

Interim Financial Report  
for the quarter ended  
**March 31, 2020**  
(Un-audited)

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



# VISION

## 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. Talha Saeed (Resigned on 1-10-2020)

Mr. Hassan Raza (Joined on 23-10-2020)

Mr. Asim Murtaza Khan

Mr. Abdul Karim Sultanali

Mr. Asim Jilani

Ms. Ameena Zafar Cheema

## Audit Committee

Mr. Asim Murtaza Khan  
Chairman

Mr. Hassan Raza

Mr. Abdul Karim Sultanali

Mr. Asim Jilani

## HR & Remuneration Committee

Ms. Ameena Zafar Cheema

Chairperson

Mr. Asim Jilani

Mr. Abdul Karim Sultanali

Mr. Muhammad Faisal Muzammil

## Chief Financial Officer

Syed Taneem Haider

## Company Secretary

Ms. Fauzia Noorani

## Legal Advisor

Mr. Mian Muhammad Osama Hanif

## Shares Registrar

Hameed Majeed Associates (Private) Limited

## Auditors

Grant Thornton Anjum Rahman Chartered  
Accountants, Lahore.

## Bankers

JS Bank Limited  
Faysal Bank Limited  
National Bank of Pakistan  
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  
Habib Bank Limited  
MCB Bank Limited

## Registered Office

<sup>nd</sup>  
2 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  
Ha ar 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, 2020

These financial statements have been endorsed by the Chief Executive Officer, Chief Finance 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.

#### First Quarter in Review

#### Financial Results of Agritech Limited

	Quarter ended 31 March 2020	Quarter ended 31 March 2019
Sales - Net	601,574,696	2,354,105,209
Operating Profit / (Loss)	(372,142,365)	167,451,935
Finance cost	(951,454,920)	(805,332,996)
(Loss) before Tax	(1,403,998,750)	(783,489,293)
(Loss) after Tax	(1,321,387,545)	(892,644,829)
(Loss) per share	(3.37)	(2.27)

#### Overview of Fertilizer Industry:

During the period ending March 31, 2020 the Production of Urea increased by 8% to 1,428K tons vs 1,325K tons in 2019 owing to better gas availability to the fertilizer sector versus same period last year. Urea off takes for the period under review were declined by 25% to 1,025K tons vs 1,360K tons in same period last year owing to market price distortion after prospective abolition of GIDC by GOP for the fertilizer sector.

The Company in the first quarter 2020 managed to produce Nil KT of urea (73 K tons: 2019) against installed capacity of 108K tons for the quarter. Gas supply to the company's urea plant remained suspended owing to the winter load management plan in the country. The Company sold 14 K tons Urea during 1 Q 2020 (66K tons: 2019) from the last year's available inventory.

Consumption of Phosphates, during the quarter under review, increased by 13% to 124K tons of P2O5 Nutrient vs 110K tons last year. Production of Phosphates products saw decline of 15% (93K ton Nutrients in 2020 vs 109K ton Nutrients in 2019) due to gas curtailment to the only DAP plant in the country. The Company, being a major SSP player, produced 13 K tons SSP in 1 Q 2020 (16 K tons: 2019) and sold 7 K tons during the quarter (7 K tons: 2019).

#### Future Outlook

The future prospect of Urea plant is relied on expectations of continuous availability of gas on the fact that the GOP is operating both LNG terminals in the country with having a combined capacity of 1200 mmscfd. Supply of RLNG is contracted for one terminal through a 15 year long term agreement with Government of Qatar, to import nearly 3.75 million tons of LNG per year. The second terminal supply is contracted through short term supply contracts with large LNG traders and spot cargo purchases. The import of LNG has already been tested and ensured at 1,200 mmscfd per day of maximum load on both terminals in the country. SNGPL is receiving major flow of LNG imports under swap arrangement from both terminals. This has improved the flow of gas into SNGPL system and making available required gas volumes for the fertilizer plants on SNGPL network.

## Directors' Review

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 200 million. Fertilizer, especially Urea plays a critical role in the production and yield of the crops. Urea demand in the country since the last Fertilizer Policy issued in 2001 is growing at CAGR of 2.5% and Production has kept the pace of growth at CAGR of 2.2%. Installed Capacity of Urea in the country is of ~6.8 million tons which is 7th largest in the world that can meet the growing demand of the country for many years.

Gas supply issues in the past has affected the urea production as per demand, forcing the government to rely on expensive urea imports despite having required capacity available in the country. Imports caused GOP loss of precious Foreign Exchange as well as higher subsidy on imported urea. The winter load management for the period under review affected the supply of gas to the Company's urea plant and plant remained shut due to non-supply of gas. However, strong urea demand pattern seen last year which likely to continue in 2020 will require production from the closed urea plants on SNGPL network including the company's urea plant and gas supply is expected to be restored back post winter load curtailment.

Strong fundamentals and demand drivers for Urea consumption exist in the long run whereby in order to ensure Food Security of the country and increase the production of all staple crops. Production from utilizing the available capacity of Agritech and other fertilizer plant on SNGPL will be vital to meet the likely shortages, besides saving precious Foreign Exchange and substituting volatile urea imports.

### Capital Restructuring

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 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 Repealed 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.

### Acknowledgment

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



Chief Executive Officer

## ڈائریکٹرز رپورٹ

ایگری ٹیکسٹائلز، کمپنی کے بورڈ آف ڈائریکٹرز اور مینجمنٹ ٹیم، 31 مارچ 2020ء کو ختم ہونے والی سہ ماہی کے لئے غیر نظر ثانی شدہ مالیاتی گوشواروں کے ہمراہ کمپنی کی سہ ماہی رپورٹ پیش کرتے ہوئے خوش ہیں۔ یہ مالیاتی گوشوارے، کارپوریٹ گورننس کے کوڈ کے مطابق چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر اور ایک ڈائریکٹر کی طرف سے توثیق کیے گئے ہیں جو کہ بورڈ کی آڈٹ کمیٹی کی طرف سے سفارش کردہ ہیں 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 میاٹوالی پنجاب میں واقع ہے۔ کمپنی ہری پور ہزارہ صوبہ خیبر پختونخواہ (کے پی) میں جی ایس ایس پی (دائے دار سنگل سپر فاسفیٹ) کی پیداوار کی سہولت بھی چلا رہی ہے۔ کمپنی کھاد کی صنعت میں قابل اعتماد برانڈ "تارا" کے تحت ان پلانٹس سے کھاد کو مارکیٹ کرتی ہے۔

### پہلی سہ ماہی کا جائزہ

#### ایگری ٹیکسٹائلز کے مالیاتی نتائج:

31 مارچ 2019ء	31 مارچ 2020ء
2,354,105,209	601,574,696
21,843,703	(452,543,830)
(805,332,996)	(951,454,920)
(783,489,293)	(1,403,998,750)
(892,664,829)	(1,321,387,545)
(2.27)	(3.37)

خالص فروخت

آپریٹنگ منافع / نقصان

مالیاتی لاگت

قبل از ٹیکس (نقصان)

بعد از ٹیکس (نقصان)

فی شخص (نقصان)

### کھاد کی صنعت کا مجموعی جائزہ:

31 مارچ 2020ء کو ختم ہونے والی مدت کے دوران یورپا کی پیداوار گزشتہ سال کی اسی مدت کے برعکس فرنیلائزر ٹیکسٹائلز کی بہتر دستیابی کی وجہ سے سال 2019 میں 1,325 ہزار ٹن کے مقابلے میں 1,428 ہزار ٹن تک 8% زیادہ ہوئی۔ زیر جائزہ مدت کے لئے یورپا کی فروخت فرنیلائزر ٹیکسٹائلز کے لئے حکومت پاکستان کی طرف سے GIDC کے ممکنہ خاتمے کے بعد مارکیٹ قیمت کی اصطلاح کی وجہ سے گزشتہ سال کی اسی مدت میں 1,360 ہزار ٹن کے برعکس 1,025 ہزار ٹن تک 25% کم ہوئی۔

پہلی سہ ماہی 2020 میں کمپنی نے سہ ماہی کی 108 ہزار ٹن کی نصب صلاحیت کے مقابلے میں Nil ہزار ٹن یورپا (73 K tons: 2019) بنایا۔ کمپنی کے یورپا پلانٹ کو گیس کی فراہمی ملک میں ونٹر لوڈ مینجمنٹ پلان کی وجہ سے معطل رہی۔ کمپنی نے گزشتہ سال کی دستیاب انونٹری سے پہلی سہ ماہی 2020 کے دوران 14 ہزار ٹن یورپا (66K tons: 2019) فروخت کیا۔

زیر جائزہ سہ ماہی کے دوران، فاسفیٹس کا استعمال گزشتہ سال 110 ہزار ٹن کے مقابلے میں P2O5 نیوٹریٹنس کے 124 ہزار ٹن تک 13% زیادہ ہوا۔ فاسفیٹ مصنوعات کی پیداوار ملک میں صرف ڈی اے پی پلانٹ کو گیس کی قلت کی وجہ سے 15% (93K ton Nutrients in 2020 vs 15%)



## ڈائریکٹرز رپورٹ

(2019 Nutrients 109K ton کم ہوئی۔)

کھپنی نے، ایس ایس پی کے اہم مینیجنگ پرفورمنس کے ناطے، پہلی سہ ماہی 2020 میں 13 ہزار ٹن ایس ایس پی (16 ہزار ٹن: 2019) پیدا کی اور سہ ماہی کے دوران 7 ہزار ٹن (7 ہزار ٹن: 2019) فروخت کی ہے۔

### مستقبل کا نقطہ نظر

یورپ یا پلانٹ کے مستقبل کے امکانات گیس کی مستقل دستیابی کی توقع اس حقیقت پر مبنی ہے کہ حکومت پاکستان ملک میں دو LNG ٹرمینلز چلا رہی ہے جس کی مشترکہ گنجائش 1200 mmscfd ہے۔ اگرچہ ایک ٹرمینل کے لئے RLNG کی سپلائی کا معاہدہ بڑے بڑے LNG ٹرمینلز اور سپاٹ کارگو پر چیز کے سالانہ تقریباً 3.75 بلین ٹن ایل این جی درآمد کرنا ہے۔ دوسرے ٹرمینل کے لئے سپلائی کا معاہدہ بڑے بڑے LNG ٹرمینلز اور سپاٹ کارگو پر چیز کے ساتھ مختصر مدتی سپلائی کنٹریکٹس کے ذریعے کیا گیا ہے۔ ایل این جی کی درآمد کو ملک میں دونوں ٹرمینلز پر زیادہ سے زیادہ لوڈ کرنے کی پوری 1200 ایم ایم سی ایف ڈی پر ہموار کیا گیا ہے۔ ایس این جی پنی ایل کو دونوں ٹرمینلز سے متبادل انتظام کے تحت ایل این جی کی درآمد کا مکمل بہاؤ مل رہا ہے۔ اس سے ایس این جی پنی ایل سٹم میں گیس کے بہاؤ میں مزید بہتری آئی ہے اور ایس این جی پنی ایل نیٹ ورک پر فریڈیا نازر پلانٹوں کے لئے گیس کی مطلوبہ مقدار دستیاب کر دی گئی ہے۔

پاکستان ایک زرعی معیشت ہے جو جی ڈی پی میں 20 فیصد حصہ شامل، لیبر فورس میں 42 فیصد کو ملازمت اور ملک کی 66 فیصد آبادی کو ضروریات زندگی فراہم کرتی ہے۔ فوڈ سیکورٹی 200 بلین سے زیادہ آبادی کو خوراک کھلانے کا سب سے اہم پہلو ہے۔ کھاد، خاص طور پر یوریا فصلوں کی کاشت اور پیداوار میں اہم کردار ادا کرتی ہے۔ 2001 میں جاری کی گئی آخری فریڈیا نازر پالیسی کے بعد سے ملک میں یوریا کی طلب 2.5 فیصد کے CAGR سے بڑھ رہی ہے اور پیداوار کی شرح نمونہ 2.2 فیصد کی CAGR پر برقرار ہے۔ ملک میں یوریا کی نصب شدہ صلاحیت ~ 6.8 بلین ٹن ہے جو کہ دنیا کا ساتواں بڑا ملک ہے جو کہی سالوں سے ملک کی بڑھتی ہوئی طلب کو پورا کر سکتا ہے۔

ماضی میں گیس کی فراہمی کے امور نے طلب کے مطابق یوریا کی پیداوار کو متاثر کیا ہے، جس سے ملک میں مطلوبہ صلاحیت موجود ہونے کے باوجود حکومت کو مہنگا یوریا کی درآمد پر انحصار کرنے پر مجبور کرنا پڑتا ہے۔ درآمدات قیمتی فارمن آپیکس کے جی او پی کے ساتھ ساتھ درآمد شدہ یوریا پر زیادہ سبسڈی کا سبب بنی ہیں۔ زیر غور مدت کے لئے موسم سرما میں لوڈ منیجمنٹ نے کھپنی کے یوریا پلانٹ اور گیس کی عدم فراہمی کی وجہ سے پلانٹ کو گیس کی فراہمی کو متاثر کیا۔ تاہم، پچھلے سال مضبوط یوریا کی طلب کا نمونہ دیکھا گیا ہے جو 2020 تک جاری رہنے کا امکان ہے اس لئے ایس این جی پنی ایل نیٹ ورک پر بند یوریا پلانٹس کی تیاری کی ضرورت ہوگی جس میں کھپنی کا یوریا پلانٹ بھی شامل ہے اور گیس کی فراہمی موسم سرما میں بوجھ کم ہونے کے بعد بحال ہونے کی امید ہے۔

یوریا کی کھپت کے لئے مضبوط بنیادی اصول اور طلب ڈائریٹر ٹول عرصے سے موجود ہیں جس کے تحت ملک کی غذائی تنوع کو یقینی بنانا اور تمام اہم فصلوں کی پیداوار میں اضافہ کرنا ہے۔ ایس این جی پنی ایل میں ایگری ٹیک اور دیگر کھاد پلانٹ کی دستیاب گنجائش سے استفادہ کرنے سے پیداواری قیمتیں زرمبادلہ کی چھت اور غیر متعلقہ یوریا کی درآمد کو تبدیل کرنے کے علاوہ جمانہ قلت کو پورا کرنے کے لئے اہم ثابت ہوگا۔

### سرمایہ کی تنظیم نو:

گزشتہ چند سالوں کے دوران کھپنی 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

## ڈائریکٹرز رپورٹ

سبب بھی ہے۔ اس کے علاوہ چند ٹیکوں اور مالی اداروں نے کمپنی 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 ترجیحی حصص میں تبدیل کرنا ہے۔ اس منصوبے کا ایک اور مقصد کمپنی 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 پائلٹس کے گرد اراضی کی قیمت میں اضافے کا امکان ہے۔ خاص طور پر سی پیک منصوبے کے سیکشن ہا کا۔ داؤد جیل۔ ڈی آئی خان میں کمپنی کی شرکت، بذریعہ اراضی کی فراہمی، بہت اہم ہے، سی پیک کی تکمیل کے بعد کمپنی 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 کمپنی 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۔

سرماہ کی تنظیم نو کا یہ منصوبہ کمپنیز آرڈیننس 1984 کے سیکشن 288-284 کے تحت اسکیم کے نفاذ کے لئے جون 2016 میں لاہور ہائیکورٹ میں پیشینہ کے ذریعے دائر کیا گیا۔ لاہور ہائی کورٹ میں سماعت جاری ہے اور کمپنی کو یقین ہے کہ تنظیم نو کے منصوبے کے لئے عدالت سے فیصلہ اس کے حق میں ہوگا اور کمپنی کی مالی حالت کو بہتر بنانے کے منصوبے پر عمل درآمد کرنے کا عہد کرتی ہے۔

اعلیٰ بادشاہ

بورڈ کمپنی 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 باہم مفید تعلق داری کا شکریہ ادا کرتا ہے۔

بورڈ کمپنی 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 فیصل مزیل  
چیف ایگزیکٹو آفیسر

# Condensed Interim Statement of Financial Position

As at 31<sup>st</sup> March 2020

		(Un-audited) 31 March 2020	(Audited) 31 December 2019
	Note	Rupees	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		(19,206,480,580)	(17,943,049,039)
Surplus on revaluation of property, plant and equipment - net of tax		<u>24,687,885,408</u>	<u>24,745,841,418</u>
		<b>9,414,704,828</b>	<b>10,736,092,379</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		<b>2,120,647,836</b>	<b>2,241,502,508</b>
<i>Defered Liabilities</i>			
- staff retirement benefits		20,811,576	17,569,221
- deferred taxation-net		<u>9,067,786,814</u>	<u>9,159,652,570</u>
		<b>12,802,588,916</b>	<b>13,012,066,989</b>
<b>Current liabilities</b>			
Current maturity of non-current liabilities		19,303,310,516	19,304,061,923
Short term borrowings -secured	8	3,625,993,140	3,626,035,840
Trade and other payables		1,826,164,206	1,816,409,524
Interest/mark-up accrued on borrowings		20,111,605,311	19,260,897,262
Preference dividend payable		<u>1,424,051,681</u>	<u>1,380,354,802</u>
		<b>46,291,124,854</b>	<b>45,387,759,351</b>
<b>Cotingsencies and commitments</b>	9	<u><b>68,508,418,598</b></u>	<u><b>69,135,918,719</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	59,662,712,416	60,043,380,678
Intangible asset		2,567,310,828	2,567,310,828
Long term loans and advances - considered good		12,811,042	14,289,695
Long term deposits - unsecured, considered good		<u>60,501,418</u>	<u>44,986,934</u>
		<b>62,303,335,704</b>	<b>62,669,968,135</b>
<b>Current assets</b>			
Stores, spares and loose tools		2,098,813,211	2,098,888,058
Stock-in-trade		637,464,975	787,565,071
Trade debts		1,298,407	-
Advances, deposits, prepayments and other receivables		2,970,382,724	2,872,621,399
Tax refunds due from Government - net		179,320,414	144,377,100
Cash and bank balances	11	<u>317,803,163</u>	<u>562,498,956</u>
		<b>6,205,082,894</b>	<b>6,465,950,584</b>
		<u><b>68,508,418,598</b></u>	<u><b>69,135,918,719</b></u>

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

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

For the three months ended 31 March 2020

	Three month	
	31 March 2020	31 March 2019
	Rupees	Rupees
Sales - net	601,574,696	2,354,105,209
Cost of sales	(973,717,061)	(2,186,653,274)
<b>Gross Profit/(loss)</b>	<b>(372,142,365)</b>	167,451,935
Selling and distribution expenses	(23,177,101)	(102,287,936)
Administrative and general expenses	(69,441,186)	(54,855,564)
Other operating expenses	4,045,324	4,676,440
Other income	8,171,498	6,858,828
<b>Operating Profit/(loss)</b>	<b>(452,543,830)</b>	21,843,703
Finance cost	(951,454,920)	(805,332,996)
<b>Loss before taxation</b>	<b>(1,403,998,750)</b>	(783,489,293)
Taxation	82,611,205	(109,175,536)
<b>Loss after taxation</b>	<b>(1,321,387,545)</b>	(892,664,829)
<b>Loss per share - basic and diluted</b>	<b>(3.37)</b>	(2.27)

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



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

For the three months ended 31 March 2020

	Three month	
	31 March 2020 Rupees	31 March 2019 Rupees
<b>Loss after taxation</b>	<b>(1,321,387,545)</b>	<b>(892,664,829)</b>
<b><u>Other comprehensive income:</u></b>		
Item that will not be reclassified to profit and loss account		
Remeasurement of defined benefit liability	-	-
Related Tax	-	-
	-	-
<b>Total comprehensive loss for the period</b>	<b><u>(1,321,387,545)</u></b>	<b><u>(892,664,829)</u></b>

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

Chief Executive Officer

Chief Financial Officer

Director

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

For the three months ended 31 March 2020

	Note	31 March 2020 Rupees	31 March 2019 Rupees
<b><u>Cash flows from operating activities</u></b>			
Cash used in operations	13	(94,495,746)	(15,139,510)
Interest income received		7,608,349	5,500,256
Income tax paid		(58,033,544)	(15,188,978)
Staff Retirement Benefits paid		-	(845,656)
<b>Net cash used in operating activities</b>		<b>(144,920,941)</b>	<b>(25,673,888)</b>
<b><u>Cash flow from investing activities</u></b>			
Capital expenditure incurred		(27,894,923)	(6,274,738)
Long Term Loans and advances received		1,478,653	483,785
Long term Deposit net		(15,514,484)	(39,213)
Proceeds from disposal of property, plant and equipment		-	(977,799)
<b>Net cash generated from / (used in) investing activities</b>		<b>(41,930,754)</b>	<b>(6,807,965)</b>
<b><u>Cash flow from financing activities</u></b>			
Increase / (decrease) in long term finances		(751,407)	(703,217)
Redemption of redeemable capital		-	-
Net increase in short term borrowings		(14,523)	-
Finance cost paid		(57,049,992)	(5,946,852)
<b>Net cash generated from financing activities</b>		<b>(57,815,922)</b>	<b>(6,650,069)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(244,667,617)</b>	<b>(39,131,922)</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>(2,134,556,291)</b>	<b>(2,369,813,982)</b>
<b>Cash and cash equivalents at the end of period</b>	15	<b>(2,379,223,908)</b>	<b>(2,408,945,904)</b>

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



Chief Executive Officer



Chief Financial Officer



Director



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

## For the three months ended 31 March 2020

	Share Capital		Capital Reserve		Reserves		Total equity Rupees
	Ordinary Shares Rupees		Surplus on revaluation property, plant and equipment - net of tax Rupees	Revenue reserve Rupees	Accumulated Losses Rupees		
<b>As at 01 January, 2019</b>	3,924,300,000		8,694,728,272	9,000,000	(17,516,570,091)		(4,888,541,819)
Total comprehensive loss for the Quarter ended 31 March 2019					(892,664,829)		
Surplus transferred to accumulated losses on account of:							
disposal of freehold land							
disposal of buildings and plant and machinery - net of deferred tax			-				
- Incremental depreciation on property, plant and equipment - net of deferred tax			(57,956,009)		57,956,009		
- Effect of change in tax rate on account of surplus on revaluation of property, plant and equipment			-				
<b>As at March 31, 2019</b>	3,924,300,000		8,636,772,263	9,000,000	(18,351,278,911)		(5,781,206,648)
<b>As at 01 January 2020</b>	3,924,300,000		24,745,841,418	9,000,000	(17,943,049,043)		10,736,092,375
Total comprehensive loss for the Quarter ended 31 March 2020					(1,321,387,546)		(1,321,387,546)
Surplus transferred to accumulated losses on account of:							
disposal of buildings and plant and machinery - net of deferred tax							
- Incremental depreciation on property, plant and equipment - net of deferred tax			(57,956,009)		57,956,009		
HPFL Adjustment							
<b>As at March 31, 2020</b>	3,924,300,000		24,687,885,409	9,000,000	(19,206,480,580)		9,414,704,829
			(0)		(0)		(0)

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

Chief Executive Officer

Chief Financial Officer

Director

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

## For the three months ended 31 March 2020

### 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) and was a wholly owned subsidiary of National Fertilizer Corporation of Pakistan (Private) Limited ("NFC"), a Government owned Corporation, until 15 July 2006. Subsequently, 100% shares of the Company were acquired by Azgard Nine Limited ("ANL") as part of privatization process of the Government of Pakistan as stipulated in the Share Purchase Agreement dated 15 July 2006. On 31 October 2012, ANL sold its major shareholding in the Company to a consortium of banks and financial institutions. The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at 2nd Floor Asia Center, 8 – Babar Block, Main Boulevard, New Garden Town, Lahore. The principal business of the Company is the production and sale of Urea and Granulated Single Super Phosphate ("GSSP") fertilizer. The Company has two production units with 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

These condensed interim financial information comprises the condensed interim balance sheet of Agritech Limited ("the Company"), as at 31 March 2020 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 2019.

Comparative condensed interim statement of financial position's numbers are extracted from the annual audited financial statements of the Company for the year ended 31 December 2019, 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 2019.

These 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 2019.



## Notes to the Condensed Interim Financial Information (Un-audited) For the three months ended 31 March 2020

### 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 2019.

		<b>31 March 2020</b>	31 December 2019
	<b>Note</b>	<b>Un-audited</b>	<b>Audited</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>4 Issued, subscribed and paid up ordinary share capital</b>			
Class A ordinary shares of Rs. 10 each 383,430,000 (December 2019: 383,430,000) Shares issued fully paid in cash	4.1	<b>3,834,300,000</b>	3,834,300,000
Ordinary shares of Rs. 10 each 9,000,000 (December 2019: 9,000,000) Shares issued for consideration as Machinery		<b>90,000,000</b>	90,000,000
		<b><u>3,924,300,000</u></b>	<b><u>3,924,300,000</u></b>

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

	<b>31 March 2020</b>	31 December 2019	<b>31 March 2020</b>	31 December 2019
	<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
Standard Chartered Bank	<b>5.70%</b>	5.70%	<b>22,373,615</b>	22,373,615

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

For the three quarter ended 31 March 2020

	<b>31 March 2020</b>	31 December 2019
	<b>Un-audited</b>	Audited
	Rupees	Rupees
<b>5 Redeemable Capital - Secured</b>		
<b><u>Under interest/markup arrangement</u></b>		
Term Finance Certificates - I	<b>1,498,602,000</b>	1,498,602,000
Term Finance Certificates - II	<b>6,894,286,800</b>	6,894,286,800
Term Finance Certificates - III	<b>495,460,750</b>	495,460,750
Privately Placed Term Finance Certificates - IV	<b>548,825,000</b>	548,825,000
Privately Placed Term Finance Certificates - V	<b>618,685,000</b>	618,685,000
Privately Placed Term Finance Certificates - Vi	<b>509,874,996</b>	509,874,996
Sukkuks	<b>1,599,800,000</b>	1,599,800,000
	<b>12,165,534,546</b>	12,165,534,546
Transaction costs	-	-
	<b>12,165,534,546</b>	12,165,534,546
Current maturity presented under current liabilities	<b>(12,165,534,546)</b>	(12,165,534,546)
	-	-
<b>5.1 Types of redeemable capital</b>		
Interest / mark-up based financing	<b>10,565,734,546</b>	10,565,734,546
Islamic mode of financing	<b>1,599,800,000</b>	1,599,800,000
	<b>12,165,534,546</b>	12,165,534,546
<b>5.2</b> For overdue principal and markup, refer to note 16 to the financial statements.		

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

For the three months ended 31 March 2020

	Note	31 March 2020	31 December 2019
		Un-audited Rupees	Audited Rupees
<b>6 Long term finances</b>			
Syndicate Term Finance - I		3,000,000,000	3,000,000,000
Syndicate Term Finance - II		472,037,000	472,037,000
Syndicate Term Finance - III		2,862,845,329	2,862,845,329
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 - Diminishing Musharika		5,809,906	6,561,313
		<b>7,137,775,970</b>	<b>7,138,527,377</b>
Transaction Cost		-	-
		<b>7,137,775,970</b>	<b>7,138,527,377</b>
Current maturity presented under current liabilities		<b>(7,137,775,970)</b>	<b>(7,138,527,377)</b>
		<b>(0)</b>	<b>(0)</b>
		<b>(0)</b>	<b>1</b>
<b>6.1 Types of long term finances - secured</b>			
Interest / mark-up based financing		6,766,966,064	6,766,966,064
Islamic mode of financing		370,809,906	371,561,313
		<b>7,137,775,970</b>	<b>7,138,527,377</b>
<b>7 Convertible, redeemable preference shares</b>			
Preference shares of Rs. 10 each			
159,334,269 (31 December 2019: 159,334,269)			
Shares issued fully paid in cash	7.1	<b>1,593,342,690</b>	1,593,342,690
		<b>1,593,342,690</b>	<b>1,593,342,690</b>

**7.1** This represents local currency, listed, non-voting, redeemable, convertible and cumulative preference share issued at the rate of Rs. 10 per share under the agreement between the Company and various investors entered on 13 February 2012 ("Completion date") effective from 01 August 2011.

The Company shall have the option to redeem the preference shares plus any accumulated unpaid dividends in full or in part, within ninety days after the expiry of each anniversary of the Completion date by giving at least thirty days notice.

Each Investor will also have the right to convert the preference shares into ordinary shares of the Company. The conversion price is the average price of the ordinary share quoted in the daily quotation of Pakistan Stock Exchange during the 360 working days prior to the relevant conversion date; adjusted for any corporate action / announcement of the Company, including but not limited to rights issue, cash dividend to ordinary shareholders, bonus shares, stock split, etc., during the last 360 working days prior to the conversion date. The investors shall be entitled to convert up to 100% of their preference shares at the conversion ratio as defined in letters of rights by giving a thirty days notice to the Company prior to any conversion date. For the purpose of this right, a conversion date shall be the last business day of each financial quarter commencing from the fifth anniversary of the Completion date.

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

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

### For the three months ended 31 March 2020

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

	<b>31 March 2020</b>	31 December 2019
	<b>Un-audited</b>	Audited
	<b>Rupees</b>	Rupees
Faysal Bank Limited	<b>31,035,594</b>	31,035,594
National Bank of Pakistan	<b>3,458,756</b>	3,458,756
	<b><u>34,494,350</u></b>	<u>34,494,350</u>

#### 8 Short term borrowings - secured

Interest / mark-up based loans - secured	<b>2,925,425,894</b>	2,925,468,592
Islamic mode of financing - secured	<b>700,567,247</b>	700,567,247
	<b><u>3,625,993,141</u></b>	<u>3,626,035,839</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 2018.

#### 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 2019.

9.1.1 A contractor's claim amounting to Rs. 839.51 million (2019: Rs. 839.51 million) against the Company has not been acknowledged as debt since the Company also has a counter claim amounting to Rs. 2,556.02 million (2018: Rs. 2,556.02 million) against the contractor. The claim is under settlement with arbitrator.

9.1.2 The National Accountability Bureau (NAB) has authorized an inquiry against the Directors / Owners of the Company. On 12 September 2019, the NAB has approved this case for closure vide its letter number 1(9)/HQ/1913/C.O-K/IW-III/01/NAB-L.

9.1.3 A civil suit has been filed by Soneri Bank against the Company for recovery of Rs. 738.45 million under the provision of the financial institution (Recovery of Finance) Ordinance (XVII OF 2001) before the Lahore High Court. Application for leave to appear and Defend the above mentioned suit under the provisions of Financial Institution (recovery of finance), Ordinance 2001 has been filed in the Lahore High Court by the Company.

##### 9.2 Commitments

9.2.1 Commitments under irrevocable letters of credit for:

	<b>31 March 2020</b>	31 December 2019
	<b>Un-audited</b>	Audited
	<b>Rupees</b>	Rupees
- purchase of plant and machinery	<b>4,283,984</b>	12,167,670
- purchase of raw material	<b>-</b>	-
	<b><u>4,283,984</u></b>	<u>12,167,670</u>

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

### For the three months ended 31 March 2020

9.2.2 The amount of future ijarah rentals and the period in which these payments will become due are as follows:

		<b>31 March 2020</b>	31 December 2019
	<b>Note</b>	<b>Un-audited</b>	Audited
		Rupees	Rupees
Not Later than one year		299,486	6,561,313
Later than one year but not later than five year		-	
		<u>299,486</u>	<u>6,561,313</u>

#### 10 Property, plant and equipment

Operating fixed assets	10.1	59,598,740,791	59,996,710,028
Capital work in progress		63,971,625	46,670,649
		<u>59,662,712,415</u>	<u>60,043,380,677</u>

#### 10.1 Operating fixed assets

Net book value at end of the period		59,996,710,028	38,555,913,141
Add: Additions during the period	10.1.1	10,824,864	37,440,539,156
Less: Disposals during the period - net book value		-	1,175,199
Depreciation for the period		408,794,101	15,998,567,070
		408,794,101	15,999,742,269
<b>Net book value at end of the period</b>		<u>59,598,740,791</u>	<u>59,996,710,028</u>

#### 10.1.1 Additions - cost

##### Owned assets

Freehold Land	-	-
Buildings on freehold land	-	-
Plant and machinery	-	6,175,000
Furniture, fixtures and office equipment	4,509,994	2,958,643
Vehicles and rail transport	-	944,000
Vehicles and rail transport	-	-
Electrical and other installations	6,314,870	-
	<u>10,824,864</u>	<u>15,528,218</u>

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

## For the three months ended 31 March 2020

	Note	31 March 2020	31 December 2019
		Un-audited Rupees	Audited Rupees
<b>11 Cash and bank balances</b>			
Cash in hand		893,651	497,389
Cash at banks			
- current accounts		137,480,108	480,884,534
- savings accounts	11.1	179,429,403	81,117,033
		316,909,512	562,001,567
		317,803,163	562,498,956

11.1 Rate of return on saving accounts ranges from 6.00% to 11.50% per annum (31 December 2019: 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:

	(Un-audited) January to 31 March 2019 Rupees	(Un-audited) January to 31 March 2019 Rupees
<b>12.1 Transactions with related parties</b>		
<b>12.1.1 Associated Undertakings</b>		
<b>Shareholding and common directorship</b>		
<b>National Bank of Pakistan</b>		
Markup expense	114,489,848	90,704,812
Preference dividend	948,552	938,128
Markup paid	-	-
Fee paid	-	-
Bank Balances - net	3,003,032	2,391,508
Short term borrowings - net		
<b>12.1.2 Other related parties</b>		
<b>Faysal Bank Limited</b>		
Mark up Expense	71,621,016	54,331,363
Preference dividend	8,511,405	8,417,873
Trustee Fee	-	-
Trustee Fee paid	-	-
Bank Balances - net	1,034	1,312
Short term borrowings - net	-	-

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

For the three months ended 31 March 2020

	(Un-audited) January to 31 March 2019 Rupees	(Un-audited) January to 31 March 2019 Rupees
<b>Standard Chartered Bank (Pakistan) Limited</b>		
Mark-up expense	53,334,503	43,896,954
Markup paid	-	-
Loan paid	-	-
Short term borrowings	-	-
Bills payable	-	-
Bank balances - net	<b>(5,976,578)</b>	-
<b>Silk Bank limited</b>		
Mark-up expense	25,220,730	19,145,053
Markup paid	-	-
Short term borrowings - net	-	-
Bank balances - net	-	-
Bills payable	-	-
<b>Summit Bank Limited</b>		
Mark-up expense	41,609,444	32,589,755
Markup paid	-	2,976,137
Short term borrowings - net	357,280	(20,436,516)
Bills payable	-	-
Bank Balances - net	<b>12,663,412</b>	11,563
<b>12.1.3 Post employment benefit plans</b>		
Contribution to employees provident fund	5,083,542	4,501,267
Contribution to employees gratuity fund	3,242,356	2,161,866
<b>12.1.4 Key management personnel</b>		
Short term employee benefits	4,800,000	4,500,000
Post employment benefits	282,030	262,395

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

For the three months ended 31 March 2020

	(Un-audited) 31 March 2020 Un-audited Rupees	(Audited) 31 December 2019 Audited 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 loans	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	3,232,233,832	3,117,743,983
Preference dividend payable	183,320,263	182,371,711
Advisory fee	738,600,000	738,600,000
Advance for transaction Cost	23,200,000	23,200,000
<b>12.2.2 Other related parties</b>		
<b>Faysal Bank</b>		
Redeemable capital	1,499,109,500	1,499,109,500
Long term Finance	350,000,000	350,000,000
Convertible, redeemable Preference shares	310,355,940	310,355,940
Mark up payable	1,803,317,296	1,731,696,280
Preference dividend payable	277,415,696	268,904,290
Bank account Balances	168,551	167,517
Trustee fee	-	5,688,582
<b>Standard Chartered Bank (Pakistan) Limited</b>		
Redeemable capital	146,995,500	146,995,500
Long term finances	1,352,860,982	1,352,860,982
Short term borrowings	299,997,050	299,997,050
Mark-up payable	1,489,866,379	1,430,815,146
Bills Payable	-	-
Bank account Balances	-	-
<b>Silk Bank Limited</b>		
Long term finances	130,607,546	130,607,546
Short term borrowings	551,205,967	551,442,066
Bills payable	-	-
Mark up payable	247,523,303	222,302,573
<b>Summit Bank Limited</b>		
Redeemable capital	603,406,000	603,406,000
Short term borrowings	647,028,282	646,671,002
Bills payable	-	-
Mark up payable	486,762,632	445,153,188
Bank account Balances	93,341,739	80,678,328



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

For the three months ended 31 March 2020

	(Un-audited) 31 March 2020 Un-audited Rupees	(Audited) 31 December 2019 Audited Rupees
<b>12.2.3 Post employment benefit plans</b>		
(Receivable) / payable to Provident Fund Trust	-	0
Payable to gratuity Trust	20,811,576	17,569,221
<b>13 Cash flow from operating activities</b>		
<b>Profit &amp; (Loss) before tax</b>	<b>(1,403,998,751)</b>	<b>(783,489,293)</b>
<b>Adjustment for non-cash items:</b>		
Interest / markup expense	895,366,267	694,409,350
Amortization of transaction costs	-	-
Depreciation on property, plant and equipment	408,563,183	263,947,775
Amortization of computer software	-	-
Provision for staff retirement benefit	3,242,356	2,161,866
Mark-up / Interest Income	(7,608,349)	(5,500,256)
Provision against doubtful receivable	-	-
Loss on sale of property, plant and equipment	-	977,799
<b>Operating profit before changes in working capital</b>	<b>(104,435,294)</b>	<b>172,507,241</b>
<b>Changes in working capital</b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	74,846	(15,629,871)
Stock in trade	150,100,096	(284,948,539)
Trade receivables	(1,298,407)	33,253,139
Advances, deposits, prepayments and other receivables	(97,761,338)	(126,145,267)
	51,115,197	(393,470,538)
Increase / (decrease) in current liabilities		
Trade and other payables	(97,264,304)	205,823,787
Cash used in operations	<b>(150,584,401)</b>	<b>(15,139,510)</b>

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

## For the three months ended 31 March 2020

### 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 2020	31 March 2019	31 March 2019	31 March 2019	31 March 2020	31 March 2019
External revenues	469	2,219	133	135	602	2,354
Inter-segment revenue						
Reportable segment Profit/(Loss)	(1,406)	(803)	2	20	(1,404)	(783)
Reportable segment Profit/(Loss) before tax						
	Urea fertilizers segment		Phosphate fertilizer segment		Total	
	31 March 2020	31 December 2019	31 March 2019	31 December 2019	31 March 2020	31 December 2019
As at	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
Reportable segment assets	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'	Rupees 'mln'
	63,814	64,610	5,882	4,740	69,696	69,350
Reportable segment liabilities	59,749	59,223	533	560	60,281	59,783

## Notes to the Condensed Interim Financial Information (Un-audited) For the three months ended 31 March 2020

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

	<b>(Un-audited)</b> <b>31 March</b>	<b>(Un-audited)</b> <b>31 March</b>
	<b>Rupees</b>	<b>Rupees</b>
For the nine months ended		
Total loss for reportable segments before taxation	<b>(1,403,998,751)</b>	(783,489,293)
Taxation	<b>82,611,205</b>	(109,175,536)
Loss after taxation	<b><u>(1,321,387,546)</u></b>	<b><u>(892,664,829)</u></b>

### 15 Cash and cash equivalents

Short term borrowings - running finance - secured	<b>(2,697,027,073)</b>	(2,676,538,679)
Cash and bank balances	<b>317,803,163</b>	267,592,776
	<b><u>(2,379,223,910)</u></b>	<b><u>(2,408,945,903)</u></b>

### 16 Overdue financial liabilities

Due to the facts disclosed in note 2.4, 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 2020 are as follows:

<b>Nature of Liability</b>	<b>Principal</b> <b>Rupees</b>	<b>Interest / mark up</b> <b>Rupees</b>	<b>Total</b> <b>Rupees</b>
Redeemable capital	12,123,044,963	10,051,551,598	22,174,596,561
Long term finances	7,131,966,064	7,111,575,622	14,243,541,686
Short term borrowings	2,180,675,030	1,433,497,867	3,614,172,897
	<b><u>21,435,686,057</u></b>	<b><u>18,596,625,087</u></b>	<b><u>40,032,311,144</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 2019.

### 19 Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on 6th January, 2021.

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

## For the three months ended 31 March 2020

### 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 March) 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.

The novel coronavirus (COVID-19) emerged on March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19 which was lifted subsequently in June 2020.

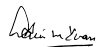
The accounting implications of such developments on these financial statements has been assessed. However, there is no significant impact on these financial statements as agriculture sector is not adversely affected by outbreak of COVID 19.



Chief Executive Officer



Chief Financial Officer



Director



AGRITECH LIMITED

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