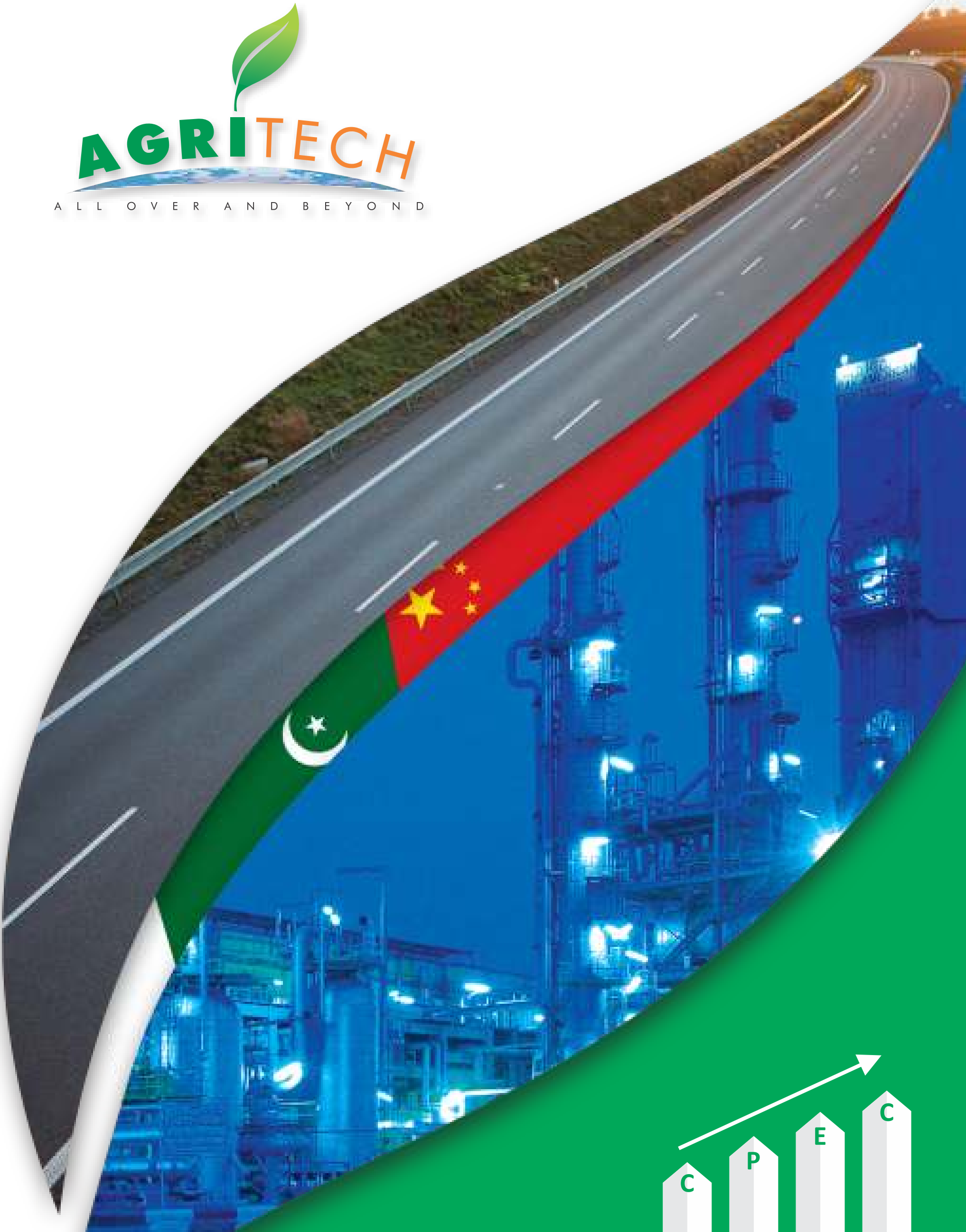
AGRITECH

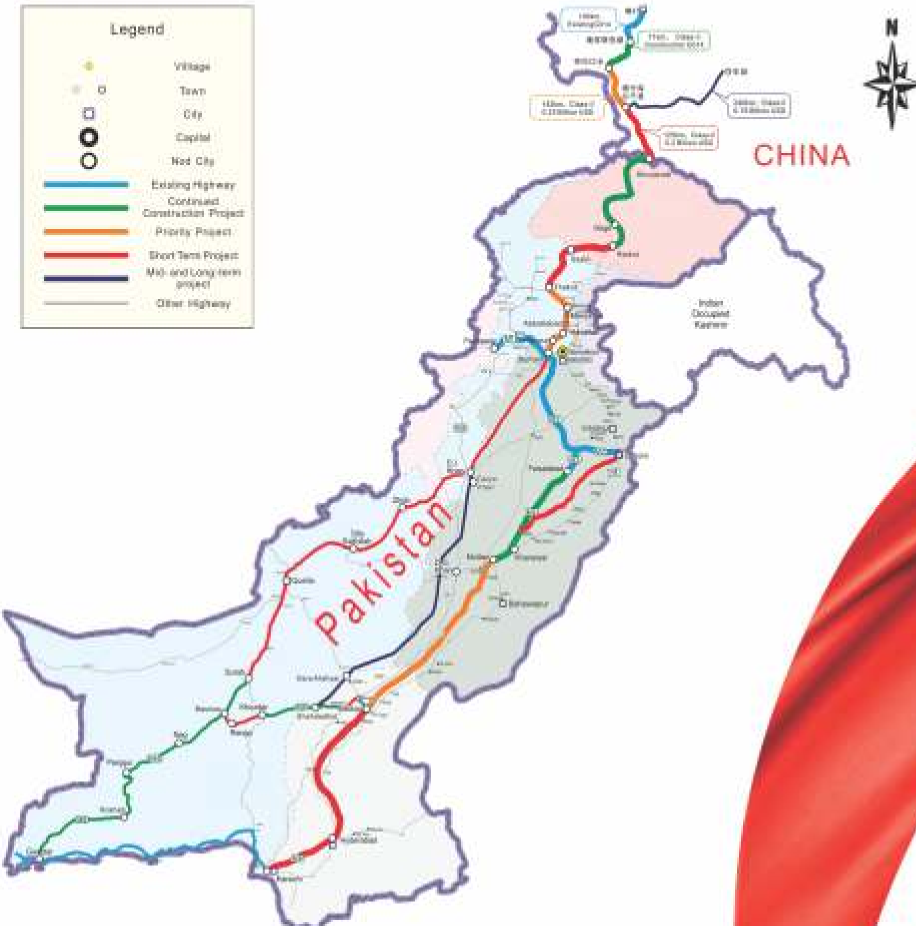
ALL OVER AND BEYOND



C P E C

ROAD TO GROWTH

Interim Financial Report for the quarter ended March 31, 2017 (Un-audited)



Road to Success & Growth

The Country is going through an exciting time when massive Infrastructure Development programs are being undertaken by the Government of Pakistan. In the vicinity of Agritech Urea Plant; four major such projects are being developed i.e. CPEC (Hakla-Daudkhel-DI Khan Section); New Daudkhel-Jand-Pindi Road; New Mianwali-Daudkhel Road and Indus Waterway Transportation Network. Agritech is proud contributor to these projects particularly to CPEC by offering a total 444 kanals of its prime land for the projects. Agritech Technical Team at Plant is also facilitating the CPEC Project Team by providing additional 50 kanals of land for the camp office and concrete plant for fast pace implementation of the project. This is historical time for Pakistan and completion of CPEC will bring the country on world stage linking it with global trade routes. Agritech is a proud contributor to this history making project.

New Daudkhel-Jand-Pindi road reduces travel time between Daudkhel to Islamabad by atleast 2 hours and Improves the link between southern Punjab with Northern Punjab and KPK. Indus Waterway Transportation, using Indus River, will open a new concept of transportation of goods and people through the Mighty Indus. These infrastructure projects will transform Daudkhel into one of the potential hub for industrial and commercial activities. Agritech land, Having all necessary utility infrastructure in place, augments such potential industrial activities in the area with the completion of these projects.

"China-Pak Economic Corridor projects span across the provinces and areas of Pakistan and the two sides have also made it clear that they will include the Central and Western lines of the Corridor in the long and midterm plans, and I believe this will help the comprehensive balance and steady growth of the corridor building."

President of the People's Republic of China.

"China-Pak Economic Corridor will equally benefit all provinces and areas of Pakistan, and transform our country into regional hub and pivot for commerce and investment."

Prime Minister of Islamic Republic of Pakistan

Contents

Company Information

BOARD OF DIRECTORS

Mr. Wajahat A. Baqai
Chairman

Mr. Muhammad Faisal Muzammil
Chief Executive Officer

Mr. Talha Saeed

Mr. Bilal Asghar

Mr. Asim Murtaza Khan

Mr. Rehmat Ali Hasnie

Mr. Ahsan Raza Durrani

Ms. Saira Ahmed

COMPANY SECRETARY & CFO

Syed Taneem Haider

AUDIT COMMITTEE

Mr. Asim Murtaza Khan
Chairman

Mr. Ahsan Raza Durrani

Mr. Bilal Asghar

Mr. Talha Saeed

HR & REMUNERATION COMMITTEE

Mr. Rehmat Ali Hasnie
Chairman

Mr. Bilal Asghar

Mr. Muhammad Faisal Muzammil

LEGAL ADVISOR

Mr. Barrister Babar S Imran

SHARES REGISTRAR

Hameed Majeed Associates (Private) Limited

AUDITORS

KPMG Taseer Hadi & Co.
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

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

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 616124-5

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, 2017.

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

Business Review

Principal Activities

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

Year in Review

Financial Results of Agritech Limited for the Quarter ending:

	Quarter ended March 31, 2017	Quarter ended March 31, 2016
Sales - Net	**123,522,849**	1,191,560,174
Operating Profit / (Loss)	**(508,203,662)**	(270,373,768)
Finance cost	**(499,655,965)**	(567,180,921)
Profit / (Loss) before Tax	**(1,007,859,627)**	(837,554,689)
Profit / (Loss) after Tax	**(928,505,932)**	(508,125,322)
Earning / (Loss) per share	**(2.48)**	(1.41)

The Company experienced higher winter gas curtailment during the 1st quarter of 2017 vs last year when the gas was restored in the month of February, 2016. Non-availability of gas during the quarter resulted in forced closure of the Urea plant. The main reason of the non-availability of gas has been very limited provision of gas from the northern sources due to SNGPL system constraints. However, the Company has closely worked with the GOP to restore the gas supply of its urea plant, and as a result gas supply was restored in the month of April 2017.

Overview of Fertilizer Industry

During the 1st quarter of 2017 the Production of Urea declined by 5% to 1.35 million tons over 1.42 million tons in 2016 owing to lower gas availability to the fertilizer sector versus same period last year. Urea offtakes during first quarter 2017 recorded at 870 K tons increasing by 13% vs 770 K tons in same period last year owing to better farms economics. The Company faced extended winter gas curtailment during the period under review. Gas supply to the plant was not restored during the 1st quarter, 2017 resulting in production of nil tons of urea against installed capacity of 118 K tons (31 K tons: 1 Q 2016). The Company sold 206 tons Urea from the last year carryover stocks (32 K tons: 1 Q 2016).

Continuity of subsidy on all phosphates products contributed to the offtakes increase of 32% on phosphates nutrient basis, particular increase of 35% seen in DAP offtakes. The Company, being a major SSP player, produced 14 k tons SSP in 2017 (12 K tons: 2016) and sold 5 K tons in 2017 (6 K tons: 2016).

Future Outlook

Likely continuity of subsidy on both urea and phosphates in coming season of Kharif will contribute positively to the farms economics which is likely to stabilize the fertilizer demand pattern in the country. Surplus Urea stock will still be available for the exports against the earlier approved GOP quota of 300 K tons.

Directors' Review

The Company's sustainable performance is dependent on the continuous gas supply from the domestic gas sources. Increase in LNG imports and likely additional indigenous gas from northern sources will likely to improve the overall gas availability in the SNGPL Network, benefitting the Company to ensure gas availability during balance of the year.

Capital Restructuring

Gas curtailment to the Company's Urea plant during the past five 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 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 promising 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 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

Lahore
Date : 28 April, 2017

Chief Executive Officer

ڈائریکٹرز رپورٹ

ایگری ٹیک لمیٹڈ کے بورڈ آف ڈائریکٹرز اور مینجمنٹ ٹیم، 31 مارچ 2017 کو ختم ہونے والی سہ ماہی کے غیر نظر ثانی شدہ مالیاتی حسابات کے ہمراہ اپنی سہ ماہی رپورٹ پیش کرتے ہوئے خوش ہیں۔

یہ مالیاتی گوشوارے، کارپوریٹ گورننس کے کوڈ کے مطابق چیف ایگزیکٹو 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 طراف سے منظوری شدہ ہیں۔

کاروباری جائزہ

پرنسپل سرگرمیاں

کمپنی کا بنیادی کاروبار کھاد کی پیداوار اور ترسیل ہے۔ کمپنی ملک میں موجود توانائی کے لحاظ سے دوسرا 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 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۔

سال کا جائزہ

موجودہ سہ ماہی کے لئے ایگری ٹیک لمیٹڈ کے مالیاتی نتائج:

	31 مارچ 2017	31 مارچ 2016
خالص فروخت	**123,522,849**	1,191,560,174
آپریٹنگ منافع / (نقصان)	**(508,203,662)**	(270,373,768)
مالیاتی لاگت	**(499,655,965)**	(567,180,921)
قبل از ٹیکس منافع / (نقصان)	**(1,007,859,627)**	(837,554,689)
بعد از ٹیکس منافع / (نقصان)	**(928,505,932)**	(508,125,322)
فی حصص آمدنی / (نقصان)	**(2.48)**	(1.41)

کمپنی نے گزشتہ سال کے مقابلے میں گیس کی تخفیف کا سامنا کیا ہے، جب فروری 2016 میں گیس بحال کر دی گئی تھی۔ سہ ماہی کے دوران گیس کی عدم دستیابی کے نتیجہ میں یوریا پلانٹ کو جبری بند کرنا پڑا۔ گیس کی عدم دستیابی کی بنیادی وجہ سوئی نادرن کے سسٹم کی رکاوٹوں کے باعث شمالی ذرائع سے گیس کی فراہمی تک محدود ہو جانا ہے۔ تاہم، کمپنی نے اپنے یوریا پلانٹ کو گیس کی سپلائی بحال کرنے کے لئے حکومت پاکستان سے مذاکرات کیے اور جس کے نتیجے میں اپریل 2017ء میں گیس بحال کر دی گئی ہے۔

کھاد کی صنعت کا مجموعی جائزہ:

2017 کی پہلی سہ ماہی کے دوران کھاد کے شعبہ کو کم گیس کی دستیابی کی بدولت یوریا کی پیداوار 5 فیصد کمی کے ساتھ 1.35 ملین ٹن رہی، جو کہ گزشتہ سال کی اسی مدت میں 1.42 ملین ٹن تھی۔ کسان کی بہتر مالی حالت کی وجہ سے، سال 2017 کی پہلی سہ ماہی میں یوریا کی فروخت 8 لاکھ 70 ہزار ٹن ریکارڈ کی گئی جو کہ گزشتہ سال کی نسبت 7 لاکھ 70 ہزار ٹن سے 13 فیصد اضافی ہیں۔ کمپنی کو زیر جائزہ مدت کے دوران موسم سرما میں گیس کی تخفیف کا سامنا کرنا پڑا۔ پہلی سہ ماہی 2017 کے دوران پلانٹ کو گیس کی فراہمی بحال نہیں کی گئی جس کے نتیجہ میں 1 لاکھ 18 ہزار ٹن نصب صلاحیت کے مقابلے میں صفر ٹن یوریا کی پیداوار ہوئی (31 ہزار ٹن : پہلی سہ ماہی 2016)۔ کمپنی نے گزشتہ سال کے محفوظ اسٹاک سے 206 ٹن یوریا فروخت کیا (32 ہزار ٹن : پہلی سہ ماہی 2016)۔

تمام فاسفیٹس مصنوعات پر سبسڈی کے تسلسل کی وجہ سے فاسفیٹ کی فروخت میں 32 فیصد اضافہ ہوا، فروخت میں سب سے زیادہ اضافہ 35 فیصد ڈی اے پی میں دیکھا گیا۔ کمپنی نے، ایس ایس پی کے اہم مینوفیکچر رہونے کے ناطے، 2017 میں 14 ہزار ٹن ایس ایس پی (12 ہزار ٹن: 2016) پیدا کی جبکہ 2017 میں 5 ہزار ٹن (6 ہزار ٹن: 2016)

ڈائریکٹرز رپورٹ

فروخت کی ہے۔

مستقبل کا نقطہ نظر

آنے والے خریف کے موسم میں یوریا اور فاسفیٹس دونوں پر سبسڈی کے امکان کا تسلسل زرعی معیشت میں مثبت کردار ادا کرے گا جس سے ملک میں کھاد کی طلب مستحکم ہونے کا امکان ہے۔حکومت کی طرف سے قبل ازیں منظور شدہ 3 لاکھ ٹن کے علاوہ بھی یوریا کا برآمدی اضافی اسٹاک موجود ہوگا۔

کمپنی کی پائیدار کارکردگی مقامی گیس ذرائع سے مسلسل گیس کی فراہمی پر منحصر ہے۔ایل این جی کی درآمد اور مقامی سطح پر گیس کے حصول میں اضافہ سے کمپنی کو مقامی گیس کی مستقل فراہمی میں مدد ملے گی۔

سرمایہ کی تنظیم نو:

گزشتہ پانچ سال کے دوران کمپنی 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 قرض کی تنظیم نو کے لئے قرض دہندہ کے تعاون سے ایک منصوبے کو مرتب کیا گیا ہے۔جس کا بنیادی مقصد 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 واجبات کی ادائیگی ممکن ہوگی۔حکومت کے بنیادی ڈھانچے کی ترقی کے منصوبے سے دونوں پلانٹس کے گرد اراضی کی قیمت میں اضافے کا امکان ہے۔خاص طور پر سی پیک منصوبے کے سیکشن ہاکلا-داؤدخیل-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 ٹریڈرز کے لئے تجارتی اور صنعتی سرگرمیوں میں اہم کردار ادا کرے گی۔

سرمایہ کی تنظیم نو کے اس پلان کو کمپنیز آرڈیننس 1984 کی دفعہ 288-284 کے تحت جون 2016 میں لاہور ہائی کورٹ میں ایک پٹیشن کے ذریعے دائر کیا گیا۔لاہور ہائی کورٹ میں سماعت جاری ہے اور کمپنی عدالت کے ذریعے فیصلہ اپنے حق میں حاصل کرنے کے لئے پراُمید ہے، جس سے کمپنی کی مالی پوزیشن میں بہتری آئے گی۔

اظہار تشکر

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۔

بورڈ آف ڈائریکٹرز کی جانب سے

چیف ایگزیکٹو

لاہور

تاریخ: 28 اپریل 2017ء

Condensed Interim Balance Sheet (Un-audited)

As at 31st March 2017

	Note	31 March 2017 Rupees	31 December 2016 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
Issued, subscribed and paid-up preference share capital	5	**1,593,342,690**	1,593,342,690
Reserves		**9,000,000**	9,000,000
Accumulated Losses		**(11,114,870,451)**	(10,200,286,153)
		(5,588,227,761)	(4,673,643,463)
Surplus on revaluation of fixed assets-net		**9,023,172,046**	9,080,310,370
Non-current liabilities			
Redeemable capital - Secured	7	**3,201,997,415**	3,997,844,489
Long term finances - Secured	8	**1,185,063,694**	1,183,232,758
Long term payables - Unsecured		**31,135,199**	31,135,199
Deferred Liabilities			
staff retirement benefits		**30,023,096**	28,698,815
deferred taxation-net		**3,479,631,159**	3,560,429,299
		7,927,850,563	8,801,340,560
Current liabilities			
Current maturity of non-current liabilities		**14,939,606,381**	14,138,278,307
Short term borrowings -secured	9	**3,637,347,930**	3,410,526,346
Trade and other payables		**3,591,666,330**	3,467,251,716
Interest/mark-up accrued on borrowings		**13,256,972,334**	12,825,980,154
Preference dividend payable	6	**897,768,405**	854,551,711
		36,323,361,379	34,696,588,234
Contingencies and commitments	10		
		47,686,156,228	47,904,595,701
ASSETS			
Non-current assets			
Property, plant and equipment	11	**40,524,431,870**	40,769,566,767
Intangible asset		**2,569,429,958**	2,570,071,958
Long term loans and advances - considered good		**13,819,743**	13,971,976
Long term deposits - unsecured, considered good		**60,816,823**	61,451,273
		43,168,498,394	43,415,061,974
Current assets			
Stores, spares and loose tools		**2,060,972,856**	2,049,475,897
Stock-in-trade		**410,037,601**	337,248,202
Trade debts		**14,176,188**	51,016,085
Advances, deposits, prepayments and other receivables		**1,546,763,060**	1,657,045,069
Tax refunds due from Government - *net*		**247,341,542**	247,454,816
Cash and bank balances	13	**238,366,587**	147,293,658
		4,517,657,834	4,489,533,727
		47,686,156,228	47,904,595,701

The annexed notes 1 to 23 form an integral part of this condensed interim consolidated financial information.

Lahore **Chief Executive** **Director**

Condensed Interim Profit and Loss Account (Un-audited)

For the three month period ended 31st March 2017

		Three month period ended	
		31 March 2017	31 March 2016
	Notes	**Rupees**	Rupees
Sales - net		**123,522,849**	1,191,560,174
Cost of sales		**(548,839,365)**	(1,251,248,068)
Gross loss		**(425,316,516)**	(59,687,894)
Selling and distribution expenses		**(18,239,709)**	(55,427,982)
Administrative and general expenses		**(66,679,499)**	(163,039,616)
Other operating expenses		**(36,117)**	(3,123,949)
Other income	*14*	**2,068,179**	10,905,673
Operating loss		**(508,203,662)**	(270,373,768)
Finance cost		**(499,655,965)**	(567,180,921)
Loss before taxation		**(1,007,859,627)**	(837,554,689)
Taxation		**79,353,695**	329,429,367
Loss after taxation		**(928,505,932)**	(508,125,322)
Loss per share - basic and diluted		**(2.48)**	(1.41)

The annexed notes 1 to 23 form an integral part of this condensed interim consolidated financial information.

Lahore | **Chief Executive** | **Director**

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three month period ended 31st March 2017

	Three month period ended	
	31 March 2017	31 March 2016
	Rupees	Rupees
(Loss) / Profit after taxation	**(928,505,932)**	(508,125,322)
<u>Other comprehensive income:</u>		
Item thant will not be reclassified to profit and loss account		
Remeasurement of defined benefit liability	**-**	-
Related Tax	**-**	-
	-	-
Total comprehensive loss for the period	**(928,505,932)**	(508,125,322)

The annexed notes 1 to 23 form an integral part of this condensed interim consolidated financial information.

Lahore **Chief Executive** **Director**

Condensed Interim Cash flow Statement (Un-audited)

For the three month period ended 31st March 2017

	Note	31 March 2017 Rupees	31 March 2016 Rupees
Cash flows from operating activities			
Cash used in operations	*16*	**(93,844,378)**	(144,660,853)
Finance cost paid		**(17,252,002)**	(133,185,396)
Interest income received		**149,340**	927,133
Income tax paid		**(2,320,275)**	(20,134,296)
Staff retirement benefits paid		**(805,603)**	(412,565)
Net cash inflows/(outflows) from operating activities		**(114,072,918)**	(297,465,977)
Cash flows from investing activities			
Capital expenditure incurred		**(25,523,471)**	(1,853,564)
Long term loans and advances received		**152,233**	1,325,220
Long term deposits - net		**634,450**	51,940
Proceeds from disposal of property, plant and equipment		**3,156,113**	2,234,358
Net cash inflow/(outflows) from investing activities		**(21,580,675)**	1,757,954
Cash flows from financing activities			
Long term loans - Repayment		**(95,064)**	(4,337,573)
Short term borrowings Net		**13,319,669**	344,463,134
Net cash inflows/(outflows) from financing activities		**13,224,605**	340,125,561
Net increase/(decrease) in cash and cash equivalents		**(122,428,988)**	44,417,538
Cash and cash equivalents at the beginning of period		**(2,347,518,945)**	(2,224,753,524)
Cash and cash equivalents at the end of period	*18*	**(2,469,947,933)**	(2,180,335,986)

The annexed notes 1 to 23 form an integral part of this condensed interim consolidated financial information.

Lahore **Chief Executive** **Director**

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

For the three month period ended 31st March 2017

	Share Capital		Reserves		
	Ordinary Shares	Preference Shares	Revenue reserve	Accumulated Losses	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees
As at 01 January 2016	**3,924,300,000**	**1,593,342,690**	**9,000,000**	**(7,940,977,277)**	**(2,414,334,587)**
					-
Total comprehensive loss for the period ended 31 March-2016	-	-	-	(508,125,322)	(508,125,322)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	81,287,744	81,287,744
Transaction with shareholders of the company					
Preference dividend for the period	-	-	-	(43,577,493)	(43,577,493)
As at March 31, 2016	**3,924,300,000**	**1,593,342,690**	**9,000,000**	**(8,411,392,348)**	**(2,884,749,658)**
As at 01 January 2017	**3,924,300,000**	**1,593,342,690**	**9,000,000**	**(10,200,286,152)**	**(4,673,643,462)**
Total comprehensive loss for the period ended 31 March-2017	-	-	-	(928,505,932)	(928,505,932)
Transfer of incremental depreciation from surplus on revaluation of fixed assets - net of tax	-	-	-	57,138,325	57,138,325
Transaction with shareholders of the company					
Preference dividend for the period	-	-	-	(43,216,693)	(43,216,693)
As at March 31, 2017	**3,924,300,000**	**1,593,342,690**	**9,000,000**	**(11,114,870,452)**	**(5,588,227,761)**

The annexed notes 1 to 23 form an integral part of this condensed interim consolidated financial information.

Lahore **Chief Executive** **Director**

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

For the three month period ended 31st March 2017

1 Reporting Entity

Agritech Limited ("the Company") was incorporated in Pakistan on 15 December 1959 as an unlisted Public Limited Company under the Companies Act, 1913 (now the Companies Ordinance, 1984) 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

Basis of accounting

2.1.1 This condensed interim financial information comprises the condensed interim balance sheet of Agritech Limited ("the Company"), as at 31 March 2017 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.

2.1.2 This condensed interim financial information of the Company for the Three months period ended 31 March 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.1.3 This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the twelve months financial statements as at and for the year ended 31 December 2016.

2.1.4 This condensed interim financial information is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984.

2.2 Judgments and estimates

The preparation of condensed interim financial information 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 this condensed interim financial information, 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 2016.

2.3 Going concern assumption

Gas curtailment to the Company's urea plant has been the most crucial factor for the past few years' operational and liquidity issues of the Company. Fertilizer sector as a whole and the Company in particular faced unprecedented gas curtailment during the last six years. The Company has been financing its assets and operations through high level of borrowings. Due to overall gas shortage in the system, Government of Pakistan ("GOP") diverted gas from fertilizer sector to other sectors particularly power sector during summer and domestic sector during winter. This gas curtailment caused low urea production versus available capacity resulting in continuous operational and liquidity issues which further resulted in overdue borrowings and related mark-up.

Last year gas supply to the Company showed considerable improvement with the regular imports of liquefied natural gas ("LNG") by the Government of Pakistan ("GOP") improving overall gas supply in the SNGPL network benefitting fertilizer sector. The Company has incurred a loss before tax of Rs. 1,007.86 million (2016: Rs. 837.55

million) during the period ending 31 March 2017 and as at the reporting date its current liabilities have exceeded its current assets by Rs. 31,805.70 million, including Rs. 26,357.36 million relating to overdue principal and interest / mark-up thereon, and accumulated losses of the Company exceeded the shareholder's equity by Rs. 5,588.23 million. The difference between current liabilities and current assets would have been Rs.4,451.02 million, had the Company classified its long term debts as current for reasons fully explained in note 2.4 to the financial statements.

These conditions cast significant doubt on the Company's ability to continue as a going concern and, therefore, it may not be able to realize its assets and discharge its liabilities in the normal course of business. However, the management is confident that the Company will be able to continue as a going concern based on the expectation of continuous availability of gas and restructuring of its existing over-due long-term debts and related mark-up as per the rehabilitation plan approved by the shareholders and currently filed in the Honorable Lahore High Court as per the provisions of Companies Ordinance, 1984.

The expectation of continuous availability of gas is based on the fact that the GOP has signed a 15 year agreement with Government of Qatar, to import nearly 3.75 million tons of LNG per year. The import of LNG has been streamlined at 600 mmscfd per day and GOP is planning to further increase it to 1,200 mmscfd per day through installation of second LNG terminal in the country. SNGPL is receiving almost complete flow of LNG imports under swap arrangement. Resultantly post winter gas situation in Pakistan has significantly improved. Besides this, the surplus gas from Khyber Pakhtunkhwa ("KPK") post winter is also available in the SNGPL north system. The increased gas supply will greatly benefit the Company being the bulk gas consumer in north on the SNGPL network. The Company is evaluating all possible gas supply options to operate its urea plant on sustainable basis.

With the support of its lenders, the management, for rehabilitation of the Company, has prepared a scheme of arrangement ("the Scheme") to restructure its existing over-due long term debts and related markup as of 31 December 2013 through issuance of preference shares. The scheme also envisages settlement / restructuring and repayment of that portion of over due markup that is not converted into preference shares. After the approval by the Board of directors and shareholders of the proposed scheme in their meeting held on 05 November 2013 and 10 December 2013 respectively, the said scheme was filed with Honorable Lahore High Court under the provisions of Companies Ordinance, 1984 on 10 June 2016 for necessary sanction and order. As at the reporting date, the proceeding are in progress and the order of the Lahore High Court is awaited.

In addition to above, the Company sees strong potential in selling its spare land after the necessary legal and commercial approvals. In 2016, 216 kanals Company's' land was acquired by National Highway Authority (NHA) for the construction of China Pakistan Economic Corridor (CPEC) that crosses through the land owned by the Company. With the development of CPEC in next two years, the Company foresee significant appreciation of its spare land. The proceeds from the sale of land will also help settle the long term liabilities of the Company.

The management believes that the measures as explained above will generate sufficient financial resources for the continuing operations and that it is expected to operate profitably in the foreseeable future. Accordingly, these financial statements are prepared on a going concern basis and do not include any adjustments relating to the realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

2.4 Financial liabilities

The Company could not make timely repayments of principal and interest / markup related to long term debts as referred to in note 19. Further, as at the reporting date, the Company could not comply with certain financial and other covenants imposed by the lenders. As per the agreed terms of long term debts the lenders have unconditional right to call the loans if timely repayments are not made or covenants are not complied with. International Accounting Standard on Presentation of financial statements (IAS - 1) requires that if an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it should classify the liability as current.

However, the long term debts in the amount of Rs. 4,451.02 million as detailed below have continued to be classified as long term as per the repayment schedules in these financial statements as the management considers that event of default has not been declared by the lenders at the reporting date:

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

For the three month period ended 31st March 2017

Redeemable capital	Principal net of current maturity Rupees
Privately Placed Term Finance Certificates - I	549,487,400
Privately Placed Term Finance Certificates - II	1,895,928,870
Privately Placed Term Finance Certificates - III	158,924,150
Privately Placed Term Finance Certificates	212,447,915
Sukuks	439,945,000
	3,256,733,335
Long term finances	
Syndicate Term Finance - *I*	1,100,000,000
Dubai Islamic Bank Limited - Term Finance	94,285,715
	1,194,285,714
	4,451,019,050

3 Significant accounting policies

3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the financial year ended on 31 December 2016.

3.2 There were certain other new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed.

Following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2016:

Standard or interpretation	Effective date (accounting periods beginning on or after)
IAS 38 - Intangible Assets	01 January 2016
IAS 16 - Property, Plant and Equipment	01 January 2016
IAS 27 - Separate Financial Statements	01 January 2016
IAS 41 - Agriculture	01 January 2016
IAS 12 - Income taxes	01 January 2017
IAS 7 - Statement of Cash Flows	01 January 2017
IFRS 10 - Investment entities	01 January 2016
IFRS 11 - Accounting for acquisitions of Interests in Joint Operations	01 January 2016
IFRS 2 - Share-based Payment	01 January 2018
Annual Improvements 2012-2014 Cycles	01 January 2016

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

For the three month period ended 31st March 2017

		Note	Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
4	**Issued, subscribed and paid up ordinary share capital**			
	Class A ordinary shares of Rs. 10 each 383,430,000 (December 2016: 383,430,000) Shares issued fully paid in cash	*4.1*	**3,834,300,000**	3,834,300,000
	Ordinary shares of Rs. 10 each 9,000,000 (December 2016: 9,000,000) Shares issued for consideration as Machinery		**90,000,000**	90,000,000
			3,924,300,000	3,924,300,000

4.1 As at 31 March 2017, National Bank of Pakistan, an associated undertaking holds 104,562,302 (2016: 104,562,302) representing 26.64% (2016: 26.64%) of the ordinary share capital of the Company.

		Note	Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
5	**Issued, subscribed and paid up preference share capital**			
	Preference shares of Rs. 10 each 159,334,269 (31 December 2016: 159,334,269) Shares issued fully paid in cash	*5.1*	**1,593,342,690**	1,593,342,690
			1,593,342,690	1,593,342,690

5.1 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 issue date by giving at least thirty days notice in compliance with the provisions of the Companies Ordinance, 1984. The Company will maintain a Capital Redemption Reserve as per the provisions of the Companies Ordinance, 1984 in this regard.

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.

5.2 The preference shares (the shares) have been treated as part of equity on the following basis:

- The shares were issued under the provisions of section 86 of the Companies Ordinance, 1984 (the Ordinance) read with section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The financial capital of the Company and the issue of the shares were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 29 August 2011.

- Return of allotment of shares was filed under section 73(1) of the Ordinance.
- The Company is required to set-up a reserve for the redemption of Preference shares, under section 85 of the Ordinance, in respect of the shares redeemed which effectively makes Redeemable Preference shares a part of equity.
- Requirements of the Ordinance takes precedence over the requirements of International Accounting Standards.
- The preference shareholders have the right to convert these shares into Ordinary shares.

Further, the matter regarding the classification of Redeemable Preference share capital as either debt or equity instrument has been examined by the Institute of Chartered Accountants of Pakistan ("ICAP") as a result of which ICAP has advised the Securities and Exchange Commission of Pakistan ("SECP") to make necessary amendments to the Ordinance, and / or to issue a clarification in order to remove the inconsistency between the Ordinance and the International Accounting Standards. Pending the decision of the SECP in this matter, the preference share capital has been classified as equity in this condensed interim financial information.

6 Preference Dividend Payable

This represents preference dividend payable as per the terms described in note 5. Out of total preference dividend payable, Rs. 328.7 million pertains to the amount payable until 31 December 2013.

	Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
7 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	**509,874,996**	509,874,996
Sukkuks	**1,599,800,000**	1,599,800,000
	12,165,534,546	12,165,534,546
Transaction costs	**(54,735,920)**	(60,216,920)
	12,110,798,626	12,105,317,626
Current maturity presented under current liabilities	**(8,908,801,211)**	(8,107,473,137)
	3,201,997,415	3,997,844,489

	Note	Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
8 Long term finances			
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		**2,955,286,366**	2,955,286,366
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*		**3,351,936**	3,447,000
	8.1	**7,227,759,036**	7,227,854,101
Transaction Cost		**(11,890,172)**	(13,816,173)
		7,215,868,864	7,214,037,928
Current maturity presented under current liabilities		**(6,030,805,170)**	(6,030,805,170)
		1,185,063,694	1,183,232,758

8.1 Types of long term finances - secured

Interest / mark-up based financing	**6,862,759,036**	6,862,854,101
Islamic mode of financing	**365,000,000**	365,000,000
	7,227,759,036	7,227,854,101

9 Short term borrowings - secured

These include outstanding balance of running finance facilities (Istisna / Salam) obtained under Shariah based arrangements amounting to Rs. 561.95 million (31 December 2016: Rs. 561.95 million) having a limit of Rs. 813.73 million (31 December 2016: Rs.563.72 million). All terms and conditions applicable on these facilities are same as those disclosed in the annual financial statements for the year ended 31 December 2016.

10 Contingencies and commitments

10.1 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 2016.

10.2 Commitments

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

	Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
Not Later than one year	**42,021,702**	53,190,752
Later than one year but not later than five year	**9,711,519**	10,582,955
	51,733,221	63,773,707

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

For the three month period ended 31st March 2017

		Note	Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
10.2.2	**Commitments**			
	- purchase of stores, spares and loose tools		**9,557,020**	44,158,553
	- purchase of plant and machinery		**-**	14,709,743
			9,557,020	58,868,296
11	**Property, plant and equipment**			
	Operating fixed assets	*11.1*	**40,455,275,519**	40,721,679,325
	Capital work in progress		**69,156,351**	47,887,442
			40,524,431,870	40,769,566,767
11.1	**Operating fixed assets**			
	Net book value at end of the period		**40,721,679,325**	41,859,633,079
	Add: Additions during the period	*11.1.1*	**4,254,562**	8,637,284
	Less: Disposals during the period - net book value		**7,083,648**	74,205,909
	Depreciation for the period		**263,574,719**	1,072,385,129
			270,658,367	1,146,591,038
	Net book value at end of the period		**40,455,275,519**	40,721,679,325
11.1.1	**Additions - cost**			
	<u>Owned assets</u>			
	Plant and machinery		**-**	347,161
	Residential colony assets		**-**	-
	Furniture, fixtures and office equipment		**1,420,442**	4,827,723
	Vehicles and rail transport		**1,525,700**	3,462,400
	Tools and other equipment		**1,308,420**	-
	Electrical and other installations		**-**	-
			4,254,562	8,637,284

12 Stock-in-trade

Aggregate stocks with a cost of Rs. Nil (31 December 2016: Rs. Nil million) are being valued at net realizable value of Rs. Nil (31 December 2016: Rs.Nil million).

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

For the three month period ended 31st March 2017

		Note	Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
13	**Cash and bank balances**			
	Cash in hand		**556,094**	997,634
	Cash at banks			
	- current accounts		**224,410,361**	130,216,762
	- savings accounts	*13.1*	**13,400,132**	16,079,263
			237,810,493	146,296,024
			238,366,587	147,293,658

13.1 Rate of return on saving accounts ranges from 4.00% to 5.50% per annum (31 December 2016: 4.00% to 5.50% per annum).

		Note	Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
14	**Other Income**			
	Income from financial assets			
	Return on bank deposits	*13.1*	**149,340**	927,133
			149,340	927,133
	Income from non-financial assets			
	Sale of scrap		**1,918,839**	9,978,540
			1,918,839	9,978,540
			2,068,179	10,905,673

15 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 2017 Rupees	(Un-audited) January to 31 March 2016 Rupees
15.1	**Transactions with related parties**		
15.1.1	**Associate**		
	National Bank of Pakistan		
	Markup expense	**59,953,571**	63,281,218
	Preference dividend	**938,128**	945,960
	Advisory Fee	**-**	90,000,000
	Bank Balances - net	**(10,950,921)**	4,878,007

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

For the three month period ended 31st March 2017

		(Un-audited) January to 31 March 2017	(Un-audited) January to 31 March 2016
		Rupees	Rupees
15.1.2	**Other related**		
	Faysal Bank Limited		
	Mark up Expense	**37,022,784**	39,418,140
	Preference dividend	**8,394,874**	8,488,150
	Bank Balances - net	**363**	125
	Standard Chartered Bank (Pakistan) Limited		
	Mark-up expense	**29,841,874**	32,347,310
	Bank balances - net	**(37,032,812)**	(9,096,650)
	Silk Bank limited		
	Mark-up expense	**12,322,314**	11,888,142
	Markup paid	**9,616,653**	6,744,753
	Short term borrowings - net	**-**	(9,982,760)
	Bank balances - net	**-**	(153,000,000)
	Summit Bank Limited		
	Mark-up expense	**15,185,128**	23,638,689
	Markup paid	**-**	20,898,397
	Short term borrowings - net	**8,037,835**	321,584,409
	Bank Balances - net	**-**	(125,000,000)
15.1.3	**Post employment benefit plans**		
	Contribution to employees provident fund	**4,612,793**	3,905,322
	Contribution to employees gratuity fund	**2,129,884**	1,635,628
15.1.4	**Key management personnel**		
	Short term employees benefits	**2,400,000**	3,972,400
	Post employment benefits	**137,445**	45,815

		Un-audited 31 March 2017	Audited 31 December 2016
15.2	**Balances with related parties**		
15.2.1	**Associate**	**Rupees**	Rupees
	National Bank of Pakistan		
	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
	Preference shares	**34,587,560**	34,587,560
	Mark-up payable	**2,204,297,929**	2,144,344,358
	Preference dividend payable	**171,895,944**	170,957,816
	Bank accounts	**3,394,170**	14,345,091
	Advisory and other fee	**738,600,000**	738,600,000
	Advance for transaction Cost	**23,200,000**	23,200,000

		Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
15.2.2	**Other related**		
	Faysal Bank		
	Redeemable capital	**1,499,109,500**	1,499,109,500
	Long term loan	**350,000,000**	350,000,000
	Preference shares	**310,355,940**	310,355,940
	Mark up payable	**1,199,686,916**	1,162,664,131
	Preference dividend payable	**174,881,704**	166,486,830
	Bank accounts	**159,112**	158,749
	Standard Chartered Bank (Pakistan) Limited		
	Redeemable capital	**146,995,500**	146,995,500
	Long term finances	**1,445,302,020**	1,445,302,020
	Mark-up payable	**1,017,437,890**	987,596,016
	Bank accounts	**39,831,484**	76,864,296
	Silk Bank		
	Long term loans	**130,607,546**	130,607,546
	Short term borrowings	**549,770,150**	549,761,612
	Mark up payable	**186,592,318**	183,886,656
	Summit Bank Limited		
	Redeemable capital	**603,406,000**	603,406,000
	Short term borrowings	**461,433,412**	453,395,577
	Mark up payable	**294,539,508**	279,354,380
	Bank accounts	**97,564**	97,564
15.2.3	**Post employment**		
	Payable to gratuity trust	**30,023,096**	28,698,815

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

For the three month period ended 31st March 2017

		Un-audited 31 March 2017 Rupees	Audited 31 December 2016 Rupees
16	**Cash flow from operating activities**		
	Profit & (Loss) before tax	**(1,007,859,627)**	(837,554,689)
	Adjustment for non-cash items:		
	Interest / markup expense	**492,248,965**	550,557,921
	Amortization of transaction costs	**7,407,000**	16,623,000
	Depreciation on property, plant and equipment	**263,574,719**	268,913,837
	Amortization of computer software	**642,000**	2,712,000
	Provision for staff retirement benefit	**2,129,884**	1,635,628
	Mark-up / Interest Income	**(149,340)**	(927,133)
	Loss on sale of property, plant and equipment	**3,927,535**	6,353,564
	Operating profit / (loss) before changes in working capital	**(238,078,864)**	8,314,127
	Changes in working capital		
	(Increase) / decrease in current assets:		
	Stores, spares and loose tools	**(11,496,959)**	13,740,265
	Stock in trade	**(72,789,399)**	(13,314,357)
	Trade receivables	**36,839,897**	52,226,850
	Advances, deposits, prepayments and other receivables	**110,282,011**	(143,721,054)
		62,835,550	(91,068,296)
	Increase / (decrease) in current liabilities		
	Trade and other payables	**81,398,936**	(61,906,684)
	Cash used in operations	**(93,844,378)**	**(144,660,853)**

17 Segment reporting

17.1 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:

17.2 Segment revenue and results

Following is the information about reportable segments of the Company:

	Urea fertilizers segment		**Phosphate fertilizers segment**		**Total**	
	31 March 2017 Un-audited	31 March 2016 Un-audited	**31 March 2017 Un-audited**	31 March 2016 Un-audited	**31 March 2017 Un-audited**	31 March 2016 Un-audited
	Rupees 'mln'	Rupees 'mln'	**Rupees 'mln'**	Rupees 'mln'	**Rupees 'mln'**	Rupees 'mln'
For the three months period ended 31 March 2017						
External revenues	**59**	1,074	**65**	117	**124**	1,192
Inter-segment revenue	**-**	-	**-**	-	**-**	-
Reportable segment Profit/(Loss) before tax	**(988)**	(838)	**(20)**	0	**(1,008)**	(838)

	Urea fertilizers segment		**Phosphate fertilizers segment**		**Total**	
	31 March 2017 Un-audited	31 December 2016 Audited	**31 March 2017 Un-audited**	31 December 2016 Audited	**31 March 2017 Un-audited**	31 December 2016 Audited
	Rupees 'mln'	Rupees 'mln'	**Rupees 'mln'**	Rupees 'mln'	**Rupees 'mln'**	Rupees 'mln'
As at						
Reportable segment assets	**43,550**	43,808	**4,709**	4,740	**48,258**	48,548
Reportable segment liabilities	**44,274**	43,581	**550**	560	**44,824**	44,142

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For the three month period ended 31st March 2017

		(Un-audited) 31 March 2017 Rupees	(Un-audited) 31 March 2016 Rupees
17.3	**Reconciliation of reportable segment profitable segment profit and loss**		
	For the three months ended		
	Total loss for reportable segments before taxation	**(1,007,859,627)**	(837,554,689)
	Taxation	**79,353,695**	329,429,367
	Loss after taxation	**(928,505,932)**	(508,125,322)
18	**Cash and cash equivalents**		
	Short term borrowings - running finance - secured	**(2,708,314,520)**	(2,695,625,617)
	Cash and bank balances	**238,366,587**	515,289,631
		(2,469,947,933)	(2,180,335,986)

19 Overdue financial liabilities

Due to the facts disclosed in note 2.3, 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 2017 are as follows:

	Principal Rupees	Interest / mark up Rupees	Total Rupees
Nature of Liability			
Redeemable capital	6,901,015,298	7,104,553,484	14,005,568,782
Long term finances	5,355,261,686	4,856,842,539	10,212,104,225
Short term borrowings	1,275,106,685	864,584,131	2,139,690,816
	13,531,383,669	**12,825,980,154**	**26,357,363,823**

20 Fair Value of Financial Assets and Liabilities

The carrying amount of redeemable capital and long term finance equal their fair values and are determined using the valuating model that considers the present value of expected further cash flows discounted using a market rate of interest as the input is unabsorbale market data it is classified under level 2.

In case of other financial assets and financial liabilities that are expected to be settled with in one year carrying amount are a reasonable approximation of the fair values.

There is no change in the nature and corresponding hierarchies of fair valuation levels of financial instruments for those as disclosed in the audited financial statements of the Company for the year ended 31 December 2016.

21 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 2016.

22 Date of authorization

This interim financial information was authorized for issue by the Board of Directors of the Company on April 28, 2017.

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

For the three month period ended 31st March 2017

23 General

23.1 Figures have been rounded off to the nearest thousand of Rupees.

Lahore

Chief Executive

Director

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