



Interim Financial Report
for the quarter ended
March 31, 2024
(Un-audited)



conquering challenges
RISING STRONG

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



Looking ahead, Agritech Limited remains steadfast in its pursuit of excellence, driven by its unwavering vision and mission.

As it continues to innovate and expand its product portfolio, the Company is poised to play an even greater role in shaping the future of Pakistan's agriculture sector.

Agritech Limited has established itself as a cornerstone in the agricultural landscape of Pakistan, driven by a clear and ambitious vision to become a major regional diversified fertilizer company. Guided by this vision, the Company has diligently pursued its mission to become a diversified manufacturer of both nitrogenous and phosphatic fertilizers, thereby significantly contributing to the development of Pakistan's agriculture sector.

Through strategic foresight and unwavering commitment, Agritech Limited has emerged as a powerhouse in the fertilizer industry. With a remarkable 6% share in the Urea Fertilizer market and an impressive 88% share in GSSP, Agritech stands as the largest GSSP manufacturer in Pakistan. This commanding presence underscores the Company's pivotal role in meeting the agricultural needs of the nation.

Under the banner of its flagship brand, "Tara," Agritech has not only captured market share but also cultivated trust and loyalty among stakeholders. The Company's success can be attributed to a multifaceted approach, blending efficient production processes with a staunch dedication to sustainability. By leveraging state-of-the-art facilities and embracing innovative technologies, Agritech has not only maintained high-quality standards but has also minimized its environmental footprint.

Moreover, Agritech's success story extends beyond mere market dominance. The Company's commitment to excellence is reflected in its robust governance framework, exemplary human resource management, and extensive nationwide dealer network. By fostering strong relationships with suppliers and customers alike, Agritech has fostered a culture of trust and reliability, further solidifying its position as a trusted partner in the agricultural community.

Looking ahead, Agritech Limited remains steadfast in its pursuit of excellence, driven by its unwavering vision and mission. As it continues to innovate and expand its product portfolio, the Company is poised to play an even greater role in shaping the future of Pakistan's agriculture sector. With a strong foundation built on integrity, sustainability, and relentless dedication, Agritech stands ready to lead the charge towards a more prosperous and sustainable agricultural future.



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Company Information

Board of Directors

Mr. Shahid Iqbal Choudhri (Chairman)
Mr. Hassan Raza
Mr. Osman Malik
Mr. Asim Murtaza Khan (*Resigned on 18-04-2024*)
Mr. Asim Jilani
Mr. Ghazzanfar Ahsan
Ms. Sarwat Salahuddin Khan
Mr. Hasan Ahmed (*Appointed on 26-04-2024*)
Mr. Muhammad Faisal Muzammil (Chief Executive Officer)

Audit Committee

Mr. Hasan Ahmed (Chairman)
Mr. Osman Malik
Mr. Hassan Raza
Mr. Asim Jilani
Mr. Ghazzanfar Ahsan

HR & Remuneration Committee

Ms. Sarwat Salahuddin Khan (Chairperson)
Mr. Asim Jilani
Mr. Osman Malik
Mr. Ghazzanfar Ahsan

Chief Financial Officer

Mr. Moeez ur Rehman

Company Secretary & Head of Legal

Ms. Asma Irfan

Management Team

Mr. Muhammad Faisal Muzammil
Chief Executive Officer
Mr. Moeez Ur Rehman
Chief Financial Officer
Ms. Asma Irfan
Company Secretary and Head of Legal
Mr. Rehan Munir
Head of Manufacturing - Urea Plant
Mr. Muhammad Yahya
GM Manufacturing - SSP Plant
Mr. Muhammad Dilpazeer
Head of HR and Sustainability
Mr. Tanweer Raza
Head of Sales and Marketing
Mr. Muhammad Sajjad Anwar
Head of Information Technology
Mr. Muhammad Bashir
Commercial Manager

Head of Internal Audit

Mr. Sohaib Roomy Salih

Head of Risk and Control

Syed Taneem Haider

Legal Advisor

Mr. Wasif Majeed

Shares Registrar

Corplink (Private) Limited

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants
Lahore.

Bankers

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

Registered Office

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

Project Locations

Unit-I

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

Unit-II

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

Directors' Review Report

The Directors hereby present their review report along with the unaudited condensed interim financial statements for the three months ended March 31, 2024.

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 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

Rs. in million

| | Quarter ended March 31, 2024 | Quarter ended March 31, 2023 |
|-------------------------------|---------------------------------|---------------------------------|
| Sales - Net | 9,241 | 841 |
| Operating Profit / (Loss) | 1,603 | (700) |
| Finance cost | 1,751 | 1,340 |
| (Loss) before Tax | (148) | (2,040) |
| (Loss) after Tax | (173) | (1,913) |
| (Loss) per share (Rs.) | (0.44) | (4.87) |

Overview of Fertilizer Industry:

During the 1st quarter of 2024, Urea production in Pakistan increased by 20% to 1,725 k tons (1,436 k tons: 2023), primarily due to uninterrupted availability of gas to the plants on SNGPL network. Urea offtakes increased by a healthy 13% for the period under review to 1,827 k tons (1,623 k tons: 2023) on back of higher Wheat Economics, increased Wheat sowing area, higher Urea avails (from both - domestic manufacturing & timely imports) and continued channel interest.

The Company managed to produce 98 k tons Urea (6 k tons: 2023) against installed capacity of 108 k tons for the period. The Company sold 98 k tons Tara Urea during the period under review (5 k tons: 2023) and 13.56 k tons of imported urea allocated by NFML (0 k tons : 2023).

Offtakes of Phosphate during the period under review registered an increase of 12% to 177 k tons of P2O5 Nutrients vs 158 k tons in the same period of last year. Strong offtakes are attributed to the recovery of farmer demand as well as channel interest on back of lower phosphate inventories. DAP prices in the international market remained stable during the period under review staying at around US\$ 625 per ton CFR KHI for most of the period before declining in the last fortnight of the quarter to US\$ 595 per ton CFR KHI. The Company being a major SSP player, produced 19 k tons (2023: 16 k tons) SSP during the period under review and sold 15 k tons (2023: 10 k tons) during the period.

Future Outlook

The future demand outlook for Urea, based on the positive outlook of farm economics for the Kharif crops particularly Rice crop due to widespread adoption of high yielding Hybrid varieties requiring higher Nitrogen need and second consecutive year for the Cotton sowing recovery, looks promising. Urea demand in coming season is likely to outstrip the available Urea capacity from all plants in the country including the urea plant of the company on SNGPL Network in Punjab, and the demand supply gap is likely to persist for which additional supplies through increased gas supplies to plant operating at lower than capacity level on SSGC Network or imports is necessitated.

Phosphate demand recovery witnessed during 2023 is likely to continue during 2024 as well as and the overall phosphate demand to further increase on year-on-year basis. The upcoming Kharif season is likely to set the tone for the phosphate use recovery by the farmers based on the positive Rice and Cotton outlooks during the season. Global Phosphate prices indicate the bearish trend in the short term and its impact on local phosphate product prices is likely to be reflective in the form of

reduction during the season, however, the reduction of local prices is dependent upon any possible rupee devaluation in the country. The company is expected to demonstrate further improved production and sales of SSP upon the recovery of the overall Phosphate demand.

Capital Restructuring & Litigations with Banks

Subsequent to the disbursement of Rs. 1,649 million Cash Flow available for Debt Servicing ('CFADs') and approval of Board of Directors, the Company is in the process of issuance of related instruments under the sanctioned Scheme of Arrangement (the 'Scheme'). The Company is confident that recovery cases filed by the banks can be successfully defended in the relevant courts after the complete implementation of Scheme.

Other Highlights

- Mr. Asim Murtaza Khan – Independent Director has resigned from the Board on 18th April 2024. Mr. Hasan Ahmed has joined the Board as Independent Director on 26th April 2024 to fill the casual vacancy.
- The Company is in the process of conversion of 10.883 million preference shares issued to Bank Alfalah Limited into ordinary shares in response to a notice received from the bank for the said conversion. This also includes filing of respective forms with SECP and taking into books of accounts the effect of conversion.
- The Company has also disclosed in note 4 of its interim financial statements the requisite disclosure of ordinary shares held by related parties including Maple Leaf Cement Factory Limited and Maple Leaf Capital Limited.

Acknowledgement

The Board of Directors extends its sincere gratitude to our valued customers, financial partners, and dedicated employees. Your continued trust, support, and hard work are the foundation of our growth and success.

On behalf of the Board



Muhammad Faisal Muzammil
Chief Executive Officer



Hasan Ahmed
Director

Lahore
Date : April 30, 2024

ڈائریکٹرز کی جائزہ رپورٹ

ایگزیکٹو لیڈنگ، کینیڈا کے بورڈ آف ڈائریکٹرز اور مینجمنٹ ٹیم، 31 مارچ 2024ء کو ختم ہونے والی سرمایہ کے لئے غیر نظر ثانی شدہ مالیاتی گوشواروں کے ہمراہ کینیڈا سرمایہ رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

کاروباری جائزہ

پرنسپل سرگرمیاں

کینیڈا کی بنیادی کاروبار کھاد کی پیداوار اور ترسیل ہے۔ کینیڈا ملک میں موجود تو انسانی کے لحاظ سے جدید اور موثر ترین کھاد کا پلانٹ چلاتی ہے جو کہ میانوالی پنجاب میں واقع ہے۔ کینیڈا ہری پور ہزارہ صوبہ، خیبر پختونخواہ (کے پی کے) میں جی ایس ایس پی (وائے ڈاے) دارسٹنگل سپر فاسفیٹ کی پیداوار کی سہولت بھی چلا رہی ہے۔ کینیڈا کھاد کی صنعت میں قابل اعتماد برانڈ "تارنا" کے تحت ان پلائس سے کھاد مارکیٹ کرتی ہے۔

پہلی سرمایہ کا جائزہ

مالیاتی نتائج

روپے ملین میں

| سرمایہ اختتام 31 مارچ 2023 | سرمایہ اختتام 31 مارچ 2024 | |
|----------------------------|----------------------------|-----------------------|
| 841 | 9,241 | خالص فروخت |
| (700) | 1,603 | آپریٹنگ منافع (تقصان) |
| 1,340 | 1,751 | مالیاتی لاگت |
| (2,040) | (148) | قبل از ٹیکس (تقصان) |
| (1,913) | (173) | بعد از ٹیکس (تقصان) |
| (4.87) | (0.44) | ٹی حصص (تقصان) (روپے) |

کھاد کی صنعت کا جائزہ

2024 کی پہلی سرمایہ کے دوران، پاکستان میں یوریا کی پیداوار بنیادی طور پر ایس این جی پی ایل نیٹ ورک پر پائلس کو بلا تھیل گیس کی دستیابی کی وجہ سے 20% بڑھ کر 1,725 کلوٹن (1,436 کلوٹن: 2023) ہو گئی۔ گندم کی بہتر معاشیات، گندم کی بوائی کے رقبے میں اضافہ، یوریا کی زیادہ دستیابی (اندرون ملک مینوفیکچرنگ اور بروقت درآمدات، دونوں کی وجہ سے) اور مارکیٹ کی جاری دلچسپی کی وجہ سے یوریا کی خریداری زیر جائزہ مدت کے لیے 13% بڑھ کر 1,827 کلوٹن (1,623 کلوٹن: 2023) ہو گئی۔

کینیڈا اس سرمایہ میں 108 کلوٹن کی نصب شدہ صلاحیت کے مقابلے میں 98 کلوٹن یوریا (6 کلوٹن: 2023) پیدا کرنے میں کامیاب رہی۔ زیر جائزہ مدت کے دوران کینیڈا نے 98 ہزار ٹن (5 کلو ٹن: 2023) تارنا یوریا اور 13.56 ہزار ٹن (0 کلوٹن: 2023) درآمدی یوریا (جو کہ NFML نے مختص کیا) فروخت کیا۔

زیر جائزہ سرمایہ کے دوران فاسفیٹ کھادوں کی خریداری گزشتہ سال کی اسی مدت میں 158 کلوٹن کے مقابلے میں 12% کے اضافے کے ساتھ 177 کلوٹن رہی۔ خرید میں مضبوطی کو کسانوں کی مانگ کی بحالی کے ساتھ ساتھ فاسفیٹ کی کم دستیابی کی وجہ سے مارکیٹ کی دلچسپی سے منسوب کیا جاتا ہے۔ چین الاقوامی مارکیٹ میں ڈی اے پی کی قیمتیں زیر جائزہ مدت کے دوران مستحکم رہیں اور سرمایہ کے آخری پندرہ دنوں میں 595 امریکی ڈالرنی ٹی ایف آر کراچی، سنگار نے سے پہلے زیادہ تر مدت کے لیے تقریباً 625 امریکی ڈالرنی ٹی ایف آر کراچی رہیں۔ کینیڈا نے ایک ایم ایس ایس پی مارکیٹ کا زرخ ہونے کے ناطے زیر جائزہ مدت کے دوران 19 کلوٹن (2023: 16 کلوٹن) ایس ایس پی تیار کیا اور اس مدت کے دوران 15 کلوٹن (2023: 10 کلوٹن) فروخت کیا۔

مستقبل کا نقطہ نظر

خریفہ کی فصلوں خاص طور پر چاول کی فصل کے لیے زرعی معاشیات کے مثبت نقطہ نظر پر مبنی یوریا کے لیے مستقبل کی مانگ کا نقطہ نظر، زیادہ پیداوار دینے والی باہرہ اقسام کو بڑے پیمانے پر اپنانے کی وجہ سے جس میں زیادہ نائٹروجن کی ضرورت ہوتی ہے اور کپاس کی بوائی کی بحالی کے مسلسل دوسرے سال، امید افزا نظر آتا ہے۔ آنے والے سیزن میں یوریا کی مانگ پنجاب میں ایس این جی پی ایل نیٹ ورک پر کینیڈا کے یوریا پلانٹ سمیت ملک کے تمام پلانٹوں سے دستیاب یوریا کی صلاحیت کو پیچھے چھوڑ سکتی ہے، اور طلب کی فراہمی میں فرق برقرار رہنے کا امکان ہے جس کے لیے ایس ایس پی نیٹ ورک پر صلاحیت کی

سطح سے کم کر کے والے پلانٹ کو گیس کی فراہمی میں اضافے کے ذریعے اضافی فراہمی یا درآمدات کی ضرورت ہے۔

2023 کے دوران فاسفیٹ کی مانگ میں بہتری 2024 کے دوران جاری رہنے کے ساتھ ساتھ سال بہ سال کی بنیاد پر فاسفیٹ کی مجموعی مانگ میں مزید اضافے کا امکان ہے۔ آئندہ خریف سیزن کے دوران چاول اور کپاس کے مثبت تناظر کی بنیاد پر کسانوں کی طرف سے فاسفیٹ کے استعمال کی بازیابی کے لیے سٹاپ ہونے کا امکان ہے۔ عالمی فاسفیٹ کی قیمتیں قلیل مدت میں مندی کے رجحان کی نشاندہی کرتی ہیں اور مقامی فاسفیٹ مصنوعات کی قیمتوں پر اس کا اثر سیزن کے دوران کمی کی شکل میں ہونے کا امکان ہے، تاہم، مقامی قیمتوں میں کمی کا اٹھارہ لاکھ میں روپے کی قدر میں کمی پر ہے۔ کمپنی سے توقع کی جاتی ہے کہ وہ فاسفیٹ کی مجموعی مانگ کی وصولی پر ایس بی پی کی مزید بہتر پیداوار اور فروخت کا مظاہرہ کرے گی۔

سرماہی کی تنظیم اور بیجوں کے ساتھ قانونی چارہ جوئی

1,649 ملین روپے CFAD کی ادائیگی اور بورڈ آف ڈائریکٹرز کی منظوری کے بعد، کمپنی منظور شدہ آئی بی ایم آر ٹرنٹ (آئی بی ایم آر) کے تحت متعلقہ حصص جاری کرنے کے عمل میں ہے۔ کمپنی کو یقین ہے کہ آئی بی ایم آر کے مکمل نفاذ کے بعد بیجوں کی طرف سے دائر وصولی کے مقدمات کا متعلقہ عدالتوں میں کامیابی سے دفاع کیا جاسکتا ہے۔

دیگر معاملات

- جناب عاصم مرتضیٰ خان - آزاد ڈائریکٹر نے 18 اپریل 2024 کو بورڈ سے استعفیٰ دے دیا ہے۔ جناب حسن احمد نے 26 اپریل 2024 کو آزاد ڈائریکٹر کے طور پر بورڈ میں شمولیت اختیار کی ہے تاکہ اس آسانی کو برقرار رکھا جاسکے۔
- کمپنی بینک الفلاح لمیٹڈ سے موصول نوٹس کے جواب میں بینک کو جاری کردہ 10.883 ملین زرچینی حصص کو عام حصص میں تبدیل کرنے کے عمل میں ہے۔ اس میں ایس ای سی پی کے ساتھ متعلقہ فارم قابل کرنا اور تبادلے کے اثرات کو حساب کتاب میں لینا بھی شامل ہے۔
- کمپنی نے اپنے عبوری مالیاتی گوشواروں کے نوٹ 4 میں مہیلا ایف سی بی ڈی لمیٹڈ اور مہیلا ایف سی بی ڈی لمیٹڈ سمیت متعلقہ فریقوں کے پاس موجود عام حصص کا بھی ذکر کیا ہے۔

ضروری اجراء

بورڈ آف ڈائریکٹرز اپنے قابل قدر صارفین، مالیاتی شراکت داروں اور سرشار ملازمین کا خالص شکر یہ ادا کرتا ہے۔ آپ کا مسلسل اعتماد، تعاون اور محنت ہماری ترقی اور کامیابی کی بنیاد ہے۔

بورڈ کے لیے اور اس کی طرف سے



حسن احمد
ڈائریکٹر



محمد فیصل رحیل
چیف ایگزیکٹو آفیسر

130 اپریل 2024ء

Condensed Interim Statement of Financial Position

As at 31 March 2024

| | | (Un-audited) 31 March 2024 | (Audited) 31 December 2023 |
|--|-------------|----------------------------------|----------------------------------|
| | <i>Note</i> | <i>Rupees</i> | <i>Rupees</i> |
| EQUITY AND LIABILITIES | | | |
| <u>Authorized share Capital</u> | | 35,000,000,000 | 35,000,000,000 |
| <u>Share capital and reserves</u> | | | |
| Issued, subscribed and paid-up ordinary share capital | 4 | 3,924,300,000 | 3,924,300,000 |
| Reserves | | 9,000,000 | 9,000,000 |
| Accumulated losses | | (23,805,685,185) | (23,858,874,985) |
| Surplus on revaluation of property, plant and equipment - net of tax | | 32,772,260,986 | 32,998,144,218 |
| | | 12,899,875,801 | 13,072,569,233 |
| <u>Non-current liabilities</u> | | | |
| Redeemable capital - Secured | 5 | 3,296,027,409 | 3,170,409,622 |
| Convertible, redeemable preference shares | 6 | 1,593,342,690 | 1,593,342,690 |
| Non convertible, redeemable preference shares | 7 | 18,542,697,500 | 18,542,697,500 |
| Deferred Liabilities | | 10,192,300,938 | 10,328,109,165 |
| | | 33,624,368,537 | 33,634,558,977 |
| <u>Current liabilities</u> | | | |
| Preference dividend payable | | 25,081,903,395 | 23,852,887,378 |
| Short term borrowings - secured | 8 | 3,415,720,476 | 3,413,457,179 |
| Trade and other payables | 9 | 8,739,377,125 | 7,928,091,479 |
| Provision for taxation - net | | 17,071,350 | - |
| Interest/mark-up accrued on borrowings | | 2,997,545,599 | 2,825,973,353 |
| | | 40,251,617,945 | 38,020,409,389 |
| <u>Contingencies and commitments</u> | 10 | 86,775,862,283 | 84,727,537,599 |
| ASSETS | | | |
| <u>Non-current assets</u> | | | |
| Property, plant and equipment | 11 | 67,889,605,935 | 68,335,595,265 |
| Intangible assets | | 2,567,514,377 | 2,567,742,587 |
| Long term loans and advances - considered good | | 26,073,821 | 24,591,622 |
| Long term deposits - unsecured, considered good | | 55,125,837 | 54,949,437 |
| | | 70,538,319,970 | 70,982,878,911 |
| <u>Current assets</u> | | | |
| Stores, spares and loose tools | | 2,270,615,015 | 2,223,433,061 |
| Stock-in-trade | 12 | 1,500,582,784 | 1,185,544,326 |
| Advances, deposits, prepayments and other receivables | 13 | 4,489,259,873 | 4,205,105,051 |
| Tax refunds due from Government - net | | - | 82,775,808 |
| Short term investments - T-bills | | 7,852,552,236 | 5,527,370,029 |
| Cash and bank balances | | 124,532,405 | 520,430,413 |
| | | 16,237,542,313 | 13,744,658,688 |
| | | 86,775,862,283 | 84,727,537,599 |

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

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

For the three months period ended 31 March 2024

| | Notes | 3 months period ended | |
|---|-------|------------------------|-----------------|
| | | 31 March | 31 March |
| | | 2024 | 2023 |
| | | Rupees | Rupees |
| Sales - net | 14 | 9,240,650,314 | 840,838,422 |
| Cost of sales | | (7,607,116,304) | (1,392,112,789) |
| Gross profit / (loss) | | 1,633,534,010 | (551,274,367) |
| Selling and distribution expenses | | (242,517,955) | (28,284,218) |
| Administrative and general expenses | | (166,171,296) | (125,220,109) |
| Other expenses | | (1,117,141) | - |
| | | (409,806,392) | (153,504,327) |
| Other income | | 379,182,444 | 4,356,835 |
| Operating income / (loss) | | 1,602,910,062 | (700,421,859) |
| Finance cost | 15 | (1,750,648,907) | (1,339,571,036) |
| Loss before taxation | | (147,738,845) | (2,039,992,895) |
| Taxation for the period | 16 | (24,954,587) | 127,128,665 |
| Loss after taxation | | (172,693,432) | (1,912,864,230) |
| Loss per share - basic and diluted | | (0.44) | (4.87) |

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months period ended 31 March 2024

| | 3 months period ended | |
|--|-----------------------|------------------------|
| | 31 March | 31 March |
| | 2024 | 2023 |
| | <i>Rupees</i> | <i>Rupees</i> |
| Loss after taxation | (172,693,432) | (1,912,864,230) |
| Other comprehensive income | - | - |
| Total comprehensive loss for the period | (172,693,432) | (1,912,864,230) |

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

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

For the three months period ended 31 March 2024

| | Capital Reserve | | Reserves | | Total Equity |
|---|------------------------|--|------------------|-------------------------|-----------------------|
| | Ordinary Share Capital | Surplus on revaluation of property, plant and equipment - net of tax | Revenue Reserve | Accumulated Losses | |
| | <i>Rupees</i> | | | | |
| As at 01 January 2023 | 3,924,300,000 | 33,901,677,144 | 9,000,000 | (25,850,797,277) | 11,984,179,867 |
| Loss for the period ended March 31, 2023 | - | - | - | (1,912,864,230) | (1,912,864,230) |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive loss for the period ended 31 March 2023 | - | - | - | (1,912,864,230) | (1,912,864,230) |
| Surplus transferred to accumulated losses on account of: | | | | | |
| - incremental depreciation on property, plant and equipment - net of deferred tax | - | (225,883,232) | - | 225,883,232 | - |
| As at 31 March 2023 | 3,924,300,000 | 33,675,793,912 | 9,000,000 | (27,537,778,275) | 10,071,315,637 |
| As at 01 January 2024 | 3,924,300,000 | 32,998,144,218 | 9,000,000 | (23,858,874,985) | 13,072,569,233 |
| Loss for the period ended March 31, 2024 | - | - | - | (172,693,432) | (172,693,432) |
| Other comprehensive income for the period | - | - | - | - | - |
| Total comprehensive loss for the period ended 31 March 2024 | - | - | - | (172,693,432) | (172,693,432) |
| Surplus transferred to accumulated losses on account of: | | | | | |
| - incremental depreciation on property, plant and equipment - net of deferred tax | - | (225,883,232) | - | 225,883,232 | - |
| As at 31 March 2024 | 3,924,300,000 | 32,772,260,986 | 9,000,000 | (23,805,685,185) | 12,899,875,801 |

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the three months period ended 31 March 2024

| | | 31 March 2024 | 31 March 2023 |
|---|--------------|--------------------------|--------------------------|
| | <i>Notes</i> | <i>Rupees</i> | <i>Rupees</i> |
| <u>Cash flows from operating activities</u> | | | |
| Cash generated from operations | 18 | 1,632,917,850 | 49,443,213 |
| Income tax paid | | (61,552,164) | (12,854,994) |
| Staff retirement benefits paid | | (126,254) | - |
| Long term loans and advances | | (1,482,199) | (4,717,245) |
| Long term deposits - net | | (176,400) | - |
| Net cash generated from operating activities | | 1,569,580,833 | 31,870,974 |
| <u>Cash flows from investing activities</u> | | | |
| Capital expenditure incurred | | (27,534,942) | (112,279,021) |
| Interest income received | | 385,339,272 | 7,659,095 |
| Proceeds from disposal of property, plant and equipment | | 1,128,700 | - |
| Short term investments | | (2,325,182,207) | - |
| Net cash used in investing activities | | (1,966,249,177) | (104,619,926) |
| <u>Cash flows from financing activities</u> | | | |
| Long term loans repaid | | - | - |
| Finance cost paid | | (1,492,963) | (1,092,348) |
| Net cash used in financing activities | | (1,492,963) | (1,092,348) |
| Net decrease in cash and cash equivalents | | (398,161,306) | (73,841,299) |
| Cash and cash equivalents at the beginning of period | | (2,009,046,937) | (2,153,961,367) |
| Cash and cash equivalents at the end of period | 20 | (2,407,208,243) | (2,227,802,666) |

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive


Director

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

For the three months period ended 31 March 2024

1 Reporting entity

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

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

- Unit I located at Iskanderabad, District Mianwali; and
- Unit II at Hattar Road, Haripur.

2 Basis of preparation

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standards (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of accounting

These condensed interim financial statements comprise the condensed interim statement of financial position of Agritech Limited ("the Company") as at 31st March 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof.

These condensed interim financial statements do 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 2023.

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 2023, 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 2023.

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.

These condensed interim 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.

2.3 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 expenses. 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 2023.

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

For the three months period ended 31 March 2024

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 2023.

| | Un-audited | Audited |
|--|-----------------------------|----------------------|
| | 31 March | 31 December |
| | 2024 | 2023 |
| | Rupees | Rupees |
| 4 Issued, subscribed and paid up ordinary share capital | | |
| 383,430,000 (December 31, 2023: 383,430,000) class | 3,834,300,000 | 3,834,300,000 |
| A ordinary shares of Rs.10 each fully paid in cash | | |
| 9,000,000 (December 31, 2023: 9,000,000) ordinary shares | | |
| of Rs. 10 each issued for consideration other than cash | 90,000,000 | 90,000,000 |
| | <u>3,924,300,000</u> | <u>3,924,300,000</u> |

4.1 Ordinary Shares of the Company held by related parties / associated undertakings at period end are as follows:

| | 31 March | 31 December | 31 March | 31 December |
|---|--------------------------|-------------|---------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| | (Percentage held) | | (Number of shares) | |
| National Bank of Pakistan | 27.01% | 27.01% | 106,014,632 | 106,014,632 |
| Faysal Bank Limited | 4.56% | 4.56% | 17,914,040 | 17,914,040 |
| Pak China Investment Company Limited | 3.02% | 0% | 11,832,836 | 11,832,836 |
| Bank Makramah Limited | 0% | 0% | 1,000 | 1,000 |
| Maple Leaf Capital Limited & Maple Leaf | | | | |
| Cement Factory Limited | 14.34% | 9.85% | 56,272,501 | 38,670,001 |
| Silk Bank Limited (ceased to be related party | | | | |
| w.e.f. September 2023) | 0% | 0% | 1,000 | 1,000 |

5 Redeemable Capital - Secured

| | | |
|---|-----------------------------|----------------------|
| Privately Placed Term Finance Certificates (PPTFCs) | 2,343,444,773 | 2,254,131,679 |
| Privately Placed Sukuk Certificates (Sukuks) | 952,582,636 | 916,277,943 |
| | <u>3,296,027,409</u> | <u>3,170,409,622</u> |

5.1 Types of redeemable capital

| | | |
|------------------------------------|-----------------------------|----------------------|
| Interest / mark-up based financing | 2,343,444,773 | 2,254,131,679 |
| Islamic mode of financing | 952,582,636 | 916,277,943 |
| | <u>3,296,027,409</u> | <u>3,170,409,622</u> |

5.2 Terms and conditions are same as those disclosed in annual financial statements for the year ended 31 December 2023.

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

For the three months period ended 31 March 2024

| | Un-audited | Audited |
|---|-----------------------------------|--|
| | 31 March | 31 December |
| | 2024 | 2023 |
| | Rupees | Rupees |
| 6 Convertible, redeemable preference shares | | |
| Preference shares of Rs. 10 each fully paid in cash 159,334,269 (31 December 2023: 159,334,269) | <u>1,593,342,690</u> | <u>1,593,342,690</u> |
| 6.1 The preference shareholders have a preferred right of dividend at the rate of 11% per annum on cumulative basis. | | |
| | --- (Number of shares) --- | |
| 6.2 'Preference shares of the company held by related / associated undertakings as at period / year end are as follows: | | |
| Faysal Bank Limited | 31,035,594 | 31,035,594 |
| National Bank of Pakistan | <u>61,748,756</u> | <u>61,748,756</u> |
| | <u>92,784,350</u> | <u>92,784,350</u> |
| 6.3 The company has received a notice (dated 29 Feb 2024) from Bank Alfalah Limited for conversion of 10.88 million preference shares into ordinary shares. The company is in the process of conversion of these preference shares into ordinary shares. After this conversion, the remaining preference shares will be 148,450,783 held by other investors. | | |
| 7 Non convertible, redeemable preference shares | <i>Note</i> | |
| Preference shares of Rs. 10 each 1,854,269,750 (2023: 1,854,269,750) shares | 7.1 | <u>18,542,697,500</u> <u>18,542,697,500</u> |
| 7.1 This represents local currency, non-listed, redeemable, non convertible and cumulative preference shares with limited voting rights, issued at the rate of Rs. 10 per share under the agreement between the Company and various lenders / investors under the Scheme of Arrangement sanctioned by Honorable Lahore High Court (LHC) on June 03, 2022, effective from 31 December, 2013. | | |
| The Company shall have option to redeem these preference shares plus any accumulated unpaid dividends in full or in part, within ninety days after the expiry of first anniversary from the date of issue and subsequently every anniversary thereafter by giving at least thirty days notice. | | |
| The preference shareholders have a preferred right of dividend @ 1 Year KIBOR + 4% per annum on cumulative basis. | | |
| 7.2 The Board in its meeting held on February 12, 2024 has given approval for issuance of related instruments to the tune of Rs. 18,542,697,500 of preference shares / Sharia compliant preference shares. Currently, the Company is in process of completion of legal formalities associated with this issue. | | |

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

For the three months period ended 31 March 2024

7.3 Preference shares of the Company allotted to associated undertakings are as follows:

| | --- (Number of shares) --- | |
|--|----------------------------|--------------------|
| | 31-Mar-24 | 31-Dec-23 |
| Faysal Bank Limited | 164,152,738 | 164,152,738 |
| National Bank of Pakistan | 248,639,905 | 248,639,905 |
| Bank Makramah Limited (Formerly: Summit Bank Limited) | 55,202,302 | 55,202,302 |
| Pak China Investment Company Limited | 18,787,215 | 18,787,215 |
| Silk Bank Limited (ceased to be related party w.e.f. September 2023) | - | 17,277,866 |
| | <u>486,782,160</u> | <u>504,060,026</u> |

8 Short term borrowings - secured

| | | |
|--|----------------------|----------------------|
| Interest / mark-up based loans - secured | 2,898,982,412 | 2,896,719,114 |
| Islamic mode of financing - secured | 516,738,064 | 516,738,065 |
| | <u>3,415,720,476</u> | <u>3,413,457,179</u> |

8.1 All terms and conditions applicable on these facilities are same as those disclosed in the annual audited financial statements for the year ended 31 December 2023.

9 Trade and other payables

Note

| | | | |
|---------------------------|-----|----------------------|----------------------|
| Trade and other creditors | 9.1 | 7,036,418,291 | 5,849,335,546 |
| Accrued liabilities | | 427,640,689 | 437,086,638 |
| Advances from customers | | 1,041,036,421 | 1,339,009,140 |
| Others | | 234,281,724 | 302,660,155 |
| | | <u>8,739,377,125</u> | <u>7,928,091,479</u> |

9.1 This includes current portion of GIDC payable amounting to Rs. 3,041 million (2023: Rs. 3,014 million). During year 2020, the Company filed petition against recovery of GIDC which has been decided in year 2021 in favor of the Company holding that GIDC is not payable till the exercise of factual determination of GIDC liability is finalized by the higher powered committee formed in compliance of the Supreme Court order.

10 Contingencies and commitments

10.1 Contingencies

10.1.1 Tax contingencies

There is no change in tax contingencies except for the following;

- The Company filed sales tax refunds amounting to Rs. 2,214.82 million for the tax periods January-2021 to June-2022. DCIR vide letter no. 7763A dated 20 April 2023 intimated regarding pre-refund audit and confronted the Company with certain observations. The Company submitted its contentions before DCIR who vide order no. 02/2023 dated 29 January 2024 rejected the refunds and charged the Company with sales tax and default surcharge amounting to Rs. 2,466.85 million. The Company, being aggrieved, filed an appeal before CIR-A which is pending for adjudication.

10.1.2 Other 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 2023.

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

For the three months period ended 31 March 2024

| | | Un-audited 31-Mar 2024 | Audited 31 December 2023 |
|--|------|------------------------------|--------------------------------|
| | Note | Rupees | Rupees |
| 10.2 Commitments | | | |
| 10.2.1 Commitments under irrevocable letters of credit for: | | | |
| - purchase of stores & spares / plant & machinery | | 121,583,596 | 69,323,686 |
| - purchase of raw material | | 84,898,110 | - |
| | | <u>206,481,706</u> | <u>69,323,686</u> |
| 11 Property, plant and equipment | | | |
| Operating fixed assets | 11.1 | 67,862,011,963 | 68,330,193,294 |
| Capital work in progress | | 27,593,972 | 5,401,971 |
| | | <u>67,889,605,935</u> | <u>68,335,595,265</u> |
| 11.1 Operating fixed assets | | | |
| Net book value at beginning of the period / year | | 68,330,193,294 | 69,460,198,544 |
| Add: Additions during the period / year | | 5,353,752 | 764,724,814 |
| Less: Disposals during the period / year - net book value | | 2,245,842 | 57,417,992 |
| Depreciation for the period / year | | 471,289,241 | 1,837,312,072 |
| | | 473,535,083 | 1,894,730,064 |
| Net book value at end of the period / year | | <u>67,862,011,963</u> | <u>68,330,193,294</u> |
| 12 Stock in Trade | | | |
| Raw material | | 415,960,911 | 399,414,318 |
| Packing material | | 59,149,676 | 27,462,787 |
| Work in process | | 323,356,934 | 199,938,707 |
| Finished goods | | 702,115,263 | 558,728,514 |
| | | <u>1,500,582,784</u> | <u>1,185,544,326</u> |
| 13 Advances, deposits, prepayments & other receivables | | | |
| Advances to suppliers - <i>unsecured, considered good</i> | | 680,866,493 | 421,857,514 |
| Advances to employees | | 55,246,017 | 47,886,989 |
| Deposit with High Court | | 36,000,000 | 36,000,000 |
| Prepayments | | 12,445,673 | 7,194,615 |
| Receivable from Government of Pakistan | | 1,346,250 | 1,346,250 |
| Receivable from Government of Punjab | | 5,546,656 | 5,546,656 |
| Sales tax receivable | | 2,975,465,431 | 2,976,542,972 |
| Subsidy receivable | | 812,227,932 | 812,227,932 |
| Other receivables | | 127,779,154 | 114,165,856 |
| | | <u>4,706,923,606</u> | <u>4,422,768,784</u> |
| Less: provision against doubtful receivables | | (217,663,733) | (217,663,733) |
| | | <u>4,489,259,873</u> | <u>4,205,105,051</u> |

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

For the three months period ended 31 March 2024

| | Note | (Un-audited) March 2024 | (Un-audited) March 2023 |
|-----------------------|------|-------------------------------|-------------------------------|
| | | Rupees | Rupees |
| 14 Sales - net | | | |
| Sale of fertilizers | 14.1 | 9,601,619,532 | 802,324,086 |
| Other products | | 53,056,830 | 45,336,627 |
| Total | | <u>9,654,676,362</u> | <u>847,660,713</u> |
| Less: | | | |
| Federal excise duty | | (405,932,634) | - |
| Sales tax | | (8,093,414) | (6,822,291) |
| | | <u>9,240,650,314</u> | <u>840,838,422</u> |

14.1 This includes sale of imported urea fertilizer of 13,565 tons (2023: Nil) allocated by NFML.

| | | | |
|---|--|----------------------|----------------------|
| 15 Finance cost | | | |
| Redeemable capital | | 125,617,787 | 565,318,203 |
| Long term finances | | - | 362,366,131 |
| Short term borrowings | | 175,195,333 | 159,991,501 |
| Late payment surcharge on GIDC | | 193,766,339 | 179,212,099 |
| Dividend on convertible, redeemable preference shares | | 43,696,879 | 43,216,693 |
| Dividend on non convertible, redeemable preference shares | | 1,185,319,138 | - |
| Amortization of present value of GIDC | | 26,920,257 | 29,193,172 |
| Bank charges and commission | | 133,174 | 273,237 |
| | | <u>1,750,648,907</u> | <u>1,339,571,036</u> |

| | | | |
|--------------------|--|-------------------|----------------------|
| 16 Taxation | | | |
| Current | | 161,399,322 | 10,510,481 |
| Deferred | | (136,444,735) | (137,639,146) |
| | | <u>24,954,587</u> | <u>(127,128,665)</u> |

17 Transactions and balances with related parties

Related parties comprise of associated undertakings, key management personnel (including the Chief Executive and Directors), post employment benefit plans and other related parties. Details of transactions and balances with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

| | Un-audited 31 March 2024 | Un-audited 31 March 2023 |
|--|--------------------------------|--------------------------------|
| | Rupees | Rupees |
| 17.1 Transactions with related parties | | |
| 17.1.1 Associated Undertakings | | |
| 17.1.1.1 Shareholding and common directorship | | |
| National Bank of Pakistan | | |
| Mark-up expense | 11,259,522 | 157,934,896 |
| Preference dividend | 175,874,387 | 938,128 |
| Finance cost - Unwinding of present value of PPTFCs | 25,720,070 | - |
| (Decrease) / Increase in bank balances - net | 1,099,444 | (1,015,360) |

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

For the three months period ended 31 March 2024

| | Un-audited 31 March 2024 Rupees | Un-audited 31 March 2023 Rupees |
|---|--|--|
| 17.1.1.2 Common directorship | | |
| Faysal Bank Limited | | |
| Mark-up expense | - | 92,519,078 |
| Preference dividend | 113,444,025 | 8,417,873 |
| Finance cost - Unwinding of present value of Sukuks | 14,935,866 | - |
| (Decrease) / Increase in bank balances - net | (10,235,466) | (20,058,630) |
| Silk Bank limited (ceased to be related party w.e.f. September 2023) | | |
| Mark-up expense for the period | - | 32,482,789 |
| Bank Makramah Limited (Formerly: Summit Bank Limited) | | |
| Mark-up expense | 37,517,037 | 56,296,605 |
| Preference dividend | 35,287,393 | - |
| Finance cost - Unwinding of present value of PPTFCs | 3,982,079 | - |
| (Decrease) / Increase in bank balances - net | 125,827 | (141,043) |
| Pak China Investment Company Limited | | |
| Preference dividend | 12,009,496 | - |
| Finance cost - Unwinding of present value of PPTFCs | 1,617,600 | - |
| 17.1.1.3 Post employment benefit plans | | |
| Contribution to employees provident fund | 7,401,960 | 5,676,371 |
| Contribution to employees gratuity fund | 762,763 | 5,610,489 |
| 17.1.1.4 Remuneration of key management personnel | 62,272,166 | 34,910,267 |
| | Un-audited 31-Mar 2024 Rupees | Audited 31-Dec 2023 Rupees |
| 17.2 Balances with related parties | | |
| 17.2.1 Associated Undertakings | | |
| 17.2.1.1 Shareholding and common directorship | | |
| National Bank of Pakistan | | |
| Redeemable capital | 674,857,095 | 649,137,025 |
| Bills payable | 187,030,000 | 187,030,000 |
| Convertible, redeemable preference shares | 617,487,560 | 617,487,560 |
| Non convertible, redeemable preference shares | 2,486,399,050 | 2,486,399,050 |
| Mark-up payable | 325,679,230 | 314,419,708 |
| Preference dividend payable | 3,341,065,013 | 3,165,190,626 |
| Bank balances | 2,406,831 | 1,307,387 |
| Advisory fee | 738,600,000 | 738,600,000 |
| Advance for transaction cost | 23,200,000 | 23,200,000 |

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

For the three months period ended 31 March 2024

| | Un-audited 31-Mar 2024 | Audited 31-Dec 2023 |
|---|------------------------------|---------------------------|
| | Rupees | Rupees |
| 17.2.1.2 Common directorship | | |
| Faysal Bank | | |
| Redeemable capital | 391,895,316 | 376,959,450 |
| Convertible, redeemable preference shares | 310,355,940 | 310,355,940 |
| Non convertible, redeemable preference shares | 1,641,527,380 | 1,641,527,380 |
| Mark up payable | 2,806,923 | 2,806,923 |
| Preference dividend payable | 2,446,315,763 | 2,332,871,738 |
| Bank balances | 9,538,185 | 19,773,651 |
| Trustee fee | 5,668,582 | 5,668,582 |
| SBLC | 200,000,000 | 200,000,000 |
| LC Margin | 107,597,897 | 46,267,236 |
| Silk Bank Limited (ceased to be related party w.e.f. September 2023) | | |
| Non convertible, redeemable preference shares | - | 172,778,660 |
| Preference dividend payable | - | 202,859,430 |
| Short term borrowings | - | 550,996,589 |
| Mark-up payable | - | 253,097,656 |
| Bank Makramah Limited (Formerly: Summit Bank Limited) | | |
| Redeemable capital | 104,483,950 | 100,501,871 |
| Non convertible, redeemable preference shares | 552,023,020 | 552,023,020 |
| Short term borrowings | 671,895,478 | 671,895,478 |
| Mark up payable | 265,958,329 | 228,441,292 |
| Preference dividend payable | 683,417,630 | 648,130,237 |
| Bank balances | 332,974 | 207,147 |
| Pak China Investment Company Limited | | |
| Redeemable capital | 42,443,454 | 40,825,854 |
| Non convertible, redeemable preference shares | 187,872,150 | 187,872,150 |
| Preference dividend payable | 232,590,192 | 220,580,696 |
| Others | | |
| Housing Colony - receivable | 49,385,756 | 38,707,135 |
| Iskanderabad Welfare Trust - payable | - | 2,486,023 |
| 17.2.3 Post employment benefit plans | | |
| Payable to Employees Provident Fund | - | 1,141,459 |
| Payable to Employee Gratuity Fund | 6,906,964 | 6,270,448 |

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

For the three months period ended 31 March 2024

| | Un-audited 31-Mar 2024 | Un-audited 31-Mar 2023 |
|--|------------------------------|------------------------------|
| | Rupees | Rupees |
| 18 Cash flow from operating activities | | |
| Loss before tax | (147,738,845) | (2,039,992,895) |
| Adjustment for non-cash items: | | |
| Interest / markup expense | 1,554,619,270 | 1,160,358,937 |
| Depreciation on property, plant and equipment | 471,278,428 | 468,834,240 |
| Amortization of computer software | 228,210 | 71,961 |
| Provision for staff retirement benefit | 762,763 | 5,610,489 |
| Mark-up / interest income | (385,339,272) | (7,659,095) |
| Loss on sale of property, plant and equipment | 1,117,141 | - |
| Operating profit / (loss) before changes in working capital | 1,494,927,695 | (412,776,363) |
| Changes in working capital | | |
| (Increase) / decrease in current assets: | | |
| Stores, spares and loose tools | (47,181,952) | 101,248,123 |
| Stock in trade | (315,038,458) | (184,086,229) |
| Trade receivables | - | 373,679 |
| Advances, deposits, prepayments and other receivables | (284,154,823) | (128,518,941) |
| | (646,375,233) | (210,983,368) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 784,365,388 | 673,202,944 |
| Cash generated from operations | <u>1,632,917,850</u> | <u>49,443,213</u> |

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

For the three months period ended 31 March 2024

19 Segment reporting

19.1 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:

19.2 Segment revenue and results

Following is the information about reportable segments of the Company:

| | Urea fertilizer segment | | Phosphate fertilizer segment | | Consolidated | |
|--------------------------------|-------------------------|---------------------|------------------------------|---------------------|------------------|---------------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | <i>Rupees 'mln'</i> | | | | | |
| | 8,303 | 291 | 938 | 549 | 9,241 | 841 |
| | (511) | (2,217) | 363 | 177 | (148) | (2,040) |
| | <i>Rupees 'mln'</i> | | | | | |
| | Urea fertilizer segment | | Phosphate fertilizer segment | | Consolidated | |
| | 31 March 2024 | 31 December 2023 | 31 March 2024 | 31 December 2023 | 31 March 2024 | 31 December 2023 |
| As at | 85,382 | 83,673 | 12,181 | 11,272 | 97,563 | 94,946 |
| Reportable segment assets | 78,073 | 75,841 | 2,087 | 1,529 | 80,160 | 77,370 |
| Reportable segment liabilities | | | | | | |

For the three months period ended 31 March 2024

External revenues
Reportable segment Profit / (loss) before tax

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

For the three months period ended 31 March 2024

| | Un-audited | Un-audited |
|--|-------------------------------|-------------------------------|
| | March | March |
| | 2024 | 2023 |
| | Rupees | Rupees |
| 19.3 Reconciliation of reportable segment -profit or loss | | |
| For the three months ended | | |
| Loss for reportable segments before taxation | (147,738,845) | (2,039,992,895) |
| Taxation for the period | (24,954,587) | 127,128,665 |
| Loss after taxation | <u>(172,693,432)</u> | <u>(1,912,864,230)</u> |
| 20 Cash and cash equivalents | | |
| Short term borrowings - running finance - secured | (2,531,740,648) | (2,682,890,142) |
| Cash and bank balances | <u>124,532,405</u> | <u>455,087,476</u> |
| | <u>(2,407,208,243)</u> | <u>(2,227,802,666)</u> |

- 21** The Company, in order to streamline and restructure its existing overdue long-term debts towards creditors (i.e. Rs. 19,447 billion) and related markup (i.e. Rs. 6.075 billion) as of 31 December 2013, developed a Comprehensive Rehabilitation Scheme in the form of a Scheme of Arrangement ('the Scheme') under Sections 284 to 288 of the Companies Ordinance 1984. Subsequently, approvals from the lenders and shareholders, the Scheme was filed with the Honorable Lahore High Court (LHC) in June 2016. The LHC sanctioned the Scheme in June 2022, with effect from December 31, 2013.

The scheme envisaged the payment of CFADs (Cash Flow Available for Debt Servicing) of Rs. 1.65 Billion to the lenders as per the chosen options; issuance of preference shares in lieu of outstanding long-term debts; waiver of mark-ups as at 31 December 2013; and issuance of Zero coupon PPTFCs / Sukuks in lieu of accrued mark-ups outstanding as on 31 December 2013.

The Company is in process of implementation of sanctioned scheme. After sanctioning of the scheme by LHC, key milestones achieved are reconciliation of balances with lenders, amendment in Memorandum and Articles of Association of the Company to increase authorized capital up to Rs. 35,000 million and disbursement of cash payments of Rs 1,649 million to the lenders, and issuance of new instruments (i.e. preference shares/shariah compliant preference shares, PPTFCs / Sukuks) is under process by the Company. The Company has incorporated related adjustments required for full implementation of the approved scheme in the financials for year ended 31 December 2023.

22 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.

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

For the three months period ended 31 March 2024

| | Carrying amount | | | Fair value | | | | |
|--------------------------------|-----------------------------|---------------------------|-----------------------------|---------------|---------|---------|---------|-------|
| | Trade and other receivables | Cash and cash equivalents | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | | | |
| Long term loans and advances | 26,073,821 | - | - | 26,073,821 | - | - | - | - |
| Short term investments | 7,852,552,236 | - | - | 7,852,552,236 | - | - | - | - |
| Long term deposits | 55,125,837 | - | - | 55,125,837 | - | - | - | - |
| Advances and other receivables | 219,025,171 | - | - | 219,025,171 | - | - | - | - |
| Cash and bank balances | 124,532,405 | - | - | 124,532,405 | - | - | - | - |
| | 8,277,309,470 | - | - | 8,277,309,470 | - | - | - | - |

As at 31 March 2024 - represented

Financial assets - not measured at fair value

Long term loans and advances
Short term investments
Long term deposits
Advances and other receivables
Cash and bank balances

| | Carrying amount | | | Fair value | | | | |
|--------------------------------|-----------------------------|---------------------------|-----------------------------|---------------|---------|---------|---------|-------|
| | Trade and other receivables | Cash and cash equivalents | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| | | | | | | | | |
| Long term loans and advances | 24,591,622 | - | - | 24,591,622 | - | - | - | - |
| Short term investments | 5,527,370,029 | - | - | 5,527,370,029 | - | - | - | - |
| Long term deposits | 54,949,437 | - | - | 54,949,437 | - | - | - | - |
| Advances and other receivables | 198,052,845 | - | - | 198,052,845 | - | - | - | - |
| Cash and bank balances | 520,430,413 | - | - | 520,430,413 | - | - | - | - |
| | 6,325,394,346 | - | - | 6,325,394,346 | - | - | - | - |

As at 31 December 2023 - represented

Financial assets - not measured at fair value

Long term loans and advances
Short term investments
Long term deposits
Advances and other receivables
Cash and bank balances

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

For the three months period ended 31 March 2024

| | Un-audited 31-Mar 2024 | Audited 31-Dec 2023 |
|---|------------------------------|------------------------------|
| | Rupees | Rupees |
| <u>Financial liabilities at amortized cost</u> | | |
| Redeemable capital | 3,296,027,409 | 3,170,409,622 |
| Convertible, redeemable preference shares | 1,593,342,690 | 1,593,342,690 |
| Short term borrowings | 3,415,720,476 | 3,413,457,179 |
| Trade and other creditors | 7,036,418,291 | 5,849,335,546 |
| Accrued liabilities | 427,640,689 | 437,086,638 |
| Security deposits and retention money | 19,839,889 | 19,262,525 |
| Other payables | 33,929,564 | 33,951,604 |
| Mark-up accrued on borrowings | 2,997,545,599 | 2,825,973,353 |
| Preference dividend payable | 25,081,903,395 | 23,852,887,378 |
| | <u>43,902,368,002</u> | <u>41,195,706,535</u> |

23 Financial Risk Management

The Company's financial risk management objective and policies are consistent with those disclosed in the financial statements for the financial year ended on 31 December 2023.

24 Date of authorization

These condensed interim financial statements were authorized for issue by the Board of Directors of the Company on 30 April, 2024.

25 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.

26 General

26.1 Figures have been rounded off to the nearest rupee.

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


Chief Financial Officer


Chief Executive


Director

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