



Interim Financial Report
for the quarter ended

March 31, 2022

(Un-audited)

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

A vertical image featuring a zipper that runs diagonally from the middle-left towards the bottom-right. The zipper is partially unzipped, revealing a vibrant green grassy area underneath. The top and bottom sections of the image are filled with cracked, dry, brownish soil. The word "VISION" is written in a blue, outlined, serif font across the top soil section, and the word "MISSION" is written in a brown, outlined, serif font across the bottom soil section.

VISION

MISSION



To become a major regional diversified fertilizer company

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

Contents

Company Information	02
Directors' Review	03
Condensed Interim Statement of Financial Position	07
Condensed Interim Statement of Profit or Loss	08
Condensed Interim Statement of Comprehensive Income	09
Condensed Interim Statement of Cash Flows	10
Condensed Interim Statement of Changes in Equity	11
Condensed Interim Notes to the Financial Information	12

Company Information

Board of Directors

Mr. Sardar Azmat Babar Chauhan
Chairman (Resigned on 21.02.2022)

Mr. Shahid Iqbal Choudhri
Chairman (Appointed on 22.02.2022)

Mr. Hassan Raza

Mr. Asim Murtaza Khan

Mr. Ghazzanfar Ahsan

Mr. Asim Jilani

Ms. Sarwat Salahuddin Khan

Mr. Osman Malik *(Appointed on 22.02.2022)*

Mr. Muhammad Faisal Muzammil
*Chief Executive Officer
(Resigned as Director on 21.02.2022)*

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 & Head of Legal

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

2nd 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 quarter ended March 31, 2022.

These financial statements have been endorsed by the Chief Executive Officer, Chief Finance Officer and one of the Directors in accordance with the Companies Act, 2017 and the listed Companies (Code of Corporate Governance) Regulations, 2019 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.

First Quarter in Review

Financial Results of Agritech Limited

	Quarter ended March 31, 2022	Quarter ended March 31, 2021
Sales - Net	3,286,875,856	451,389,106
Operating Profit / (Loss)	(125,409,485)	(495,032,132)
Finance cost	(872,687,401)	(629,312,950)
(Loss) before Tax	(998,096,886)	(1,124,345,082)
(Loss) after Tax	(925,083,258)	(1,013,666,779)
(Loss) per share	(2.36)	(2.58)

Overview of Fertilizer Industry:

During the period ending March 31, 2022 the Production of Urea increased by 20% to 1,681K tons vs 1,405K tons in 2021. Increased production is attributed to the regular flow of gas to all the Urea plants in the country despite winter surge and fertilizer sector was declared a priority sector for Gas/RLNG supplies in order to meet the growing Rabi demand. Urea off takes for the period under review also saw an increase of 17% to 1,633K tons vs 1,398K tons in same period last year owing to robust demand on the Rabi crops particularly wheat and very strong farmers economics on all key crops during the last one year. GOP in order to meet the growing demand also imported 100K tons.

The Company in the first quarter 2022 managed to produce 93K tons of urea (15 KT: 2021) against installed capacity of 108K tons for the quarter. Gas supply to the company Urea plant was resumed on 16 Sep 2021 after a brief shutdown from 28 June 2022. The plant is presently fully operational. The Company sold 87 K tons Urea during 1 Q 2022 (5K tons: 2021).

Consumption of Phosphates, during the quarter under review, decreased by 21% to 149K tons of P2O5 Nutrient vs 190K tons last year due to exceptionally high prices of all phosphates in the country. Production of Phosphates products saw increase of 45% (157K tons Nutrients in 2022 vs 108K tons Nutrients in 2021) which is primarily driven by higher DAP production due to better gas supply to the only DAP plant in the country. The Company, being a major SSP player, produced 14 K tons SSP in 1 Q 2022 (13 KT: 2021) and sold 6 KT during the quarter (10 K tons: 2021).

Future Outlook

The Agriculture sector continued to perform exceptionally well with robust returns on all major crops particularly Wheat, Rice, Sugarcane, and Maize. It is expected that similar positive sentiment shall likely to be continued in future and strong Urea demand is expected during the upcoming Kharif season. Urea demand supply gap likely to persist and production form

Directors' Review

all plants shall likely to be continued to meet the demand. GOP is cognizant of the last season shortage situation and in order to avoid the recurrence of shortage like situation, the supply of Urea through local production as well as imports to ensure required buffer stock shall be ensured.

Demand destruction witnessed in the phosphates at the start of the year due to exorbitantly high phosphate prices affecting the farm affordability to use optimal doses of the phosphates nutrients. International phosphates market lead by DAP likely to remain high due to Russian Ukraine war. High phosphate prices likely to further destruct its demand and GOP likely to increase the subsidy on phosphate products to make it affordable for the farming community.

Urea plants on SNGPL Network including Agritech supported GOP efforts to meet Urea shortages during Rabi season and Kharif demand supply situation indicates the production from these plants will surely be required to avoid acute Urea shortages.

Capital Restructuring & Litigations with Banks

Gas curtailment 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 the potential and likely sale of excess land to payoff long term lenders after seeking the necessary approvals. 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. 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.

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



Asim Murtaza Khan
Director

Lahore

Date : 28 April 2022

ڈائریکٹرز رپورٹ

ایگری ٹیک لیٹیڈ، کمپنی کے بورڈ آف ڈائریکٹرز اور مینجمنٹ ٹیم، 31 مارچ 2022ء کو ختم ہونے والی سہ ماہی کے لئے غیر نظر ثانی شدہ مالیاتی گوشواروں کے ہمراہ کمپنی کی سہ ماہی رپورٹ پیش کرتے ہوئے مسرت کا اظہار کر رہے ہیں۔

یہ مالیاتی گوشوارے، کوڈ آف کارپوریٹ گورننس کے مطابق چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر اور ایک ڈائریکٹر کی طرف سے توثیق کیے گئے ہیں جو کہ بورڈ کی آڈٹ کمپنی کی طرف سے سفارش کردہ اور بورڈ آف ڈائریکٹرز کی طرف سے منظور شدہ ہیں۔

کاروباری جائزہ

پرنسپل سرگرمیاں

کمپنی کا بنیادی کاروبار کھاد کی پیداوار اور ترسیل ہے۔ کمپنی ملک میں موجود توانائی کے لحاظ سے جدید اور موثر ترین کھاد کا پلانٹ چلاتی ہے جو کہ میانوالی پنجاب میں واقع ہے۔ کمپنی ہری پور ہزارہ صوبہ خیبر پختونخواہ (کے پی کے) میں جی ایس ایس پی (دانے دار سنگل پسر فاسفیٹ) کی پیداوار کی سہولت بھی چلا رہی ہے۔ کمپنی کھاد کی صنعت میں قابل اعتماد برانڈ "تارا" کے تحت ان پلائٹس سے کھاد مارکیٹ کرتی ہے۔

پہلی سہ ماہی کا جائزہ

ایگری ٹیک لیٹیڈ کے مالیاتی نتائج

March 31, 2021	March 31, 2022	
451,389,106	3,286,875,856	خالص فروخت
(495,032,132)	(125,409,485)	آپریٹنگ منافع (نقصان)
(629,312,950)	(872,687,401)	مالیاتی لاگت
(1,124,345,082)	(998,096,886)	قبل از ٹیکس (نقصان)
(1,013,666,779)	(925,083,258)	بعد از ٹیکس (نقصان)
(2.58)	(2.36)	نی صحت (نقصان)

کھاد کی صنعت کا مجموعی جائزہ:

31 مارچ 2022 کو ختم ہونے والی مدت کے دوران، یوریا کی پیداوار سال 2021 میں 1,405 ہزار ٹن کے مقابلے میں 20% بڑھ کر 1,681 ہزار ٹن ہوئی۔ زیادہ پیداوار سر دیوں میں کمی کے باوجود ملک میں تمام یوریا پلائٹس کوگیس کے باقاعدہ بہاؤ سے منسوب ہے اور فریٹس اور ریکٹر کوریج کی بڑھتی ہوئی طلب کو پورا کرنے کے لئے کوگیس/RLNG کی فراہمی کے لئے تازہ چیکنگ کیلئے قرار دیا گیا تھا۔ زبر جائزہ مدت کے لئے یوریا کی فروخت بھی رینج کی فصلوں خاص طور پر گندم پر زیادہ طلب اور گزشتہ ایک سال کے دوران تمام کلیدی فصلوں پر کاشتکاروں کی بہت مضبوط معیشت کی وجہ سے گزشتہ سال کی اسی مدت میں 1,398 ہزار ٹن کے مقابلے میں 17% بڑھ کر 1,633 ہزار ٹن ہو گئی۔ حکومت پاکستان نے بڑھتی ہوئی طلب کو پورا کرنے کے لئے 100 ہزار ٹن درآ مدد بھیجی کی ہے۔

کمپنی مالی سال 2022 کی پہلی سہ ماہی میں سہ ماہی کے لئے 108 ہزار ٹن کی نصب شدہ صلاحیت کے مقابلے میں 93 ہزار ٹن یوریا (2020: 15 KT) بنانے کے قابل رہی۔ کمپنی کے یوریا پلائٹ کوگیس کی سپلائی مختصر شدہ ڈاؤن کے بعد 28 جون 2022 سے دوبارہ بحال کر دی گئی۔ پلانٹ اس وقت کئی طور پر آپریشنل ہے۔ کمپنی نے سال 2022 کی پہلی سہ ماہی کے دوران 87 ہزار ٹن یوریا (2020: 5K tons) فروخت کیا۔

زبر جائزہ سہ ماہی کے دوران، فاسفیٹس کا استعمال، ملک میں تمام فاسفیٹس کی غیر معمولی زیادہ قیمتوں کی وجہ سے پچھلے سال 190 ہزار ٹن کے مقابلے میں 21% کمی کے ساتھ P2O5 نیوٹرینٹ کے 149 ہزار ٹن تک کم ہو گیا ہے۔ فاسفیٹ مصنوعات کی پیداوار اور میں بنیادی طور پر ملک میں صرف DAP پلانٹ کوگیس کی بہتر فراہمی کی وجہ سے DAP کی زیادہ

ڈائریکٹرز رپورٹ

پیداوار کے باعث 45 فیصد (2021 میں 108 ہزار ٹن نیوٹریٹ کے مقابلے 2022 میں 157 ہزار ٹن نیوٹریٹ) کا اضافہ ہوا۔ کھیتی نے، ایس ایس پی کے اہم میٹو فیکچرر ہونے کے ناطے، سال 2022 کی پہلی سہ ماہی میں 14 ہزار ٹن ایس ایس پی (13 ہزار ٹن: 2021) پیدا کیا اور سہ ماہی کے دوران 6 ہزار ٹن (10 ہزار ٹن: 2021) فروخت کی گئے۔

مستقبل کا نقطہ نظر

اہم فصلوں خاص طور پر گندم، چاول، چینی، اور مکئی پر مضبوط ریٹرنز کے ساتھ غیر معمولی اچھی کارکردگی کا مظاہرہ کیا۔ یہ امید کی جاتی ہے کہ مستقبل میں اسی طرح کے مثبت جذبات جاری رہیں گے اور آئندہ خریف سیزن کے دوران یوریا کی طلب مضبوط رہنے کی توقع ہے۔ یوریا کی طلب ورسد کا خلا جاری رہنے کا امکان ہے طلب کو پورا کرنے کے لئے تمام پائٹس سے پیداوار جاری رکھی جائے گی۔ GOP گزشتہ سیزن کی قلت کی صورت حال سے آگاہ ہے اور قلت جیسی صورت حال کے اعادہ سے بچنے کے لیے مقامی پیداوار کے ساتھ ساتھ درآمدات کے ذریعے یوریا کی فراہمی کو یقینی بنایا جائے گا تاکہ مطلوبہ بفر اسٹاک کو یقینی بنایا جاسکے۔

فاسفیٹ کے غذائی اجزاء کی زیادہ سے زیادہ مقدار استعمال کرنے کے لیے فارم کی استطاعت کو متاثر کرنے والے فاسفیٹ کی قیمتیں بہت زیادہ ہونے کی وجہ سے سال کے آغاز میں فاسفیٹس کی طلب میں کمی دیکھی گئی۔ روس-یوکرین جنگ کی وجہ سے بین الاقوامی فاسفیٹس کی مارکیٹ میں DAP کی برتری زیادہ رہنے کا امکان ہے۔ فاسفیٹ کی زیادہ قیمتیں اس کی طلب کو مزید نقصان پہنچانے کا امکان ہے اور یہ بھی امکان ہے کہ GOP فاسفیٹ کی مصنوعات پر سبسڈی بڑھادے تاکہ اسے کا شکار برادری کے لیے سستی بنایا جاسکے۔

ایگری ٹیک سمیت SNGPL پر موجود یوریا پلانٹ نے بیج سیزن کے دوران یوریا کی قلت کو پورا کرنے کے لئے حکومت پاکستان کی کوششوں کی مددنی اور خریف کی طلب ورسد کی صورت حال ظاہر کرتی ہے کہ یوریا کی شدید قلت سے بچنے کے لئے ان پائٹس سے پیداوار یقینی درکار ہوگی۔

سرماہی کی تنظیم نو اور بیٹوں کے ساتھ قانونی چارہ جوئی:

گزشتہ چند سالوں کے دوران کھیتی کے یوریا پلانٹ کو گیس کی تخفیف نہ صرف قرض کی واپسی میں تاخیر کی اہم وجہ ہے بلکہ قرض اور سود میں اضافے کا سبب بھی ہے۔ اس کے علاوہ چند بیٹوں اور مالی اداروں نے کھیتی کے خلاف مارک اپ اور دیگر متعلقہ واجبات کے ساتھ ساتھ توسیعی قرضوں کی ریکوری کے مقدمات دائر کئے ہیں۔ اس قرض کی تنظیم نو کے لئے قرض دہندہ کے تعاون سے ایک منصوبہ مرتب کیا گیا ہے۔ جس کا بنیادی مقصد موجودہ طویل مدتی قرض اور اس پر سود کو توجیحی حصص میں تبدیل کرنا ہے۔ اس منصوبے کا ایک اور مقصد کھیتی کے پاس موجود اضافی اراضی کا فروخت ہے جس کی آمدنی سے طویل مدتی قرض دہندہ کے واجبات کی ادائیگی ممکن ہوگی۔ حکومت کے بنیادی ڈھانچے کی ترقی کے منصوبے سے دونوں پائٹس کے گزر اراضی کی قیمت میں اضافے کا امکان ہے۔ خاص طور پر سی پیک منصوبے کے سیکشن ہا کلا۔ داؤڈنیل۔ ڈی آئی خان میں کھیتی کی شرکت، بذریعہ اراضی کی فراہمی، بہت اہم ہے، سی پیک کی تکمیل کے بعد کھیتی کی اضافی اراضی مستقبل میں متعلقہ ٹریڈز کے لئے تجارتی اور صنعتی سرگرمیوں میں اہم کردار ادا کرے گی۔ مزید برآں، قانونی آراء کی بنیاد پر کھیتی کو یقین ہے کہ کسی بھی ذمہ داری کا امکان کم ہے کیونکہ قرض کے معاہدوں کی شرائط کے مطابق ان مالیاتی حسابات میں مارک اپ کو پہلے ہی تسلیم کیا گیا ہے۔

سرماہی کی بحالی کا یہ منصوبہ یکم اپریل 1984 سے سیکشن 284-288 کے تحت اسکیم کے نفاذ کے لئے جون 2016 میں لاہور ہائیکورٹ میں ایک درخواست دائر کی گئی تھی۔ لاہور ہائی کورٹ میں سماعت جاری ہے اور کھیتی پر اعتماد ہے کہ وہ منصوبے کی بحالی کے لئے عدالت سے اس کے حق میں فیصلہ ہوگا اور کھیتی کی مالی حالت کو بہتر بنانے کے منصوبے پر عمل درآمد کرنے کا عزم کیا ہے۔

اظہار تشکر

یورڈ کھیتی کے قابل قدر صارفین اور مالیاتی اداروں جن کے اعتماد اور حمایت نے سال کے دوران کاروبار کی ترقی میں اہم کردار ادا کیا ہے، کی اہم مفید تعلق داری کا شکریہ ادا کرتا ہے۔ یورڈ کھیتی کے ملازمین کی خدمات کو بھی سراہتا ہے۔ مشکل کاروباری ماحول میں کاروبار کی پائیداری ان کی محنت اور عزم کی وجہ سے ممکن ہوئی ہے۔



محمد عاصم راضی خان
ڈائریکٹر



محمد فیصل مزمل
چیف ایگزیکٹو آفیسر

Condensed Interim Statement of Financial Position

As at 31st March 2022

		(Un-audited) 31 March 2022	(Audited) 31 December 2021
	Note	Rupees	Rupees
EQUITY AND LIABILITIES			
Authorized share Capital		15,000,000,000	15,000,000,000
Share capital and reserves			
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		(24,363,070,490)	(23,613,277,966)
Surplus on revaluation of property, plant and equipment - net of tax		23,260,479,663	23,435,770,400
		2,830,709,173	3,755,792,434
Non-current liabilities			
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		1,114,058,044	1,157,874,632
Deferred Liabilities		8,313,998,768	8,436,099,563
		11,021,399,502	11,187,316,885
Current liabilities			
Current maturity of non-current liabilities		19,269,126,210	19,269,126,210
Short term borrowings -secured	8	3,604,731,562	3,518,449,435
Trade and other payables		4,598,584,701	4,022,968,445
Interest/mark-up accrued on borrowings		24,433,829,409	23,731,549,868
Preference dividend payable		1,774,587,079	1,731,370,386
		53,680,858,961	52,273,464,344
Contingencies and commitments	9	67,532,967,636	67,216,573,663
ASSETS			
Non-current assets			
Property, plant and equipment	10	56,572,355,612	56,965,406,647
Intangible asset		2,568,246,314	2,568,318,275
Long term loans and advances - considered good		11,203,300	14,024,136
Long term deposits - unsecured, considered good		51,711,537	57,677,251
		59,203,516,763	59,605,426,309
Current assets			
Stores, spares and loose tools		2,053,685,422	2,053,911,764
Stock-in-trade		738,809,185	362,453,998
Trade debts		53,728	88,592,108
Advances, deposits, prepayments and other receivables		4,859,863,274	3,771,231,436
Tax refunds due from Government -net		170,740,511	146,922,765
Short term investment		-	104,200,000
Cash and bank balances	11	506,298,753	1,083,835,283
		8,329,450,873	7,611,147,354
		67,532,967,636	67,216,573,663

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


Chief Executive


Chief Financial Officer


Director

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

For the three months period ended 31 March 2022

	3 month	
	(Un-audited) 31 March 2022 Rupees	(Un-audited) 31 March 2021 Rupees
Sales - net	3,286,875,856	451,389,106
Cost of sales	(3,199,926,011)	(868,176,931)
Gross Profit/(loss)	86,949,845	(416,787,825)
Selling and distribution expenses	(130,039,870)	(21,141,102)
Administrative and general expenses	(92,462,087)	(74,961,819)
Other expenses	(1,978,102)	5,450,636
	(224,480,059)	(90,652,285)
Other income (loss)	12,120,729	12,407,978
Operating Income/(loss)	(125,409,485)	(495,032,132)
Finance cost	(872,687,401)	(629,312,950)
Loss before taxation	(998,096,886)	(1,124,345,082)
Taxation for the period	73,013,628	110,678,303
Loss after taxation	(925,083,258)	(1,013,666,779)
Loss per share - basic and diluted	(2.36)	(2.58)

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


Chief Executive


Chief Financial Officer


Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months period ended 31 March 2022

	3 month	
	(Un-audited) 31 March 2022 Rupees	(Un-audited) 31 March 2021 Rupees
Loss after taxation	(925,083,258)	(1,013,666,779)
<u>Other comprehensive income:</u>		
Items that will not be reclassified to statement of profit or loss:		
- Re-measurement of defined benefit liability	-	-
- Related deferred tax asset/(liability)	-	-
	-	-
Total comprehensive Income/(loss) for the year	<u>(925,083,258)</u>	<u>(1,013,666,779)</u>

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



Chief Executive



Chief Financial Officer



Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended 31 March 2022

		(Un-audited) 31 March 2022	(Un-audited) 31 March 2021
	Note	Rupees	Rupees
<u>Cash flows from operating activities</u>			
Cash used in operations	13	(699,585,856)	(396,912,614)
Income tax paid		(64,903,707)	(13,842,097)
Staff retirement benefits paid		(11,271,494)	(52,976)
Long term loans and advances received		2,820,836	957,181
Long term deposits - net		5,965,714	-
Net cash used in operating activities		(766,974,507)	(409,850,506)
<u>Cash flows from investing activities</u>			
Capital expenditure incurred		(7,006,280)	(26,351,052)
Interest income received		9,701,917	12,092,173
Proceeds from disposal of property, plant and equipment		47,000	689,400
Short term investment		104,200,000	-
Due from related party		-	-
Net cash used in investing activities		106,942,637	(13,569,479)
<u>Cash flows from financing activities</u>			
Increase / (decrease) in long term finances		-	-
Redemption of redeemable capital		-	-
Short term borrowings - net		-	199,999,000
Finance cost paid		(3,786,788)	(37,223,892)
Net cash used in financing activities		(3,786,788)	162,775,108
Net increase/(decrease) in cash and cash equivalents		(663,818,657)	(260,644,875)
Cash and cash equivalents at the beginning of period		(1,505,637,211)	(1,922,669,425)
Cash and cash equivalents at the end of period	15	(2,169,455,868)	(2,183,314,300)

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


Chief Executive


Chief Financial Officer


Director

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

For the three months period ended 31 March 2022

	Capital Reserve		Reserves		
	Ordinary Shares Capital Rupees	Surplus on revaluation property, plant and equipment - net of tax Rupees	Revenue reserve Rupees	Accumulated Loss Rupees	Total equity Rupees
As at 01 January 2021	3,924,300,000	24,137,480,414	9,000,000	(21,630,116,483)	6,440,663,931
Loss for the period ended				(1,013,666,779)	(1,013,666,779)
Other comprehensive income for the year:					
Re-measurement gain on employee retirement benefits	-	-	-	-	-
Related deferred tax liability on re-measurement gain	-	-	-	-	-
Total comprehensive income for the period ended 31 March	-	-	-	(1,013,666,779)	(1,013,666,779)
Surplus transferred to accumulated losses on account of:	-	-	-	-	-
- incremental depreciation on property, plant and equipment - net of deferred tax	-	(152,090,253)	-	152,090,253	-
As at March 31, 2021	3,924,300,000	23,985,390,161	9,000,000	(22,491,693,009)	5,426,997,152
As at 01 January 2022	3,924,300,000	23,435,770,397	9,000,000	(23,613,277,966)	3,755,792,431
Loss for the period ended				(925,083,258)	(925,083,258)
Other comprehensive income for the year:					
Re-measurement gain on employee retirement benefits				-	-
Related deferred tax liability on re-measurement gain				-	-
Total comprehensive income for the period ended 31 March 2022	-	-	-	(925,083,258)	(925,083,258)
Surplus transferred to accumulated losses on account of:					
- incremental depreciation on property, plant and equipment - net of deferred tax		(175,290,734)		175,290,734	-
As at March 31, 2022	<u>3,924,300,000</u>	<u>23,260,479,663</u>	<u>9,000,000</u>	<u>(24,363,070,490)</u>	<u>2,830,709,173</u>

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


Chief Executive


Chief Financial Officer


Director

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

For the three months period ended 31 March 2022

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 31 March 2022 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 2021.

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 2021, 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 31 March 2022.

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 2021.

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

For the three months period ended 31 March 2022

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 2021

	Note	31 March 2022	31 December 2021
		Un-audited	Audited
		Rupees	Rupees
4 Issued, subscribed and paid up ordinary share capital			
383,430,000 (December 31, 2021: 383,430,000) class A ordinary shares of Rs.10 each fully paid in cash	4.1	3,834,300,000	3,834,300,000
9,000,000 (December 31, 2021: 9,000,000) ordinary shares of Rs. 10 each issued for consideration other than cash		90,000,000	90,000,000
		<u>3,924,300,000</u>	<u>3,924,300,000</u>

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

	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	(Percentage held)		(Number of shares)	
	National Bank of Pakistan Limited	27.01%	27.01%	106,014,632
Faysal Bank Limited	4.56%	4.56%	17,914,040	17,914,040
Summit Bank Limited	8.74%	8.74%	34,306,400	34,306,400
Silk Bank Limited	0.00%	0.00%	1,000	1,000

	Note	31 March 2022	31 December 2021
		Un-audited	Audited
		Rupees	Rupees

5 Redeemable Capital - Secured

Under interest/markup arrangement

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>
	-	-

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

For the three months period ended 31 March 2022

	31 March 2022	31 December 2021
	Un-audited	Audited
	Rupees	Rupees
5.1 Types of redeemable capital		
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>
5.2 For overdue principal and markup, refer to note 16 to the financial statements.		
	31 March 2022	31 December 2021
	Un-audited	Audited
	Rupees	Rupees
6 Long term finances		
Syndicate Term Finance - I	3,000,000,000	3,000,000,000
Syndicate Term Finance - II	466,362,600	466,362,600
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
	<u>7,103,591,664</u>	<u>7,103,591,664</u>
Current maturity presented under current liabilities	<u>(7,103,591,664)</u>	<u>(7,103,591,664)</u>
6.1 Types of long term finances - secured		
Interest / mark-up based financing	6,738,591,664	6,738,591,664
Islamic mode of financing	365,000,000	365,000,000
	<u>7,103,591,664</u>	<u>7,103,591,664</u>
6.2 For overdue principal and markup, refer to note 16 to the financial statements.		
	31 March 2022	31 December 2021
	Un-audited	Audited
	Rupees	Rupees
7 Convertible, redeemable preference shares		
159,334,269 (31 December 2021: 159,334,269) preference shares of Rs. 10 each fully paid in cash	7.1 <u>1,593,342,690</u>	1,593,342,690
	<u>1,593,342,690</u>	<u>1,593,342,690</u>

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

For the three months period ended 31 March 2022

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	31,035,594	31,035,594
National Bank of Pakistan	3,458,756	3,458,756
	34,494,350	34,494,350
	31 March	31 December
	2022	2021
	Un-audited	Audited
	Rupees	Rupees

8 Short term borrowings - secured

Interest / mark-up based loans - secured	3,042,996,386	2,956,714,259
Islamic mode of financing - secured	561,735,176	561,735,176
	3,604,731,562	3,518,449,435

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 2021.

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 2021 except for the following:

9.1.1 During the period, a civil suit has been filed by Silk Bank (a related party) in the Honorable Lahore High Court under the Financial Institutions (Recovery of Finances) Ordinance, 2001 for the recovery of Rs. 780 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.

9.2 Commitments

9.2.1 Commitments under irrevocable letters of credit for:

	31 March	31 December
	2022	2021
	Un-audited	Audited
	Rupees	Rupees
- purchase of plant and machinery	381,139,609	58,127,202
- purchase of raw material	179,962,528	81,754,452
	561,102,137	139,881,654

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

For the three months period ended 31 March 2022

		31 March 2022	31 December 2021
		Un-audited	Audited
	Note	Rupees	Rupees
10	Property, plant and equipment		
Operating fixed assets	10.1	56,563,572,025	56,960,824,702
Capital work in progress		8,783,587	4,581,945
		56,572,355,612	56,965,406,647
10.1	Operating fixed assets		
Net book value at start of the period		56,960,824,705	58,517,324,872
Add: Additions/Revaluation during the period	10.1.1	2,804,636	62,468,041
Less: Disposals during the period - net book value		23,544	15,916,454
Depreciation for the period		400,033,773	1,603,051,757
		400,057,316	1,618,968,211
Net book value at end of the period		56,563,572,025	56,960,824,702
10.1.1	Additions - cost		
	<u>Owned assets</u>		
Buildings on freehold land		-	17,534,381
Plant and machinery		1,572,000	6,299,183
Residential colony assets		-	524,016
Furniture, fixtures and office equipment		1,213,236	5,451,675
Vehicles and rail transport		19,400	14,213,801
Tools and other equipment		-	27,500
Catalyst		-	18,417,486
		2,804,636	62,468,041
11	Cash and bank balances		
Cash in hand		945,927	616,843
Cash at banks			
- current accounts		434,913,796	387,031,096
- savings accounts	11.1	70,439,030	696,187,344
		505,352,825	1,083,218,440
		506,298,753	1,083,835,283

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

For the three months period ended 31 March 2022

11.1 Rate of return on saving accounts ranges from 6.5 % to 8.26% per annum (31 December 2021: 6% to 8.26% 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:

	(Un-audited) January to 31 March 2022 Rupees	(Un-audited) January to 31 March 2021 Rupees
12.1 Transactions with related parties		
12.1.1 Associated Undertakings		
12.1.1.1 <u>Shareholding and common directorship</u>		
National Bank of Pakistan		
Markup expense	104,130,533	74,619,699
Preference dividend	938,128	938,128
Bank Balances - net	10,021,021	918,356
12.1.1.2 <u>Common directorship</u>		
Faysal Bank Limited		
Mark up Expense	60,728,716	43,391,677
Preference dividend	8,417,873	8,417,873
Bank Balances - net	13,317,607	(762,377)
Silk Bank limited		
Mark-up expense	20,046,928	14,835,095
Markup paid	-	31,938,485
Summit Bank Limited		
Mark-up expense	33,269,196	25,072,517
Bank Balances - net	(457,679)	16,044,716
12.1.1.3 Post employment benefit plans		
Contribution to employees provident fund	5,031,694	5,980,787
Contribution to employees gratuity fund	3,270,287	5,183,345
12.1.1.4 Key management personnel		
Short term employee benefits	5,400,000	23,624,030
Post employment benefits	321,300	1,245,930

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

For the three months period ended 31 March 2022

	(Un-audited) 31 March 2022	(Audited) 31 December 2021
	Rupees	Rupees
12.2 Balances with related parties		
12.2.1 Associated Undertakings		
12.2.1.1 <u>Shareholding and common directorship</u>		
National Bank of Pakistan		
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	3,896,645,814	3,792,515,281
Preference dividend payable	190,929,526	189,991,398
Bank account Balances	15,793,483	5,772,462
Advisory fee	738,600,000	738,600,000
Advance for transaction Cost	23,200,000	23,200,000
12.2.1.2 <u>Common directorship</u>		
Faysal Bank		
Redeemable capital	1,499,109,500	1,499,109,500
Long term Finance	344,325,600	344,325,600
Convertible, redeemable Preference shares	310,355,940	310,355,940
Mark up payable	2,185,246,449	2,124,517,733
Preference dividend payable	345,694,003	337,276,129
Bank account Balances	30,757,798	17,440,191
Trustee fee	8,513,582	5,668,582
Silk Bank		
Long term finances	130,607,546	130,607,546
Short term borrowings	550,948,624	550,948,624
Mark up payable	296,346,192	276,299,263
Summit Bank Limited		
Redeemable capital	603,406,000	603,406,000
Short term borrowings	671,950,148	671,950,148
Mark up payable	572,906,635	539,637,439
Bank account Balances	96,000	553,679
Others		
Housing Colony	18,934,385	17,914,652
Iskanderabad Welfare Trust	4,193,565	7,345,538
12.2.3 Post employment benefit plans		
Payable to Provident Fund Trust	-	-
Payable to gratuity Trust	7,220,898	15,222,105

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

For the three months period ended 31 March 2022

	<u>31-Mar-22</u>	<u>31-Mar-21</u>
	Rupees	Rupees
13 Cash flow from operating activities		
Profit & (Loss) before tax	(998,096,886)	(1,124,345,082)
Adjustment for non-cash items:		
Interest / markup expense	793,099,610	629,312,950
Amortization of transaction costs	-	-
Depreciation on property, plant and equipment	400,033,772	400,240,708
Provision for staff retirement benefit	3,270,287	5,183,345
Mark-up / Interest Income	(7,652,590)	(12,092,173)
Provision against doubtful receivable	-	-
Gain on sale of property, plant and equipment	(23,455)	(68,451)
Operating profit before changes in working capital	190,702,698	(101,768,703)
Changes in working capital		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	226,342	(14,252,164)
Stock in trade	(376,355,187)	(463,112,712)
Trade receivables	88,538,380	489,214
Advances, deposits, prepayments and other receivables	(1,090,681,163)	(63,916,730)
	(1,378,271,628)	(540,792,392)
Increase / (decrease) in current liabilities		
Trade and other payables	487,983,077	245,648,484
Cash used in operations	(699,585,855)	(396,912,611)

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

For the three months period ended 31 March 2022

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:

	Urea fertilizers segment		Phosphate fertilizer segment		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 December 2021
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'
For the three months period ended 31 March 2022						
External revenues	3,005	201	282	251	3,287	452
Inter-segment revenue	-	-	-	-	-	-
Reportable segment Profit/(Loss)	-	-	-	-	-	-
Reportable segment Profit/(Loss) before tax	(1,094)	(1,207)	96	83	(998)	(1,124)
	Urea fertilizers segment		Phosphate fertilizer segment		Total	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'
Reportable segment assets	62,850	62,619	7,673	4,598	70,523	67,217
Reportable segment liabilities	66,129	65,575	978	886	67,108	66,460

As at

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

For the three months period ended 31 March 2022

14.3 Reconciliation of reportable segment profitable segment profit and loss

	(Un-audited) 31 March	(Un-audited) 31 March
	Rupees	Rupees
For the three months ended		
Total loss for reportable segments before taxation	(998,096,886)	(1,124,345,082)
Taxation	73,013,628	110,678,303
Loss after taxation	<u>(925,083,258)</u>	<u>(1,013,666,779)</u>

15 Cash and cash equivalents

Short term borrowings - running finance - secured	(2,675,754,621)	(2,717,898,779)
Cash and bank balances	506,298,753	534,584,478
	<u>(2,169,455,848)</u>	<u>(2,183,314,307)</u>

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 31 March 2022 are as follows:

Nature of Liability	Principal	Interest / mark up	Total
Redeemable capital	12,165,534,546	13,449,246,883	25,614,781,429
Long term finances	7,103,536,831	8,902,803,195	16,006,340,026
Short term borrowings	2,978,811,445	1,902,411,834	4,881,223,279
	<u>22,247,882,822</u>	<u>24,254,461,912</u>	<u>46,502,344,734</u>

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 2022.

19 Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on April 28, 2022.

Notes to the Condensed Interim Financial Information (Un-audited) For the three months period ended 31 March 2022

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.

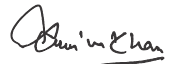
Corresponding figures have been re-arranged / reclassified in these interim financial information for the purpose of comparison.



Chief Executive



Chief Financial Officer



Director



AGRITECH LIMITED

Head Office: 2nd Floor Asia Centre, 8-Babar Block New Garden Town, Lahore.
Ph: 042 - 35860341-44, Fax: 042 - 35860339-40