

**NATIONAL FERTILIZER CORPORATION OF PAKISTAN**  
**(PRIVATE) LIMITED**



**Minutes of 179<sup>th</sup> Meeting of Board of Directors held on**  
**13<sup>th</sup> September, 2025 at 1100 Hours in Board Room,**  
**NFC Head Office, Alfalah Building, Lahore**

**Present**

▪ Mr. Tanvir Ashraf Kaira	Chairman
▪ Rana Tariq Mehmood	Independent Director
▪ Mr. Ahmad Bukhsh Tarar	Independent Director
▪ Mr. Abdul Qayum Malik	Independent Director
▪ Mr. Kabool Muhammad Khatian	Independent Director
▪ Mr. Arshad Illahi Diyal	Independent Director
▪ Ms. Adila Durrani	Independent Director
▪ Mr. Muhammad Asad Islam Mahni	Ex-Officio Director
▪ Ms. Iffat Malik	Ex-Officio Director
▪ Mr. Asif Saeed Khan Lughmani, CEO-NFC	Ex-Officio Director

**Assisted By:** Mr. Faisal Sultan Mahmood  
Incharge (Finance) / Company Secretary

**In Attendance:** - Mr. Aamir Hussain, General Manager (P&A), NFC  
- Ms. Fareeha Ali Randhawa, Managing Director, NFML  
- Mr. Asif Mubeen, M/s. Asif Mubeen & Co., Chartered Accountants  
- Barrister Pirzada M. Aurangzaib, M/s. Ibrahim & Ibrahim,  
Barristers and Legal Consultants

**Recitation:** From the Holy Quran

Chairman-BOD, Mr. Tanvir Ashraf Kaira took the Chair and welcomed all the Directors to the 179<sup>th</sup> meeting of Board of Directors of NFC. Director Ms. Adila Durrani, Ms. Iffat Malik and Mr. Asif Saeed Khan Lughmani participated in the meeting through video conference.

Rana Tariq Mehmood, Member requested the Chair that before discussing the formal agenda of the Meeting, the Board may offer Dua for the people who lost their lives due to recent flood in Khyber Pakhtunkhwa and Punjab. The Board offered Fatiha and prayed for the strength and patience of the families of flood victims and for the swift recovery of all those affected by the flood.

**Item No.1 TO WELCOME NEW DIRECTOR / MEMBER COMMITTEES**

The Board was informed that Finance Division vide Office Memorandum No.F.2(98)DS-EXP (INDUSTRIES)/2025 dated 30<sup>th</sup> July, 2025 had nominated Joint Secretary Expenditure (I&P), Finance Division as Representative of Finance Division by designation on the Board of Directors of National Fertilizer Corporation.





It was informed that on 30<sup>th</sup> July, 2025 Mr. Rashid Ali Zuberi was holding the look after charge for the post of Joint Secretary-Exp (I&P), Finance Division. However, Finance Division vide its office Order No.181/2025 dated 19<sup>th</sup> August, 2025 posted Ms. Iffat Malik as Joint Secretary, Exp(I&P), Finance Division with immediate effect and discontinued the look after charge of Mr. Rashid Ali Zuberi against the post of JS-Exp(I&P), Finance Division with immediate effect.

The Board was requested to approve the appointment of Ms. Iffat Malik, Joint Secretary Expenditure (I&P), Finance Division as Director / Member Committees on the Board of National Fertilizer Corporation of Pakistan (Pvt.) Limited with effect from 19<sup>th</sup> August, 2025 in place of Mr. Rashid Ali Zuberi.

**The Board welcomed Ms. Iffat Malik, Joint Secretary Expenditure (I&P), Finance Division as Director / Member Committees on the Board of NFC and hoped that NFC would benefit from her rich experience, knowledge, professional leadership and astute guidance.**

**Item No.2 CONFIRMATION OF MINUTES**

The Minutes of 178<sup>th</sup> meeting of Board of Directors of NFC held on 26<sup>th</sup> July, 2025 were circulated to the Directors on 11<sup>th</sup> August, 2025.

The Company Secretary informed that the minutes were circulated to the directors in terms of Rule-6(3) of Public Sector Companies (Corporate Governance) Rules, 2013.

**The observations received from Mr. Asif Saeed Khan Lughmani, CEO-NFC and Mr. Ahmad Bukhsh Tarar, Director were incorporated in the Minutes, therefore, the minutes were confirmed by the Board.**

**Item No.3 FOLLOW-UP ACTIONS ON THE MINUTES OF 178<sup>TH</sup> BOARD MEETING HELD ON 26.07.2025**

**To Discuss the Reply Received from Privatization Commission Regarding Pakchina Fertilizers Limited Shares & Litigation**

The Board was informed that the matter shall be discussed as separate agenda item no.6.





**To Decide the Fate of Interest Amount of Rs.11.645 million Receivable from Pakistan Machine Tools Factory**

The Board was informed that as directed by the Board, NFC vide its letter dated 15<sup>th</sup> August, 2025 requested Mol&P that a copy of summary approved by the Cabinet for transfer of Pakistan Machine Tools Factory (PMTF) from Ministry of Industries & Production to Strategic Plans Division may be provided at the earliest for placement before the Board. However, the reply from Mol&P was awaited. The Board noted the development.

**Shifting of NFC Head Office from Alfalah Building, Lahore to NFC House 44-C-III, Gulberg-III, Lahore**

The Board was informed that as directed by the Board, a statement showing annual savings to be achieved from shifting of NFC Head Office Alfalah Building to NFC House, Gulberg-III, Lahore alongwith statement of head-wise operational & maintenance cost of NFC House was sent to all the Board members vide NFC letter dated 20<sup>th</sup> August, 2025.

Rana Tariq Mehmood, Director remarked that as it was informed in the last meeting that it was the decision of the Ministry to shift NFC Head Office from Alfalah Building to NFC House, Gulberg-III, Lahore. He inquired why the office has not yet been shifted. General Manager (P&A), NFC informed that the shifting of NFC Head Office from Alfalah Building to NFC House, Gulberg-III, Lahore was started, however, process of shifting has been stopped for the time being.

Mr. Kabool Muhammad Khatian, Director inquired that whether NFC House at Gulberg-III, Lahore is a commercial property or not. General Manager (P&A), NFC informed that presently NFC House is a residential property.

Mr. Ahmad Bukhsh Tarar, Director remarked that we must be aware of the Rules & Regulations of LDA for using residential property as office and commercialization of residential property.

Mr. Kabool Muhammad Khatian, Director directed the management to inquire about the rules of LDA regarding use of residential property for office purposes. He further remarked that now a days the Government take very strict action on use of buildings other than the purpose for which it was initially allotted.





Mr. Tanvir Ashraf Kaira, Chairman, Mr. Kabool Muhammad Khatian, Director, Mr. Ahmad Bukhsh Tarar, Director and Ms. Adila Durrani, Director emphasized that being a state-owned enterprise NFC should not violate any law and abide by the rules & regulation of LDA regarding usage of residential building for office purpose.

Mr. Abdul Qayyum Malik, Director remarked that as there is no commercial activity / public dealing at NFC Head Office, therefore, one floor of NFC office at Alfalah Building, Lahore should be vacated and the staff should be shifted to NFC House, Gulberg-III, Lahore without asking LDA about the rules & regulations of use of NFC House for office purposes. Rana Tariq Mehmood, Director and Mr. Asif Saeed Khan Lughmani, CEO-NFC endorsed the viewpoint to Mr. Abdul Qayyum Malik.

Mr. Arshad Illahi Diyal, Director remarked that in his view instead of wasting time and money on commercialization of NFC House, the NFC House may be rented out as a residential building. He added that as NFC house is located in a very posh area, it would be easily rented out at a monthly rent of around Rs.600,000/- to Rs.800,000/-. Further, NFC would save around Rs.200,000/- to Rs.300,000/- in the form of utility bills of NFC House plus Rs.150,000/- to Rs.200,000/- in the form of savings of salaries of staff deputed at NFC house. He further added that NFC can easily save Rs.1,000,000/- per month by renting out NFC House, this saving can be used to pay the existing office rent of NFC Head Office at Alfalah Building, Lahore. Mr. Muhammad Asad Islam Mahni, Director agreed with the viewpoint of Mr. Arshad Illahi.

Mr. Tanvir Ashraf Kaira, Chairman remarked that the management may inquire LDA about the rules and procedure of commercialization of NFC House and shifting of NFC Head Office and present it before the Board, however, Mr. Muhammad Asad Islam Mahni suggested to defer the matter.

**The Board deferred the matter for shifting of NFC Head Office from Alfalah Building to NFC House, 44-C-III, Gulberg-III, Lahore.**

Item No.4

**TO DISCUSS BUSINESS PLAN OF NFC AS REQUIRED UNDER SECTION-8(3) OF STATE-OWNED ENTERPRISES (GOVERNANCE AND OPERATIONS) ACT 2023**

The Board was informed that as per Chapter-4 'Measurable Performance' of the Act, the Board of every state-owned enterprise has to adopt a Business Plan for 3 to 5 Years.





A Draft Business Plan prepared by NFML and Draft Business Plan of NFC for 2025-2028 (Diversification into the Non-Engineering Sector Industries) were placed before the Board.

Ms. Fareeha Ali Randhawa, Managing Director, National Fertilizer Marketing Limited (NFML) briefed the board regarding the Business Plan of NFML and NFC as a merged organization. She informed the Board that sale of around 100,000 m.tons of Urea and 50,000 m.tons of DAP has been proposed in the Business Plan.

Mr. Muhammad Asad Islam Mahni, Director remarked that in the present scenario, government would not allow NFML to sale Urea / DAP fertilizer as government had decided that it would not involve in the commercial business activity. He added that involvement of fertilizer and research based activity in the Business Plan should be very limited and sub-set as there are organizations already working in these sectors. Further, after 18<sup>th</sup> Amendment, federal government is left with limited involvement in provincial matter. The Business Plan might focus on formation of an authority or think tank.

Mr. Muhammad Asad Islam Mahni, Director also remarked that currently the biggest issue of NFML is huge manpower which needed to be rationalized.

General Manager (P&A), NFC invited the attention of the Board towards the package offered by the Government to the employees of Utility Stores Corporation. He submitted that the contractual employees of NFML may be relieved by giving them severance package as was recently given to the employees of Utility Stores Corporation by the Government.

Mr. Muhammad Asad Islam Mahni, Director remarked that package offered to the employees of USC was a one time offer for a specific entity. In the case of NFML employees, we just need to decide the matter as per clauses of their employment contract. Mr. Abdul Qayyum Malik, Director endorsed the viewpoint of Mr. Muhammad Asad Islam Mahni.

Ms. Iffat Malik, Director remarked that she agrees with the viewpoint of Mr. Muhammad Asad Islam Mahni, Director regarding the laying off contractual employees of NFML as per their terms of contract.

Mr. Asif Saeed Khan Lughmani, CEO-NFC remarked that he will discuss the matter relating to rationalization of manpower at NFML with





Ms. Fareeha Ali Randhawa, Managing Director, NFML and present a report before the Board of Directors of NFC.

The Company Secretary, NFC informed the Board that the Business Plan of NFC for 2025-2028 has been prepared in the light of discussions held during the meetings of Business Development Committee of NFC.

Mr. Asif Mubeen gave a detailed presentation on the Business Plan of NFC as Re-defined Organization in Development of Policies / Framework for the Non-Engineering Sector Industries in Pakistan. The Salient features of the presentation were as under:

#### **Scope of Work**

- Review of existing regulatory & governance frameworks for non-engineering industries in Pakistan.
- Compare policies & compliance systems with India, UK & USA Ensure alignment with international best practices
- Institutional, legal & operational gaps in NFC's mandate Challenges in industrial development & exports.
- Strengthen regulatory role for NFC.
- Future-ready monitoring framework for accountability, transparency & growth.
- Reforms to overcome sector problems & boost exports of Industries i.e. Fertilizer, Plastics, Tobacco, Sugar, Chemicals, Paper & Boards, Cement, Iron & Steel, Edible Oil, Ceramics, Cutlery, Pesticides, Sports Goods, and Surgical Industry.

#### **Proposed New Legal Structure**

- Merger of NFML into NFC and keep NFC as a surviving entity. Manpower proposed to reduce from existing 379 employees (of both entities) to 100 maximum at the time, when restructured NFC will be fully functional.
- Change the name of NFC, this is proposed to change name of NFC, as this will monitor non engineering sector industries. It may be named as Non-Engineering Sector Authority or Non-Engineering Sector Board or such as name as Board fits proper.
- Special Statute for NFC: It is proposed to introduce a special statute, to formally recognize NFC as a Government-Owned Authority with explicit powers to monitor and control non-





engineering industries under its mandate. This legal framework should confer authority upon NFC to issue guidelines, compliance directives, and performance monitoring frameworks for specified industries, thereby strengthening oversight and ensuring alignment with national industrial policies.

### **Executive Summary**

- NFML to be merged into NFC as the surviving entity under Companies Act 2017, with restructuring of HR & management. Saving substantial cost of HR and operations of NFML.
- Reconstitute Board with independent directors & sector experts (Fertilizer, Sugar, Plastic, Chemical, Agri-economy, Finance), who may be part of the board or member of the Authority.
- Transform NFC into an active policy, oversight, and strategy-driven holding company-going beyond fertilizer to all non-engineering sectors.

### **Proposed Functions of NFC**

*Regulatory Oversight Functions* - NFC should be empowered to monitor the production, imports, pricing, and distribution of critical inputs such as Fertilizer, Plastics, Tobacco, Sugar, Chemicals, Paper & Boards, Cement, Iron & Steel, Edible Oil, Ceramics, Cutlery, Pesticides, Sports Goods and Surgical Industry.

Industries operating in the non-engineering sector should be required to report their production, supply, imports and exports matters, financial, and environmental compliance data through digital portals managed by NFC, ensuring transparency and real-time oversight.

*Governance & Accountability Mechanisms* - A dedicated Monitoring & Compliance Wing should be established within NFC, staffed with professionals specializing in economics, law, and sectoral regulation. This wing should be mandated to conduct annual performance audits of these industries with the results published to promote transparency and public accountability.

*Think Tank* - NFC should function as a policy think tank and technical advisor, providing evidence-based recommendations to the government on pricing, subsidies, and sectoral reforms. Close alignment with other federal ministries and provincial governments.





Integration with international institutes for non-engineering sector industries - NFC should collaborate with international regulatory models such as the Department for Environment, Food & Rural Affairs (DEFRA) in the United Kingdom, and the Environmental Protection Agency (EPA) in the United States, in order to modernize compliance standards and adopt global best practices. This will contribute to improved governance and efficiency within the Non-Engineering Sector, particularly in the fertilizer, sugar, cement, plastics, leather and allied industries.

### Conclusion

#### Impact of Weak Regulation and Non-Implementation

- Plastics: Hazardous plastic scrap imports continue without full checking / laboratory testing; violations of policy in import of scraps.
- Fertilizer: Delays in reforming fertilizer sector (e.g. equalizing gas supply costs among fertilizer manufacturers)
- Edible Oils: Quality control: adulteration, incorrect labeling; enforcement of standards weak.
- Sugar: Price control mismatches: ex-mill price, procurement price, fixed by government, but costs (especially sugarcane cost) not well matched, leading to cash flow mismatches.
- Iron & Steel: Weak enforcement of quality standards; substandard products flood the market.
- Paper & Paper Board: Dumping and circumvention practices by importers, under-invoicing, unfair trade harming domestic industry.
- Public Trust: Lack of transparency and measurement: e.g. standards, lab testing, monitoring. Insufficient institutional capacity: regulatory bodies may lack resources, staffing and monitoring.

#### Rationale for Establishing an NES Authority

- Currently, no single regulatory body to oversees quality standards across non-engineering industries.
- Existing authorities either lack jurisdiction or fail in implementation.
- NES Authority would:
  - Ensure uniform quality standards across industries (food, oil, chemicals, tobacco, etc.)
  - Protect public health and safety by enforcing compliance.





- Act as a central monitoring hub for coordination with provincial bodies.
- Bridge the gap between policy design and on-ground enforcement.

#### Way Forward

- Strengthen NFC's role as a regulator, policy driver, and enabler of non-engineering industries.
- Facilitate SME upgradation, innovation, and exports through finance, skills, and cluster-based support.
- Benchmark against international best practices to ensure competitiveness, sustainability, and integration with global markets.

Mr. Muhammad Asad Islam Mahni remarked that Ministry of Industries & Production is formulating a comprehensive National Industrial Policy and SOEs are considered for utilization in implementation of the policy after necessary restructuring and redefining the role & objectives.

Ms. Iffat Malik, Director raised the question regarding source of regular income in the Business Plan after merger of NFML with NFC. She remarked that there must be a proposed plan for operational income of the merged organization.

Mr. Muhammad Asad Islam Mahni, Director remarked that initially it should be realized that a specialized organization needed to be formed to look after the affairs of non-engineering sector industries, rest will be planned at a later stage. He added that although both the organizations were generating income in the form of profit on banks deposits and dividend on its investments, however, some levy / fee might be got approved by Finance Division after approval concept by the Cabinet.

Mr. Asif Saeed Khan Lughmani, CEO-NFC observed that Business Plan needs to be based on proposal of research based body or authority or think tank. Mr. Muhammad Asad Islam Mahni, Director remarked that based on the model of Engineering Development Board, Ministry needs an entity to look after the affairs of non-engineering sector so we must focus on need of the Ministry. Mr. Tanvir Ashraf Kaira, Chairman-BOD endorsed the viewpoint of Mr. Muhammad Asad Islam Mahni. All the members agreed to it.

Mr. Tanvir Ashraf Kaira, Chairman remarked that the Business Plan for 2025-2028 is more like a concept paper for the future role of NFC /





NFML after merger. Once it got approved from the Rightsizing Committee, a detailed plan containing all the aspect including source of income would be prepared.

While discussing the Business Plan, the Board noted that presently 379 employees (59 NFC and 320 NFML) were working in NFC and NFML. Out of which, majority of NFML employees were contractual and deputed on bulk warehouses, whereas no Urea has been imported from last 1 to 2 years. Rationalization of manpower at NFML needed to be considered immediately.

Ms. Fareeha Ali Randhawa, MD-NFML agreed with the observation of the Board and remarked that HR matters needed to be considered by the Human Resource Committee of NFML. Mr. Tanvir Ashraf Kaira, Chairman-BOD endorsed the viewpoint of the Board and Managing Director, NFML and directed to initiate the restructuring process before the formal merger of both the organizations.

**Decision:**

“The Board discussed the Business Plan of NFC for 2025-28 and agreed to it, however, the Board directed the management to focus on the observation raised during the board meeting. As a way forward finalization of annual accounts for FY 2024-2025 of both the organizations be expedited and restructuring of contractual manpower of NFML may be carried out through Human Resource Committee and the Board of Directors of NFML so that updated report could be presented to the Rightsizing Committee of the Cabinet”.

Item No.5

**TO CONSIDER AND APPROVE STATEMENT OF CORPORATE INTENT FOR FY 2026 IN COMPLIANCE OF SECTION-8(4) OF STATE-OWNED ENTERPRISES (GOVERNANCE AND OPERATIONS) ACT 2023**

The Board was informed that As per Chapter-4, Section-8(4) of State-Owned Enterprises (Governance and Operations) Act 2023, the Board of every state-owned enterprise shall at the start of each financial year adopt and cause to have publish a Statement of Corporate Intent for the state-owned enterprises or the group comprising the state-owned enterprise and its subsidiaries (if any), in respect of that year and following two financial years in the manner and form set out in schedule-3.





It was informed that in order to comply with the Section-8(4) of State-owned Enterprises (Governance and Operations) Act 2023, the Statement of Corporate Intent in respect of NFC and its subsidiary was placed before the Board.

The agenda item was not discussed during the meeting.

**Item No.6 TO DISCUSS THE UPDATED STATUS OF PAKCHINA FERTILIZERS LIMITED AND WAY FORWARD TO SECURE THE INTEREST OF NFC**

The Board was informed that the Board of directors of NFC in its 178<sup>th</sup> meeting held on 26<sup>th</sup> July, 2025 discussed the case of PakChina Fertilizers Limited in detail and directed the management to collect all the relevant data / information from the concerned quarters i.e. SECP, Privatization Commission, NAB, Land Record Authorities etc. regarding PCFL in next 15 days. All the information should be placed before the Board in an emergent board meeting to discuss the issue of PakChina Fertilizer Limited. Afterwards in 3<sup>rd</sup> week of August 2025, a presentation will also be made to Secretary, Mol&P to apprise him about the issue.

Rana Tariq Mehmood, Director remarked that this agenda has to be discussed within 15 days of last board meeting, however, it has been presented before the board after almost 1½ month. He inquired why this agenda has not been presented within 15 days as decided in the last Board Meeting.

The Company Secretary, NFC informed that as the relevant information/data related to PCFL was not received within 15 days, therefore, the meeting was not convened within the timeframe decided in the last Board meeting.

Mr. Tanvir Ashraf Kaira, Chairman-BOD directed the Company Secretary that in future if there is any delay in holding the Board meeting, all the members should be updated in advance alongwith reasons for delay.

Mr. Asif Saeed Khan Lughmani, CEO-NFC remarked that Privatization of PakChina Fertilizer Limited was done by Privatization Commission and NFC had no role at any level. NFC had no information / involvement in receipts of payment from M/s. Schon Group to Privatization Commission. Further, no information was ever provided by M/s. Schon Group to NFC being 10% shareholder in PCFL.





Mr. Asif Saeed Khan Lughmani, CEO-NFC directed the Company Secretary, NFC to inform the Board regarding their meeting with the officials of Privatization Commission, NAB and Deputy Commissioner Office.

The Company Secretary, NFC informed the Board that he and General Manager (P&A), NFC had a meeting on 3<sup>rd</sup> September, 2025 with Additional Secretary, Privatization Division with regard to the 10% share of NFC in PakChina Fertilizer Limited. The meeting was also attended by the officials of legal department of Privatization Commission. During the meeting, it was agreed that Privatization Commission and NFC would have a joint meeting between the officials of Privatization Commission, NFC and Ministry of Industries & Production to discuss the way forward for resolving the issues relating to PakChina Fertilizers Limited.

It was also informed that the Company Secretary, NFC and General Manager (P&A), NFC also visited the Office of Director (Investigation), NAB, Peshawar on 4<sup>th</sup> September, 2025 and informed about the 10% shareholding of NFC (federal government) in PakChina Fertilizer Limited. The Director (Investigation), NAB informed that the present market value of PCFL land is around Rs.70 billion. The Director (Investigation), NAB assured that NFC / GOP share in PakChina Fertilizers Limited would be protected by NAB. The Director (Investigation), NAB informed that as per the decision of Accountability Court, a proclamation under Section-12 of NAO 1999 would be issued in the Newspapers. They are writing letters to all the creditors of PakChina Fertilizers Limited to get the updated status of the amount payable by PCFL.

It was further informed that a Proclamation was issued by NAB in Roznama AAJ Peshawar on 5<sup>th</sup> September, 2025 Under Section-12 of NAO 1999 informing that the properties of the accused are frozen. No transfer or change of title of ownership / disposal of matter is allowed until further orders. Violation will face legal action under the relevant clauses.

The Board was informed that General Manager (P&A), NFC visited the Office of Deputy Commissioner, Haripur on 5<sup>th</sup> September, 2025 to discuss the possession of PakChina Fertilizers Limited to the extent of 10% share of NFC in PCFL. The Additional Deputy Commissioner (ADCR), Haripur informed that after the receipt of the freezing order from the Accountability Court, Peshawar and during its pendency no action can be taken on PCFL land.





Barrister Pirzada M. Aurangzaib, the legal counsel on behalf of NFC in two petitions, pending adjudication before the Islamabad High Court (IHC) and Peshawar High Court (PHC) related to the PCFL was invited in the Board Room to brief the NFC Board on the latest status of the court cases and the way forward. He apprised the Board that the Privatization Commission of Pakistan (PCP) filed execution petition which is pending before IHC for further proceeding. NFC has filed an application under 01 Rule 10, to become impleading as necessary party to safeguard interest to the extent of 10% share i.e. 1,880,000 shares held by NFC IN PCFL an ex-subsiary company of NFC. The matter was last fixed for 20-05-2025 and the matter has not been fixed thereafter. Another petition filed by Ms. Schon Group which is pending before PHC for ratification of registered members and directors of PCFL under section 126 & 197 (5) of the Companies Act-2017. In order to become the necessary party to the subject petition an application in this respect has been filed in the court and which is pending. The petition has once been dismissed in default on 15-07-2024, however, the same has now been restored and is pending adjudication. Barrister Pirzada M. Aurangzaib added that he has submitted a detailed brief and suggested further course of action to NFC.

Mr. Kabool Muhammad Khatian, Director inquired from Barrister Pirzada M. Aurangzaib about the legal stance of NFC regarding shareholding in PCFL. Barrister Pirzada M. Aurangzaib replied that in terms of Sale Agreement, 90% shares were sold to PCFL with certain conditions to be fulfilled, however, payments were not made as per the sales agreement which makes the sales agreement void. Further, land was acquired under Land Acquisition Act which could not be sold or used for any other purpose except industrial use which is also contradiction with Clause-8 of the Sales Agreement.

Barrister Pirzada M. Aurangzaib submitted that NFC is the owner of 10% shares in PCFL, if NFC wants to claim 100% shares, then NFC has to take a stance that the new management i.e. M/s. Schon Group had not made the full payment as per sale agreement of PCFL, which makes the deal void.

Mr. Arshad Illah Diyal, Director remarked that if we claim 100% shareholding in the court and the opposite party presents documentary evidence of ownership of PCFL, it would make our position very weak, so we should be very realistic and have strong documentary evidence before filing any such claim.

Mr. Tanvir Ashraf Kaira appreciated the efforts of the management and Chief Executive Officer, NFC alongwith Mr. Muhammad Asad Islam





Mahni, Director for obtaining very important information from NAB, Privatization Commission etc. regarding PCFL. He hoped that soon, we would be in a strong position to prepare our case for its representation before every quarter. He added that being a nominated Board, we must make every effort to safeguard the interest of NFC / federal government.

Mr. Muhammad Asad Islam Mahni, Director inquired about the bank guarantee for the balance of 60% of the bid value to be provided by the buyer as mentioned in the Sale Agreement of PakChina Fertilizer Limited. The Company Secretary, NFC informed that the information regarding furnishing of bank guarantee is not available with NFC.

Mr. Muhammad Asad Islam Mahni, Director remarked that lot of information was missing in the documents attached with the working papers. He proposed that all the missing information may be collected from the Privatization Commission as well as from other agencies and placed before the Board in its next meeting. The other members agreed to it.

**Decision:**

**“The Board discussed the matter in detail and directed the management to get further information / record to bridge the missing links in the case so that NFC’s claim could be built on strong and complete evidences / record”.**

Item No.7

**TO CONSIDER AND APPROVE PAYMENT OF FEE FOR ATTENDING MEETINGS OF COMMITTEES / BOARD TO THE OFFICIALS OF MINISTRY OF INDUSTRIES & PRODUCTION / SPECIAL INVITEES / CO-OPTED MEMBERS**

The Board was informed that the Board of Directors of NFC vide Resolution-by-Circulation No.205 dated 7<sup>th</sup> July, 2025 constituted a Business Development Committee of NFC Board for development of business plan / re-defined role of NFC as unified / merged organization.

It was informed that as per the TORs of Business Development Committee, the Business Development Committee shall comprise of:

- Chairperson (Board Member)
- Members (Board Members / NFC Management)
- Representatives from Ministry of Industries and Production (as required)
- External experts or consultants (Co-opted Member)





It was also informed that the 1<sup>st</sup> meeting of the Business Development Committee of NFC Board was held on 19<sup>th</sup> July, 2025. The meeting was attended by the Committee members and following officials of the concerned wing of Ministry were invited to attend the meeting:

- (i) Deputy Secretary (PSD), Mol&P
- (ii) Section Officer (NFC), Mol&P

It was further informed that as per Clause-64 of Articles of Association of NFC, remuneration paid for attending meetings of the Board to persons other than the regularly paid Chief Executive / Managing Director and full time working directors shall be paid meeting fee as fixed by the Board of Directors from time to time. However, no such provision is available in the Articles of Association of NFC for payment of meeting fee other than the directors.

The Board was informed that the input of Ministry officials were valuable in meetings due to their knowledge of latest updates / developments regarding NFC at Ministry level, it was, therefore, proposed that Board may approve as a policy decision a fee of Rs.20,000/- to each participant i.e. officials of Ministry of Industries & Production / special invitees / co-opted members for attending the board / committee meetings of NFC.

Ms. Iffat Malik, Director remarked that in principle she don't have any objection in compensating the officials of the Ministry for the time spent by them during the meeting of Business Development Committee, however, at the one end NFC is inviting the Ministry officials in the Business Development Committee and at the other end NFC had invited a consultant to prepare a Business Plan of NFC. She further remarked that the Business Plan of NFC should be developed by the company itself.

Mr. Asif Saeed Khan Lughmani, CEO-NFC remarked that no fee has been paid to the any consultant, the two officials of the Ministry were invited in the 1<sup>st</sup> meeting of Business Development Committee to discuss the new role of NFC and NFML in the light of discussions held at the Ministry and the stance of the Mol&P regarding NFC / NFML before the Rightsizing Committee of the Cabinet.

The Company Secretary, NFC informed that M/s. Asif Mubeen & Co., Chartered Accountants, would charge a lumpsum professional fee of Rs.200,000/- for preparing Business Plan of NFC. He has been selected on the basis of lowest fee quoted amongst the professional fee quoted by other consultants.





Mr. Tanvir Ashraf Kaira, Chairman-BOD, NFC remarked that as a new role of NFC / NFML as a merged organization has to be developed for which the officials of the Ministries / experts were being invited to give their input / expert opinion for which they should be monetarily compensated. He added that the existing manpower of NFC / NFML have no expertise in determining a new future role of the merged organization, therefore, at some level professional consultants have to be hired for preparation of a Business Plan of NFC.

**Decision:**

**“The Board discussed the matter and resolved that a fee of Rs.20,000/- be paid to each official of Ministry of Industries & Production / special invitee / co-opted member invited by the Committee / Board for attending the Committee / Board meeting of NFC.”**

Before the conclusion of the meeting, Ms. Iffat Malik, Director remarked that the agenda item no.3 - Follow-up Actions on the Minutes of 178<sup>th</sup> BOD meeting Held on 26.07.2025 (*Shifting of NFC Head Office from Alfalah Building, Lahore to NFC House 44-C-III, Gulberg-III, Lahore*) was not discussed as per the sequence of the agenda of 179<sup>th</sup> board meeting and she was not part of the discussion thereon, therefore, this matter may be included in the agenda of next board meeting for further deliberations.

There being no other business to transact, the meeting ended with a vote of thanks to the Chair.

