.
- Fatima Fertilizer posted a more moderate but steadily rising ROE, improving from 13–17% in earlier years to 25% in 2024, reflecting gradual strengthening of its returns.
- Engro Fertilizers Ltd. consistently delivered the highest ROE, reaching 65% in 2024, reflecting exceptional profitability relative to its equity base.
- Fauji Fertilizer Bin Qasim Ltd. (FFBL) showed volatility, with ROE dipping into the negative (-87% in 2019) but recovering to positive double digits in subsequent years, highlighting operational challenges. The company merged with FFC in 2024.
- Agritech Limited remained an outlier, with persistently negative or erratic ROE, a situation compounded by its equity base being influenced by revaluation reserves, which distort comparability with peers.

At the industry level, the rising ROE trend underscores a sector that has managed to enhance profitability in relation to its growing equity base, though performance has been concentrated among the stronger players (Engro and FFC). In contrast, weaker companies such as Agritech and FFBL continued to dilute the overall picture with unstable returns.

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CHAPTER

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

Working capital is a key measure of short-term financial health, reflecting a company's ability to meet current liabilities with current assets. A positive working capital indicates that the company has sufficient liquidity to cover its short-term obligations, while a negative working capital suggests potential liquidity stress and a higher dependence on external financing.

The graph highlights that the fertilizer industry as a whole faced persistent working capital challenges during the period 2018–2024, with only an insignificant positive balance of Rs. 0.2 billion in 2020. This industry-wide weakness signals structural liquidity pressures across the sector.

However, because the industry total is an aggregate of five fertilizer companies, it does not reveal the underlying differences in financial positions. To identify the root causes of recurring negative working capital and understand the resilience or vulnerability of individual players, it is essential to analyze the company-wise trends. This breakdown highlights which companies consistently faced liquidity deficits and which managed to maintain or improve their short-term financial strength.

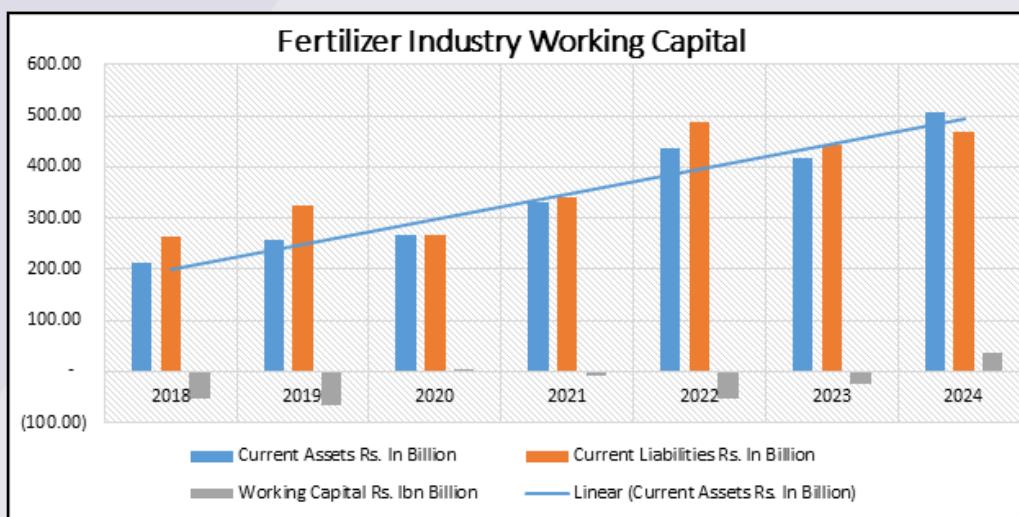


TABLE AW
RETURN ON EQUITY

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited							
	Current Assets	11.44	8.22	8.91	7.61	6.00	6.47	4.99
	Current Liabilities	41.42	38.02	56.47	52.27	48.51	45.39	45.99
	Working Capital	(29.97)	(29.80)	(47.56)	(44.66)	(42.51)	(38.92)	(41.00)
2	Fauji Fertilizer Company Ltd.							
	Current Assets	278.51	130.13	155.82	126.27	111.90	97.30	95.35
	Current Liabilities	243.70	139.22	161.76	112.17	81.67	106.88	99.94
	Working Capital	34.81	(9.08)	(5.94)	14.10	30.23	(9.58)	(4.59)
3	Fauji Fertilizer Bin Qasim Ltd.							
	Current Assets	-	110.70	110.57	75.41	48.10	51.33	43.47
	Current Liabilities	-	103.08	104.19	69.08	47.05	68.96	49.43
	Working Capital	-	7.62	6.38	6.32	1.04	(17.63)	(5.96)
4	Engro Fertilizers Ltd.							
	Current Assets	68.32	62.27	54.28	50.42	57.29	57.95	40.78
	Current Liabilities	95.07	88.08	79.63	52.57	47.31	51.63	38.11
	Working Capital	(26.75)	(25.81)	(25.35)	(2.16)	9.98	6.32	2.67
5	Fatima Fertilizer Company Ltd.							
	Current Assets	147.31	106.69	105.90	71.77	42.56	44.54	28.11
	Current Liabilities	89.57	75.04	86.27	54.32	41.15	50.57	31.57
	Working Capital	57.75	31.66	19.63	17.45	1.41	(6.03)	(3.46)
	Industry Total							
	Current Assets	505.59	418.01	435.48	331.48	265.85	257.59	212.70
	Current Liabilities	469.76	443.43	488.31	340.42	265.69	323.42	265.05
	Working Capital	35.83	(25.42)	(52.84)	(8.9)	0.2	(65.8)	(52.3)

Working Capital Analysis – Company-wise

The company-wise breakdown of working capital highlights the underlying reasons for the fertilizer industry's weak liquidity position during 2018–2024. Despite periods of strong profitability, most companies faced challenges in maintaining a healthy balance between current assets and current liabilities.

Agritech Limited

- Agritech consistently posted negative working capital throughout 2018–2024, with liabilities exceeding assets by wide margins (ranging from Rs. -29.97 billion to Rs. -47.56 billion).
- This chronic shortfall underscores Agritech's severe liquidity crisis, reflecting both structural weaknesses and an inability to generate sufficient current assets to meet short-term obligations.
- The company's financial fragility was a major drag on the industry's overall working capital position.

Fauji Fertilizer Company Ltd. (FFC)

- FFC's working capital fluctuated over the years, moving between negative and positive territory.
- It recorded strong surpluses in 2020 (Rs. 30.23 billion) and 2024 (Rs. 34.81 billion), but experienced deficits in 2019, 2018, 2022, and 2023.
- This suggests reliance on operational cycles and cash management strategies, with short-lived liquidity challenges offset by years of recovery.
- Overall, FFC remained better positioned than most peers due to its scale and financial strength.

Fauji Fertilizer Bin Qasim Ltd. (FFBL)

- FFBL maintained a moderate positive working capital from 2020–2023 (ranging Rs. 1.04–7.62 billion).
- However, in 2018 and 2019, the company faced liquidity stress with deficits of Rs. –17.63 billion and Rs. –5.96 billion.
- While FFBL has improved its position, its margins are slim, leaving limited cushion for unforeseen shocks.

Engro Fertilizers Ltd.

- Engro's working capital remained negative for most of the period except in 2018–2020, when it briefly posted surpluses (up to Rs. 9.98 billion in 2020).
- Since 2021, deficits have widened significantly, reaching Rs. –26.75 billion in 2024.
- The increasing reliance on short-term liabilities suggests aggressive financing or mismatch in asset-

Fatima Fertilizer Company Ltd.

- Liability management, posing liquidity risks despite strong profitability. Fatima Fertilizer displayed the most consistent improvement in liquidity.
- From negative working capital in 2018–2019, it turned around to post strong positives from 2020 onward, peaking at Rs. 57.75 billion in 2024.
- This sharp growth in current assets relative to liabilities reflects prudent financial management and positions Fatima as the most liquid company in the sector.

Industry View

- The industry total working capital shows volatility, with large deficits in 2018, 2019, and 2022, and only marginal positives in 2020 and 2024.
- The deepest deficit was in 2019 (Rs. –65.8 billion), while 2024 ended with Rs. 35.83 billion surplus, driven largely by Fatima Fertilizer's strong performance and FFC's rebound.
- However, persistent weakness in Agritech and Engro pulled down industry liquidity, masking the strength of better-managed players like Fatima and, at times, FFC.

Current Ratio – Current Assets Times Current Liabilities

The current ratio is a key measure of liquidity that assesses a company's capacity to meet its short-term obligations using its current assets. A ratio above 1.0 generally reflects sound short-term financial health, whereas a ratio below 1.0 indicates potential liquidity challenges.

The following graph depicts the industry's aggregate current ratio, while the accompanying table provides company-specific ratios for the period 2018 to 2024. A detailed commentary on each company's performance over these years follows thereafter.

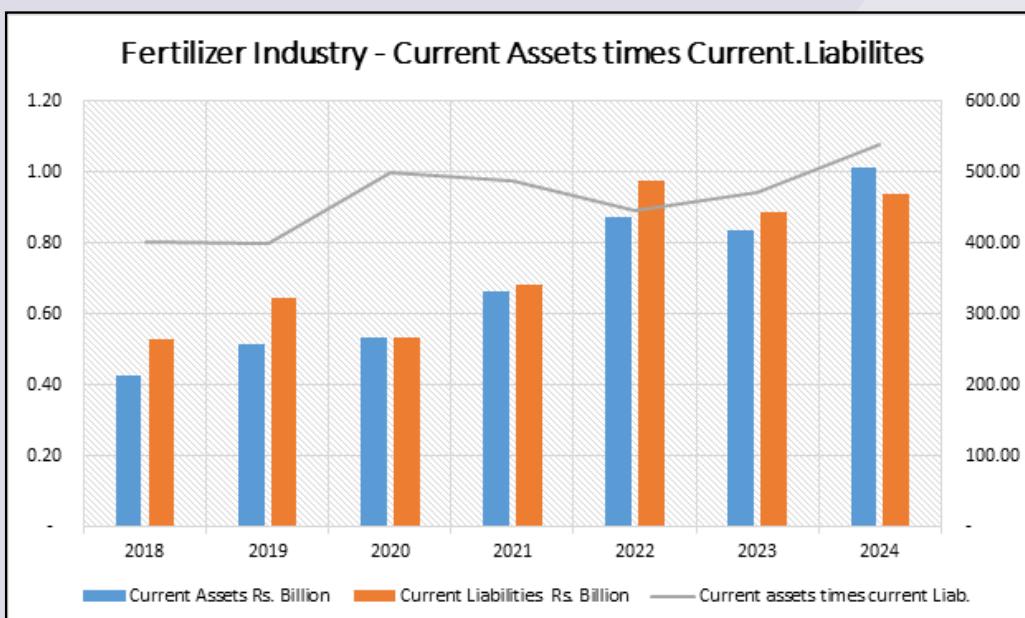


TABLE AX
CURRENT RATIO - CURRENT ASSETS TIMES CURRENT LIABILITIES

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
1	Agritech Limited	0.28	0.22	0.16	0.15	0.12	0.14	0.11
2	Fauji Fertilizer Company Ltd.	1.14	0.93	0.96	1.13	1.37	0.91	0.95
3	Fauji Fertilizer Bin Qasim Ltd.	-	1.07	1.06	1.09	1.02	0.74	0.88
4	Engro Fertilizers Ltd.	0.72	0.71	0.68	0.96	1.21	1.12	1.07
5	Fatima Fertilizer Company Ltd.	1.64	1.42	1.23	1.32	1.03	0.88	0.89
	Industry average (weighted)	1.08	0.94	0.89	0.97	1.00	0.80	0.80

Company-wise Analysis

1. Agritech Limited

- Consistently very weak liquidity with ratios far below 1.0 throughout the period.
- Although there is a slight improvement from 0.11 in 2018 to 0.28 in 2024, the company still cannot cover its short-term liabilities with current assets.
- This persistent low ratio highlights chronic liquidity distress and dependence on external support (banks, sponsors, or restructuring).

2. Fauji Fertilizer Company Ltd. (FFC)

- Ratios fluctuate around 1.0, with strong liquidity in 2020 (1.37), then dipping below 1.0 in 2022–2023.
- Recovery in 2024 (1.14) indicates improved short-term financial health.
- Generally maintains a balanced liquidity position, reflecting sound working capital management.

3. Fauji Fertilizer Bin Qasim Ltd. (FFBL)

- Maintains ratios close to 1.0 in most years, with gradual strengthening from 0.74 in 2019 to 1.09 in 2021.
- Slight decline to 1.06 in 2022–2023, but still stable.
- Data missing for 2024, but past trend suggests FFBL usually hovers around the threshold of adequate liquidity.

4. Engro Fertilizers Ltd. (EFL)

- Shows weakening liquidity over the years.
- Healthy levels in 2019 (1.12) and 2020 (1.21), but dropped below 1.0 afterward.
- In 2024, the ratio is 0.72, signaling stress in meeting current liabilities.
- Indicates increased reliance on short-term borrowings or tighter cash cycles.

5. Fatima Fertilizer Company Ltd. (FFCL)

- The strongest liquidity performer among peers.
- Ratios improved consistently from 0.89 in 2018 to 1.64 in 2024, well above the safe benchmark.
- Reflects prudent current asset management, strong cash flows, and reduced liquidity risk.

Industry-Wide Trends (Weighted Average)

- 2018–2019: Weak liquidity (0.80), below the safe mark.
- 2020–2021: Improvement to 1.00–0.97, signaling stabilization.
- 2022–2023: Decline again to 0.89–0.94, showing liquidity pressures.
- 2024: Rebounds to 1.08, largely supported by Fatima Fertilizer's strong ratio and FFC's recovery.

Key Insights

1. Polarization in performance – Fatima Fertilizer shows strong and improving liquidity, while Agritech struggles with chronic shortfalls.
2. FFC and FFBL hover around the 1.0 mark, reflecting moderate liquidity.
3. Engro Fertilizers shows a worrying downward trend, dropping below 1.0 since 2022.
4. Industry resilience – despite fluctuations, the overall industry average ratio has improved from 0.80 (2018) to 1.08 (2024), crossing into safe territory.

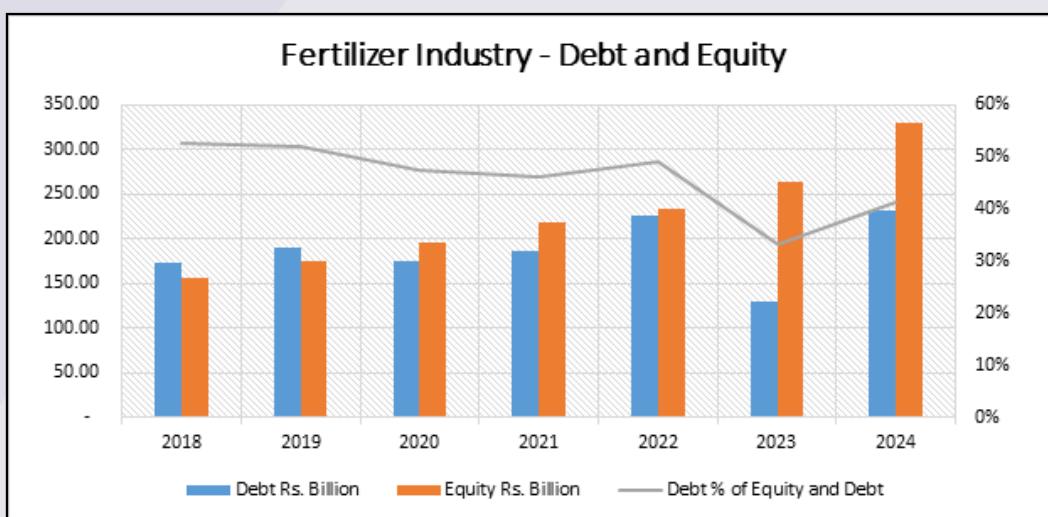
Conclusion:

The fertilizer industry's liquidity position has gradually strengthened, with Fatima Fertilizer emerging as the most financially secure in short-term obligations. However, Agritech remains severely distressed, and Engro Fertilizers shows a deteriorating trend that requires attention. The industry's aggregate improvement in 2024 suggests better working capital management overall, but sustainability will depend on how weaker players address their structural liquidity gaps.

Debt and Equity

The Debt–Equity Ratio is a vital measure of an enterprise's financial strength. A higher proportion of equity relative to debt is usually considered a sign of stability, while excessive reliance on debt increases financial risk. At the time of establishment—especially for large-scale enterprises—debt often outweighs equity. A capital structure of 70:30 (70% debt and 30% equity) is generally regarded as a balanced and healthy mix. With consistent profitability and retained earnings, enterprises gradually reduce their dependence on borrowings. If this transition does not occur, the company may face financial distress. Historically, companies with persistently high debt ratios struggle to sustain operations and risk eventual closure.

In this section, we present the Debt–Equity Ratio for Pakistan's fertilizer industry. A graph provides an industry-wide overview, while Tables AX and AY give company-wise details of debt and equity positions in absolute terms and as percentages of total capital, respectively.



The graph highlights the industry's consistent improvement in financial health over 2018–2024. Debt as a percentage of total capital fell from 53% in 2018 to 41% in 2024, reflecting a stronger equity base. The year 2023 stands out as the healthiest, with debt at only 33% of total capital. This trend underscores the industry's ability to generate sufficient internal resources and reduce reliance on borrowings, a positive indicator for long-term financial resilience.

Table AX shows debt and equity in absolute terms (Rs. in billion).

Table AY expresses debt and equity as percentages of total capital, offering a clearer view of capital structure trends.

TABLE AY

DEBT AND EQUITY

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited							
	Debt	61.18	53.40	67.78	49.84	47.81	45.16	42.13
	Equity	9.73	10.51	9.42	3.76	6.44	10.74	-4.89
	Total	70.92	63.90	77.20	53.60	54.25	55.90	37.24
2	Fauji Fertilizer Company Ltd.							
	Debt	70.40	39.35	81.27	60.99	40.64	33.77	44.65
	Equity	131.88	61.85	50.83	47.51	42.54	35.57	33.38
	Total	202.28	101.21	132.11	108.50	83.18	69.33	78.03
3	Fauji Fertilizer Bin Qasim Ltd.							
	Debt	0.00	18.97	24.98	32.14	38.51	46.59	35.56
	Equity	0.00	27.09	22.72	20.43	13.96	6.83	13.90
	Total	-	46.06	47.70	52.57	52.47	53.42	49.46
4	Engro Fertilizers Ltd.							
	Debt	35.18	6.38	22.02	26.79	25.09	33.05	31.87
	Equity	46.53	45.03	42.69	45.32	44.99	42.85	43.00
	Total	81.71	51.40	64.71	72.11	70.07	75.91	74.87
5	Fatima Fertilizer Company Ltd.							
	Debt	64.58	11.77	29.41	15.65	23.19	30.43	18.08
	Equity	141.73	118.37	107.09	100.26	87.10	78.01	69.59
	Total	206.32	130.14	136.50	115.91	110.30	108.44	87.67
Industry Total								
	Debt	231.35	129.87	225.45	185.41	175.24	189.00	172.29
	Equity	329.87	262.84	232.75	217.28	195.02	174.00	154.98
	Total	561.22	392.72	458.21	402.69	370.26	363.00	327.28
Debt includes all the short term and the long term borrowings. Agritech equity includes revaluation surplus								

TABLE AZ
DEBT AND EQUITY %

	FERTILIZER COMPANIES	2024	2023	2022	2021	2020	2019	2018
1	Agritech Limited							
	Debt	86%	84%	88%	93%	88%	81%	113%
	Equity	14%	16%	12%	7%	12%	19%	-13%
	Total	100%	100%	100%	100%	100%	100%	100%
2	Fauji Fertilizer Company Ltd.							
	Debt	35%	39%	62%	56%	49%	49%	57%
	Equity	65%	61%	38%	44%	51%	51%	43%
	Total	100%	100%	100%	100%	100%	100%	100%
3	Fauji Fertilizer Bin Qasim Ltd.							
	Debt	0%	41%	52%	61%	73%	87%	72%
	Equity	0%	59%	48%	39%	27%	13%	28%
	Total	0%	100%	100%	100%	100%	100%	100%
4	Engro Fertilizers Ltd.							
	Debt	43%	12%	34%	37%	36%	44%	43%
	Equity	57%	88%	66%	63%	64%	56%	57%
	Total	100%	100%	100%	100%	100%	100%	100%
5	Fatima Fertilizer Company Ltd.							
	Debt	31%	9%	22%	14%	21%	28%	21%
	Equity	69%	91%	78%	86%	79%	72%	79%
	Total	100%	100%	100%	100%	100%	100%	100%
	Industry Total							
	Debt	41%	33%	49%	46%	47%	52%	53%
	Equity	59%	67%	51%	54%	53%	48%	47%
	Total	100%	100%	100%	100%	100%	100%	100%

Notably:

- Agritech Limited remains highly leveraged, with debt comprising 86% of capital in 2024, despite some equity recovery through revaluation surplus.
- Fauji Fertilizer Company Limited (FFC) improved significantly, with equity forming 65% of capital in 2024, compared to just 43% in 2018.
- Fauji Fertilizer Bin Qasim Limited (FFBL) eliminated its debt in 2024, after years of high gearing (73% debt in 2020).
- Engro Fertilizers Limited (EFL) steadily strengthened its position, reducing debt from 37% in 2018 to 7% in 2023, however, there is an abnormal increase in 2024, i.e., 43%..
- Fatima Fertilizer Company Limited (FFCL) maintained a very strong structure, with equity at 69% of capital in 2024, reflecting prudent balance sheet management.

Conclusion

The fertilizer industry of Pakistan has demonstrated remarkable progress in strengthening its capital structure between 2018 and 2024. The steady decline in debt reliance and the growing equity base highlight improved financial discipline, operational efficiency, and resilience against external shocks. While Agritech Limited continues to face financial strain due to excessive leverage, the other major players—particularly FFC, FFBL, Engro, and Fatima—have achieved healthier debt-equity ratios. For investors, this signifies reduced risk and stronger value protection, while for policymakers, it underscores the industry's increasing financial stability and capacity to support long-term growth.

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Consolidated Results

The preceding analysis has focused on the core operations of fertilizer companies—the manufacturing and sale of fertilizers—over a seven-year period, using various performance metrics. Among the five companies studied, three diversified their operations beyond the fertilizer business (now reduced to two following the merger of FFBL with FFC), as outlined in the chapter “About the Manufacturers.” The performance of these diversified ventures has a direct bearing on the overall results of the companies. Accordingly, the income generated from such investments was examined separately in Chapter 13, “Return on Investment & its Share in Total PBT.” That chapter provided a detailed evaluation of diversified businesses, covering aspects such as investment in fixed assets, sales generated, profitability, manpower utilization, and contributions to the national exchequer.

Investment in Property, Plant, and Equipment (PPE)

TABLE AAA

INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED COST

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billions								
1	Agritech Limited	114.42	114.28	114.13	92.52	92.49	92.40	54.95
2	Fauji Fertilizer Company Ltd.	231.25	136.16	110.32	98.35	74.96	73.33	68.63
3	Fauji Fertilizer Bin Qasim Ltd.	-	76.75	81.42	81.21	81.85	80.57	77.39
4	Engro Fertilizers Ltd.	148.89	142.52	136.82	130.17	117.73	115.01	112.56
5	Fatima Fertilizer Company Ltd.	163.58	154.39	147.97	131.34	125.60	118.49	106.71
	Total	658.14	624.10	590.67	533.58	492.64	479.80	420.25

TABLE AAB
INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT - DIVERSIFIED BUSINESS (COST)

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billions								
1	Agritech Limited	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	86.68	42.21	40.32	34.58	15.80	18.68	12.72
3	Fauji Fertilizer Bin Qasim Ltd.	-	40.55	45.97	45.80	46.59	46.61	45.42
4	Engro Fertilizers Ltd.	-	-	-	-	-	-	-
5	Fatima Fertilizer Company Ltd.	19.31	2.97	2.92	-	-	-	-
	Total	105.99	85.73	89.22	80.38	62.39	65.28	58.14

Key Observations from Table AAB (Diversified Business PPE):

- Diversification-linked PPE reached Rs. 105.99 billion in 2024, accounting for 16% of total industry PPE.
- FFC is the largest diversified investor, with PPE of Rs. 86.68 billion in 2024, up more than six fold since 2018.
- FFBL also had substantial diversified PPE (Rs. 40–46 billion range until 2023), but its assets were absorbed into FFC in 2024.
- Fatima Fertilizer made smaller but notable diversified investments, particularly in 2024 (Rs. 19.31 billion).
- Engro Fertilizers and Agritech have not reported any diversified PPE, remaining focused on core fertilizer operations.

1. The consolidation of FFBL into FFC has reshaped the industry's asset base, concentrating both fertilizer and diversified assets within the FFC group.
2. FFC's aggressive diversification drive sets it apart, as nearly 40% of its PPE in 2024 relates to non-fertilizer ventures.
3. Engro and Fatima follow a measured approach, balancing fertilizer operations with selective investments in diversification.
4. Agritech highlights the risks of weak financial health—its PPE growth is valuation-driven, not investment-driven, limiting future competitiveness.

TABLE AAC
**INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED
BOOK VALUE (WDV)**

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billions								
1	Agritech Limited	66.69	68.34	69.93	56.97	58.54	60.04	38.59
2	Fauji Fertilizer Company Ltd.	116.42	69.29	57.92	50.30	32.60	32.76	32.77
3	Fauji Fertilizer Bin Qasim Ltd.	-	40.35	45.89	47.85	50.29	50.96	50.08
4	Engro Fertilizers Ltd.	83.14	78.44	77.88	73.03	65.73	65.92	68.20
5	Fatima Fertilizer Company Ltd.	110.85	112.90	117.22	105.42	104.94	100.72	91.72
	Total	310.41	300.98	298.91	276.60	253.55	250.36	242.77
	Book value of M/s Agritech represent their revalued values.							

TABLE AAD

INVESTMENT IN PROPERTY, PLANT AND EQUIPMENT - DIVERSIFIED BUSINESS (BOOK VALUE)

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billions								
1	Agritech Limited	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	58.21	29.07	30.29	26.31	9.75	10.55	11.24
3	Fauji Fertilizer Bin Qasim Ltd.	-	30.73	36.16	37.27	39.03	40.53	40.33
4	Engro Fertilizers Ltd.	-	-	-	-	-	-	-
5	Fatima Fertilizer Company Ltd.	14.65	2.87	2.88	-	-	-	-
	Total	72.86	62.68	69.33	63.59	48.79	51.08	51.57

Table AAD – Diversified Business PPE (Book Value)

Diversification-related PPE at book value totaled Rs. 72.86 billion in 2024, accounting for about 23% of the industry's consolidated PPE book value.

- FFC again leads with Rs. 58.21 billion in 2024, up fivefold from 2018, showing the group's strong commitment to non-core sectors.
- FFBL maintained substantial diversified PPE (Rs. 30–40 billion range), but these assets were consolidated into FFC in 2024.
- Fatima Fertilizer also invested in diversification, with book value rising to Rs. 14.65 billion in 2024.
- Engro and Agritech show no reported diversified PPE at book value, underlining their focus on fertilizer operations.

Strategic Insight

Comparing cost-based and book-value figures reveals that while the headline investment numbers suggest aggressive capital deployment, the book values temper this picture, pointing to the natural decline in asset worth over time due to depreciation. The data also confirms that diversification is concentrated within FFC and Fatima, with Engro remaining conservative and Agritech financially constrained.

Consolidated Net Sales

The analysis of consolidated net sales, comparing overall group revenues with those generated from the core fertilizer business, highlights substantial growth across the industry. A notable share of this growth has come from the expansion into diversified business activities, which are increasingly contributing to the financial strength of fertilizer companies. To illustrate this trend, two tables are presented below:

- Table AAE: Consolidated net sales of fertilizer companies.
- Table AAF: Net sales generated from diversified (non-core) business operations.

TABLE AAE
NET SALES (CONSOLIDATED)

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billions								
1	Agritech Limited	31.31	22.17	17.30	10.10	5.70	12.17	4.53
2	Fauji Fertilizer Company Ltd.	411.25	181.38	125.68	114.35	102.74	109.82	109.43
3	Fauji Fertilizer Bin Qasim Ltd.	-	221.61	183.07	128.24	98.06	81.52	77.56
4	Engro Fertilizers Ltd.	256.68	223.70	157.02	132.36	105.85	121.35	109.20
5	Fatima Fertilizer Company Ltd.	256.92	235.42	159.75	112.49	71.27	74.96	51.31
	TOTAL	956.16	884.30	642.81	497.53	383.62	399.83	352.03

Overall Growth in Consolidated Sales

In 2018, the combined net sales of the Industry stood at Rs. 353.03 billion.

By 2024, the net sales surged to Rs. 956.16 billion, reflecting an increase of 604.13 billion which works at 171.6% in percentage term.

TABLE AAF
NET SALES FROM DIVERSIFIED BUSINESSES

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rupees in Billions								
1	Agritech Limited	-	-	-		5.70	12.17	4.53
-	-	-	-	125.68	114.35	102.74	109.82	109.43
2	Fauji Fertilizer Company Ltd.	37.72	21.91	16.31	5.69	5.09	4.03	3.47
3	Fauji Fertilizer Bin Qasim Ltd.	-	28.55	23.85	17.78	14.83	14.68	16.04
4	Engro Fertilizers Ltd.	69.97	62.04	60.07	41.78	30.79	42.12	43.06
5	Fatima Fertilizer Company Ltd.	18.50	2.67	0.95	-	-	-	-
	TOTAL	126.18	115.17	101.18	65.26	50.71	60.83	62.57

Diversified Business Net Sales (Table AAF)

- Diversification has played an increasingly important role in boosting revenues.
- In 2018, non-core sales stood at Rs. 62.57 billion; by 2023, these had doubled to Rs. 126.18 billion.
- **Company-level contributions:**
 - FFC: Expanded diversification from Rs. 3.47 billion (2018) to Rs. 37.72 billion (2023), reflecting ventures into food, power, and logistics.
 - FFBL: Non-core sales were around Rs. 16.04 billion in 2018 and peaked at Rs. 28.55 billion in 2022, with a dip in 2023 (nil recorded — possibly due to reclassification).
 - Engro Fertilizers: Strongest diversification, contributing Rs. 69.97 billion by 2023 (more than half of industry-wide diversified sales).
 - Fatima Fertilizer: Entered diversified businesses later, reaching Rs. 18.50 billion by 2023.
 - Agritech Limited: No diversification reported.

Strategic Insights

- Diversification Share:** By 2023, diversified businesses contributed ~14% of consolidated industry sales (Rs. 126.18 billion of Rs. 884.30 billion).
- Growth Drivers:** Diversification into food, power generation, terminal operations, chemicals, and logistics has shielded fertilizer companies from volatility in urea/DAP margins.
- Future Outlook:** With rising pressure on fertilizer subsidies, companies are likely to expand further into non-core sectors, making consolidated revenues less cyclical.

Consolidated Gross Profit

The tables provide an overview of the Consolidated Gross Profit (GP) for key fertilizer companies in the industry from 2018 to 2024, as well as the Gross Profit of their diversified businesses.

TABLE AAG

GROSS PROFIT (CONSOLIDATED)

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
		Rs. In Billion						
1	Agritech Limited	6.27	4.40	2.12	0.41	(1.17)	1.53	(0.34)
2	Fauji Fertilizer Company Ltd.	143.75	76.84	49.69	41.36	34.44	32.78	29.15
3	Fauji Fertilizer Bin Qasim Ltd.	-	44.29	35.32	29.09	18.90	12.38	14.22
4	Engro Fertilizers Ltd.	72.28	72.30	42.85	44.07	34.25	39.54	35.32
5	Fatima Fertilizer Company Ltd.	91.82	74.18	52.68	43.08	28.79	27.90	25.67
	Total	314.11	272.00	182.65	158.02	115.22	114.13	104.01

TABLE AAH

GROSS PROFIT FROM DIVERSIFIED BUSIENSSES

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
		Rs. In Billion						
1	Agritech Limited	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	16.57	12.58	9.64	2.48	2.86	2.04	1.17
3	Fauji Fertilizer Bin Qasim Ltd.	-	11.18	9.73	6.94	6.32	6.50	6.04
4	Engro Fertilizers Ltd.	10.75	12.87	13.45	8.58	5.19	6.83	7.41
5	Fatima Fertilizer Company Ltd.	4.31	1.77	0.22	-	-	-	-
	Total	31.63	38.41	33.04	18.00	14.37	15.36	14.62

Since consolidated gross profit (GP) is the combined result of the core business and diversified businesses, we have not undertaken a separate analysis of consolidated GP. The GP of the core fertilizer business has already been discussed earlier. Therefore, our focus here is limited to the GP generated from the diversified business segments.

Table AAH focuses on gross profit from diversified businesses. Here, Fauji Fertilizer Company Ltd. and Engro Fertilizers Ltd. dominate, with contributions of Rs. 16.57 billion and Rs. 10.75 billion respectively in 2024. Fauji Fertilizer Bin Qasim Ltd. also maintained notable diversified gross profit until 2023, though none is recorded for 2024 because of its merger with FFC. Fatima Fertilizer entered diversification relatively late, adding Rs. 4.31 billion in 2024.

Collectively, diversified businesses generated Rs. 31.63 billion in gross profit in 2024, representing nearly 10% of the consolidated total, a clear indication of the growing importance of diversification in enhancing financial resilience and profitability.

Overall, the diversified gross profit of the fertilizer industry shows strong and sustained growth, with diversification increasingly complementing the core fertilizer segment.

Consolidated Net Profit

The consolidated Net Profit after Tax (NPAT) of the fertilizer companies reflects the combined performance of their core operations and diversified businesses. Tables AAI and AAJ present these results for the years 2018 to 2024.

Table AAI shows the consolidated NPAT of each company, highlighting the overall financial outcomes across the period. In contrast, Table AAJ isolates the contribution of diversification and other business activities, providing insights into how non-core operations influenced profitability.

The data reveals significant variation across companies. While core fertilizer operations remain the primary profit drivers, diversification has played a mixed role—contributing positively in some years but resulting in losses in others. This indicates that while diversification offers opportunities for growth, it also exposes companies to additional risks outside their traditional business model.

Table AAI below portrays consolidated Net Profit earned by each company and Table AAJ provides insights into the Net Profits earned by each company from the diversified business.

TABLE AAI
NET PROFIT/(LOSS) AFTER TAX (CONSOLIDATED)

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited	(1.11)	1.15	(2.92)	(2.68)	(4.29)	(0.65)	(2.98)
2	Fauji Fertilizer Company Ltd.	73.04	47.45	34.37	35.69	17.90	17.33	16.44
3	Fauji Fertilizer Bin Qasim Ltd.	-	4.16	8.03	9.22	6.03	(8.37)	0.78
4	Engro Fertilizers Ltd.	28.26	26.19	16.00	21.09	18.13	16.87	17.41
5	Fatima Fertilizer Company Ltd.	36.39	23.01	14.71	18.47	12.19	12.07	11.91
	Total	136.58	101.96	70.20	81.81	49.96	37.25	43.56

TABLE AAJ
NET PROFIT/(LOSS) AFTER TAX FROM DIVERSIFIED BUSINESSES

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion								
1	Agritech Limited	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	8.31	17.78	14.32	13.80	(2.92)	0.22	2.00
3	Fauji Fertilizer Bin Qasim Ltd.	-	(0.25)	5.70	2.83	3.84	(2.45)	(0.66)
4	Engro Fertilizers Ltd.	(1.95)	0.51	0.60	0.02	1.32	(1.69)	0.74
5	Fatima Fertilizer Company Ltd.	1.41	0.61	0.27	-	-	-	-
	Total	7.77	18.65	20.89	16.66	2.24	(3.92)	2.09

Net Profit from Diversification

Table AAJ presents the Net Profit/(Loss) After Tax (NPAT) attributable to diversification and other non-core activities of fertilizer companies from 2018 to 2024. The results reveal that diversification has produced volatile and largely modest outcomes across the sector.

- Fauji Fertilizer Company Ltd. (FFC) recorded the most pronounced swings. It suffered losses in 2020 amounting to Rs. (2.92) billion in 2020—but staged a turnaround in 2024 with a profit of Rs. 8.31 million, the highest among peers. This trajectory highlights both the risks and eventual payoff of FFC's diversification strategy.
- Fauji Fertilizer Bin Qasim Ltd. (FFBL) showed relatively stronger performance, maintaining positive returns during 2020–2022, with only minor setbacks in 2019 (Rs. –2.45 billion) and 2023 (Rs. –0.25 billion). Its ability to extract consistent value from non-core businesses reflects more stable management of diversification initiatives.
- Engro Fertilizers Ltd. reported marginal and fluctuating outcomes, oscillating between small profits and losses. With a negative Rs. 1.95 billion in 2024, its diversification impact remained insignificant compared with its robust fertilizer operations.
- Fatima Fertilizer Company Ltd. entered diversification more recently and on a limited scale, yet it managed to generate steady positive returns since 2022, peaking at Rs. 1.41 million in 2024.
- Agritech Limited had no contribution from diversification during the entire period.

At the industry level, consolidated diversification NPAT fluctuated widely. It sank to a low of Rs. (3.92) million in 2019 but climbed into positive territory in 2022 (Rs. 20.89 million) and 2024 (Rs. 7.77 million). Despite these gains, the contribution of diversification remained limited and inconsistent compared to core fertilizer operations.

In summary, diversification within Pakistan's fertilizer sector has carried strategic importance but delivered uncertain and modest financial payoffs, underscoring the dominance of core operations as the mainstay of profitability.

Consolidated Contribution to the Government Exchequer

The fertilizer industry makes a significant contribution to the national exchequer in the form of sales tax, federal excise duty, and income tax. Tables AAK and AAL present a detailed breakdown of these contributions—Table AAK showing the consolidated figures from core and diversified operations, while Table AAL highlights the share originating exclusively from diversified businesses.

TABLE AAK
EXCISE DUTY, SALES TAX AND INCOME TAX (CONSOLIDATED)

	FERTILIZER COMPANIES	Total	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion									
1	Agritech Limited	4.14	2.20	0.35	0.37	0.36	0.22	0.46	0.18
2	Fauji Fertilizer Company Ltd.	169.15	77.47	31.76	17.49	12.70	10.17	8.47	11.09
3	Fauji Fertilizer Bin Qasim Ltd.	67.30	-	26.83	13.19	11.75	6.46	5.91	3.16
4	Engro Fertilizers Ltd.	128.56	43.57	31.07	16.06	11.26	5.88	7.96	12.76
5	Fatima Fertilizer Company Ltd.	119.03	40.95	31.99	14.37	11.44	6.56	6.04	7.68
	Total	488.19	164.19	122.00	61.47	47.51	29.29	28.85	34.87

TABLE AAL
EXCISE DUTY, SALES TAX AND INCOME TAX FROM DIVERSIFICATION

	FERTILIZER COMPANIES	Total	2024	2023	2022	2021	2020	2019	2018
Rs. In Billion									
1	Agritech Limited	-	-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	7.76	8.39	3.24	2.14	0.80	0.31	0.07	0.54
3	Fauji Fertilizer Bin Qasim Ltd.	24.94	-	5.43	5.31	3.66	2.94	3.15	3.01
4	Engro Fertilizers Ltd.	24.74	10.75	8.75	4.02	2.87	1.78	2.80	3.30
5	Fatima Fertilizer Company Ltd.	2.12	3.01	1.64	0.48	-	-	-	-
	Total	59.55	22.15	19.06	11.96	7.33	5.03	6.02	6.85

Table AAK reveals that the sector contributed a cumulative Rs. 488.19 billion over the seven-year period, with a marked surge in 2024 (Rs. 164.19 billion), largely driven by Fauji Fertilizer Company Ltd. and Engro Fertilizers Ltd. The data demonstrates a steep upward trajectory after 2020, reflecting both improved profitability and enhanced tax compliance across the industry.

Table AAL shows that diversified businesses added a cumulative Rs. 59.55 billion to the exchequer during 2018–2024. Fauji Fertilizer Bin Qasim Ltd. and Engro Fertilizers Ltd. were the largest contributors, accounting for nearly 84% of the sector's diversification-related payments. While comparatively smaller in scale, the diversification-driven contributions gained momentum in later years, particularly in 2023 and 2024, highlighting the growing fiscal importance of these ventures.

Overall, the fertilizer sector's contribution to government revenues has been substantial and rising. Importantly, the increasing role of diversified businesses indicates that non-core operations are not only supplementing company profitability but also broadening the tax base, thereby strengthening the sector's value to the national economy.

Human Resources – Number of Persons Employed

Employment is a critical dimension of the fertilizer sector's overall economic impact. Tables AAM and AAN present consolidated employment figures from 2018 to 2024, covering both end-of-year headcount and the average number of employees during each year. Tables AAO and AAP provide further insights into manpower employed by the sector's diversified businesses.

TABLE AAM
NUMBER OF EMPLOYEES AT THE END OF YEAR (CONSOLIDATED)

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018
Nos.								
1	Agritech Limited	998	979	959	971	921	856	883
2	Fauji Fertilizer Company Ltd.	5,248	3,590	3,559	3,577	3,628	3,581	3,425
3	Fauji Fertilizer Bin Qasim Ltd.	-	1,737	1,733	1,758	1,904	2,253	2,954
4	Engro Fertilizers Ltd.	1,169	1,214	1,353	1,382	1,362	1,260	1,252
5	Fatima Fertilizer Company Ltd.	5,344	5,034	4,967	2,895	2,604	2,400	2,378
	Total	12,759	12,554	12,571	10,583	10,419	10,350	10,892

TABLE AAN
AVERAGE NUMBER OF EMPLOYEES (CONSOLIDATED)

	FERTILIZER COMPANIES	Total	2024	2023	2022	2021	2020	2019	2018
Nos.									
1	Agritech Limited	1,020	956	968	916	934	870	900	-
2	Fauji Fertilizer Company Ltd.	4,783	3,586	3,575	3,573	3,522	3,506	3,436	0.54
3	Fauji Fertilizer Bin Qasim Ltd.		1,733	1,815	1,841	2,128	2,621	2,964	3.01
4	Engro Fertilizers Ltd.	1,184	1,244	1,375	1,332	1,316	1,273	1,231	3.30
5	Fatima Fertilizer Company Ltd.	5,189	5,001	3,727	2,750	2,502	2,389	2,321	-
		12,176	12,520	11,460	10,412	10,402	10,659	10,852	6.85

Employment in Core and Consolidated Businesses

As shown in Table AAM, the total number of employees across the five major fertilizer companies increased from 10,892 in 2018 to 12,759 in 2024, reflecting a net addition of nearly 1,867 jobs over the period. The most significant growth occurred in Fatima Fertilizer Company Ltd., whose workforce more than doubled from 2,378 in 2018 to 5,344 in 2024, partly reflecting expansionary projects. Fauji Fertilizer Company Ltd. also recorded a notable increase in headcount, especially in 2024 when its workforce jumped from 3,590 to 5,248 because of FFBL's merger with FFC.

In contrast, Fauji Fertilizer Bin Qasim Ltd. showed a declining trend, with employment falling from 2,954 in 2018 to below 1,800 in later years, reflecting restructuring and efficiency measures. Engro Fertilizers Ltd. and Agritech Limited maintained relatively stable workforce levels with minor fluctuations.

Table AAN confirms this pattern, showing steady growth in the average number of employees from 10,852 in 2018 to 12,176 in 2024. This suggests not only year-end increases but also sustained employment levels throughout the year.

Employment in Diversified Businesses

Two Tables Table AAP and AO, below provides information about additional job opportunities created due to Fertilizer Companies diversification.

TABLE AAO
NUMBER OF EMPLOYEES AT THE END OF YEAR - DIVERSIFIED BUSINESSES

	Fertilizer Companies	2024	2023	2022	2021	2020	2019	2018	2018
Nos.									
1	Agritech Limited		-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	1,658	381	343	305	116	124	68	0.54
3	Fauji Fertilizer Bin Qasim Ltd.	-	917	924	961	1,117	1,303	1,945	3.01
4	Engro Fertilizers Ltd.	-	-	1	3	6	4	5	3.30
5	Fatima Fertilizer Company Ltd.	846	441	408	-	-	-	-	-
		2,504	1,739	1,676	1,269	1,239	1,431	2,018	6.85

TABLE AAP
AVERAGE NUMBER OF EMPLOYEES - DIVERSIFIED BUSINESSES

	FERTILIZER COMPANIES	Total	2024	2023	2022	2021	2020	2019	2018
Nos.									
1	Agritech Limited		-	-	-	-	-	-	-
2	Fauji Fertilizer Company Ltd.	1,197	365	331	298	119	127	67	0.54
3	Fauji Fertilizer Bin Qasim Ltd.	-	911	976	1,046	1,228	1,649	1,946	3.01
4	Engro Fertilizers Ltd.	-	2	2	(52)	6	6	5	3.30
5	Fatima Fertilizer Company Ltd.	627	375	-	-	-	-	-	-
		1,824	1,653	1,309	1,292	1,353	1,782	2,018	6.85

Tables AAO and AAP highlight the manpower engaged in diversification activities. The data reveals that diversified ventures collectively employed 2,504 people at year-end 2024, compared to 2,018 in 2018, showing that diversification has also created additional job opportunities.

- Fauji Fertilizer Company Ltd. expanded significantly in its diversified operations, with employment rising from only 68 in 2018 to 1,658 by 2024.
- Fauji Fertilizer Bin Qasim Ltd., once the largest employer in diversification (1,945 in 2018), scaled back operations in later years, with no recorded diversification employment in 2024 because of its merger with FFC.
- Fatima Fertilizer Company Ltd. entered diversification later but quickly grew to employ 846 people by 2024.
- Engro Fertilizers Ltd. maintained negligible diversification-related employment, with single-digit figures across the period.
- Agritech Limited showed no diversification-related manpower throughout.

Table AAP further confirms that average employment in diversified businesses followed a similar pattern, with growth concentrated in FFC and Fatima Fertilizer.

Overall Implications

The data highlights that the fertilizer sector serves as a significant direct employer while also generating additional jobs through diversification. Yet, the employment impact of diversified ventures, though meaningful, remains relatively modest compared to core fertilizer operations. Between 2018 and 2024, the primary driver of workforce growth was the core fertilizer business, while diversification contributed mainly incremental and company-specific employment, showing mixed patterns across different firms.

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CHAPTER

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

Introduction

Agriculture is the backbone of Pakistan's economy, currently contributing about 24 % to GDP and employing around 37.4 % of the labor force. Given this fundamental role, the fertilizer industry is vital for ensuring food security and enhancing crop yields. As Pakistan navigates mounting economic constraints, the future of its fertilizer sector holds both promise and risk.

In 2022, Pakistan's fertilizer consumption stood at \approx 146.9 kg per hectare of arable land, down from \approx 161.9 kg/ha in 2021, largely due to the catastrophic floods that year disrupting agricultural input access. India's fertilizer use averaged about 193.2 kg/ha, and China's was approximately 397–410 kg/hectare in recent years.

For historical perspective, Pakistan's consumption in 1961 was only about 1.4 kg/ha of arable land — a stark contrast to today's levels, highlighting decades of progress in input adoption and agricultural intensification.

These figures reflect a dramatic transformation in Pakistan's agricultural practices over the past six decades. From nearly negligible fertilizer use in the 1960s to nearly 150 kg/ha in 2022, the growth trajectory is clear. Yet, despite this advancement, Pakistan still trails regional leaders like India and China in per-hectare fertilizer usage, suggesting there is substantial room for expansion and efficiency gains in fertilizer production, distribution, adoption, and technology.

Current State of the Fertilizer Industry

Pakistan's fertilizer industry is relatively well-developed, anchored by major players such as Fauji Fertilizer Company (FFC), Engro Fertilizers, and Fatima Fertilizer. The country has achieved near self-sufficiency in nitrogenous fertilizers, particularly urea, which forms the backbone of domestic consumption. However, Pakistan remains dependent on imports of phosphate and potash fertilizers to meet its agricultural requirements.

Despite this strength, the sector faces persistent challenges. Chief among them are the fluctuating supply of natural gas, a critical feedstock for urea production, and rising production costs driven by both domestic economic pressures and global commodity price volatility. These factors not only constrain growth but also underscore the need for policy stability, technological upgrades, and diversification of raw material sources to ensure the industry's sustainable development.

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. 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 KP.

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, in 2022, Iran consumed 68.3 kg, Afghanistan 5.1 kg, Tajikistan 93 kg, Azerbaijan 24.7 kg, Iraq 51.1 kg, and Somalia 0.1 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 closely linked with broader economic, environmental, and technological trends. The sector faces notable challenges, including persistent gas supply constraints, evolving government policies, climate change impacts on arable land, water scarcity, and volatility in global fertilizer markets. At the same time, opportunities exist in the form of technological advancements, sustainable farming practices, improved water management, and potential expansions in agricultural productivity.

If Pakistan can effectively address these challenges while capitalizing on emerging opportunities, its fertilizer industry will remain a cornerstone of agricultural growth. In doing so, it will not only strengthen national food security but also contribute significantly to the country's overall economic development.

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CHAPTER

Condensed Financial and Operating Data of Companies

This chapter presents condensed financial and operating data of indigenous fertilizer manufacturing companies, extracted from their published financial statements. The information contained herein constitutes the primary data base used for the analysis, interpretations, and conclusions drawn in the preceding chapters and has been extensively employed in the preparation of related tables and graphical presentations.

Where considered appropriate, consolidated financial accounts have been incorporated to present an aggregated industry perspective, thereby ensuring analytical consistency and completeness.

The data is arranged on a company-wise basis and encompasses key financial, operational, and human resource indicators essential for evaluating performance trends and inter-company comparisons.

Coverage and Structure

The chapter broadly covers the following components:

1. Financial Performance

- Condensed profit and loss information, including gross and net sales, cost of sales, distribution expenses, administrative expenses, finance costs, other income and expenses, taxation, and profit after tax.
- Condensed balance sheet data comprising equity and liabilities, assets, cost of assets, and total borrowings.
- Selected key financial ratios.

2. Contributions and Workforce

- Duties and taxes contributed to the national exchequer.
- Total number of employees at year-end and the average workforce employed during the year.

3. Production and Sales

- Installed production capacity and actual production levels.
- Fertilizer sales volumes.

AGRITECH LIMITED

	2024	2023	2022	2021	2020	2019	2018
PROFIT OR LOSS	Rs. In 000						
Sales - Gross							
- manufactured products	31,535,902	22,838,785	17,422,374	10,234,563	5,800,668	12,581,177	4,580,594
- other products	582,117	189,580	162,924	191,197	116,612	128,302	101,467
- Trading Stock	1,117,696						
Gross Sales	33,235,715	23,028,365	17,585,298	10,425,760	5,917,280	12,709,479	4,682,061
Trade discounts	338,053	419	132,930	86,419	82,165	261,953	30,732
Sales tax	88,797	33,514	156,185	238,417	135,392	273,106	118,012
Excise Duty	1,502,091	822,270	-				
Sales - Net	31,306,774	22,172,162	17,296,183	10,100,924	5,699,723	12,174,420	4,533,317
Raw Material - Purchased & Packed	17,231,899	11,173,988	9,926,677	5,548,995	3,154,614	7,505,500	2,427,725
Salaries wages and benefits	970,115	794,516	593,664	542,731	508,482	531,374	403,603
Fuel & Power	4,703,267	3,039,730	2,739,333	1,361,023	829,864	1,623,118	571,637
Repairs and Maintenance	894,260	594,512	39,505	85,133	26,125	24,150	15,980
Depreciation	1,908,788	1,824,401	1,588,535	1,594,020	1,591,994	1,042,674	1,046,144
Other overheads	515,379	419,432	759,474	411,855	389,406	428,549	294,494
Total cost input	26,223,708	17,846,579	15,647,188	9,543,757	6,500,485	11,155,365	4,759,583
Inventory adjustment (WIP)	(118,316)	68,861	(174,941)	(4,579)	6,287	(9,324)	5,563
Cost of Goods Manufactured	26,105,392	17,915,440	15,472,247	9,539,178	6,506,772	11,146,041	4,765,146
Inventory adjustment (F.G)	(3,145,670)	(141,777)	(297,626)	152,227	365,669	(502,765)	110,511
Cost of Sales	22,959,722	17,773,663	15,174,621	9,691,405	6,872,441	10,643,276	4,875,657
Cost of sales - Purchased & Packaged	2,081,248	-	-	-	-	-	-
Total cost of Sales	25,040,970	17,773,663	15,174,621	9,691,405	6,872,441	10,643,276	4,875,657
Gross Profit/(loss)	6,265,804	4,398,499	2,121,562	409,519	(1,172,718)	1,531,144	(342,340)
Distribution Cost	1,186,250	672,817	639,097	352,479	222,430	524,761	170,130
Administrative expenses	819,100	646,125	480,600	369,803	323,405	254,473	221,085
Other operating expenses (less)	409,978	63,749	37,750	457	5,436	1,557	358,805
Operating Profit (loss)	3,850,476	3,079,557	1,001,865	(312,763)	(1,718,553)	751,910	(733,555)
Finance cost (less)	7,014,421	6,097,584	4,284,876	2,805,272	2,945,135	3,300,421	2,582,522
	(3,163,945)	(3,018,027)	(3,283,011)	(3,118,035)	(4,663,688)	(2,548,511)	(3,316,077)
Other income							
On financial assets	1,101,714	330,355	104,876	100,739	182,605	1,579,059	35,274
On Non financial assets	979,276	391,745					
Total	2,080,990	722,100	104,876	100,739	182,605	1,579,059	35,274
Gain on restructuring of loans	-	3,207,114	-	-	-	-	-
Profit/(loss) before Taxation	(1,082,955)	911,187	(3,178,135)	(3,017,296)	(4,481,083)	(969,452)	(3,280,803)
Provision for Taxation / (add)	31,226	(238,354)	(262,559)	336,516	189,618	318,234	295,936
Profit after Taxation	(1,114,181)	1,149,541	(2,915,576)	(2,680,780)	(4,291,465)	(651,218)	(2,984,867)
CONDENSED STATEMENT OF FINANCIAL POSITION							
Paid up capital	4,246,451	3,924,300	3,924,300	3,924,300	3,924,300	3,924,300	3,924,300
Preference shares							
Unappropriated Profit/Reserves	(26,526,202)	(26,417,186)	(28,409,108)	(23,604,278)	(21,621,116)	(17,934,049)	(17,507,570)
	(22,279,751)	(22,492,886)	(24,484,808)	(19,679,978)	(17,696,816)	(14,009,749)	(13,583,270)
Surplus on revaluation of fixed assets	32,011,891	32,998,144	33,901,677	23,435,770	24,137,480	24,745,841	8,694,728
Shareholders' equity	9,732,140	10,505,258	9,416,869	3,755,792	6,440,664	10,736,092	(4,888,542)
Long term liabilities	33860191	33,634,559	13,020,418	11,187,317	12,225,728	13,012,067	5,109,023
Current liabilities	41,415,685	38,020,409	56,465,902	52,273,464	48,510,161	45,387,759	45,988,960
Total Equity and Liabilities	85,008,016	82,160,226	78,903,189	67,216,573	67,176,553	69,135,918	46,209,441
Borrowings/Finance (ST. & Long Term)	61,183,382	53,398,767	67,779,196	49,843,838	47,806,789	45,164,692	42,132,991
Property, Plant and Equipment - cost	114,424,200	114,276,477	114,133,249	92,518,103	92,493,078	92,404,176	54,953,285
Revaluation			21,191,124			37,425,011	
Property, Plant and Equipment WDV	66,694,254	68,335,595	69,925,059	56,965,406	58,535,893	60,043,381	38,592,232
Intangible assets	144	431	720	2,568,318	2,567,311	2,567,311	2,567,311
Other long term assets	88,049	79,541	71,848	71,702	70,826	59,276	60,236
Short term investment	6,783,987	5,527,370					
Current Assets	11,441,582	8,217,289	8,905,562	7,611,147	6,002,523	6,465,950	4,989,662
Total Assets	85,008,016	82,160,226	78,903,189	67,216,573	67,176,553	69,135,918	46,209,441

AGRITECH LIMITED							
KEY FINANCIAL RATIOS							
Gross Profit %	20%	20%	12%	4%	-21%	13%	-8%
Net Profit after tax to sales	-4%	5%	-17%	-27%	-75%	-5%	-66%
Dividend Payout	-	-	-	-	-	-	-
Liquidity Ratio %							
Current ratio - C.A. to C.L.	28%	22%	16%	0%	0%	0%	0%
Shares and earning							
Earning per share - Basic (as on Dec. 31)	(2.62)	2.93	(7.43)	(6.83)	(10.94)	(1.66)	(7.61)
Selling price per ton	79,058	60,617	42,594	32,349	28,609	33,609	27,041
Cash dividend per share	-	-	-	-	-	-	-
Breakup value without surplus on rev.	(52.47)	(57.32)	(62.39)	(50.15)	(45.10)	(35.70)	(34.61)
Breakup value with surplus on rev.	22.92	26.77	24.00	9.57	16.41	27.36	(12.46)
Market price per share at year end	37.98	13.62	4.39	3.79	5.11	4.23	4.70
Capital Structure Ratio							
Long term Debt to Equity- with rev.	0.74	0.69	0.63	0.30	0.20	0.13	(0.48)
Debt-Equity ratio	74:26	69:31	63:37	30:70	20:80	13:87	100:0
Employees'Productivity ratios							
Production per employee (Tons)	443.48	386.41	430.66	327.52	204.63	436.67	172.21
Sales revenue per employee (Rs. In 000)	32,584.03	24,088.25	18,166.63	11,381.83	6,335.42	14,608.60	5,202.29
Exports							
FED, SALES TAX AND INCOME TAX PAID							
Sales tax and excise duty	1,590,888	33,514	156,185	238,417	135,392	273,106	118,012
Income Tax excluding deferred tax	612,747	313,891	216,202	126,262	85,496	182,616	57,051
Total Duty and Taxes	2,203,635	347,405	372,387	364,679	220,888	455,722	175,063
NUMBER OF EMPLOYEES							
Number of employees at Dec. 31	998	979	959	971	921	856	883
Av. Number of employees	1020	956	968	916	934	870	900
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	372,012	292,255	353,284	226,768	124,785	338,090	95,934
Phosphate - SSP	80,341	77,150	63,596	73,244	66,341	41,809	59,059
Total	452,353	369,405	416,880	300,012	191,126	379,899	154,993
Capacity utilization %							
Urea	86%	67%	82%	52%	29%	78%	22%
Phosphate	99%	95%	79%	90%	82%	52%	73%
Actual Sales(Tons)							
Urea	325,000	285,551	351,933	232,094	139,296	320,323	100,895
Phosphate	71,000	80,226	54,137	80,152	59,929	41,916	66,748
Total Sales	396,000	365,777	406,070	312,246	199,225	362,239	167,643

FAUJI FERTILIZER COMPANY LIMITED - UNCONSOLIDATED

	2024	2023	2022	2021	2020	2019	2018
PROFIT OR LOSS							Rs. In 000
Sales - Gross							
Manufactured products	354,802,952	136,637,495	95,176,797	83,474,865	81,497,037	90,223,760	76,462,673
Purchased and packaged products	44,799,510	28,013,216	15,336,115	27,440,545	18,527,643	18,325,228	32,930,082
Gross Sales	399,602,462	164,650,711	110,512,912	110,915,410	100,024,680	108,548,988	109,392,755
Less: Trade discounts		-	-	-	342,502	591,640	47,023
Less: Sales tax & Excise Duty	26,065,542	5,178,760	1,149,095	2,264,520	2,027,425	2,173,935	3,381,261
Sales - Net	373,536,920	159,471,951	109,363,817	108,650,890	97,654,753	105,783,413	105,964,471
Raw Material consumed	124,307,301	27,773,339	20,583,861	20,398,648	21,696,817	32,874,568	26,841,717
Salaries wages and benefits	15,060,444	11,318,140	8,306,496	8,066,551	7,729,032	7,493,214	6,846,803
Fuel & Power	34,251,183	15,958,056	12,830,196	12,369,177	13,033,357	13,035,177	9,615,648
Repairs & Maint. & Stores & Spares	3,451,191	3,618,751	3,499,310	2,658,416	1,884,549	1,804,468	1,530,383
Depreciation	3,451,191	2,426,562	2,328,141	2,355,726	2,243,501	2,212,357	2,093,326
Other overheads	15,609,353	10,233,973	23,117,547	4,764,908	3,987,088	3,848,049	4,464,016
Total cost input	196,130,663	71,328,821	70,665,551	50,613,426	50,574,344	61,267,833	51,391,893
Inventory adjustment (Process Inventory)	(174,131)	(53,638)	(16,977,960)	(25,023)	38,960	16,781	709
Cost of Goods Manufactured	195,956,532	71,275,183	53,687,591	50,588,403	50,613,304	61,284,614	51,392,602
Inventory adjustment (Finished Goods)	10,687,235	(513,124)	(16,605,694)	(608,331)	625,481	(611,343)	80,629
Cost of Sales	206,643,767	70,815,697	54,059,857	49,980,072	51,238,785	60,673,271	51,473,231
Cost of sales - Purchased and packaged	39,720,584	24,404,044	15,257,614	19,791,741	14,832,676	14,372,791	26,512,655
Total cost of Sales	246,364,351	95,219,741	69,317,471	69,771,813	66,071,461	75,046,062	77,985,886
Gross Profit	127,172,569	64,252,210	40,046,346	38,879,077	31,583,292	30,737,351	27,978,585
Less:							
Distribution expenses	29,363,654	12,683,864	10,107,758	8,409,132	7,848,004	8,288,413	8,833,490
Administrative expenses	-	-	-	-	-	-	
	97,808,915	51,568,346	29,938,588	30,469,945	23,735,288	22,448,938	19,145,095
Finance cost	6,523,895	5,623,775	4,868,390	2,292,115	1,873,508	2,477,110	1,636,976
	91,285,020	45,944,571	25,070,198	28,177,830	21,861,780	19,971,828	17,508,119
Government subsidy						-	2,400,358
Other income - Financial assets/invest.	33,791,345	16,681,338	14,122,904	7,538,934	6,002,147	6,570,109	3,645,121
Other income - sales of scrap, etc.	1,439,992	415,612	318,945	380,232	427,197	620,980	237,572
Other operating expenses	(9,988,622)	(5,433,935)	(3,037,024)	(2,946,366)	(2,639,202)	(2,309,427)	(2,108,585)
Unwinding of GIDC liability/Gain	(212,406)	(1,160,336)	(2,118,513)	(2,441,489)	5,926,537		
Impairment - Fauji Fresh n Freeze Ltd.	(4,000,000)				(1,000,000)	(1,100,000)	-
Loss on subsidy receivable from GoP	(1,203,000)	(2,900,000)	(670,000)	(370,000)	(987,000)		
Profit before Taxation	111,112,329	53,547,250	33,686,510	30,339,141	29,591,459	23,753,490	21,682,585
Provision for Levies and Taxation	46,380,890	23,873,902	13,637,000	8,443,000	8,772,000	6,643,000	7,244,000
Profit after Taxation	64,731,439	29,673,348	20,049,510	21,896,141	20,819,459	17,110,490	14,438,585
Paid up capital	14,231,086	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382
Unappropriated Profit/Reserves	117,552,331	49,234,588	38,227,467	34,741,858	29,621,383	22,857,960	20,682,513
Surplus/(deficit) on re-measurement							
of Investment	96,700	(104,460)	(114,888)	50,054	191,906	(13,641)	(21,950)
Shareholders' equity	131,880,117	61,852,510	50,834,961	47,514,294	42,535,671	35,566,701	33,382,945
Long-term borrowings	31,300,000	18,200,000	16,312,437	16,764,250	10,686,482	6,534,860	8,583,749
Long term Liabilities	10,066,853	4,011,674	11,212,942	24,559,229	38,055,712	4,412,445	4,578,148
Current liabilities	243,704,752	139,216,504	161,761,667	112,168,992	81,670,893	106,875,854	99,944,692
Total Equity and Liabilities	416,951,722	223,280,688	240,122,007	201,006,765	172,948,758	153,389,860	146,489,534
Borrowings/Finance (S.T. 7 long-term)	70,402,314	39,354,445	81,273,537	60,986,463	40,641,833	33,767,105	44,648,549
Property, Plant and Equipment at cost	144,576,917	93,950,385	69,994,848	63,768,916	59,155,094	54,657,227	55,906,690
Property, Plant and Equipment WDV	58,210,729	40,223,171	27,631,051	23,987,286	22,840,989	22,212,099	21,533,696
Intangible assets	1,571,651	1,571,908	1,573,143	1,576,441	1,571,935	1,576,796	1,575,624
Long term investment	76,780,298	48,720,461	50,525,124	46,114,698	34,674,616	31,087,989	26,898,152
Other long term assets	1,877,140	2,633,016	4,567,958	3,058,815	1,959,621	1,212,415	1,127,458
Short term investment	203,982,113	94,736,901	100,269,870	95,196,271	81,902,113	48,040,471	54,585,604
Other Current Assets	74,529,791	35,395,231	55,554,861	31,073,254	29,999,484	49,260,090	40,769,000
Total Assets	416,951,722	223,280,688	240,122,007	201,006,765	172,948,758	153,389,860	146,489,534

FAUJI FERTILIZER COMPANY LIMITED - UNCONSOLIDATED

KEY FINANCIAL RATIOS							
Gross Profit %	34%	40%	37%	36%	32%	29%	26%
Provision for Taxation to Sales %	12%	15%	12%	8%	9%	6%	7%
Net Profit after tax to sales	17%	19%	18%	20%	21%	16%	14%
Return on Equity	49%	48%	39%	46%	49%	48%	43%
Return on assets	16%	13%	8%	11%	12%	11%	10%
Dividend Payout	77%	66%	77%	84%	68%	80%	78%
Liquidity Ratio %							
current assets to current liabilities	1.14	0.93	0.96	1.13	1.37	0.91	0.95
Shares and earning							
Selling Price Per ton Rs.	135,827	62,629	44,294	41,034	36,175	39,908	36,103
Earning per share Rs.	45.49	23.32	15.76	17.21	16.36	13.45	11.35
Cash dividend per share Rs.	34.86	15.49	12.13	14.50	11.20	10.80	8.85
Breakup per share Rs.	92.67	48.62	39.96	37.35	33.43	27.96	26.24
Market price per share at year end Rs.	366.32	113.19	98.71	100.26	108.50	101.47	92.85
Long-term to equity and debt.	0.19	0.23	0.24	0.26	0.20	0.16	0.20
Debt:Equity ratio (Long-term vs Equity)	19:81	23:77	24:76	26:74	20:80	16:84	20:80
Employees'Productivity ratios							
Production per employee (Tons)	792	783	741	765	731	737	749
Sales revenue per employee (Rs. In 000)	111,434.04	51,117.89	34,066.87	33,867.30	29,393.09	32,124.59	32,470.39
Exports							
FED, SALES TAX AND INCOME TAX PAID							
Sales tax	26,065,542	5,178,760	1,149,095	2,264,520	2,027,425	2,173,935	3,381,261
Income Tax excluding deferred tax	43,016,750	23,345,080	14,200,000	9,635,000	7,831,000	6,232,000	7,170,000
Total Duty and Taxes	69,082,292	28,523,840	15,349,095	11,899,520	9,858,425	8,405,935	10,551,261
NUMBER OF EMPLOYEES							
Number of employees at Dec. 31	3,590	3,209	3,216	3,272	3,512	3,457	3,357
Av. Number of employees during the year	3,586	3,221	3,244	3,275	3,403	3,379	3,369
CAPACITY, PRODUCTION AND SALES VOLUME (TONS)							
Production Capacity in Tons							
Production Capacity (Tons)							
Urea	2,599,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000
DAP	650,000						
	3,249,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000
Actual Production (Tons)							
Urea	2,841,000	2,521,000	2,404,000	2,507,000	2,487,000	2,492,000	2,522,000
DAP	452,000						
Total actual Production	3,293,000	2,521,000	2,404,000	2,507,000	2,487,000	2,492,000	2,522,000
Capacity utilization %							
Urea	109%	123%	117%	122%	121%	122%	123%
DAP	70%						
Actual Sales Tons							
Urea - from own production	2,847,000	2,505,000	2,423,000	2,477,000	2,512,000	2,467,000	2,527,000
Urea - imported urea	95,000	124,000	72,000	226,000	253,000	253,000	503,000
DAP	523,000	-	-	-	-	-	-
Other imported fertilizer	147,000	-	-	-	-	-	-
Total Sales	3,612,000	2,629,000	2,495,000	2,703,000	2,765,000	2,720,000	3,030,000

FAUJI FERTILIZER COMPANY LIMITED -CONSOLIDATED

	2024	2023	2022	2021	2020	2019	2018
PROFIT OR LOSS							
Sales - Gross							
Manufactured Urea	354,725,841	136,603,572	95,176,797	83,474,865	81,497,037	94,870,077	80,128,316
Purchased and packaged Fertilizers	44,799,510	28,013,216	15,336,115	27,440,545	18,527,643	18,325,228	32,930,082
Sale of Electricity	22,961,407	18,156,151	14,274,608	4,315,872	4,088,776	-	-
Food Products	23,703,575	6,950,625	4,077,381	-	-	-	-
Others	993,953	317,357	82,086	2,225,289	1,587,430	-	-
Export						69,588	362,345
Gross Sales	447,184,286	190,040,921	128,946,987	117,456,571	105,700,886	113,264,893	113,420,743
Less: Trade discounts	2,156,822	630,787	240,488	125,108	422,171	761,098	118,365
Less: Sales tax & Excise Duty	33,773,054	8,027,897	3,028,114	2,986,313	2,534,492	2,686,406	3,868,790
Sales - Net	411,254,410	181,382,237	125,678,385	114,345,150	102,744,223	109,817,389	109,433,588
Raw Material consumed	144,473,307	30,414,141	20,583,861	21,220,289	22,234,232	33,207,143	27,268,343
Salaries wages and benefits	17,370,435	12,316,382	8,306,496	8,486,348	8,062,363	7,777,859	7,108,549
Fuel & Power	25,085,836	18,096,318	12,830,196	12,703,671	13,131,896	13,117,694	9,710,555
Repairs and Maintenance	5,650,196	4,970,028	3,724,679	2,809,133	1,989,187	1,901,868	2,213,838
Depreciation	7,180,428	2,426,562	2,328,141	3,600,869	3,066,038	3,039,140	2,965,875
Other overheads	17,520,150	13,667,521	12,831,303	5,124,424	4,251,373	4,067,846	4,253,713
Total cost input	217,280,352	81,890,952	60,604,676	53,944,734	52,735,089	63,111,550	53,520,873
Inventory adjustment (Process Inventory)	(157,198)	(10,615,769)	(6,917,085)	(6,332)	40,869	22,941	(161)
Cost of Goods Manufactured	217,123,154	71,275,183	53,687,591	53,938,402	52,775,958	63,134,491	53,520,712
Inventory adjustment (Finished Goods)	10,665,418	8,866,526	7,044,200	(768,494)	695,272	(479,639)	191
Cost of Sales	227,788,572	80,141,709	60,731,791	53,169,908	53,471,230	62,654,852	53,520,903
Cost of sales - Purchased and packaged prod	39,720,584	24,404,044	15,257,614	19,815,569	14,832,676	14,384,376	26,761,612
Total cost of Sales	267,509,156	104,545,753	75,989,405	72,985,477	68,303,906	77,039,228	80,282,515
Gross Profit	143,745,254	76,836,484	49,688,980	41,359,673	34,440,317	32,778,161	29,151,073
Less:							
Administrative and Distribution expenses	31,986,143	13,812,200	11,232,215	9,046,904	8,265,375	8,867,378	9,508,770
		-	-				
	111,759,111	63,024,284	38,456,765	32,312,769	26,174,942	23,910,783	19,642,303
Finance cost (less)	7,852,760	6,587,191	5,926,201	2,736,351	2,413,248	3,311,837	2,244,609
	103,906,351	56,437,093	32,530,564	29,576,418	23,761,694	20,598,946	17,397,694
Subsidy on sales - from GoP addd							2,400,358
Other income excluding subs. above (add)	27,030,585	16,357,989	11,498,166	6,302,125	5,216,677	5,751,571	2,690,136
Other operating expenses (less)	(10,305,414)	(5,444,696)	(3,046,517)	(2,962,135)	(2,647,528)	(2,380,931)	(2,111,115)
Gain on extinguishment of original							
GIDC liability					(5,926,537)		
Gain on bargain purchases				5,478,477			
Remeasurement loss - prov. for GIDC	(212,406)	(1,160,336)	(2,118,513)	(2,441,489)		-	-
Loss allowance on subsidy receivable	(1,203,000)	(2,900,000)	(670,000)	(370,000)	(987,000)	-	-
Share of Profit of asst. & Joint Ventures	11,236,942	11,236,942	12,440,254	10,154,761	8,296,691	(379,319)	3,356,746
Profit before Taxation	130,453,058	74,526,992	50,633,954	45,738,157	27,713,997	23,590,267	23,733,819
Provision for Taxation	57,413,841	27,074,722	16,263,067	10,044,662	9,816,265	6,256,488	7,295,615
Profit after Taxation	73,039,217	47,452,270	34,370,887	35,693,495	17,897,732	17,333,779	16,438,204
CONDENSED STATEMENT OF FINANCIAL POSITION							
Paid up capital	14,231,086	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382	12,722,382
Unappropriated Profit/Reserves	222,306,567	136,623,806	107,393,135	85,699,012	65,017,113	45,487,127	44,576,013
Surplus/(deficit) on re-measurement of							
Investment	4,132,721	(4,314,604)				1,256,521	(634,072)
Share in Rev.reserve of associates	297,678	1,462,850	1,430,348	1,342,486	1,392,593	1,198,826	753,521
Non-controlling interees	3,922,535	3,589,019					
Shareholders' equity	244,890,587	150,083,453	121,545,865	99,763,880	79,132,088	60,664,856	57,417,844
Long term borrowings	32,781,800	19,629,259	17,368,293	22,111,383	12,277,807	9,442,532	12,826,324
other long term liabilities	33,754,169	14,031,006	19,005,916	29,517,785	41,340,375	5,996,675	6,072,399
Current liabilities	262,256,852	143,178,196	169,998,548	119,148,210	83,460,082	109,284,121	102,708,070
Total Equity and Liabilities	573,683,408	326,921,914	327,918,622	270,541,258	216,210,352	185,388,184	179,024,637
Borrowings/Finance (short term & long term)	79,581,433	42,732,663	84,824,237	71,552,935	43,641,363	38,784,124	51,151,469
Property, Plant and Equipment at cost	231,253,105	136,161,840	110,319,464	98,349,045	74,959,989	73,332,478	68,629,308
Property, Plant and Equipment WDV	116,419,750	69,293,945	57,922,335	50,301,559	32,595,937	32,758,158	32,774,970
Intangible assets	1,990,233	1,935,235	1,936,471	1,940,793	1,937,957	1,945,305	1,941,784
Long term investment	124,629,228	97,800,805	83,787,839	70,385,095	62,512,198	49,258,736	45,035,025
Other long term assets	1,920,311	2,660,276	4,586,218	3,075,386	1,972,853	1,228,386	1,144,949
Short term investment	222,415,276	101,743,497	107,755,999	100,036,963	83,188,113	49,207,470	55,773,304
Current Assets	106,308,610	53,488,156	71,929,760	44,759,051	34,003,294	50,990,129	42,354,605
Assets held for sale		-	-	42,411			
Total Assets	573,683,408	326,921,914	327,918,622	270,541,258	216,210,352	185,388,184	179,024,637

FAUJI FERTILIZER COMPANY LIMITED -CONSOLIDATED

Key Financial Ratios							
Gross Profit %	35%	42%	40%	36%	34%	30%	27%
Taxation % to sales	14%	15%	13%	9%	10%	6%	7%
Net Profit %	18%	26%	27%	31%	17%	16%	15%
Return on Equity	30%	32%	28%	36%	23%	29%	29%
Return on assets	13%	15%	10%	13%	8%	9%	9%
Liquidity Ratio %							
Current assets times to current liab.	1.25	1.08	1.06	1.22	1.40	0.92	0.96
Shares and earning							
Earning per share - Rs.	60.10	37.30	27.02	28.06	14.07	13.62	12.92
Breakup per share - Rs.	172.08	117.97	95.54	78.42	62.20	47.68	45.13
Market price per share December 31. - Rs.	366.32	113.19	98.71	100.26	108.50	101.47	92.85
Capital Structure Ratio							
Debt:Equity ratio (Long-term vs Equity)	0.12	0.12	0.13	0.18	0.13	0.13	0.18
Exports							
FED, Sales Tax and Income Tax							
Sales tax and excise duty	33,773,054	8,027,897	3,028,114	2,986,313	2,534,492	2,686,406	3,868,790
Income Tax excluding deferred tax	43,696,262	23,736,665	14,462,419	9,713,449	7,630,761	5,788,590	7,221,615
Total Duty and Taxes	77,469,316	31,764,562	17,490,533	12,699,762	10,165,253	8,474,996	11,090,405
Number of employees at Dec. 31	5248	3,590	3,559	3,577	3,628	3,581	3,425
Av. Number of employees	4783	3,586	3,575	3,573	3,522	3,506	3,436
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity							
Urea (Tons)	2,599,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000	2,048,000
Actual	650,000						
Engergy Plants (MWh)	1,073,091	431,859	431,859	166,659	143,559	143,559	143,559
Fries Production (Tons)	18,700	17,000	17,000	6,500	6,500	-	-
Steam	1,759	-					
Fries	18,700	-					
Liquid Products (000 Kg)	221,312	-					
Non Liquid Products (000 Kg)	7,157	-					
Actual Production							
Urea (Tons)	2,521,000	2,521,000	2,404,000	2,507,000	2,487,000	2,492,000	2,522,000
Engergy Plants (MWh)	324,758	324,758	310,234	144,303	101,606	114,125	122,654
Fries Production (Tons)	12,370	15,750	10,167	5,912	4,060	-	-
Steam	1,529	-					
Fries	12,370	-					
Liquid Products (000 Kg)	67,225	-					
Non Liquid Products (000 Kg)	2,828	-					
Capacity utilization %							
Urea	97%	123%	117%	122%	121%	122%	123%
Engergy Plant	30%	75%	72%	87%	71%	79%	85%
Fries Production	66%	93%	60%	91%	62%		
Actual Sales Urea (Tons)							
Sales (Qty) Urea - from own production	2,847,000	2,505,000	2,423,000	2,477,000	2,512,000	2,467,000	2,527,000
Sales (Qty) Urea - imported urea	95,000	124,000	72,000	226,000	253,000	253,000	503,000

FAUJI FERTILIZER BIN QASIM COMPANY LIMITED - UNCONSOLIDATED							
	2024	2023	2022	2021	2020	2019	2018
PROFIT OR 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	
	205,590,476	160,684,465	112,679,845	85,085,743	68,805,808	63,050,647	
Less:Commission to FFC & Trade Discount	24,369.00	23,670.00	25,831	144,362	629,535	37,158	
Less: Sales tax & Excise Duty	12,502,198	1,434,832	2,201,840	1,707,021	1,336,987	1,502,961	
Sales - Net	193,063,909	159,225,963	110,452,174	83,234,360	66,839,286	61,510,528	
Raw Material consumed	99,013,446	138,399,667	70,528,908	43,599,833	53,254,276	40,223,257	
Salaries wages and benefits	2,495,602	2,248,487	2,216,130	2,297,123	1,721,380	1,818,259	
Fuel & Power	21,696,844	21,961,341	12,555,462	10,449,294	11,523,707	10,396,856	
Repairs and Maintenance	2,006,046	1,339,549	1,084,188	1,021,556	1,209,245	1,383,815	
Depreciation	874,380	834,495	820,337	776,940	1,485,966	103,813	
Consumable stores							
Other overheads	1,896,750	1,241,713	941,319	925,039	755,236	2,026,232	
Total cost input	127,983,068	166,025,252	88,146,344	59,069,785	69,949,810	55,952,232	
Inventory adjustment (Process Inventory)	(285,954)	(98,322)	58,244	94,369	(98,973)	8,053	
Cost of Goods Manufactured	127,697,114	165,926,930	88,204,588	59,164,154	69,850,837	55,960,285	
Inventory adjustment (WIP & FG)	32,257,202	(32,285,997)	95,947	11,491,231	(8,896,188)	(2,633,173)	
Cost of Sales	159,954,316	133,640,933	88,300,535	70,655,385	60,954,649	53,327,112	
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	
Gross Profit	33,109,593	25,585,030	22,151,639	12,578,975	5,884,637	8,183,416	
Less:							
Distribution expenses	10,072,674	7,120,753	5,640,407	5,285,769	5,345,447	4,525,306	
Administrative expenses	1,135,654	1,068,556	1,600,638	1,255,126	1,421,843	1,548,730	
	21,901,265	17,395,721	14,910,594	6,038,080	(882,653)	2,109,380	
Finance cost	8,827,521	5,143,968	2,338,107	4,444,122	5,198,681	2,222,874	
	13,073,744	12,251,753	12,572,487	1,593,958	(6,081,334)	(113,494)	
Other income -financial assets/dividend etc	9,434,881	6,341,920	9,110,971	5,183,896	4,093,436	3,059,380	
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)	
(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	
Provision for Taxation	9,742,375	6,177,327	5,133,842	2,700,371	2,051,838	372,577	
Profit after Taxation	4,402,937	2,327,934	6,390,961	2,192,445	(5,920,745)	1,436,533	
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	
Unappropriated Profit/Reserves	14,178,790	9,809,836	7,518,217	4,618,305	(2,507,139)	4,556,356	
Shareholders' equity	27,091,319	22,722,365	20,430,746	13,959,405	6,833,961	13,897,456	
Long term loans and borrowings	15,699,449	22,950,265	25,695,636	29,955,386	15,370,318	17,032,250	
Current liabilities	103,081,019	104,190,115	69,083,210	47,053,661	68,962,290	49,434,278	
Total Equity and Liabilities	145,871,787	149,862,745	115,209,592	90,968,452	91,166,569	80,363,984	
Total Borrowings/Fin	18,972,294	24,976,181	32,137,064	38,509,059	46,585,418	35,564,013	
Property, Plant and Equipment at Cost	36,205,787	35,446,767	35,406,466	35,263,322	33,959,603	31,972,427	
Property, Plant and Equipment WDV	9,616,371	9,731,853	10,574,734	11,252,052	10,427,911	9,747,537	
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	
Other long term assets	141,041	116,326	3,348,265	7,072,171	3,227,028	2,580,698	
Current Assets	110,704,851	110,573,082	75,406,819	48,097,826	51,331,879	43,470,998	
Assets held for sale	-	-	-	-	-	-	
Total Assets	145,871,787	149,862,745	115,209,592	90,968,452	91,166,569	80,363,984	

FAUJI FERTILIZER BIN QASIM COMPANY LIMITED - UNCONSOLIDATED

KEY FINANCIAL RATIOS						
Gross Profit %	17%	16%	20%	15%	9%	13%
Net Profit after tax to sales	2%	1%	6%	3%	-9%	2%
Net Profit to equity	16%	10%	31%	16%	-87%	10%
Dividend Payout	60%	0%	0%	0%	0%	65%
Liquidity Ratio %						
Debt % debt and equity	41%	52%	61%	73%	87%	72%
Debt : Equity	41:59	52:48	61:39	73:27	87:13	72:28
Current ratio - (Times)	1.07	1.06	1.09	1.02	0.74	0.88
Shares and earning						
Earning per share	3.41	1.80	4.95	2.12	(6.34)	1.54
Cash dividend per share	1.00	-	-	-	-	1.00
Breakup per share	20.98	17.60	15.82	13.49	7.32	14.88
Market price per share at year end	32.30	15.33	24.78	25.32	19.52	37.27
Market price to Breakup value %	154%	87%	157%	188%	267%	251%
Exports						
FED, SALES TAX AND INCOME TAX PAID						
Sales tax	12,502,198	1,434,832	2,201,840	1,707,021	1,336,987	1,502,961
Income Tax excluding deferred tax	8,894,983	6,438,954	5,888,363	1,817,473	1,423,872	(1,343,489)
Total Duty and Taxes	21,397,181	7,873,786	8,090,203	3,524,494	2,760,859	159,472
Number of employees at Dec. 31	820	809	797	787	950	1,009
Av. Number of employees during the year	822	839	795	900	972	1,018
CAPACITY, PRODUCTION AND SALES VOLUME						
Urea	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
TOTAL PRODUCTION CAPACITY	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
DAP	660,004	847,843	790,415	739,968	830,696	730,136
Total Fertilizer	996,111	1,371,424	1,291,651	1,298,900	1,339,100	1,291,955
Capacity utilization %						
Urea	61%	95%	91%	101%	92%	102%
DAP	102%	130%	122%	114%	128%	112%
Total Fertilizer	83%	114%	108%	108%	111%	108%
Actual Sales (Tons)						
Urea	336,785	522,561	501,136	559,332	508,094	562,000
DAP	845,515	660,946	790,196	926,273	687,918	687,000
	1,182,300	1,183,507	1,291,332	1,485,605	1,196,012	1,249,000

FAUJI FERTILIZER BIN QASIM COMPANY LIMITED - CONSOLIDATED							
	2024	2023	2022	2021	2020	2019	2018
PROFIT OR 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
	-	240,510,941	191,187,574	134,698,144	103,394,654	87,429,639	82,398,857
Less:Commission to FFC & Trade Discount etc	-	1,496,809	1,703,553	834,506	824,915	1,521,508	478,447
Less: Sales tax & Excise Duty	-	17,400,445	6,413,005	5,627,789	4,508,777	4,387,464	4,365,346
Sales - Net		221,613,687	183,071,016	128,235,849	98,060,962	81,520,667	77,555,064
Raw Material consumed	-	129,258,810	167,643,713	88,671,323	57,023,175	67,667,372	55,484,226
Salaries wages and benefits	-	3,983,774	3,143,079	3,266,376	3,260,667	2,991,098	3,005,276
Fuel & Power	-	3,395,478	3,391,743	1,406,964	1,239,916	1,449,256	1,354,490
Repairs and Maintenance	-	2,803,879	1,764,829	1,411,177	1,427,650	1,445,587	1,595,730
Depreciation	-	2,256,540	2,360,731	2,526,176	2,474,601	3,041,458	2,910,977
Other overheads	-	3,784,132	2,087,603	1,835,572	2,012,963	1,620,535	1,675,948
Total cost input		145,482,613	180,391,698	99,117,588	67,438,972	78,215,306	66,026,647
Inventory adjustment (Process Inventory)	-	(213,350)	(137,183)	113,064	67,818	(208,134)	(3,107)
Cost of Goods Manufactured	-	145,269,263	180,254,515	99,230,652	67,506,790	78,007,172	66,023,540
Inventory adjustment (WIP & FG)	-	32,056,127	(32,502,946)	(85,071)	11,652,651	(8,867,652)	(31,079,641)
Cost of Sales	-	177,325,390	147,751,569	99,145,581	79,159,441	69,139,520	63,335,899
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
Gross Profit		44,288,297	35,319,447	29,090,268	18,901,521	12,381,147	14,219,165
Less:	-						
Distribution expenses	-	11,401,302	8,741,503	6,846,633	6,441,218	7,103,557	7,425,513
Administrative expenses	-	1,927,178	2,114,038	2,476,094	2,005,635	2,412,601	2,285,668
Operating Profit		30,959,817	24,463,906	19,767,541	10,454,668	2,864,989	4,507,984
Finance cost	-	(12,636,210)	(8,367,484)	(4,811,006)	(8,344,459)	(9,909,862)	(5,213,584)
Add (Less)	-						
Other income	-	7,636,720	3,266,657	1,919,141	1,260,906	1,369,318	1,348,654
Other operating expenses	-	(8,896,482)	(8,604,547)	(5,407,489)	(555,196)	(807,238)	(1,676,638)
Allowance for credit losses	-	(101,670)	(57,909)	(751,353)	(505,040)	(391,459)	
Other losses	-						
Unwinding cost / remeasur. 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
Profit before Taxation		18,754,807	16,789,874	14,989,099	9,506,615	(3,791,283)	1,368,774
Less: Provision for Taxation	-	12,986,622	7,958,491	5,764,114	3,473,107	4,580,554	590,670
Profit after Taxation		5,768,185	8,831,383	9,224,985	6,033,508	(8,371,837)	778,104
Share of loss of discontd. 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
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
Advance against issue of shares	-					4,885,787	
Unappropriated Profit/Reserves	-	32,390,445	24,616,325	16,156,306	3,221,315	549,368	7,350,536
Surplus/(deficit) on re-measurement of Investment	-	(2,265,483)	(1,179,693)	(517,348)	(32,845.0)	(744,310)	(481,495)
	-	43,037,491	36,349,161	28,551,487	20,086,786	9,146,158	16,210,141
Non controlling interest	-	10,301,373	7,167,343	4,380,785	2,361,285	1,582,983	3,826,318
Shareholders' equity	-	53,338,864	43,516,504	32,932,272	22,448,071	10,729,141	20,036,459
Long term loans and borrowings	-	32,805,528	42,009,994	46,341,510	52,859,937	36,082,657	40,916,496
Current liabilities	-	112,509,536	113,117,107	81,428,943	59,814,080	87,217,104	63,687,455
Total Equity and Liabilities		198,653,928	198,643,605	160,702,725	135,122,088	134,028,902	124,640,410
Borrowings/Finance (short term & long term)	-	50,134,439	78,569,604	60,520,620	68,932,092	82,695,260	70,667,385
Property, Plant and Equipment WDV	-	76,751,102	81,421,332	81,205,413	81,849,959	80,565,891	77,393,532
Property, Plant and Equipment WDV	-	40,348,135	45,892,685	47,848,922	50,286,924	50,960,138	50,077,055
Intangible assets	-	384,788	392,529	410,856	443,202	419,534	382,990
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
Deferred Tax Assets	-						1,613,571
Other long term assets	-	151,360	125,866	124,362	88,459	103,634	181,642
Current Assets	-	126,875,627	125,788,828	91,580,301	59,745,615	62,306,727	54,876,834
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

FAUJI FERTILIZER BIN QASIM COMPANY LIMITED - CONSOLIDATED

KEY FINANCIAL RATIOS							
Gross Profit %	-	20%	19%	23%	19%	15%	18%
Net Profit after tax to sales	-	3%	5%	7%	6%	-10%	1%
Liquidity Ratio %							
Debt/Equity Ratio	-	48:52	64:36	65:35	75:25	89:11	78:22
Debt:Equity	-						
Current ratio Times	-	1.13	1.11		1.00	0.71	0.86
Shares and earning							
Earning per share for continued business		3.60	6.55	6.95	6.23	(6.82)	1.68
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
Exports							
FED, SALES TAX AND INCOME TAX PAID							
Sales tax	-	17,400,445	6,413,005	5,627,789	4,508,777	4,387,464	4,365,346
Income Tax excluding deferred tax	-	9,425,385	6,775,329	6,118,000	1,953,470	1,525,699	(1,200,857)
Total Duty and Taxes		26,825,830	13,188,334	11,745,789	6,462,247	5,913,163	3,164,489
NUMBER OF EMPLOYEES							
Number of employees at Dec. 31	-	1,737	1,733	1,758	1,904	2,253	2,954
Av. Number of employees during the year	-	1,733	1,815	1,841	2,128	2,621	2,964
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity							
Fertilizer							
Urea	-	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
Total Fertilizer		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
Steam (Tons)	-	1,752,000	1,752,000	1,752,000	1,752,000	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
Non Liquid (kg)	-	6,318,709	6,318,709	6,318,709	6,318,709	8,760,000	6,935,000
Meat (Tons)	-	-	-	30,000	30,000	30,000	30,000
Actual Production							
Urea	-	336,107	523,581	501,236	558,932	508,404	561,819
DAP	-	660,004	847,843	790,415	739,968	830,696	730,136
Total Fertilizer		996,111	1,371,424	1,291,651	1,298,900	1,339,100	1,291,955
Power							
Electricity (Megawatt)	0	410,235	559,226	579,100	590,189	577,557	560,438
Steam (Tons)	0	1,312,031	1,532,467	1,369,156	1,475,226	1,532,131	1,453,282
Food							
Liquid (Itres)		59,041,145	57,077,538	57,077,538	61,144,281	60,873,948	90,295,898
Non Liquid (kg)		2,791,413	2,830,496	3,906,943	1,940,207	1,651,307	1,778,587
Meat (Tons)		-	-	4,634	3,409	3,764	1,968
Capacity utilization %							
Urea		61%	95%	91%	101%	92%	102%
DAP		102%	130%	122%	114%	128%	112%
Total Fertilizer		83%	114%	108%	108%	111%	108%
Power							
Electricity		64%	87%	91%	92%	90%	88%
Steam		75%	87%	78%	84%	103%	98%
Food							
Liquid		27%	26%	26%	28%	27%	40%
non liquid		44%	45%	62%	31%	19%	26%
Meat				15%	11%	13%	7%
Actual Sales Fertilizer (Tons)							
Urea		336,785	522,561	501,136	559,332	508,094	562,000
DAP		845,515	660,946	790,196	926,273	687,918	687,000
TOTAL SALES		1,182,300	1,183,507	1,291,332	1,485,605	1,196,012	1,249,000

ENGRO FERTILIZERS LIMITED

	2024	2023	2022	2021	2020	2019	2018
PROFIT OR LOSS							Rs. In 000
Sales - Gross							
- manufactured products	192,233,463	165,154,292	96,214,160	90,659,715	75,252,581	79,194,233	67,029,060
- purchased and packaged products	5,376,944	1,009,635	1,316,360	1,583,142	1,318,486	1,450,607	1,547,430
- services	301,655	1,252,532	1,036,927	797,685	594,463	167,957	-
	197,912,062	167,416,459	98,567,447	93,040,542	77,165,530	80,812,797	68,576,490
Less: Trade discounts	1,542,362	512,216	468,035	629,772	620,587	-	-
Less: Sales tax	9,660,742	5,238,116	1,154,445	1,825,894	1,489,099	1,575,873	2,435,012
Sales - Net	186,708,958	161,666,127	96,944,967	90,584,876	75,055,844	79,236,924	66,141,478
Raw Material consumed	88,940,369	57,865,977	40,419,382	26,916,053	23,889,519	21,590,127	17,168,622
Salaries wages and benefits	3,602,434	3,184,626	2,918,123	3,175,744	3,064,695	2,961,589	2,444,767
Fuel & Power	21,527,504	22,141,024	13,720,731	11,731,038	11,342,038	12,331,215	8,083,386
Repairs and Maintenance	5,804,273	5,549,842	7,434,135	4,187,122	2,686,195	2,867,110	1,941,771
Depreciation	3,698,179	3,468,521	2,928,488	2,688,429	5,113,619	5,478,693	5,087,585
Other overheads	7,509,162	4,497,155	3,244,693	2,450,944	2,057,936	1,836,182	1,689,487
Total cost input	131,081,921	96,707,145	70,665,552	51,149,330	48,154,002	47,064,916	36,415,618
Inventory adjustment (WIP)	235,861	(146,813)	(11,307)	3,112,650	(2,840,931)	(20,652)	(8,991)
Cost of Goods Manufactured	131,317,782	96,560,332	70,654,245	51,134,809	48,094,838	47,044,264	36,406,627
Inventory adjustment (F.G)	(6,146,909)	4,840,882	(3,688,538)	3,127,171	(2,781,767)	(1,385,007)	879,555
Cost of Sales	125,170,873	101,401,214	66,965,707	54,261,980	45,313,071	45,659,257	37,286,182
Cost of sales - Purchased and packaged	-	842,673	578,325	825,370	681,126	864,897	946,098
Total cost of Sales	125,170,873	102,243,887	67,544,032	55,087,350	45,994,197	46,524,154	38,232,280
Gross Profit	61,538,085	59,422,240	29,400,935	35,497,526	29,061,647	32,712,770	27,909,198
Less:			2,699,069	1,680,490	3,277,761	3,687,828	2,055,153
Selling and distribution expenses	15,843,702	11,706,176	8,766,004	7,784,845	7,308,335	6,772,924	6,367,371
Administrative expenses	4,757,879	4,001,319	2,183,699	1,863,874	1,870,668	1,197,714	1,446,802
	40,936,504	43,714,745	18,451,232	25,848,807	19,882,644	24,742,132	20,095,025
Finance cost	3,981,835	1,884,506	2,699,069	1,680,490	3,277,761	3,687,828	2,055,153
	36,954,669	41,830,239	15,752,163	24,168,317	16,604,883	21,054,304	18,039,872
Government subsidy							1,271,334
Other income - fin. assets/dividend etc	9,500,021	8,906,428	8,809,460	6,893,162	2,624,500	6,331,948	2,830,085
Other income - scrap, disp. of assets etc	1,292,569	1,214,232	1,177,379	788,095	695,511	2,469,648	776,550
Total other income	10,792,590	10,120,660	9,986,839	7,681,257	3,320,011	8,801,596	3,606,635
Other operating expenses (less)	(4,130,601)	(3,988,085)	(1,871,522)	(2,638,564)	(1,889,484)	(2,620,254)	(1,518,014)
Remeasurement Profit/(loss) on							
provision for GiDC	-	(537,911)	(839,935)	(742,982)	2,121,389	-	-
Loss allow. on subsidy reciev from GoP	1,203,088	(2,440,151)	(522,936)	(557,700)	(1,238,912)	-	-
Profit before Taxation	44,819,746	44,984,752	22,504,609	27,910,328	18,917,887	27,235,646	21,399,827
Provision for Taxation	14,612,984	19,306,334	7,096,474	6,841,310	2,102,575	8,672,732	4,731,143
Profit after Taxation	30,206,762	25,678,418	15,408,135	21,069,018	16,815,312	18,562,914	16,668,684
CONDENSED FINANCIAL POSITION		FIN					
Paid up capital	13,352,993						
Unappropriated Profit/Reserves	33,175,664	31,673,351	29,336,708	31,965,243	31,632,814	29,499,568	29,642,755
Shareholders' equity	46,528,657	45,026,344	42,689,701	45,318,236	44,985,807	42,852,561	42,995,748
Long term borrowings	21,322,676	14,622,601	17,440,410	30,920,167	35,972,538	34,629,062	33,067,117
Current liabilities	95,070,798	88,077,760	79,625,073	52,572,374	47,306,887	51,626,303	38,108,061
Total Equity and Liabilities	162,922,131	147,726,705	139,755,184	128,810,777	128,265,232	129,107,926	114,170,926
Total borrowings	35,178,694	6,377,866	22,015,748	26,793,157	25,086,254	33,054,119	31,873,127
Property, Plant and Equipment at cost	148,890,545	142,517,914	136,817,272	130,169,224	117,734,904	115,006,166	112,563,281
Property, Plant and Equipment WDV	83,137,431	78,440,081	77,879,522	73,031,490	65,734,124	65,924,426	68,203,956
Intangible assets	5,007,551	5,184,192	5,287,980	5,301,409	5,164,817	5,071,003	4,487,771
Investment in Subsidiary	100	100	100	100	100	100	560,416
Long term investment	3,517,074	101,067	2,103,692	-	-	-	-
Other long term assets	197,921	209,806	206,531	60,577	80,129	162,852	140,784
Short term investment	2,739,411						
Current Assets	68,322,643	62,266,063	54,277,359	50,417,201	57,286,062	57,949,545	40,777,999
Assets held for sale		1,525,396	-	-	-	-	
Total Assets	162,922,131	147,726,705	139,755,184	128,810,777	128,265,232	129,107,926	114,170,926

ENGRO FERTILIZERS LIMITED

KEY FINANCIAL RATIOS							
Gross Profit %	33%	37%	30%	39%	39%	41%	42%
Distrib. and Admn. Expenses to sales	11%	10%	11%	11%	12%	10%	12%
Finance cost to sales	2%	1%	3%	2%	4%	5%	3%
Net Profit after tax to sales	16%	16%	16%	23%	22%	23%	25%
Dividend Payout	60%	60%	117%	105%	103%	86%	88%
Income Tax %age to IBT	8%	12%	7%	8%	3%	11%	7%
Return on assets	19%	17%	11%	16%	13%	14%	15%
Return on Equity	65%	57%	36%	46%	37%	43%	39%
Liquidity Ratio %							
current assets times to current liab.	0.75	0.71	0.68	0.96	1.21	1.12	1.07
Shares and earning							
Earnings per share	22.62	19.23	11.54	15.78	12.59	13.90	12.48
Cash dividend per share	21.50	20.50	13.50	16.50	13.00	12.00	11.00
Breakup per share	34.85	33.72	31.97	33.94	33.69	32.40	34.10
Market price per share at year end	204.20	112.20	76.90	76.10	63.20	73.40	69.10
Capital Structure Ratios							
Debt to (Long-term and Equity) %	29%	7%	12%	20%	23%	34%	37%
Debt/quity ratio	29:71	7:93	12:88	20:80	23:77	34:66	37:67
FEB, SALES TAX AND INCOME TAX PAID							
Sales tax	9,660,742	5,238,116	1,154,445	1,825,894	1,489,099	1,575,873	2,435,012
Income Tax excluding deferred tax	23,153,893	17,082,458	10,878,239	6,559,977	2,609,763	3,585,464	7,020,349
Total Duty and Taxes	32,814,635	22,320,574	12,032,684	8,385,871	4,098,862	5,161,337	9,455,361
NUMBER OF EMPLOYEES							
Number of employees at Dec. 31	1169	1,214	1,352	1,379	1,356	1,256	1,247
Av. Number of employees	1184	1,242	1,373	1,384	1,310	1,267	1,226
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	2,147,025	2,313,448	1,954,528	2,104,722	2,263,806	2,003,035	1,928,080
NPK	105,296	96,328	137,075	144,564	127,082	134,784	132,790
Total Actual Production	2,252,321	2,409,776	2,091,603	2,249,286	2,390,888	2,137,819	2,060,870
Capacity utilization %							
Urea	94%	102%	86%	93%	100%	88%	85%
NPK	105%	96%	137%	145%	127%	135%	133%
Sales Fertilizer (Tons)							
Urea	2,026,719	2,326,595	1,933,789	2,296,258	2,057,567	1,985,377	1,994,412
Phosphate - DAP	306,447	278,805	263,770	296,881	371,791	514,172	602,529
NP	59,858	90,200	61,375	45,273	61,708	63,473	45,282
Total Sales	2,393,024	2,695,600	2,258,934	2,638,412	2,491,066	2,563,022	2,642,223

ENGRO FERTILIZERS LIMITED (CONSOLIDATED)

	2024	2023	2022	2021	2020	2019	2018
PROFIT OR LOSS						Rs. in 000	
Sales - Gross							
- manufactured products	192,233,463	165,154,292	96,214,160	90,659,715	75,252,581	79,194,233	67,029,060
- purchased and packaged products	82,778,673	67,909,965	62,178,947	44,638,582	33,080,029	44,593,196	45,766,185
- services	246,559	954,355	811,756	438,343	419,870	92,533	-
	275,258,695	234,018,612	159,204,863	135,736,640	108,752,480	123,879,962	112,795,245
Less: Trade discounts	1,642,037	513,302	477,561	633,162	695,855	-	-
Less: Sales tax	16,941,495	9,800,718	1,710,372	2,740,340	2,210,311	2,525,204	3,598,659
Sales - Net	256,675,163	223,704,592	157,016,930	132,363,138	105,846,314	121,354,758	109,196,586
Raw Material consumed	88,940,369	57,865,977	40,419,382	26,916,053	23,889,519	21,590,127	17,168,622
Salaries wages and benefits	3,602,434	3,184,626	2,918,123	3,175,744	3,064,695	2,961,589	2,444,767
Fuel & Power	21,527,504	22,141,024	13,720,731	11,731,038	11,342,038	12,331,215	8,083,386
Repairs and Maintenance	9,081,048	5,549,842	5,814,393	2,638,536	1,417,475	1,833,880	1,079,238
Depreciation	3,698,179	3,468,521	2,928,488	2,688,429	5,113,619	5,478,693	5,087,585
Other overheads	4,232,387	4,497,155	4,864,434	3,999,530	3,326,656	2,869,412	2,552,020
Total cost input	131,081,921	96,707,145	70,665,551	51,149,330	48,154,002	47,064,916	36,415,618
Inventory adjustment (WIP)	235,861	(146,813)	(3,699,844)	3,112,650	(2,840,931)	(20,652)	(8,981)
Cost of Goods Manufactured	131,317,782	96,560,332	70,654,245	51,134,809	48,094,838	47,044,264	36,406,637
Inventory adjustment (F.G)	(6,146,909)	4,840,882	(3,688,538)	3,127,171	(2,781,767)	(1,385,007)	37,473,502
Cost of Sales	125,170,873	101,401,214	66,965,707	54,261,980	45,313,071	45,659,257	45,659,257
Cost of sales - Purchased and packaged	59,219,644	50,006,150	47,204,084	34,026,998	26,278,555	36,155,613	36,593,957
Total cost of Sales	184,390,517	151,407,364	114,169,791	88,288,978	71,591,626	81,814,870	73,880,139
Gross Profit	72,284,646	72,297,228	42,847,139	44,074,160	34,254,688	39,539,888	35,316,447
Less:							
Selling and distribution expenses	17,854,636	13,053,158	9,885,983	8,529,610	8,456,799	8,736,345	8,007,915
Administrative expenses	4,760,403	4,006,506	2,216,597	1,900,412	1,918,598	1,248,191	1,485,002
	49,669,607	55,237,564	30,744,559	33,644,138	23,879,291	29,555,352	25,823,530
Finance cost (less)	4,128,579	1,910,830	2,621,808	1,602,197	3,236,285	3,886,870	2,070,933
	45,541,028	53,326,734	28,122,751	32,041,941	20,643,006	25,668,482	23,752,597
Subsidy on sales - from GoP addd							1,271,334
Other income on financial assets	2,498,037	3,714,027	2,325,361	1,790,398	1,667,110	4,351,782	790,620
Other income on non-financial assets	427,173	0					
Total other income	2,925,210	3,714,027					
Other operating expenses (less)	(4,513,406)	(4,369,431)	(2,523,538)	(2,641,412)	(1,894,116)	(2,622,661)	(1,532,350)
Remeasurement Profit/(loss) on							
provision for GIDC	-	(537,911)	(839,935)	(742,982)	2,121,389	-	-
Loss allow. on subsidy reciev from GoP	1,203,088	(2,440,151)	(522,936)	(557,700)	(1,238,912)	-	-
							-
Profit before Taxation	45,155,920	49,693,268	26,561,703	29,890,245	21,298,477	27,397,603	24,282,201
Provision for Taxation	16,895,682	23,502,166	10,558,414	8,797,588	3,165,130	10,526,380	6,868,683
Profit after Taxation	28,260,238	26,191,102	16,003,289	21,092,657	18,133,347	16,871,223	17,413,518
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	34,105,551	34,549,762	31,700,435	33,733,815	33,377,747	29,926,467	32,170,162
Shareholders' equity	47,458,544	47,902,755	45,053,428	47,086,808	46,730,740	43,279,460	45,523,155
Long term Borrowings	20,136,422	14,627,173	17,437,875	30,924,012	35,975,276	34,631,927	33,069,313
Current liabilities	103,007,144	98,312,742	82,922,029	54,807,563	49,007,359	49,135,424	39,151,563
Total Equity and Liabilities	170,602,110	160,842,670	145,413,332	132,818,383	131,713,375	127,046,811	117,744,031
Borrowings/Finance (S.T. & L.T)	35,196,959	6,585,077	22,015,748	26,795,574	25,263,868	33,526,225	32,246,517
Property, Plant and Equipment at cost	148,890,545	142,517,914	136,817,272	130,169,224	117,734,904	115,006,166	112,563,281
Property, Plant and Equipment WDV	83,137,431	78,440,081	77,879,522	73,031,490	65,734,124	65,924,426	68,203,956
Intangible assets	5,007,551	5,184,192	5,287,980	5,301,409	5,164,817	5,071,003	4,487,771
Long term investment	4,268,249	202,134	2,204,759	-	-	-	-
Other long term assets	197,921	209,806	206,531	60,798	81,872	163,791	142,644
Short term investment	3,690,852	2,462,828					
Current Assets	74,300,106	72,818,233	59,834,540	54,424,686	60,732,562	55,887,591	44,909,660
Assets held for sale	-	1,525,396	-	-	-	-	-
Total Assets	170,602,110	160,842,670	145,413,332	132,818,383	131,713,375	127,046,811	117,744,031

ENGRO FERTILIZERS LIMITED (CONSOLIDATED)

KEY FINANCIAL RATIOS							
Gross Profit %	28%	32%	27%	33%	32%	33%	32%
Distribution and Admn. Expenses to sales	9%	8%	8%	8%	10%	8%	9%
Finance cost to sales	2%	1%	2%	1%	3%	3%	2%
Net Profit after tax to sales	11%	12%	10%	16%	17%	14%	16%
Dividend Payout	60%	60%	113%	104%	96%	95%	84%
Income Tax %age to IBT	59%	43%	54%	28%	17%	20%	38%
Return on assets	17%	16%	11%	16%	14%	13%	15%
Return on equity	60%	55%	36%	45%	39%	39%	38%
Liquidity Ratio %							
Current ratio - current assets to current liab.	72%	74%	72%	99%	124%	114%	115%
Shares and earning							
Earning per share	21.16	19.61	11.98	15.80	13.58	12.63	13.04
Cash dividend per share	21	20.50	13.50	16.50	13.00	12.00	11.00
Breakup per share	35.54	35.87	33.74	35.26	35.00	32.40	34.10
Market price per share at year end	204.20	112.20	76.90	76.10	63.20	73.40	69.10
Capital Structure Ratios							
Debt to (Long-term and Equity) %	28%	6%	11%	20%	22%	34%	36%
Debt/quity ratio	28:72	06:94	29:79	20:80	22:78	34:66	36:64
Employees Productivity Ratios							
Production per employee (Tons)	2,006	1,909	1,727	1,783	1,805	1,866	1,929
Revenue per employees Rs. 000	232,482	188,118	115,785	101,904	82,639	97,313	91,629
Exports							
FED, SALES TAX AND INCOME TAX PAID							
Sales tax and excise duty	16,941,495	9,800,718	1,710,372	2,740,340	2,210,311	2,525,204	3,598,659
Income Tax excluding deferred tax	26,627,417	21,271,690	14,346,779	8,516,255	3,672,318	5,439,112	9,157,889
Total Duty and Taxes	43,568,912	31,072,408	16,057,151	11,256,595	5,882,629	7,964,316	12,756,548
NUMBER OF EMPLOYEES							
Number of employees at Dec. 31	1,169	1,214	1,353	1,382	1,362	1,260	1,252
Av. Number of employees	1,184	1,244	1,375	1,332	1,316	1,273	1,231
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)	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
Urea	2,147,025	2,313,448	1,954,528	2,104,722	2,263,806	2,003,035	1,928,080
NPK	105,296	96,328	137,075	144,564	127,082	134,784	132,790
Capacity utilization %	2,252,321	2,409,776	2,091,603	2,249,286	2,390,888	2,137,819	2,060,870
Urea	94%	102%	86%	93%	100%	88%	85%
NPK	105%	96%	137%	145%	127%	135%	133%
Sales (Tons)							
Urea	2,026,719	2,326,595	1,933,789	2,296,258	2,057,567	1,985,377	1,994,412
Phosphate - DAP	306,447	278,805	263,770	296,881	371,791	514,172	602,529
NP	59,858	90,200	61,375	45,273	61,708	63,473	45,282
Potash							
Total Sales	2,393,024	2,695,600	2,258,934	2,638,412	2,491,066	2,563,022	2,642,223

FATIMA FERTILIZER COMPANY LIMITED

	2024	2023	2022	2021	2020	2019	2018
PROFIT OR LOSS							
							Rs. In 000
Sales - Gross							
- manufactured products	238,917,597	221,506,570	136,616,564	90,264,959	62,040,598	69,575,656	50,278,094
- purchased and packaged products	14612004	21,635,270	4,039,529	5,402,141	11,049,223	7,440,818	1,697,922
- services		-	-				
Mid Products	2591536	2,294,153	1,572,166	1,186,215	863,636	787,283	473,998
Toll manufacturing			20,185,447	19,688,180	-		
Export+A108	2,225	-	251,061	-	150,087	135,304	1,470,159
Subsidy from Government							270,417
	256,123,362	245,435,993	162,664,767	116,541,495	74,103,544	77,939,061	54,190,590
Trade discounts	5,056,203	4,829,946	2,370,932	1,564,362	1,279,000	1,348,254	611,594
Sales tax	963,151	1,132,302	1,496,733	2,488,713	1,557,228	1,626,593	2,269,002
Excise Duty	11,681,875	6,718,924	-	-	-	-	-
Sales - Net	238,422,133	232,754,821	158,797,102	112,488,420	71,267,316	74,964,214	51,309,994
Raw Material consumed	97,749,287	81,561,513	83,606,104	36,330,705	24,178,493	22,977,561	11,113,578
Salaries wages and benefits	11,471,858	9,851,460	8,108,729	6,035,077	4,430,574	3,463,260	3,173,841
Fuel & Power	14,716,015	12,352,009	13,052,813	7,705,650	6,330,031	6,626,496	4,217,109
Repairs and Maintenance	15,627,612	17,968,836	6,153,207	1,724,118	2,131,497	1,166,483	1,078,195
Depreciation	10,330,110	10,471,051	5,084,022	4,998,414	2,719,658	2,579,760	3,441,065
Subsidy on NLG	(8,456,399)	(10,426,437)	-	(1,532,564)	(5,741,609)	-	-
Other overheads	8,511,850	8,154,949	2,941,352	6,884,370	4,461,288	3,155,766	2,357,404
Total cost input	149,950,333	129,933,381	118,946,227	62,145,770	38,509,932	39,969,326	25,381,192
Inventory adjustment (WIP)	(18,546)	(206,376)	(59,438)	188,489	(107,216)	10,203	(1,197,582)
Cost of Goods Manufactured	149,931,787	129,727,005	118,886,789	62,334,259	38,402,716	39,979,529	25,247,532
Inventory adjustment (F.G)	(14,927,253)	13,290,868	(15,549,023)	2,858,888	(5,521,720)	663,451	(1,063,922)
Cost of Sales	135,004,534	143,017,873	103,337,766	65,193,147	32,880,996	40,642,980	24,183,610
Cost of sales - Purchased and packaged	15,914,781	17,327,581	160,336,773	4,210,829	9,591,534	6,422,351	1,455,765
Total cost of Sales	150,919,315	160,345,454	106,336,766	69,403,976	42,472,530	47,065,331	25,639,375
Gross Profit	87,502,818	72,409,367	52,460,336	43,084,444	28,794,786	27,898,883	25,670,619
Less:							
Distribution Expenses	13952445	10,435,036	8,010,485	5,048,813	3,890,808	3,800,064	3,684,686
Administrative expenses	10035133	8,194,659	5,964,194	3,899,598	3,368,500	2,778,727	2,316,965
	63,515,240	53,779,672	38,485,657	34,136,033	21,535,478	21,320,092	19,668,968
Finance cost	4,750,109	4,640,423	3,303,226	2,006,559	3,469,303	3,760,909	1,822,902
	58,765,131	49,139,249	35,182,431	32,129,474	18,066,175	17,559,183	17,846,066
Other Income							
on financial assets	12,641,886	5,706,202	1,694,851	1,184,102	1,722,521	999,497	519,927
On Non-financial assets	491,367	1,570,438	394,139	26,087	87,553	90,252	83,174
Total other income	13,133,253	7,276,640	2,088,990	1,210,189	1,810,074	1,089,749	603,101
Other operating expenses	(10,568,880)	(7,623,757)	(6,400,908)	(2,316,977)	(1,677,558)	(1,480,466)	(1,708,069)
Impairment of brand				(2,360,000)	-		
Other losses	(686,348)	(1,046,460)	(426,023)	(477,245)	(517,269)		
Share of Profit/(loss) from associates	(87,543)	1,404	68,408	348	(26,795)	24,687	49,211
Profit before Taxation	60,555,613	47,747,076	30,512,898	28,185,789	17,654,627	17,193,153	16,790,309
Provision for Taxation	25,572,375	25,344,869	16,074,096	9,710,827	5,468,064	5,123,471	4,876,754
Profit after Taxation	34,983,238	22,402,207	14,438,802	18,474,962	12,186,563	12,069,682	11,913,555
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	120,732,919	97,365,983	86,089,184	79,263,440	66,102,656	57,008,298	48,594,972
Shareholders' equity	141,732,919	118,365,983	107,089,184	100,263,440	87,102,656	78,008,298	69,594,972
Long term loans and borrowings	71,533,146	37,363,386	37,734,862	30,306,702	29,303,057	26,536,086	27,043,239
Current liabilities	89,565,793	75,037,463	86,270,571	54,323,207	41,151,177	50,571,921	31,570,077
Total Equity and Liabilities	302,831,858	230,766,832	231,094,617	184,893,349	157,556,890	155,116,305	128,208,288
Borrowings/Finance (L.T. & S.T.)	64,584,779	11,771,487	29,408,550	15,649,862	23,193,220	30,430,378	18,075,967
Property, Plant and Equipment at cost	144,262,668	151,423,189	145,053,240	131,337,374	125,600,105	118,492,863	106,710,615
Property, Plant and Equipment WDV	96,202,487	110,025,290	114,338,479	105,422,464	104,937,733	100,720,660	91,718,705
Intangible assets	195,113	2,007,996	3,786,096	3,608,877	5,991,019	5,973,548	5,978,747
Investment property							
Long term investment	51,170,793	7,912,211	2,454,688	795,511	201,641	174,846	-
Long Term loan to associate/subsidiary	300,000	-	-	1,999,333	2,999,000	2,999,000	1,999,333
Other long term assets	7,485,482	3,962,186	4,453,385	518,424	113,679	81,763	400,622
Short term investment	30,286,530	18,819,553	4,425,900	2,242,710	2,523,862		
Other current Assets	117,027,846	87,875,083	101,470,650	69,530,691	40,033,767	44,538,915	28,110,881
Assets held for sale							
Total Assets	302,668,251	230,766,832	231,094,617	184,893,349	157,556,890	155,116,305	128,208,288

FATIMA FERTILIZER COMPANY LIMITED

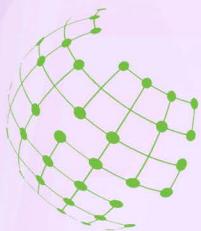
KEY FINANCIAL RATIOS							
Gross Profit %	37%	31%	33%	38%	40%	37%	50%
Net Profit after tax to sales	15%	10%	9%	16%	17.100%	16%	23%
Dividend Payout	60%	60%	51%	40%	43%	35%	31%
Sales Tax %age to Gross Sales	5%	3%	1%	2%	2%	2%	4%
Income Tax %age to IBT	42%	47%	41%	32%	28%	26%	32%
Return on Equity	25%	19%	13%	18%	14%	15%	17%
Return on assets	12%	10%	6%	10%	8%	8%	9%
Liquidity Ratio %							
Current ratio - current assets to current liab.	1.31	1.17	1.18	1.28	0.97	0.88	0.89
Shares and earning							
Earning per share	16.66	10.67	6.88	8.80	5.80	5.75	5.67
Cash dividend per share	7.00	4.50	3.50	3.50	2.50	2.00	1.75
Breakup per share	67.49	56.36	50.99	47.74	41.48	37.15	33.14
Market price per share at year end	78.28	35.49	33.60	35.99	29.10	26.59	36.47
Long term debt to equity and debt							
Debt:Equity ratio	23:77	6:94	9:91	6:94	5:95	8:92	9:91
Exports							
	2,225	-	251,061				
FED, SALES TAX AND INCOME TAX PAID							
Sales tax and excise duty	12,645,026	7,851,226	1,496,733	2,488,713	1,557,228	1,626,593	2,269,002
Income Tax excluding deferred tax	25,299,890	22,497,405	12,388,684	8,953,687	5,003,864	4,412,140	5,414,392
Total Duty and Taxes	37,944,916	30,348,631	13,885,417	11,442,400	6,561,092	6,038,733	7,683,394
NUMBER OF EMPLOYEES							
Number of employees at Dec. 31	4,498	4,593	4,559	2,895	2,604	2,400	2,378
Av. Number of employees	4,562	4,626	3,727	2,750	2,502	2,389	2,321
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity (Tons)							
Urea	815,150	1,037,900	1,037,900	1,037,900	1,037,900	945,500	945,500
CAN	870,000	870,000	870,000	870,000	870,000	870,000	420,000
NP	664,500	664,500	664,500	664,500	664,500	664,500	360,000
Actual Production (Tons)							
Urea	811,771	985,419	1,095,084	800,634	680,889	822,656	508,855
CAN	854,557	839,721	866,620	792,438	577,975	403,444	474,968
NP	852,490	713,038	866,724	829,822	637,418	407,511	429,250
Total Production	2,518,818	2,538,178	2,828,428	2,422,894	1,896,282	1,633,611	1,413,073
Capacity utilization %							
Capacity utilization %							
Urea	100%	95%	106%	77%	66%	87%	54%
CAN	98%	97%	100%	91%	66%	46%	113%
NP	128%	107%	130%	125%	96%	61%	119%
Sales (Tons)							
Urea	941,000	970,000	1,106,000	836,000	755,000	777,526	662,034
CAN	679,000	800,000	871,000	894,000	489,000	471,828	499,608
NP	813,000	1,000,000	718,000	882,000	444,000	477,992	377,726
Others DAP etc	89,000	96,000	21,000	65,000	179,000	106,702	26,371
Total Sales	2,522,000	2,866,000	2,716,000	2,677,000	1,867,000	1,834,048	1,565,739

FATIMA FERTILIZER COMPANY LIMITED (CONSOLIDATED)

	2024	2023	2022	2021	2020	2019	2018
PROFIT OR LOSS							Rs. In 000
Sales - Gross							
- manufactured products	259,363,048	225,304,977	137,901,545	90,264,959	62,040,598	69,575,656	50,278,094
- purchased and packaged products	14,612,004	21,635,270	4,039,529	5,402,141	11,049,223	7,440,818	1,697,922
- services		-	-				
Mid Products	2,927,600	2,294,153	1,572,166	1,186,215	863,636	787,283	473,998
Toll manufacturing			20,185,447	19,688,180	-		
Export	155,114	63,348	296,894	-	150,087	135,304	1,470,159
Subsidy from Government							270,417
	277,057,766	249,297,748	163,995,581	116,541,495	74,103,544	77,939,061	54,190,590
Trade discounts	5,501,463	4,829,946	2,370,932	1,564,362	1,279,000	1,348,254	611,594
Sales tax	2,184,761	2,325,536	1,879,467	2,488,713	1,557,228	1,626,593	2,269,002
Excise Duty	12,451,306	6,718,924	-	-	-		
Sales - Net	256,920,236	235,423,342	159,745,182	112,488,420	71,267,316	74,964,214	51,309,994
Raw Material consumed	110,160,411	81,802,847	84,005,407	36,330,705	24,178,493	22,977,561	11,113,578
Salaries wages and benefits	12,849,490	10,111,273	8,217,951	6,035,077	4,430,574	3,463,260	3,173,841
Fuel & Power	17,560,673	12,352,009	13,150,059	7,705,650	6,330,031	6,626,496	4,217,109
Repairs and Maintenance	17,233,009	18,062,412	6,153,968	1,724,118	2,131,497	1,166,483	1,078,195
Depreciation	10,873,626	10,522,450	5,107,688	4,998,414	2,719,658	2,579,760	3,441,065
Subsidy on NLG	(8,456,399)	(10,426,437)	-	(1,532,564)	(5,741,609)	-	-
Other overheads	9,175,737	8,453,035	2,988,046	6,884,370	4,461,288	3,155,766	2,357,404
Total cost input	169,396,547	130,877,589	119,623,119	62,145,770	38,509,932	39,969,326	25,381,192
Inventory adjustment	558	(264,194)	(52,297)	188,489	(107,216)	10,203	(133,660)
Cost of Goods Manufactured	169,397,105	130,613,395	119,570,822	62,334,259	38,402,716	39,979,529	25,247,532
Inventory adjustment	(20,208,749)	13,281,471	(15,548,415)	2,858,888	(5,521,720)	663,451	(1,063,922)
Cost of Sales	149,188,356	143,894,866	104,022,407	65,193,147	32,880,996	40,642,980	24,183,610
Cost of sales - Purchased and packaged	15,914,781	17,345,549	3,044,928	4,210,829	9,591,534	6,422,351	1,455,765
Total cost of Sales	165,103,137	161,240,415	107,067,335	69,403,976	42,472,530	47,065,331	25,639,375
Gross Profit	91,817,099	74,182,927	52,677,847	43,084,444	28,794,786	27,898,883	25,670,619
Less:							
Distribution Cost	144,068,838	10,532,444	8,053,951	5,048,813	3,890,808	3,800,064	3,684,686
Administrative expenses	104,372,49	8,280,416	6,047,224	3,899,598	3,368,500	2,778,727	2,316,965
	66,973,012	55,370,067	38,576,672	34,136,033	21,535,478	21,320,092	19,668,968
Finance cost	5,082,522	4,902,301	3,465,149	2,006,559	3,469,303	3,760,909	1,822,902
Other operating expenses (less)	10,773,368	7,751,625	6,409,454	4,676,977	1,677,558	1,480,466	1,708,069
	51,117,122	42,716,141	28,702,069	27,452,497	16,388,617	16,078,717	16,137,997
Other income							
On Financial assets	11,983,952	5,657,118	1,698,882	1,184,102	1,722,521	999,497	519,927
Non-financial assets	517,954	1,570,438	967,926	26,087	87,553	90,252	83,174
Total other income	12,501,906	7,227,556	2,666,808	1,210,189	1,810,074	1,089,749	603,101
Other losses	(697,855)	(1,046,460)	(426,023)	(477,245)	(517,269)	-	-
Share of loss from associates (less)	(87,543)	-1,404	(68,408)	348	(26,795)	24,687	49,211
Profit before Taxation	62,833,630	48,895,833	30,874,446	28,185,789	17,654,627	17,193,153	16,790,309
Provision for Taxation	26,438,835	25,887,417	16,160,671	9,710,827	5,468,064	5,123,471	4,876,754
Profit after Taxation	36,394,795	23,008,416	14,713,775	18,474,962	12,186,563	12,069,682	11,913,555
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	123,169,019	98,385,630	86,500,734	79,263,264	66,102,656	57,008,298	48,594,972
Shareholders' equity	144,169,019	119,385,630	107,500,734	100,263,264	87,102,656	78,008,298	69,594,972
Long term liabilities	75,655,652	37,906,510	38,289,486	30,306,702	29,303,057	26,536,086	27,043,239
Current liabilities	97,064,292	76,586,357	87,865,281	54,323,295	41,151,177	50,571,921	31,570,077
Total Equity and Liabilities	316,888,963	233,878,497	233,655,501	184,893,261	157,556,890	155,116,305	128,208,288
Borrowings/Finance (S.T. & L.T.)	66,063,903	11,326,670	31,350,371	15,649,858	23,193,220	30,830,378	8,376,578
Property, Plant and Equipment at cost	163,576,975	154,391,982	147,974,434	131,337,374	125,600,105	118,492,863	106,710,615
Property, Plant and Equipment WDV	110,850,155	112,899,021	117,219,930	105,422,464	104,937,733	100,720,660	91,718,705
Intangible assets	195,113	2,007,996	3,786,096	3,608,877	5,991,019	5,973,548	5,978,747
Long term investment	41,889,385	5,826,702	1,469,179	795,311	201,641	174,846	-
Long Term loan to associate	-	-	-	1,999,333	2,999,000	2,999,000	1,999,333
Investment Property	163,607	164,513	165,419	775,339	756,189	627,573	-
Other long term assets	7,529,582	3,973,497	3,516,209	518,424	113,679	81,763	400,622
Short term investment	30,743,757	18,964,855	4,518,659	2,242,710	2,223,862	530,134	623,273
Current Assets	125,517,364	90,041,913	102,980,009	69,530,803	40,333,767	44,008,781	27,487,608
Assets held for sale							
Total Assets	316,888,963	233,878,497	233,655,501	184,893,261	157,556,890	155,116,305	128,208,288

FATIMA FERTILIZER COMPANY LIMITED (CONSOLIDATED)

KEY FINANCIAL RATIOS							
Gross Profit %	36%	32%	33%	38%	40%	37%	50%
Taxation % to sales	10%	11%	10%	9%	8%	7%	10%
Net Profit after tax to sales	14%	10%	9%	16%	17%	16%	23%
Return on Equity	25%	19%	14%	18%	14%	15%	17%
Return on assets	11%	10%	6%	10%	8%	8%	9%
Liquidity Ratio %							
Current ratio - Current assets times current	1.61	1.42	1.22	1.32	1.03	0.88	0.89
Shares and earning							
Earning per share	17.33	10.96	7.01	8.80	5.80	5.75	5.67
Cash dividend per share	4.50	4.50	3.50	3.50	2.50	2.00	1.75
Dividend Payout	26%	41%	50%	40%	43%	35%	31%
Breakup per share	68.65	56.85	51.19	47.74	41.48	37.15	33.14
Market price per share at year end	35.49	35.49	33.60	35.99	29.10	26.59	36.47
Capital Structure Ratio - Long term debt	24%	6%	9%	6%	5%	8%	11%
Debt:Equity ratio	9:91	9:91	23:77	14:86	21:79	28:72	11.89
Exports	155,114	63,348	296,894				
FED, SALES TAX AND INCOME TAX PAID							
Sales tax	14,636,067	9,044,460	1,879,467	2,488,713	1,557,228	1,626,593	2,269,002
Income Tax excluding deferred tax	26,317,029	22,942,515	12,487,067	8,953,587	5,003,864	4,412,140	5,414,392
Total Duty and Taxes	40,953,096	31,986,975	14,366,534	11,442,400	6,561,092	6,038,733	7,683,394
NUMBER OF EMPLOYEES							
Number of employees at Dec. 31	5344	5,034	4,967	2,895	2,604	2,400	2,378
Av. Number of employees	5189	5,001	3,727	2,750	2,502	2,389	2,321
CAPACITY, PRODUCTION AND SALES VOLUME							
Production Capacity in Tons							
Urea	1,037,900	1,037,900	1,037,900	1,037,900	1,037,900	945,500	945,500
CAN	870,000	870,000	870,000	870,000	870,000	870,000	420,000
NP	664,500	664,500	664,500	664,500	664,500	664,500	360,000
Total Fertilizer	2,572,400	2,572,400	2,572,400	2,572,400	2,572,400	2,480,000	1,725,500
Other Products - Capacity							
Tapeline (Kg)	10,624,614	11,629,600	11,629,600				
Liner (Kg)	2,882,250	2,874,375	2,874,375				
Actual Production in Tons							
Urea	1,087,620	985,419	1,095,084	800,634	680,889	822,656	607,772
CAN	854,557	839,721	866,620	792,438	577,975	403,444	474,968
NP	852,490	713,038	866,724	829,822	637,418	407,511	429,250
Total Fertilizer	2,794,667	2,538,178	2,828,428	2,422,894	1,896,282	1,633,611	1,511,990
Other Products - Actual Production							
Tapeline (Kg)	9,768,476	9,623,081	9,355,858				
Liner (Kg)	2,255,847	2,874,375	2,318,941				
Capacity utilization %							
Urea	105%	95%	106%	77%	66%	87%	64%
CAN	98%	97%	100%	91%	66%	46%	113%
NP	128%	107%	130%	125%	96%	61%	119%
Total Fertilizer	109%	99%	110%	94%	74%	66%	88%
Other Products							
Tapeline (Kg)	92%	83%	80%				
Liner (Kg)	78%	100%	81%				
Sales (Tons)							
Urea	941,000	970,000	1,106,000	836,000	755,000	777,526	662,034
CAN	679,000	800,000	871,000	894,000	489,000	471,828	499,608
NP	813,000	1,000,000	718,000	882,000	444,000	477,992	377,726
Others DAP etc	89,000	96,000	21,000	65,000	179,000	106,702	26,371
Total Sales	2,522,000	2,866,000	2,716,000	2,677,000	1,867,000	1,834,048	1,565,739



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