



Interim Financial Report  
for the nine months ended  
**September 30, 2021**  
**(Un-audited)**

The Future is **Brighter**  
with Agritech **Fertilizers**

# VISION



A close-up photograph of several pink cherry blossoms in full bloom, attached to a dark brown branch. The background is a soft, out-of-focus blue. The blossoms have five petals each and prominent stamens.

# VISION

To become a major regional diversified fertilizer company

# MISSION

To become a diversified manufacturer of both nitrogenous and phosphatic fertilizers, significantly contributing to the development of the agricultural sector of Pakistan.

# MISSION



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# Company Information

## Board of Directors

Mr. Sardar Azmat Babar  
*(Chairman)*

Mr. Muhammad Faisal Muzammil  
*(Chief Executive Officer)*

Mr. Hassan Raza

Mr. Asim Murtaza Khan

Mr. Ghazzanfar Ahsan

Mr. Asim Jilani

Ms. Sarwat Salahuddin Khan

## Audit Committee

Mr. Asim Murtaza Khan  
*(Chairman)*

Mr. Hassan Raza

Mr. Asim Jilani

Mr. Ghazzanfar Ahsan

## HR & Remuneration Committee

Ms. Sarwat Salahuddin Khan  
*(Chairperson)*

Mr. Asim Jilani

Mr. Ghazzanfar Ahsan

## Chief Financial Officer

Syed Taneem Haider

## Company Secretary

Mr. Hafiz Mudassar Hassan Kamran

## Legal Advisor

Mr. Mian Muhammad Osama Hanif

## Shares Registrar

Hameed Majeed Associates (Private) Limited

## Auditors

Grant Thornton Anjum Rahman  
*Chartered Accountants, Lahore.*

## Bankers

National Bank of Pakistan  
Faysal Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Albaraka Bank Pakistan Limited  
Dubai Islamic Bank Pakistan Limited  
Summit Bank Limited  
Silk Bank Limited  
Allied Bank Limited  
Bank Alfalah Limited  
The Bank of Punjab  
Bank Islami Pakistan Limited  
Askari Bank Limited  
Pak Libya Holding Company (Pvt.) Limited  
Soneri Bank Limited  
Citi Bank N.A.  
Meezan Bank Limited  
United Bank Limited  
JS Bank Limited  
Habib Bank Limited  
MCB Bank Limited

## Registered Office

2<sup>nd</sup> Floor, Asia Centre, 8-Babar Block,  
New Garden Town, Lahore.  
Ph: +92 (0) 42 35860341-44  
Fax: +92 (0) 42 35860339-40  
Email: corporate@pafl.com.pk

## Project Locations

### Unit I

Urea Plant  
Iskanderabad, District Mianwali.  
Ph: +92 (0) 459 392346-49

### Unit II

GSSP Plant  
Hattar Road, Haripur.  
Ph: +92 (0) 995 353544 - 353641

# Directors' Review

The Board of Directors of Agritech Limited, henceforth called the Company, along with the Management Team are pleased to present the Company's Quarterly Report accompanied by the Un-Audited Financial Statements for the Nine months ended September 30, 2021.

These financial statements have been endorsed by the Chief Executive Officer and one of the directors in accordance with the Code of Corporate Governance, having been recommended for approval by the Audit Committee of the Board and approved by the Board of Directors for presentation.

## Business Review

### Principal Activities

The main business of the Company is the manufacturing and marketing of fertilizers. The Company owns and operates the country's one of the newest and most efficient urea manufacturing plant at Mianwali, Punjab Province. The Company also operates the manufacturing facility of GSSP (Granular Single Super Phosphate) at Haripur Hazara, Khyber Pakhtunkhwa (KPK) Province. The Company markets its fertilizers from these plants under one of the most trusted brand name "TARA" in the fertilizer industry.

### Nine Months in Review

#### Financial Results of Agritech Limited.

	Nine Months ended September 30, 2021	Nine Months ended September 30, 2020
Sales - Net	5,315,423,555	2,395,691,723
Operating (Loss)	(946,742,152)	(1,507,916,275)
Finance cost	(2,036,275,763)	(2,322,743,147)
(Loss) before Tax	(2,983,017,915)	(3,830,659,422)
(Loss) after Tax	(2,741,233,401)	(3,600,435,254)
(Loss) per share	(6.99)	(9.17)

#### Overview of Fertilizer Industry:

During the period ending Sep 30, 2021 the Production of Urea decreased marginally by 0.3% to 4,512K Tonne in 2021 vs 4,524 K Tonne in 2020. Gas curtailment to the plants on SNGPL Network mainly attributed to the lower production. Urea offtakes for the period under review were recorded at 4,656K Tonne increasing by 10.5% vs 4,213K Tonne in same period last year.

During the period under review the Company managed to produce 126 K Tonne of urea (57 K Tonne: 2020) against installed capacity of 324K Tonne for the period. The Company sold 123 K Tonne Urea (46 K Tonne: 2020).

Consumption of Phosphates, during the period under review saw a decline of 7% to 693K Tonne of Nutrients vs 749K Tonne last year. Production of Phosphates registered an increase of 11% (423K Tonne Nutrients in 2021 vs 380K Tonne Nutrients in 2020) with improved production of all phosphatic fertilizers in the country. Imports of DAP, the main phosphate fertilizer, saw an increase of 56% to reach 869K product tonnes during the period under review vs 556K product tonnes same period in 2020. The Company, being a major SSP player, produced 54 K Tonne SSP in during the period (47 K Tonne: 2020) and sold 45 K Tonne during the period (42 K Tonne: 2020).

#### Litigations with Banks

The Company due to the continued gas curtailment in the past many years could not meet the terms of most of the loan agreements executed with different financial institutions. Allied Bank Limited (ABL), Pak Libya Holding Company (Pvt.) Limited, Meezan Bank Limited, Bank Alfalah Limited, Soneri Bank Limited and National Bank of Pakistan have filed cases for recovery of their respective loans along with accrued mark-up and other related charges against the Company. All these banks had already given NOC for the restructuring scheme proposed in 2016 which is pending for the approval of the



## Directors' Review

Honorable Lahore High Court. Based on legal opinions, the Board is fully confident that the likelihood of any liability is remote. The markup of these banks has already been recognized in these financial statements in accordance with terms of loan agreements and as referred in Note 2.4 to the financial statements. The company has filed the restructuring scheme with the Honorable Lahore High Court after obtaining NOCs from all these banks.

### Capital Restructuring

Gas curtailment and gas/RLNG price to the Company's Urea plant during the past few years was the major cause of non-servicing of the debt of the Company and the accumulation of mark-ups further increased its debt burden. In addition to this, few banks and financial institutions have filed cases for recovery of loans extended by them along with accrued markup and other related charges against the Company. In order to streamline this debt burden, a Capital Restructuring Plan was envisaged with the cooperation of lenders to devise a sustainable capital structure, which included the conversion of its existing long term debt including mark-ups into Preference Shares. The plan also includes sale of excess land to payoff long term lenders after seeking the necessary approvals. The infrastructure developments plans of GOP around the Company's both plants will likely to increase the value of its land. Particularly, the participation of the Company in CPEC project's section Hakla-Daudkhel-DI Khan through provision of land for the said project looks very exciting and with the completion of CPEC, the surplus land of the Company has potential for commercial and industrial activities for CPEC related trades in the future. Based on legal opinions, the Company is confident that likelihood of any additional liability is remote as markup has already been recognized in these financial statements in accordance with terms of loan agreements.

This Capital Rehabilitation Plan was filed through a petition in Lahore High Court in June 2016 for the enforceability of the scheme under section 284-288 of the Companies Ordinance, 1984. The hearings at the LHC are continued and the Company is confident to obtain decision through the court for the Rehabilitation Plan and committed to implement the plan to improve the financial position of the company.

### Future Outlook;

The future prospect of Urea plant is relied on expectations of continuous availability of gas and demand of urea in the country for the growth of the agriculture and assuring food security in the country. Pakistan is an Agrarian Economy that contributes 20% to the GDP, employs 42% of Labor Force and provides livelihood to the 66% of the population of the country. Food Security is the most critical aspect of feeding the population of more than 210 million and the country is already forced to import wheat and sugar to meet the rising demand. GOP has already approved supply of Gas till Jan 2022 to meet the expected higher Urea offtakes during the Wheat sowing season. On medium to long term basis a renewed focus of GOP will be required to increase the yields of the key staple crops for the long term food security of the country. Fertilizer, especially Urea plays a critical role in the production and yield of the crops. Installed Capacity of Urea in the country is of ~6.8 million tonne and production of the available capacity on SNGPL Network that includes Agritech will be vital to meet the likely shortages, besides saving precious Foreign Exchange and subsidy on expensive urea imports.

The Company will continue to streamline other initiatives like Scheme of Arrangement after the necessary court approvals and undertake necessary actions for the long term development of the surplus land to generate additional resources to address its financial obligations.

### Acknowledgement

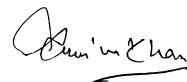
The Board takes this opportunity to thank the company's valued customers and the financial institutions whose faith and support over the years has cultivated a mutually beneficial relationship, playing a key role in the growth of the businesses.

The Board also wishes to place on record its appreciation for the employees of the Company. The sustainability of business in the difficult business environment was possible due to their hard work and commitment.

On behalf of the Board



**Muhammad Faisal Muzammil**  
Chief Executive Officer



**Mr. Asim Murtaza Khan**  
Director

Lahore

Date : 29 October 2021



## ڈائریکٹرز رپورٹ

انگریجیک لمیٹڈ کے ڈائریکٹرز، مینجمنٹ ٹیم کے ساتھ 30 ستمبر 2021 کو ختم ہونے والی نو ماہی کے لیے کھینچی غیر آڈٹ شدہ عبوری مالیاتی گوشوارہ کے معروضہ ماہی رپورٹ پیش کرنے پر مسرت محسوس کرتے ہیں۔

ان مالیاتی گوشواروں کی توثیق چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور ایک ڈائریکٹر نے کی ہے۔ کوڈ آف کارپوریٹ گورننس کے مطابق، بورڈ آڈٹ کمیٹی کی طرف سے منظوری کی سفارش کے بعد بورڈ آف ڈائریکٹرز نے پیش کرنے کی منظوری دی۔

کاروباری جائزہ

بنیادی سرگرمیاں

کھینچی بنیادی طور پر کھاد کی تیاری اور مارکیٹنگ کا کاروبار کرتی ہے۔ کھینچی کے پاس صوبہ پنجاب کے شہر میانوالی میں جدید اور موثر ترین یوریا مینوفیکچرنگ پلانٹ موجود ہے۔ کھینچی صوبہ خیبر پختونخواہ کے شہر ہری پور ہزارہ میں GSSP (گریڈ سٹینڈنگ سپر فاسفیٹ) کی مینوفیکچرنگ کی سہولت بھی رکھتی ہے۔

کھاد کی صنعت کے سب سے قابل اعتماد برانڈ "TARA" کے تحت کھینچی ان پائپس سے اپنی کھاد کی مارکیٹنگ کرتی ہے۔

نو ماہی کا جائزہ

انگریجیک لمیٹڈ کے مالیاتی نتائج

30 ستمبر 2020 مختصر نو ماہی	30 ستمبر 2021 مختصر نو ماہی	
2,395,691,723	5,315,423,555	نیٹ سیلز
(1,507,916,275)	(946,742,152)	آپریٹنگ (تھقان)
(2,322,743,147)	(2,036,275,763)	مالیاتی لاگت
(3,830,659,422)	(2,983,017,915)	قبل از ٹیکس (تھقان)
(3,600,435,254)	(2,741,233,401)	بعد از ٹیکس (تھقان)
(9.17)	(6.99)	فی شیئر (تھقان)

کھاد کی صنعت کا جائزہ:

30 ستمبر 2021 کو ختم ہونے والی مدت کے دوران یوریا کی پیداوار 0.3 فیصد کی معمولی کمی سے 4,512 ہزار ٹن ریکارڈ کی گئی جو کہ پچھلے سال 2020 کی اسی مدت میں 4,524 ہزار ٹن تھی۔ کم پیداوار کی بڑی وجہ SNGPL نیٹ ورک پر پائپس کوگیس کی قلت ہے۔ زیر جائزہ مدت کے لئے یوریا کی آف ٹیک 10.5 فیصد کے اضافہ سے 4,656 ہزار ٹن رہی جو کہ گزشتہ سال کی اسی مدت میں 4,213 ہزار ٹن تھی۔ زیر جائزہ مدت کے دوران کھینچی 324 ہزار ٹن کی تھب شدہ صلاحیت کے متبادل 126 ہزار ٹن یوریا (57 ہزار ٹن 2020) پیداوار حاصل کرنے میں کامیاب رہی۔ کھینچی نے 123 ہزار ٹن (46 ہزار ٹن 2020) یوریا فروخت کیا۔

فاسفیٹ کی کھینچی، پچھلے سال 749 ہزار ٹن کے مقابلے میں زیر جائزہ مدت کے دوران 7 فیصد کمی سے 693 ہزار ٹن تک پہنچ گئی ہے۔ ملک میں تمام فاسفیٹ کھادوں کی بہتر پیداوار کی وجہ سے فاسفیٹس کی پیداوار میں 11 فیصد اضافہ ہوا (2020 میں 280 ہزار ٹن کے برعکس 2021 میں 423 ہزار ٹن غذائی اجزاء)۔ ڈی اے پی، ایم فاسفیٹ کھاد کی درآمد میں 2020 کی اسی مدت میں 556 ہزار پراڈکٹس کے مقابلے میں زیر جائزہ مدت کے دوران 56 فیصد اضافہ سے 869 ہزار پراڈکٹس تک پہنچ گئی۔ کھینچی نے ایک ایم SSP پلیٹرز ہونے کے ناطے، 2021 کی نو ماہی میں 54 ہزار ٹن SSP تیاری (47 ہزار ٹن 2020) اور اس مدت کے دوران 45 ہزار ٹن فروخت کیا (42 ہزار ٹن 2020)۔

بینکوں کے ساتھ مقدمہ مدت

گزشتہ کی سالوں سے مسلسل گیس کی قلت کی وجہ سے کھینچی مختلف مالیاتی اداروں کے ساتھ گیس کے آنکھڑے قرض کے معاہدوں کی شرائط کو پورا نہیں کر سکی۔ الا انڈیا بینک لمیٹڈ (اے بی ایل)، پاک لیبیا ہولڈنگ کمپنی (پرائیویٹ) لمیٹڈ، میجران بینک لمیٹڈ، بینک الفلاح لمیٹڈ، سونیر بینک لمیٹڈ اور نیشنل بینک آف پاکستان نے توسیع شدہ قرضوں کی وصولی کے ساتھ ساتھ جمع شدہ مالک اپ اور دیگر متعلقہ چارجز کے تحت کھینچی کے خلاف مقدمہ دائر کیے ہیں۔

ان تمام بینکوں نے 2016 میں تنظیم نو کی اسکیم کے لیے پہلے ہی این اوی دے دیا تھا جو کہ معزز لا بور ہائی کورٹ کی منظوری کے لیے ذرا تاخیر ہے۔ قانونی طور پر، بورڈ کو پورا یقین ہے کہ کسی بھی اضافی ذمہ داری کا کوئی امکان نہیں ہے۔ ان بینکوں کے مالک اپ کو پہلے ہی ان مالیاتی حسابات کے نوٹ 2.4 میں قرض کے معاہدوں کی شرائط کے مطابق تسلیم کیا گیا ہے۔ کھینچی نے ان تمام بینکوں سے این اوی حاصل کرنے کے بعد معزز لا بور ہائی کورٹ میں ری اسٹریکچرنگ اسکیم کی درخواست دائر کی ہے۔

## ڈائریکٹرز رپورٹ

### تفہیل و

پچھلے کچھ سالوں کے دوران کمپنی کے یوریا پلانٹ میں گیس کی اور گیس/آرٹیل این جی کی قیمت، کمپنی کے قرض کی عدم فراہمی کی بڑی وجہ تھی اور مارک اپ جمع ہونے سے اس کے قرضوں کا بوجھ مزید بڑھ گیا۔ اس کے علاوہ، چند بیٹیکول اور مالیاتی اداروں نے کمپنی کے خلاف جمع شدہ مارک اپ اور دیگر مختلف معاملات اور توسیع شدہ قرضوں کی وصولی کے لیے مقدمات دائر کیے ہیں۔ قرضوں کے اس بوجھ کو ہموار کرنے کے لیے، ایک پائیدار سرمایہ دارانہ ڈھانچہ وضع کرنے کے لیے قرض دہندگان کے تعاون سے ایک کمپنیل ری سٹرکچرنگ پلان پیش کیا گیا تھا، جس میں اس کے موجودہ طویل مدتی قرض کو مارک اپ سیت میں Shares Preference میں تبدیل کرنا شامل تھا۔ اس منصوبے میں ضروری منظوری حاصل کرنے کے بعد اضافی زمین فروخت کر کے، طویل مدتی قرض دہندگان کو ادائیگی کرنا شامل ہے۔ کمپنی کے دونوں پلانٹس کے اردگرد جی او پی کے انفراسٹرکچر ڈیولپمنٹ کے منصوبوں کی بدولت زمین کی قیمت میں اضافے کا قومی امکان ہے۔ خاص طور پر CPEC پروڈیکٹ کے سیکشن ہیکلہ داؤڈ نیل۔ ڈی آئی خان میں کمپنی کی شرکت مکوہ پروڈیکٹ کے لیے زمین کی فراہمی کے ذریعے بہت اہمیت کی حامل ہے اور CPEC کی تکمیل کے ساتھ، مستقبل میں کمپنی کی فاضل زمین CPEC کے لیے تجارتی اور صنعتی سرگرمیوں کی صلاحیت رکھتی ہے۔ قانونی طور پر، کمپنی کو یقین ہے کہ اس پر کسی اضافی ذمہ داری کو کوئی امکان نہیں ہے کیونکہ قرض کے معاہدوں کی شرائط کے مطابق ان مالیاتی حسابات میں مارک اپ کو پہلے ہی تسلیم کیا جا چکا ہے۔

یہ کمپنیل ری سٹرکچرنگ پلان/بحالی منصوبہ کی درخواست کمپنیز آرڈیننس 1984 کے سیکشن 284-288 کے تحت جون 2016 میں لاہور ہائی کورٹ میں دائر کی گئی تھی۔ لاہور ہائی کورٹ میں اس کی سماعت جاری ہے اور کمپنی اس منصوبے کے لیے عدالتی فیصلہ کے بعد اپنی مالی پوزیشن بہتر بنانے کے پلان پر عمل درآمد کے لیے پرعزم ہے۔

### مستقبل کا نقطہ نظر

یوریا پلانٹس کا مستقبل زراعت کی ترقی اور ملک میں غذائی تحفظ کی یقین دہانی کے لیے گیس کی مسلسل دستیابی اور ملک میں یوریا کی طلب کی توقعات پر منحصر ہے۔ پاکستان کی معیشت زری ہے جو جی ڈی پی میں 20 فیصد حصہ ڈالتی ہے، 42 فیصد لیبر فورس کو ملازمت دیتی ہے اور ملک کی 66 فیصد آبادی کو روزگار فراہم کرتی ہے۔ 210 ملین سے زائد آبادی کو کھانا اٹھانے کا سب سے اہم پہلو فوڈ سیکورٹی ہے اور ملک پہلے ہی بڑھتی ہوئی طلب کو پورا کرنے کے لیے گندم اور چینی درآمد کرنے پر مجبور ہے۔ گندم کی بوائی کے سیزن کے دوران متوقع زیادہ یوریا آف گیس کو پورا کرنے کے لیے GOP نے پہلے ہی جنوری 2022 تک گیس کی فراہمی کی منظوری دے دی ہے۔ اہم ضلعوں کی پیداوار میں اضافے کے لئے ملک کی طویل مدتی فوڈ سیکورٹی کے لیے GOP کی میڈیم سے طویل مدتی بنیاد پر خاص توجہ کی ضرورت ہوگی۔ کھاد، خاص طور پر یوریا ضلعوں کی پیداوار میں اہم کردار ادا کرتی ہے۔ ملک میں یوریا کی نصب شدہ صلاحیت 6.8 ملین ٹن ہے اور ایس این جی پی ایل نیٹ ورک پر دستیاب کچھٹی جس میں ایگریٹیک شامل ہے کی پیداوار یقینی زرمبادلہ اور بیٹے یوریا کی درآمد پر سبسڈی چھاننے کے علاوہ مکمل پیداواری قلت کو پورا کرنے کے لیے اہم ہوگی۔

کمپنی عدالت کی ضروری منظوریوں کے بعد دیگر اقدامات کرتی رہے گی اور اضافی زمین کی طویل مدتی ترقی کے لیے ضروری اقدامات کرے گی تاکہ اپنی مالی ذمہ داریوں کو پورا کرنے کے لیے اضافی وسائل پیدا کرے۔

### اعتراف

بورڈ اس موقع سے کمپنی کے قابل قدر صارفین اور مالیاتی اداروں کا شکریہ ادا کرتا ہے جن کے تعاون نے کئی سالوں کے تعلقات کو فروغ دیا ہے، جو کاروبار کی ترقی میں کلیدی کردار ادا کر رہے ہیں۔ بورڈ کمپنی کے ملازمین کے لیے اپنی تعریف کو بیکارڈ پر لانا چاہتا ہے۔ مشکل کاروباری ماحول میں کاروبار کی پائیداری ان کی محنت اور عزم کی وجہ سے ممکن ہوئی۔

*Amir Khan*

محمد عاصم مرتضیٰ خان  
ڈائریکٹر

*Nazim*

محمد فیصل مہل  
چیف ایگزیکٹو آفیسر

لاہور، 29 اکتوبر 2021ء

# Condensed Interim Statement of Financial Position

As at 30 September 2021

	Note	(Un-audited) 30 September 2021 Rupees	(Audited) 31 December 2020 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized share Capital</b>		<b>15,000,000,000</b>	<b>15,000,000,000</b>
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up ordinary share capital	4	3,924,300,000	3,924,300,000
Reserves		9,000,000	9,000,000
Accumulated Losses		(23,845,466,274)	(21,630,116,483)
Surplus on revaluation of property, plant and equipment - net of tax		23,611,596,805	24,137,480,414
		<b>3,699,430,531</b>	<b>6,440,663,931</b>
<b>Non-current liabilities</b>			
Redeemable capital - Secured	5	-	-
Long term finances - Secured	6	-	-
Convertible, redeemable preference shares	7	1,593,342,690	1,593,342,690
Long term payables - Unsecured		1,505,955,550	1,740,315,519
Deferred Liabilities		8,572,969,067	8,892,070,120
		<b>11,672,267,307</b>	<b>12,225,728,329</b>
<b>Current liabilities</b>			
Current maturity of non-current liabilities		19,274,300,610	19,278,671,712
Short term borrowings - secured	8	3,650,604,337	3,646,985,016
Trade and other payables		3,443,697,005	2,296,715,315
Interest/mark-up accrued on borrowings		23,141,403,695	21,731,686,709
Preference dividend payable		1,687,193,322	1,556,102,687
		<b>51,197,198,969</b>	<b>48,510,161,439</b>
<b>Contingencies and commitments</b>	9	<b>66,568,896,807</b>	<b>67,176,553,699</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	57,263,381,334	58,535,893,173
Intangible asset		2,567,310,828	2,567,310,828
Long term loans and advances - considered good		9,467,292	11,941,876
Long term deposits - unsecured, considered good		57,088,520	58,884,712
		<b>59,897,247,974</b>	<b>61,174,030,589</b>
<b>Current assets</b>			
Stores, spares and loose tools		2,066,163,238	2,051,915,868
Stock-in-trade		650,855,773	456,581,089
Trade debts		-	489,620
Advances, deposits, prepayments and other receivables		3,316,465,412	2,569,711,620
Tax refunds due from Government - net		86,314,557	128,486,262
Cash and bank balances	11	551,849,853	795,338,651
		<b>6,671,648,833</b>	<b>6,002,523,110</b>
		<b>66,568,896,807</b>	<b>67,176,553,699</b>

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director

## Condensed Interim Statement of Profit or Loss (Un-audited)

For the nine months period ended 30 September 2021

	For the nine months ended		For the quarter ended	
	30 September 2021	30 September 2020	July to September 2021	July to September 2020
	Rupees	Rupees	Rupees	Rupees
<b>Sales - net</b>	<b>5,315,423,555</b>	2,395,691,723	<b>2,805,353,955</b>	1,327,887,231
Cost of sales	<b>(5,718,317,806)</b>	(3,590,922,007)	<b>(2,925,074,739)</b>	(1,504,929,496)
<b>Gross loss</b>	<b>(402,894,251)</b>	(1,195,230,284)	<b>(119,720,784)</b>	(177,042,265)
Selling and distribution expenses	<b>(205,434,612)</b>	<b>(93,813,740)</b>	<b>(91,292,723)</b>	(55,898,773)
Administrative and general expenses	<b>(242,654,802)</b>	<b>(241,868,205)</b>	<b>(86,409,345)</b>	(96,065,502)
	<b>(448,089,414)</b>	(335,681,945)	<b>(177,702,068)</b>	(151,964,275)
Other Income/(loss)	<b>(95,758,487)</b>	22,995,954	<b>(108,485,893)</b>	7,531,636
<b>Operating Income/(loss)</b>	<b>(946,742,152)</b>	(1,507,916,275)	<b>(405,908,745)</b>	(321,474,904)
Finance cost	<b>(2,036,275,763)</b>	(2,322,743,147)	<b>(686,964,925)</b>	(466,645,666)
<b>Loss before taxation</b>	<b>(2,983,017,915)</b>	(3,830,659,422)	<b>(1,092,873,670)</b>	(788,120,570)
Taxation for the period	<b>241,784,514</b>	230,224,168	<b>51,643,395</b>	70,374,444
<b>Loss after taxation</b>	<b>(2,741,233,401)</b>	(3,600,435,254)	<b>(1,041,230,275)</b>	(717,746,126)
<b>Loss per share - basic and diluted</b>	<b>(6.99)</b>	(9.17)	<b>(2.65)</b>	(1.83)

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director

# Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended 30 September 2021

	For the nine months ended		Three months period ended	
	30 September 2021	30 September 2020	July to September 2021	July to September 2020
	Rupees	Rupees	Rupees	Rupees
Loss after taxation	(2,741,233,401)	(3,600,435,254)	(1,041,230,275)	(717,746,126)
<b>Other comprehensive income:</b>				
Items that will not be reclassified to statement of profit or loss:				
- Re-measurement of defined benefit liability	-	-	-	-
- Related deferred tax asset/(liability)	-	-	-	-
	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(2,741,233,401)</b>	<b>(3,600,435,254)</b>	<b>(1,041,230,275)</b>	<b>(717,746,126)</b>

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.



Chief Executive



Chief Financial Officer



Director

# Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months period ended 30 September 2021

	Note	30 September 2021 Rupees	30 September 2020 Rupees
<b><u>Cash flows from operating activities</u></b>			
Cash generated from / (used in) operations	13	48,378,284	(45,217,195)
Income tax paid		(37,559,647)	(53,926,966)
Staff retirement benefits paid		(4,850,213)	(10,505,946)
Long term loans and advances received		2,474,585	2,904,489
Long term deposits - net		1,796,192	(15,514,484)
<b>Net cash generated from / (used in) operating activities</b>		<b>10,239,201</b>	<b>(122,260,102)</b>
<b><u>Cash flows from investing activities</u></b>			
Capital expenditure incurred		(45,315,599)	(45,755,460)
Interest income received		13,931,272	21,255,895
Proceeds from disposal of property, plant and equipment		1,838,898	-
<b>Net cash (used in) investing activities</b>		<b>(29,545,429)</b>	<b>(24,499,565)</b>
<b><u>Cash flows from financing activities</u></b>			
Decrease in long term finances		(4,371,101)	(25,390,211)
Short term borrowings - net		-	299,985,477
Finance cost paid		(223,430,789)	(29,416,407)
<b>Net cash generated from / (used in) financing activities</b>		<b>(227,801,890)</b>	<b>245,178,859</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(247,108,118)</b>	<b>98,419,193</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>(1,922,669,425)</b>	<b>(2,134,556,291)</b>
<b>Cash and cash equivalents at the end of period</b>	15	<b>(2,169,777,543)</b>	<b>(2,036,137,098)</b>

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director

# Condensed Interim Statement of Changes in Equity (Un-audited)

## For the nine months period ended 30 September 2021

	Capital Reserve		Reserves		Total equity Rupees
	Ordinary Shares Capital Rupees	Surplus on revaluation property, plant and equipment - net of tax Rupees	Revenue reserve Rupees	Accumulated Loss Rupees	
As at 01 January 2020	3,924,300,000	24,745,841,418	9,000,000	(17,949,049,039)	10,736,092,379
Loss for the period ended	-	-	-	(3,600,435,257)	(3,600,435,257)
<b>Other comprehensive income for the period:</b>					
Re-measurement gain on employee retirement benefits	-	-	-	-	-
Related deferred tax liability on re-measurement gain	-	-	-	-	-
Total comprehensive income for the period ended 30 September	-	-	-	(3,600,435,257)	(3,600,435,257)
<b>Surplus transferred to accumulated losses on account of:</b>					
- incremental depreciation on property, plant and equipment - net of deferred tax		(414,806,557)		414,806,557	
As at 01 January 2021	3,924,300,000	24,331,034,860	9,000,000	(21,128,677,739)	7,135,657,122
Loss for the period ended					
<b>Other comprehensive income for the period:</b>					
Re-measurement gain on employee retirement benefits					
Related deferred tax liability on re-measurement gain					
Total comprehensive income for the period ended 30 September					
<b>Surplus transferred to accumulated losses on account of:</b>					
- incremental depreciation on property, plant and equipment - net of deferred tax		(525,883,511)		525,883,510	
As at September 30, 2021	3,924,300,000	23,651,596,893	9,000,000	(23,845,466,274)	3,699,430,530

The annexed notes 1 to 21 form an integral part of these condensed interim financial information.

  
Chief Executive

  
Chief Financial Officer

  
Director



# Notes to the Condensed Interim Financial Information (Un-audited)

## For the nine months ended 30 September 2021

### 1 Reporting Entity

Agritech Limited ("the Company") was incorporated in Pakistan on 15 December 1959 as an unlisted Public Limited Company under the repealed Companies Act, 1913 (now the Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The principal business of the Company is the production and sale of Urea and Granulated Single Super Phosphate ("GSSP") fertilizer.

The registered office of the Company is situated at 2nd Floor Asia Center, 8 – Babar Block, Main Boulevard, New Garden Town, Lahore. Geographical locations of the manufacturing facilities of the Company are located at:

- 'Unit -I located at Iskanderabad, District Mianwali; and

- 'Unit -II at Hattar Road, Haripur

### 2 Basis of preparation

#### 2.1 Statement of compliance

- These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Accounting Standards (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.2 Basis of accounting

This condensed interim financial information comprises the condensed interim balance sheet of Agritech Limited ("the Company"), as at 30 September 2021 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof.

These condensed interim financial statements does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended on 31 December 2020.

Comparative condensed interim statement of financial position's numbers are extracted from the proposed annual audited financial statements of the Company for the year ended 31 December 2020, whereas comparative interim statement of profit or loss, interim statement of comprehensive income, interim statement of cash flows and interim statement of changes in equity and related notes are stated from unaudited condensed interim financial statements of the Company for the three months period ended 30 September 2020.

This condensed interim financial statements are unaudited and being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

#### 2.3 Judgments and estimates

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements as at and for the year ended 31 December 2020.

## Notes to the Condensed Interim Financial Information (Un-audited)

### For the nine months ended 30 September 2021

#### 3 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 31 December 2020.

	Note	<b>30 September 2021</b>	31 December 2020
		<b>Un-audited</b>	Audited
		<b>Rupees</b>	Rupees
<b>4 Issued, subscribed and paid up ordinary share capital</b>			
383,430,000 (December 31, 2020: 383,430,000)			
class A ordinary shares of Rs.10 each fully paid in cash	4.1	<b>3,834,300,000</b>	3,834,300,000
9,000,000 (December 31, 2020: 9,000,000) ordinary shares of Rs. 10 each issued for consideration other than cash		<b>90,000,000</b>	90,000,000
		<b><u>3,924,300,000</u></b>	<u>3,924,300,000</u>

#### 4.1 Ordinary shares of the Company held by associated undertaking at period/ year end are as follows:

	<b>30 September 2021</b>	31 December 2020	<b>30 September 2021</b>	31 December 2020
	<b>(Percentage held)</b>		<b>(Number of shares)</b>	
National Bank of Pakistan Limited	<b>27.01%</b>	27.01%	<b>106,014,632</b>	106,014,632
Faysal Bank Limited	<b>4.56%</b>	4.56%	<b>17,914,040</b>	17,914,040
Summit Bank Limited	<b>8.74%</b>	8.74%	<b>34,306,400</b>	34,306,400
Silk Bank Limited	<b>0.00%</b>	0.00%	<b>1,000</b>	1,000

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months ended 30 September 2021

	30 September 2021 Un-audited	31 December 2020 Audited
Note	Rupees	Rupees
<b>5 Redeemable Capital - Secured</b>		
<b><u>Under interest/markup arrangement</u></b>		
Term Finance Certificates - I	1,498,602,000	1,498,602,000
Term Finance Certificates - II	6,894,286,800	6,894,286,800
Term Finance Certificates - III	495,460,750	495,460,750
Privately Placed Term Finance Certificates - IV	548,825,000	548,825,000
Privately Placed Term Finance Certificates - V	618,685,000	618,685,000
Privately Placed Term Finance Certificates - VI	509,874,996	509,874,996
Sukuks	1,599,800,000	1,599,800,000
	<u>12,165,534,546</u>	<u>12,165,534,546</u>
Current maturity presented under current liabilities	<u>(12,165,534,546)</u>	<u>(12,165,534,546)</u>
	-	-
<b>5.1 Types of redeemable capital</b>		
Interest / mark-up based financing	10,565,734,546	10,565,734,546
Islamic mode of financing	1,599,800,000	1,599,800,000
	<u>12,165,534,546</u>	<u>12,165,534,546</u>
<b>5.2</b>	For overdue principal and markup, refer to note 16 to the financial statements.	
	30 September 2021 Un-audited	31 December 2020 Audited
Note	Rupees	Rupees
<b>6 Long term finances</b>		
Syndicate Term Finance - I	3,000,000,000	3,000,000,000
Syndicate Term Finance - II	471,537,000	471,537,000
Syndicate Term Finance - III	2,840,145,329	2,840,145,329
Bankislami Pakistan - Term Finance	300,000,000	300,000,000
National Bank of Pakistan - Term Finance	132,083,735	132,083,735
Dubai Islamic Bank Limited - Term Finance	365,000,000	365,000,000
AlBaraka Bank (Pakistan) Limited - <i>Diminishing Musharika</i>	-	4,371,102
	<u>7,108,766,064</u>	<u>7,113,137,166</u>
Current maturity presented under current liabilities	<u>(7,108,766,064)</u>	<u>(7,113,137,166)</u>
	-	-
<b>6.1 Types of long term finances - secured</b>		
Interest / mark-up based financing	6,743,766,064	6,743,766,064
Islamic mode of financing	365,000,000	369,371,102
	<u>7,108,766,064</u>	<u>7,113,137,166</u>

# Notes to the Condensed Interim Financial Information (Un-audited)

## For the nine months ended 30 September 2021

6.2 For overdue principal and markup, refer to note 16 to the financial statements.

		<b>30 September 2021 Un-audited</b>	31 December 2020 Audited
	Note	Rupees	Rupees
<b>7</b>	<b>Convertible, redeemable preference shares</b>		
159,334,269 (31 December 2020: 159,334,269)			
preference shares of Rs. 10 each fully paid in cash	7.1	<u><b>1,593,342,690</b></u>	<u>1,593,342,690</u>
		<u><b>1,593,342,690</b></u>	<u>1,593,342,690</u>

7.1 The preference shareholders have a preferred right of dividend at the rate of 11% per annum on cumulative basis.

7.2 Preference shares of the company held by related / associated undertakings as at year end are as follows:

	--- (Number of shares) ---	
Faysal Bank Limited	<b>31,035,594</b>	31,035,594
National Bank of Pakistan	<b>3,458,756</b>	3,458,756
	<u><b>34,494,350</b></u>	<u>34,494,350</u>
	<b>30 September 2021 Un-audited</b>	31 December 2020 Audited
	Rupees	Rupees
<b>8</b>	<b>Short term borrowings - secured</b>	
Interest / mark-up based loans - secured	<b>3,088,869,162</b>	2,946,417,769
Islamic mode of financing - secured	<b>561,735,175</b>	700,567,247
	<u><b>3,650,604,337</b></u>	<u>3,646,985,016</u>

8.1 All terms and conditions applicable on these facilities are same as those disclosed in the annual financial statements for the year ended 31 December 2020.

## 9 Contingencies and commitments

### 9.1 Contingencies

There is no material change in the status of contingencies from the preceding published financial statements of the Company for the year ended 31 December 2020 except for the following:

9.1.1 During the period, a civil suit has been filed by National Bank of Pakistan (a related party) in the Honorable Lahore High Court under the Financial Institutions (Recovery of Finances) Ordinance, 2001 for the recovery of Rs. 6,497 million including markup along with cost of funds and other charges. The legal advisor of the Company is of the view that this suit lacks merit as the instant suit cannot be proceeded or tried as the matter is in relation to petition under section 284 to 287 of the repealed Companies Ordinance, 1984 for scheme of arrangement / restructuring is pending for adjudication before the Honorable Lahore High Court.

9.1.2 Income tax return of the Company for the year ended 31 December 2017 (tax year 2018) was filed on 28-11-2018 based on management accounts (due to non-finalization of its audited accounts of 2017) declaring loss of Rs. 2.776 billion claiming a refund of Rs. 56.767 million. The Company received a notice from FBR under section 120(3) of the Income Tax Ordinance, 2001 dated 27 June 2019 for submission of audited accounts, which were furnished on 14 November 2019. It is understood that the changes in management accounts and audited accounts have no material impact on current tax liability, business losses or depreciation losses declared in the tax return.

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months ended 30 September 2021

### 9.2 Commitments

#### 9.2.1 Commitments under irrevocable letters of credit for:

		<b>30 September 2021 Un-audited</b>	31 December 2020 Audited
	Note	Rupees	Rupees
- purchase of plant and machinery		<b>8,001,913</b>	10,594,605
- purchase of raw material		<b>80,204,994</b>	46,545,000
		<b>88,206,907</b>	57,139,605

### 10 Property, plant and equipment

Operating fixed assets	10.1	<b>57,262,576,457</b>	58,517,324,878
Capital work in progress		<b>804,877</b>	18,568,295
		<b>57,263,381,334</b>	58,535,893,173

#### 10.1 Operating fixed assets

Net book value at end of the period		<b>58,517,324,878</b>	59,996,710,026
Add: Additions/Revaluation during the period	10.1.1	<b>63,079,018</b>	117,005,717
Less: Disposals during the period - net book value		<b>115,282,168</b>	-
Depreciation for the period		<b>1,202,545,271</b>	1,596,390,868
		<b>1,317,827,439</b>	1,596,390,868
<b>Net book value at end of the period</b>		<b>57,262,576,457</b>	58,517,324,878

#### 10.1.1 Additions - cost

##### Owned assets

Freehold land	-	-
Freehold Land	-	-
Buildings on freehold land	-	-
Plant and machinery	<b>6,299,182</b>	61,093,796
Buildings on freehold land	<b>23,634,588</b>	-
Residential colony assets	<b>524,016</b>	16,850,404
Furniture, fixtures and office equipment	<b>2,722,246</b>	8,601,647
Vehicles and rail transport	<b>11,481,500</b>	24,145,000
Tools and other equipment	-	-
Electrical and other installations	-	-
Catalyst	<b>18,417,486</b>	6,314,870
	<b>63,079,018</b>	117,005,717

# Notes to the Condensed Interim Financial Information (Un-audited)

## For the nine months ended 30 September 2021

		<b>30 September 2021 Un-audited</b>	<b>31 December 2020 Audited</b>
	Note	Rupees	Rupees
<b>11 Cash and bank balances</b>			
Cash in hand		<b>803,932</b>	599,249
Cash at banks			
- current accounts		<b>354,205,873</b>	174,489,007
- savings accounts	11.1	<b>196,840,048</b>	620,250,395
		<b>551,045,921</b>	794,739,402
		<b>551,849,853</b>	795,338,651

**11.1** Rate of return on saving accounts ranges from 3 % to 7% per annum (31 December 2020: 3.08% to 8.05% per annum).

### 12 Transactions and balances with related parties

Related parties from the Company's perspective comprise associated undertakings, key management personnel (comprising the Chief Executive and Directors), post employment benefit plans and other related parties. The Company in the normal course of business carries out transactions with various related parties. All transactions with related parties have been carried out on commercial terms and conditions.

Detail of transactions and balances with related parties are as follows:

	<b>(Un-audited) January to 30 September 2021</b>	<b>(Un-audited) January to 30 September 2020</b>
	Rupees	Rupees
<b>12.1 Transactions with related parties</b>		
<b>12.1.1 Associated Undertakings</b>		
<b>12.1.1.1 Shareholding and common directorship</b>		
<b>National Bank of Pakistan</b>		
Markup expense	<b>228,859,230</b>	282,828,882
Preference dividend	<b>2,845,656</b>	2,856,080
Bank Balances - net	<b>901,922</b>	(286,113)
<b>12.1.1.2 Common directorship</b>		
<b>Faysal Bank Limited</b>		
Mark up Expense	<b>133,039,727</b>	164,781,722
Preference dividend	<b>25,534,216</b>	25,627,748
Trustee Fee	<b>2,500,000</b>	-
Loan paid	-	(500,000)
Bank Balances - net	<b>11,291,057</b>	43,802,622
<b>Silk Bank limited</b>		
Mark-up expense	<b>51,850,831</b>	59,773,174
Markup paid	<b>72,685,269</b>	11,458,467
Short term borrowings - net	<b>(1,047,807)</b>	-

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months ended 30 September 2021

	(Un-audited) January to 30 September 2021 Rupees	(Un-audited) January to 30 September 2020 Rupees
<b>Summit Bank Limited</b>		
Mark-up expense	89,449,967	99,299,967
Markup paid	109,365,598	24,857,328
Short term borrowings - net	4,774,929	-
Bank Balances - net	(254,689,679)	172,060,543
<b>12.1.1.3 Post employment benefit plans</b>		
Contribution to employees provident fund	16,238,784	15,339,117
Contribution to employees gratuity fund	7,265,025	10,505,947
<b>12.1.1.4 Key management personnel</b>		
Short term employee benefits	16,200,000	15,768,738
Post employment benefits	963,900	924,630
	(Un-audited) 30 September 2021 Rupees	(Audited) 31 December 2020 Rupees
<b>12.2 Balances with related parties</b>		
<b>12.2.1 Associated Undertakings</b>		
<b>12.2.1.1 Shareholding and common directorship</b>		
<b>National Bank of Pakistan</b>		
Long term finances	2,467,083,735	2,467,083,735
Redeemable capital	462,057,100	462,057,100
Bills payable	187,030,000	187,030,000
Convertible, redeemable Preference shares	34,587,560	34,587,560
Mark-up payable	3,704,316,778	3,475,457,548
Preference dividend payable	189,032,422	186,186,766
Bank account Balances	3,335,016	2,433,094
Advisory fee	738,600,000	738,600,000
Advance for transaction Cost	23,200,000	23,200,000
<b>12.2.1.2 Common directorship</b>		
<b>Faysal Bank</b>		
Redeemable capital	1,499,109,500	1,499,109,500
Long term Finance	349,500,000	349,500,000
Convertible, redeemable Preference shares	310,355,940	310,355,940
Mark up payable	2,073,072,319	1,940,032,592
Preference dividend payable	328,671,192	303,136,975
Bank account Balances	15,103,863	3,812,806
Trustee fee	8,513,582	5,668,582



## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months ended 30 September 2021

	(Un-audited) 30 September 2021	(Audited) 31 December 2020
	Rupees	Rupees
<b>Silk Bank</b>		
Long term finances	130,607,546	130,607,546
Short term borrowings	550,948,622	551,996,429
Mark up payable	261,289,989	282,124,426
<b>Summit Bank Limited</b>		
Redeemable capital	603,406,000	603,406,000
Short term borrowings	671,950,409	667,175,480
Mark up payable	524,198,229	544,113,860
Bank account Balances	24,160,370	278,850,049
<b>Others</b>		
Housing colony receivable	9,227,173	4,948,054
<b>12.2.3 Post employment benefit plans</b>		
Payable to Provident Fund Trust	-	-
Payable to gratuity Trust	9,345,125	6,930,313

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months ended 30 September 2021

	(Un-Audited) 30-Sep-21	(Un-Audited) 30-Sep-20
	Rupees	Rupees
<b>13 Cash flow from operating activities</b>		
<b>Profit &amp; (Loss) before tax</b>	<b>(2,983,017,915)</b>	<b>(3,830,659,422)</b>
<b>Adjustment for non-cash items:</b>		
Interest / markup expense	<b>1,925,875,881</b>	2,150,387,060
Amortization of transaction costs	-	172,356,087
Depreciation on property, plant and equipment	<b>1,202,545,271</b>	1,228,586,174
Provision for staff retirement benefit	<b>7,265,025</b>	10,505,947
Mark-up / Interest Income	<b>(13,931,272)</b>	(21,255,895)
Provision against doubtful receivable	-	-
Loss on sale of property, plant and equipment	<b>113,443,269</b>	-
<b>Operating profit before changes in working capital</b>	<b>252,180,259</b>	<b>(290,080,049)</b>
<b>Changes in working capital</b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	<b>(14,247,371)</b>	(394,270)
Stock in trade	<b>(194,274,684)</b>	(432,379,618)
Trade receivables	<b>489,620</b>	(10,348,745)
Advances, deposits, prepayments and other receivables	<b>(746,753,788)</b>	549,687,277
	<b>(954,786,223)</b>	106,564,644
Increase / (decrease) in current liabilities		
Trade and other payables	<b>750,984,248</b>	138,298,210
Cash used in operations	<b>48,378,284</b>	<b>(45,217,195)</b>

### 14 Segment reporting

#### 14.1 Reportable segments

The Company's reportable segments are as follows:

-Urea fertilizer segment - production of Urea fertilizer and ammonia from natural gas and

-Phosphate fertilizer segment - production of Phosphate fertilizer from rock Phosphate

Information regarding the Company's reportable segments is presented below:

#### 14.2 Segment revenue and results

Following is the information about reportable segments of the Company:

# Notes to the Condensed Interim Financial Information (Un-audited)

## For the nine months ended 30 September 2021

	Urea fertilizers segment		Phosphate fertilizer segment		Total	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited
	Rupees 'min'	Rupees 'min'	Rupees 'min'	Rupees 'min'	Rupees 'min'	Rupees 'min'
<b>For the nine months period ended 30 September 2021</b>						
External revenues	4,087	1,564	1,228	832	5,315	2,396
Inter-segment revenue						
Reportable segment Profit/(Loss)	(3,460)	(3,965)	477	134	(2,983)	(3,831)
Reportable segment Profit/(Loss) before tax						
	Urea fertilizers segment		Phosphate fertilizer segment		Total	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	Rupees 'min'	Rupees 'min'	Rupees 'min'	Rupees 'min'	Rupees 'min'	Rupees 'min'
As at						
Reportable segment assets	61,829	62,566	6,803	6,147	68,632	68,713
Reportable segment liabilities	63,584	61,706	764	567	64,348	62,273

## Notes to the Condensed Interim Financial Information (Un-audited)

For the nine months ended 30 September 2021

### 14.3 Reconciliation of reportable segment profitable segment profit and loss

	(Un-audited) 30 September 2021	(Un-audited) 30 September 2020
	Rupees	Rupees
For the nine months ended		
Total loss for reportable segments before taxation	<b>(2,983,017,915)</b>	(3,830,659,422)
Taxation	<b>241,784,514</b>	230,224,168
Loss after taxation	<b><u>(2,741,233,401)</u></b>	<b><u>(3,600,435,254)</u></b>

### 15 Cash and cash equivalents

Short term borrowings - running finance - secured	<b>(2,721,627,396)</b>	(2,678,419,102)
Cash and bank balances	<b>551,849,853</b>	642,282,004
	<b><u>(2,169,777,543)</u></b>	<b><u>(2,036,137,098)</u></b>

### 16 Overdue financial liabilities

The Company continues to face a liquidity shortfall due to which it was unable to meet its obligations in respect of various debt finances. The details of overdue financial liabilities as at 30 September 2021 are as follows:

	Principal	Interest / mark up	Total
<b>Nature of Liability</b>			
Redeemable capital	12,165,534,546	12,761,329,763	24,926,864,309
Long term finances	7,108,711,231	8,464,378,082	15,573,089,313
Short term borrowings	1,709,291,163	1,871,213,920	3,580,505,083
	<b><u>20,983,536,940</u></b>	<b><u>23,096,921,765</u></b>	<b><u>44,080,458,705</u></b>

### 17 Fair Value of Financial Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

### 18 Financial Risk Management

The Company's financial risk management objective and policies are consistent with the disclosed in the financial statement for the financial year ended on 31 December 2020.

### 19 Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on 29 October 2021.

# Notes to the Condensed Interim Financial Information (Un-audited)

## *For the nine months ended 30 September 2021*

### 20 Seasonality

The Company's fertilizer business is subject to seasonal fluctuations as a result of two different farming seasons viz, Rabi (from October to June) and Kharif (from April to September). On an average, fertilizer sales are more tilted towards Rabi season. The Company manages seasonality in the business through appropriate inventory management.

### 21 General

Figures have been rounded off to the nearest rupee.

Corresponding figures have been re-arranged / reclassified in these interim financial information for the purpose of comparison.



**Chief Executive**



**Chief Financial Officer**



**Director**





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